



GAIL (India) Limited

(A Govt. of India Undertaking)

A Navratna Company

NEW DELHI, INDIA

KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT

BID DOCUMENT FOR PROCUREMENT OF

CARBON STEEL BARE /COATING/COATED LINE PIPES

UNDER OPEN INTERNATIONAL COMPETITIVE BIDDING

Bid Document No.: 05/51/23M3(PH-I)/GAIL/012

E-TENDER No. 8000001720

VOLUME – I OF II



PREPARED AND ISSUED BY

MECON LIMITED

(A Govt. of India Undertaking)

Delhi, India

REQUEST FOR QUOTATION (RFQ)

* Bid Document No. 05/51/23M3(PH-I)/GAIL/012

Date: 23.02.2010

	Client / Owner : GAIL (India) Limited
	Project : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT
	Item : CARBON STEEL BARE /COATING/COATED LINE PIPES
	Due Date : Upto 1400 Hrs. (IST) on 06.04.2010
	Pre Bid Meeting : 1130 Hrs. (IST) on 05.03.2010 at GAIL New, Delhi

BID DOCUMENT FEE: shall be furnished in physical form as per cl. No.8.4 of IFB.

BID SECURITY: Shall be furnished in physical form as per Clause 14 of Instructions to Bidders

POWER OF ATTORNEY: Shall be furnished in physical form as per cl. No.8.4 of IFB

UNPRICED BID OPENING: PUBLIC OPENING AT 1500 hrs. (IST) on **06.04.2010** at GAIL (INDIA) LIMITED , 16, Bhikaji Kama Place, R K Puram , New Delhi-110066
Ph. No. 91-11-26182955
Fax No. 91-11-26185941

PRICED BID OPENING: PUBLIC OPENING: DATE, TIME AND VENUE SHALL BE INTIMATED LATER.

Gentlemen,

1. E- Bids are invited on behalf of our client M/s GAIL (India) Limited for the captioned item in total compliance to technical specifications, scope and terms & conditions of enquiry documents/attachments. Your offer must be complete in all respect and must contain confirmation/compliance to all points of enclosed Bidding Documents without any deviations i.e. ZERO DEVIATION OFFER, failing which your offer will be liable for rejection.
2. Part I to V of E-Bid should be submitted as explained in IFB on GAIL's e-tendering website system. Additionally, Part III, IV & V of E-Bid should be submitted (in MECON office at Delhi) in original in physical form in sealed envelopes pasted with corresponding cut-out slips addressed to Dy.GM I/c (Contracts), MECON Limited, 15th Floor, North Tower, SCOPE Minar, Laxmi Nagar District Centre, Delhi-92.
Bids should be submitted in accordance with Clause – 20 of the Instructions to Bidders.
3. Bids complete in all respects should be submitted on-line in GAIL's e-tender site on or before the BID SUBMISSION DATE & TIME.
4. Please confirm that you have not been banned or delisted by any Government or Quasi Government agencies or PSUs. If you have been banned or delisted by any Government or Quasi Government agencies or PSUs, then this fact must be clearly stated. If this declaration is not furnished your bid shall be treated as non-responsive and liable for rejection.

Please specify Bid Document No. in all correspondence

THIS IS NOT AN ORDER

Very truly yours,
For & on behalf of
M/s GAIL (India) Limited

(S S Roy)
Dy.Gen.Manager I/C (Contracts)
MECON Limited, Delhi

Enclosure : 1. Bid Document No. 05/51/23M3(PH-I)/GAIL/012 comprising of following :

- 1 Volume -I of II : Commercial
- 2 Volume -II of II : Technical
3. Cut Out Slips.

DO NOT OPEN - THIS IS A QUOTATION

(Original Bid Security)

Owner : GAIL (INDIA) LIMITED
Project : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT
Bid Document No. : 05/51/23M3(PH-I)/GAIL/012 (E-tender no.8000001720)
Item : CARBON STEEL BARE/COATING/COATED LINE PIPES
Due Date& Time : Upto 1400 Hrs. (IST) on 06.04.2010
From : To :

	The Deputy General Manager I/c (Contracts) MECON LIMITED 15TH FLOOR, NORTH TOWER, SCOPE MINAR, LAXMI NAGAR DISTRICT CENTRE DELHI – 110092 Ph No.: 91-11-22401144/22401143/22401129 Fax No.: 91-11-22041214/22401203 Email: mecondly@bol.net.in
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(To be pasted on the physical envelope containing Original Bid Security) (Part III)

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DO NOT OPEN - THIS IS A QUOTATION

(Original Bid Document Fee & Mill Audit Fee)

Owner : GAIL (INDIA) LIMITED
Project : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT
Bid Document No. : 05/51/23M3(PH-I)/GAIL/012 (E-tender no.8000001720)
Item : CARBON STEEL BARE/COATING/COATED LINE PIPES
Due Date& Time : Upto 1400 Hrs. (IST) on 06.04.2010
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(To be pasted on the physical envelope containing Original Demand draft for Bid document fee & Mill Audit Fee) (Part IV)

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DO NOT OPEN - THIS IS A QUOTATION

(POWER OF ATTORNEY AND INTEGRITY PACT)

Owner : GAIL (INDIA) LIMITED

Project : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT

Bid Document No. : 05/51/23M3(PH-I)/GAIL/012 (E-tender no.8000001720)

Item : CARBON STEEL BARE/COATING/COATED LINE PIPES

Due Date& Time : Upto 1400 Hrs. (IST) on 06.04.2010

From : To :

	The Deputy General Manager I/c (Contracts) MECON LIMITED 15TH FLOOR, NORTH TOWER, SCOPE MINAR, LAXMI NAGAR DISTRICT CENTRE DELHI – 110092 Ph No.: 91-11-22401144/22401143/22401129 Fax No.: 91-11-22041214/22401203 Email: mecondly@bol.net.in
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(To be pasted on the Physical envelope containing Original Power of Attorney& Integrity Pact (PART-V))

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SECTION I
INVITATION FOR BID (IFB)

**INVITATION FOR BIDS (IFB) UNDER OPEN INTERNATIONAL COMPETITIVE BIDDING
FOR LINE PIPES FOR KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT
OF M/S GAIL (INDIA) LIMITED
BID DOCUMENT NO. 05/51/23M3(PH-I)/GAIL/012(E-tender no.8000001720)**

M/s MECON LIMITED, who has been retained by GAIL (India) Ltd., (A Govt. of India Undertaking), A Navratna Company, as a consultant for “**KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT**”, invites sealed bids through e-tendering on open International Competitive Bidding basis for Carbon Steel Bare /Coating/Coated Line Pipes in complete accordance with the Bid Documents / Attachments on behalf of M/s. GAIL (India) Limited, New Delhi, under single stage two e-envelopes system from competent suppliers meeting the Bid Evaluation Criteria as detailed herein. Bids submitted online shall only be considered for processing.

1.0 Brief Project Details & Salient Features of Bid Document

1.1 Brief Project Details

M/s GAIL (India) Limited intend to procure Line Pipes for transporting Natural Gas for **KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT**

1.2 Salient Features of Bid Document

1.2.1	Type of Enquiry	Open International Competitive Bidding (E-tendering).
1.2.2	Bid Document No	05/51/23M3(PH-I)/GAIL/012 E-Tender no.8000001720 (To be referred in all future correspondence)
1.2.3	Bid Document on Website	From 23.02.2010 to 06.04.2010
1.2.4	Pre-Bid Meeting Date and Venue	On 05.03.2010 At 1130 Hrs., GAIL, Corporate Office, New Delhi
1.2.5	Last date and time for submission of bid through E-tendering	Upto 1400 hrs. (IST) on 06.04.2010
1.2.6	Date and time of opening of Un-priced Bids at GAIL, Bhikaji Cama Place, R K Puram, New Delhi-110066.	At 1500 hrs. (IST) on 06.04.2010
1.2.7	Bid Document Fee (non Refundable)	Rs. 46250/-for Indian Bidder USD 1000 for Foreign Bidder
1.2.8	Fee for Mill Audit (Rs. As per Production Line per Mill)	Rs.5,00,000/- for Indian Bidders
1.2.9	Contact Person	Mr. S S Roy, DGM (Contracts) MECON LIMITED, Delhi Ph. No. 91-11-22401144/22401143/22401129 Fax No. 91-11-22041214/22401203 Email : mecondly@bol.net.in

(If the dates identified above happens to be a declared holiday in MECON / GAIL, New Delhi for the opening of unpriced bids / pre-bid meeting, then the next working day shall be considered).

Bids to be submitted on GAIL's E-Tendering website (<https://etender.gail.co.in>). Bidders shall submit their bids i.e. **UN-PRICED Bid** in Collaboration Folders of e-tendering system and **Price Bid** in SRM as attachment. We have enclosed Price Schedule Formats as an excel attachment in Bid Document. Bidders are requested to down load the same and quote their prices strictly as per the format without altering the content of it.

The bid will be submitted in two parts as follows:

PART-I (UN-PRICED BID)

To be submitted on Collaboration Folders of e-tendering system. Unpriced bid must be complete with all technical details along with all other required documents including price schedule WITH PRICE BLANKED OUT, Agreed terms and conditions etc., duly filled in and signed with seal. Documents as mentioned under Clause 8.4 below shall also be submitted in physical form.

PART-II (PRICED BID)

To be submitted as an SRM attachment. Price bid should contain only the prices, without any condition whatsoever.

Bids complete in all respects should be submitted on or before last date and time of Bid submission. **The Bids submitted online in GAIL's E-tendering system will only be considered for evaluation. Physical Bids sent through Fax/E-mail/Courier/Post will not be accepted.**

2. SCOPE OF SUPPLY :

Group	Item No.	Description			Qty (mtrs)	Option		
		Supply of API 5L PSL-2 Carbon Steel Linepipes manufactured & confirming to Specification as per following details				1 (Bare pipe)	2 (Coating works)	3 (Coated pipe)
		NB in inch (mm)	Grade	WT (mm)				
A	A1	30(762.0)	X-70	15.9	14950	Bare	Coated	Coated
	A2	30(762.0)	X-70	19.1	4140	Bare	Coated	Coated
	A3	30(762.0)	X-70	19.1	228	Bare	Bare	Bare
B	B1	18(457.0)	X-70	9.5	15000	Bare	Coated	Coated
	B2	18(457.0)	X-70	12.7	2200	Bare	Coated	Coated
	B3	18(457.0)	X-70	12.7	216	Bare	Bare	Bare
C	C1	8(219.1)	X-56	6.4	3000	Bare	Coated	Coated
	C2	8(219.1)	X-56	7.9	5300	Bare	Coated	Coated
	C3	8(219.1)	X-56	7.9	120	Bare	Bare	Bare
D	D1	4(114.3)	X-56	6.4	25600	Bare	Coated	Coated
	D2	4(114.3)	X-56	6.4	84	Bare	Bare	Bare

Notes:

- 1) Pipe coating implies External 3 Layer Polyethylene (3LPE) coating and Internal Coating for items A1,A2,B1&B2 and External 3 Layer Polyethylene (3LPE) coating for item no. C1,C2,& D1.
- 2) Detailed scope of work and technical specifications are contained else where in the tender document.

The brief scope of different options are as follows:

OPTION – 1 : Supply of bare pipes at FOT Dispatch point for Indian Bidders / FOB international port of exit basis for Foreign Bidders.

OPTION – 2 : Taking over and handling of line pipes from pipe supplier on port/ FOT basis to coating yard, application of internal and / or external coating (as applicable),

transportation of all bare and coated pipes to storage yard, including arrangement & maintenance of storage yard and delivery of bare and coated pipes to laying contractor.

OPTION – 3 : Supply of coated / bare pipes (as applicable), transportation of all bare and coated pipes to storage yard, including arrangement & maintenance of storage yard and delivery of bare and coated pipes to laying contractor.

- (i) Items Nos. A1, A2, B1 & B2 shall have External Coating and Internal Coating. Items Nos. C1, C2, & D1 shall have External Coating only.
- (ii) Items Nos. A1, A2 & A3 shall be awarded to single bidder. Therefore, bidder quoting for item No. A1/A2/A3 must quote for full quantity of item nos. A1, A2 & A3 also, else the bidder's offer shall not be evaluated for these items.
- (iii) Items Nos. B1, B2 & B3 shall be clubbed together and to be awarded to single bidder. Therefore, bidder quoting for item No.B1/ B2/B3 must quote for full quantity of item Nos.B1, B2 & B3 also, else the bidder's offer shall not be evaluated for these items.
- (iv) Items Nos. C1, C2 & C3 shall be clubbed together and to be awarded to single bidder. Therefore, bidder quoting for item no. C1/C2/C3 must quote for full quantity of item Nos. C1, C2 & C3 also, else the bidder's offer shall not be evaluated for these items.
- (v) Item of group D shall be awarded to single bidder. Therefore, bidder must quote for full quantity of item nos. D1 & D2, else the bidder's offer shall not be evaluated for these items.

3. Delivery Period:

The delivery schedule shall be as given in SCC- Goods and SCC – Works.:-

4. **BID EVALUATION CRITERIA**

4.1 **TECHNICAL**

4.1.1 **OPTION-1 – Qualification Criteria for Bare Pipe (Domestic / Foreign Bidders)**

The bidder shall either be a Line pipe manufacturer, or a supplier who has been authorized by a line pipe manufacturer.

4.1.1.1 **For Pipe Manufacturer:**

- 01 The bidder shall be a manufacturer of API 5L (PSL2) or equivalent quality line pipes and shall have valid license to use API monogram on line pipes with product specification level PSL-2 quality from the proposed pipe mill/(s).
- 02 The bidder should have manufactured and supplied from the proposed pipe mill/(s) at least one (1) km of line pipe in a single order as per API 5L, PSL-2 (or equivalent) that are of same type and equal or higher in terms of diameter, wall thickness and material grade as quoted for, in last 7 years reckoned from the due date of bid submission.
- 03 In addition, line pipe manufacturer should have manufactured and supplied from proposed pipe mill/(s) at least 10% of the quoted quantity of line pipes of the type as quoted for, of same or higher diameter and wall thickness of 15.9mm or higher in a single order as per API 5L PSL-2,X-65 (or equivalent) or higher grade for items of group A; wall thickness of 9.5mm or higher in a single order as per API 5L PSL-2,X-65 (or equivalent) or higher for items of group B; wall thickness of 6.4mm or higher in a single order as per API 5L PSL-2, X-52 (or equivalent) or higher grade for items of group C and wall thickness of 6.4mm or higher in a single order as per API 5L PSL-2, X-52 (or equivalent) or higher grade for items of group D in the last seven (07) years reckoned from the bid due date.
- 04 **The Mill Qualification** : The bidder shall furnish a certificate for proposed pipe mills along with their bid, which have not been audited by GAIL / or its authorized representatives or, have not supplied pipes to GAIL of same or higher size and material Grade as quoted for or higher grade during last

seven years reckoned from the due date of submission of bid, as per Format provided in the bid document, from a reputed International inspection agency (i.e. CEIL/ LLOYDS/ BV/DNV/ TUV/ ABS/ MOODY/AIB-Vincotte), certifying that the mill has capability to produce line pipes complying with technical requirements specified in the bid documents. Non-compliance to the above requirement will make the mill liable for rejection.

The mill capability certificate from one of the above mentioned reputed agencies for the proposed mill for same or higher size, wall thickness and material Grade as quoted for or higher grade, issued in the last 12 months, reckoned from the bid due date, for any of GAIL projects shall be considered acceptable for this project also.

- 05 The Bidder shall procure steel plates / coils/ billets from the steel plate or coil or billet manufacturer as per list provided in bid document. In addition, the bidder may submit more names, if they so desire, which shall be evaluated during bidding stage based on the criteria mentioned in the bid document. The techno-commercially qualified bidder(s) will be informed prior to price bid opening on acceptance of the proposed steel plate/ coil/ billet manufacturer(s), if any. Bidder's offer shall be unconditional irrespective of finally qualified steel plate/ coil/ billet manufacturer(s).

The list of accepted steel plate/ coil/ billet manufacturer(s) other than specified in the bid document will also be intimated to the successful bidder/(s) to whom FOA has been issued.

- 06 For Indian Bidders: Indian manufacturer who does not meet the qualification requirement under clauses 4.1.1.1 (02) , 4.1.1.1 (03) above, who intend to quote for line pipes of 30"/18"/8"/4" diameter, such Indian Bidder shall be considered for Supply of Line Pipes covered under scope of supply subject to the bidder demonstrating manufacturing capability of proposed mill(s) to GAIL or its authorized representative as given below (this clause is not applicable to foreign bidders).

- In case of Group A, bidder meeting the requirement for item number A1 shall be considered qualified for item nos. A1, A2 & A3.
 - In case of Group B, bidder meeting the requirement for item number B1 shall be considered qualified for item numbers B1, B2 & B3.
 - In case of Group C, bidder meeting the requirement for item number C1 shall be considered qualified for item numbers C1, C2 & C3.
- a) The bidder shall be required to propose the name and details of their line pipe mill/(s) intend to qualify by demonstration of his manufacturing capabilities and capacity.
 - b) Such bidder(s) is required to furnish a certificate as per Format prescribed in the bid document, for proposed pipe mill/(s), issued by one of the reputed international inspection agency as mentioned at clause no. 4.1.1.1 (04) above certifying that the proposed mill/(s) have capability to produce line pipes complying with technical requirements specified in the bid document, along with their bid.
 - c) The Bidder shall demonstrate the actual pipe mill's capability, from where line pipes are proposed to be manufactured and supplied, by actually manufacturing at least 10 numbers of API 5L PSL2 (or equivalent, as quoted) quality line pipes (with an average length of 12 meter each) of same or higher in terms of diameter, grade, thickness and type as quoted for.
 - d) The manufacturing shall be performed in a manner similar to normal continuous production in the presence of GAIL or its authorized representatives. The bidder who meets the requirement of higher diameter and thickness of line pipes shall also be considered qualified for same type of pipe of lower thickness of the line pipes quoted for as per the scope of bid. The bidder shall carry out all test as per bid specifications on two (02) numbers of line pipes manufactured during demonstration and selected randomly by GAIL or it authorized representative. Further, the demonstration shall be completed within fifteen (15) calendar days of the bid due date.

- e) All applicable inspection and tests as per Bid Specifications shall be carried out by the bidder and shall meet the requirements stipulated, within 15 calendar days from the bid due date . For this purpose, bidder shall specify a confirmed date for witnessing of above demonstration in their bid itself, failing which the request for capability demonstration will be rejected.
 - f) Subject to the satisfactory demonstration of the pipe mill(s) capability as above, GAIL or its authorised representative shall decide on the technical acceptability of the Bidder for the supply of line pipes. In case, the mill(s) fail to meet the tender specification requirements during GAIL or its authorised representative witnessed Inspection and testing of the above production demonstration for qualification, the mill(s) shall be disqualified. GAIL or its authorised representative's decision shall be final with respect to the technical acceptability of the Bidder's proposed line pipe mill/(s).
 - g) The Indian Bidder shall carry out the above capability demonstration at no cost to GAIL or its authorised representative. However, bidder(s) is required to deposit a Mill Audit fee as defined in the tender document along with their bid. Bidder's who have already been qualified by GAIL/ its authorized nodal agency, based on satisfactory demonstration of the pipe mill(s) capability for line pipe as per API 5L PSL-2 (or equivalent, as quoted) that are of same type and equal or higher in terms of diameter, wall thickness and grade as defined, in the last 24 months, reckoned from the bid due date, shall be considered qualified.
- In view of the tight demonstration deadline as mentioned in para 4.1.1.1[(006) a] to 4.1.1.1 [(006) f)] above, in case the bidder faces difficulty in
 - i) Sourcing the plates / coils meeting the requirements of the exact chemical composition specified in the bid document, use of materials conforming to API 5L Grade X-70/X-56 (as applicable) PSL-2 or equivalent standard may be permitted as a special case.
 - ii) Meeting the test requirements of tender specifications, the test requirement of API 5L Grade X-70/X-56 (as applicable) PSL-2 or equivalent standard as the case may be accepted as minimum.

The bidder shall note that this relaxation, if permitted, shall be valid for demonstration purpose only. However, all other requirements of clause 4.1.1.1(006) a) to 4.1.1.1(006)f) above shall be complied with.

Bidder to note that after award of the contract, the skelp / plate/ coil/ billet procurement as well as pipe manufacturing shall be strictly as per the tender specifications and any special relaxation given for demonstration purpose shall not be permitted during order execution.

4.1.1.2 For Authorized Pipe Supplier

- 01 In case the pipe manufacturer(s) who do not submit bid directly as a matter of their corporate policy, they may submit bid through their authorized / accredited trading house / suppliers. In such cases, the concerned trading house / supplier may submit the offer as "Bidder" subject to fulfilling the following criteria:
- 02 The bidder shall supply line pipes produced by an established line pipe manufacturer who meets qualification requirements stipulated under clauses 4.1.1.1 above.
- 03 The bidder shall furnish an authority certificate from the line pipe manufacturer, confirming the bidder's status as their authorized / accredited supplier / trading house. The Authority Certificate shall be valid up to the completion of tenure of the order in accordance with the Bidding Document. Also, the bidder shall furnish from pipe manufacture, a certificate to the effect that the manufacturer as a corporate policy does not quote directly and their pipes are quoted through their authorized / accredited supplier/ trading house only. Further, one manufacturer can quote only through one supplier and a supplier shall offer product of only one manufacturer.

- 04 The bid shall be liable for rejection in case of change of proposed line pipe manufacturer after submission of bid.

4.1.1.3 METHODOLOGY FOR CAPABILITY ASSESSMENT FOR BARE LINE PIPES THROUGH DEMONSTRATION ROUTE

In order to assess the capability of Indian Bidders, following methodology shall be followed:

- i) The capability shall be demonstrated in the first attempt. Bidder shall ensure that complete plant and equipment is in fully operational condition to comply with the Bid Specifications. No second attempt shall be permitted.
 - ii) The Bidder shall demonstrate the pipe mill's capability, from where line pipes are proposed to be manufactured and supplied, by actually manufacturing at least 10 numbers of API Spec 5L PSL2 (or equivalent) quality line pipes for hydrocarbon service, of same type (with an average length of 12 meter each) of equal or higher in terms of diameter, grade and wall thickness as quoted for, in a manner similar to normal continuous production in the presence of GAIL/ its authorized representative.
 - iii) All the critical operations in manufacturing of line pipes shall be complete under GAIL / its authorized representative's inspection at various stages of production.
 - iv) The bidder shall submit *the following documents in their bid*:
 - a. Quality plan/inspection and Test Plan
 - b. Manufacturing and Control procedure
 - c. Welding Procedure Specification and consumable control procedure
 - d. Seam annealing procedure specification and control procedure (for ERW pipes)
 - e. Non-destructive testing procedure including auto UT for welds
 - f. Procedure for burst test
 - g. Procedure for weldability test
 - v) The above documents shall comply with the technical requirements of the bid documents and the bidder shall give categorical undertaking the mill offered for capability demonstration fully complies with the technical stipulations of bid document.
 - vi) During demonstration of pipe mills capability, one pipe of the pilot production, selected at random by the GAIL / its authorized representative, shall be submitted to a bursting test. For this purpose, the hydrostatic test pressure shall be gradually increased till the pipe bursts or equals to the proof test pressure based on actual tensile strength. Bidder shall ensure that adequate safety measures are in place prior to conducting the burst test and shall get the procedure approved by GAIL / its authorized representative prior to the test to be conducted along with the capability assessment.
 - vii) The rupture has to be examined on the presence of possible imperfection.
 - a) If the manufacturer has the intention to apply repair welding in the production, it is required that 5% of the welded length of the pipe on which the bursting test is executed is repaired as per code and approved procedure.
 - b) Upon successful completion of 10 pipes, any 2 pipes shall be selected at random by GAIL / authorized representative for First Day Production tests as per specification enclosed with the Bid Document.
- Testing: All Testing as required by First Day Production shall be carried out under witness of GAIL / Authorized Representative. Retest, if any, shall be carried out as per the specification enclosed with the Bid Document.
- viii) Rejection / Disqualification Criteria: All the 10 numbers pipes shall meet the specification requirement at all stages of manufacture till final inspection. Failure of any of the pipes at any stage shall call for rejection of total lot and Mill shall be disqualified.
 - ix) Any failure of test sample as per governing specification shall call for rejection of total lot and Mill shall

be disqualified.

- x) Compliance to the technical requirements shall be verified during the capability assessment. Bidder shall furnish, at the time of capability assessment, data as indicated in the FORMAT enclosed in the bid document.

4.1.2 OPTION-2 – Qualification Criteria for Coating Work

The bidder's proposed coating plant shall have experience in application of three layer side extruded PE (3LPE) coating of bare line and shall meet the following criteria:

- 01 The bidder shall be a coating applicator and should have completed at least one line pipe coating contract using Three – Layer (3LPE) External Coating of at least 25 Kms or 50% of quoted length (whichever is lower) of bare line pipe of quoted diameter or higher using three layers side extruded PE coating, under a single contract during any of the last seven years reckoned from the due date for bid submission.
- 02 Coating Plant Qualification: The Bidder shall furnish a certificate for proposed coating plant along with their bid, which have not been audited by GAIL / or its authorized representatives or, have not carried out Coating application for GAIL of same or higher size during last seven years reckoned from the Due date for Bid Submission , as per Format provided in the bid documents, from a reputed International inspection agency (i.e. CEIL, LLOYDS, BV, DNV, TUV, ABS, MOODY, AIB-Vincotte) certifying that the plant has capability to coat line pipes (external/internal, as applicable) complying with technical requirements specified in bid document. Non-compliance to the above requirement will make the plant liable for rejection.

The certificate for coating plant qualification from one of the above mentioned reputed agencies for the proposed coating plant for same or higher size as quoted for, issued in the last 12 months, reckoned from the bid due date, for any of GAIL projects shall be considered acceptable for this project also.

- 03 A Foreign Bidder who desires to submit bid under OPTION-2 for coating work shall have to relocate its proposed coating plant to India or set up a new coating plant in India of similar type of required range. In such case, the coating plant shall meet the qualification criteria as stipulated above.

4.1.3 OPTION-3 – Qualification Criteria for Coated Pipe

Bidder offering coated line pipes shall meet all the qualification requirements of bare line pipes and of coating, as indicated at clause 4.1.1 and 4.1.2 above. Bare line pipe manufacturer, domestic as well as foreign, have the option to form a consortium with a firm for coating work to offer coated pipes at storage yard/dumpsite/warehouse. Accordingly, bids are also acceptable from Consortium for Option - 3 subject to following:

- (i) Total number of consortium members including leader should not exceed two.
- (ii) A member who is a line pipe manufacturer and meets the requirement for supply of line pipe as per BEC only shall be nominated as leader of the Consortium and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of both members.
- (iii) In case of Consortium bid, the experience of each consortium member will be considered for their respective areas. Documentary evidence regarding consortium arrangement as specified in the bid document shall be furnished
- (iv) Foreign bidders, bidding for Option-3 are allowed to do the coating of bare pipes in their overseas plant. They are also allowed to import bare pipes in India and coat the pipes in India through their own coating plant relocated in India or any of the coating plants in India, meeting the qualification criteria as per clause 4.1.2.
- (v) The bid security, the bid, and in case of a successful bid, the Agreement, shall be signed by the leader and member of consortium so as to legally bind both members of Consortium.

- (vi) The leader shall be authorized to incur liabilities and receive instructions for and on behalf of any and all members of the Consortium and for entire execution of the Contract, including payment. All payments shall be released in favour of Consortium.
 - (vii) Both members of Consortium shall be liable jointly and severally for the execution of the Contract in accordance with the contract terms, and a statement to this effect shall be included in the authorization mentioned under para (ii) above, as well as in the bid and in the Agreement (in case of a successful bid) and
 - (viii) A copy of the Consortium Agreement / MOU entered into by both members shall be submitted along with the bid.
- 3.1.4 The Bidders who are already enlisted / registered by owner's Vendor Development / Registration Cell till date of issuance of Notice Inviting Tender are exempted from Mill Qualification (Refer Clause 04 of 4.1.1.1), Capability demonstration (Clause 06 of 4.1.1.1), Coating Plant capability (Clause no 02 of 4.1.2) and Capacity assessment for Pipe mill / Coating Plant (as applicable) to the extent of Capacity / Capability already assessed for the type, same or lower size & thickness, registered by Owner.

4.1.5 Capacity assessment criteria:

- 4.1.5.1 Capacity assessment will be carried out for demonstration of Item **A1 & B1** only.
It will not be carried out for other items.

A) For line pipe manufacturer

(I) Non-demonstration route:

a. Foreign Bidder:

Capacity of foreign bidder for bare pipes shall be considered for a maximum order equal to 11% of the maximum annual production achieved in MT for API 5L (or equivalent, as quoted) of one grade lower or higher grade Line pipes in any of the last seven (7) years reckoned from the due date of bid submission from the proposed manufacturing mills. Equivalence with API 5L PSL-2 shall be established based on the requirements of four parameters i.e. Specified Minimum Yield strength, Cold expansion, Fracture Toughness & 100% Non-Destructive Examination of weld seam. The individual value shall be same or better.

The foreign bidders shall furnish the maximum annual production (in MT) achieved of API 5L (or equivalent, as quoted) of one grade lower or higher Grade line pipes from the proposed mills, in any of the last seven (7) years reckoned from the due date of bid submission, certified by practicing Chartered Engineer or Local Chamber of Commerce.

b. Indian bidder:

The Domestic Bidders seeking qualification under clause 4.1.1.1(01 to 06) shall be considered for a maximum order quantity based on the assessed capacity calculated by GAIL or its authorised representative.

Assessment of capacity as per formula given below based on the data to be furnished by bidder for their best past campaign (not less than ten consecutive days) for production of one grade lower or higher grade API 5L (or equivalent, as quoted) of same type of line pipe, within the last seven (7) years reckoned from the bid due date. (Refer Format in the bidding document).

$$C = [T_c / D_c] \times R$$

Where

- C : Capacity in Tonnage per day
- T_c : Total tonnage rolled during the chosen best campaign
- D_c : Duration of campaign in days
- R : Uncertainty factor, taken as 0.8 uniformly for all mills

This shall be converted to the required dia, size.

(II) Demonstration route:

The capacity of Domestic Bidders seeking qualification under clause 4.1.1.3 above shall be considered for a maximum order quantity based on best of production capacity assessed by GAIL or its authorised representative, in accordance with the under mentioned three alternatives:

- i) Assessment of capacity as per formula given below based on the data to be furnished by bidder for their best past campaign (not less than ten consecutive days) for production of API 5L (or equivalent, as quoted) of one grade lower or higher grade of same type of line pipe, within the last seven (7) years reckoned from the bid due date. (Refer Format in the bidding document).

$$C = [Tc / Dc] \times R$$

Where

- C : Capacity in Tonnage per day
Tc : Total tonnage rolled during the chosen best campaign
Dc : Duration of campaign in days
R : Uncertainty factor, taken as 0.8 uniformly for all mills

This shall be converted to the required dia, size.

- ii) Time study of critical operations on a current production ongoing campaign of any size of API 5L PSL-2 (or equivalent, as quoted) of one grade lower or higher pipes of same type by GAIL and / or its authorized agency (Refer Format in the bidding document, which shall be converted to the required dia size as per the formula given at i) above.

- iii) Time study of critical operations by GAIL and/or its authorized agency for production of 10 numbers pipes during pilot production to demonstrate capability of the bidder as per the formula given in the bid document (Refer Format in the bidding document).

A bidder's capacity shall be considered separately for different manufacturing processes of pipes, as quoted for. Accordingly, annual production/ other details of quoted type of pipes should be given separately. Further the capacity so assessed shall be considered for respective type of pipes only. (For details please refer ITB)

Bidder shall furnish following documents in respect of the offered campaign:

- a) Purchase order copy covering the offered campaign. Details shall include pipe diameter, pipe manufacturing process, length, thickness, date of commencement and completion of campaign, number of days of campaign, total ordered quantity and applicable specifications.
b) Inspection release note issued by the designated inspection authority covering the offered campaign.
c) Daily Production output and number of accepted pipes.
d) Only accepted pipes shall be taken in the offered campaign.

The bidder shall furnish complete details pertaining to the data required to establish its production capacity. It may be noted that it is mandatory for the bidders to provide details / data pertaining to the above, failing which, the bid submitted by the bidder, will be rejected.

B) For Coating

Coating Plant (for both Domestic as well as Foreign Bidders)

Bidder's coating plant capacity shall be assessed on the basis of best-offered campaign (not less than ten consecutive days) for 3LPE coating of API 5L grade pipe within the last seven years reckoned from the bid due date. Campaign shall be for each plant proposed for coating.

The 3LPE coating production capacity for the quoted size line pipe shall be calculated as per formula given below:

$$C = \frac{N \times L \times G \times R}{T \times 1000}$$

Where

- C = Capacity in Km per day
 N = Number of pipes coated (3LPE) during offered campaign
 L = Average length of pipes in meters
 T = Duration of selected campaign in days
 R = Reliability factor to be taken as 0.8
 G = D_c / D_q

Where D_q is the diameter in inches of the quoted line pipe and D_c is the diameter in inches of the pipe coated in the offered campaign. Ratio of D_c/D_q shall not exceed 1.4.

In case of re-location (for foreign bidder only) of the coating plant(s) under Option-2, the plant capacity shall be de-rated to 80% of capacity assessed based on best campaign.

Bidder shall furnish following documents in respect of the offered campaign:

- a) Purchase order copy covering the offered campaign. Details shall include pipe diameter, length, thickness, date of commencement and completion of campaign, number of days of campaign, total ordered quantity, applicable specifications and traceability documents.
- b) Inspection release note issued by the designated inspection authority covering the offered campaign.
- c) Daily Production output and number of accepted pipes
- d) Only accepted pipes shall be taken in the offered campaign.

The bidder shall furnish complete details pertaining to the data required to establish its production capacity. It may be noted that it is mandatory for the bidders to provide details / data pertaining to the above, failing which the bid submitted by the bidder, will be rejected.

C) For supply of coated pipes (for both domestic as well as foreign bidders)

Bidder's capacity for supply of coated pipes shall be limited to lowest of the capacity assessed for pipe manufacturing and coating capacity.

Bidder shall furnish the documents in respect of the offered campaign for assessment of mill capacity and coating capacity respectively as specified above under (A) and (B) above.

- 4.1.6 Bidder's capacity for bare pipes shall be considered separately for different manufacturing processes of pipes, as quoted for. Accordingly, annual production / other details of quoted type of pipes should be given separately. Further, the capacity so assessed shall be considered for respective type of pipes only.

- 4.1.7 The order will be limited to the lowest of the capacity assessed of pipe manufacturing, Coating and Financial Criteria.

4.1.8 Documentation

Bidder shall meet the technical as well as commercial qualification criteria as stated above. Bidder shall furnish the documentary evidence along with the bid, to establish the qualification criteria, such as purchase order/ work order, inspection release note/ completion certificates of relevant supplies, third party certificate, API Licence to use API monogram on API 5L PSL-2 line pipes, production catalogues, reference list of previous supplies, data for establishing production capacity, details of manufacturing, inspection & testing facilities at proposed mill(s), Annual report, Balance Sheet etc. In absence of requisite documents, GAIL reserves the right to reject the bid without making any reference to the bidder.

For establishing equivalence with API 5L PSL-2, bidder shall submit the copy of applicable code (English translation of relevant extracts) duly certified by Chamber of Commerce, in case the code is in different language other than English. In addition, bidder shall submit certified document establishing the equivalence of SMYS and Fracture Toughness Test results.

4.2 FINANCIAL CRITERIA:

4.2.1 Turnover

The minimum annual turnover achieved by the Bidder / leader of Consortium as per their audited financial results during any one of the last three preceding financial years i.e. 2006-07, 2007-08 & 2008-09 or year ending December 2006,2007 & 2008 shall be as under:

Group	Item no.	NB in inch (mm)	Thk (mm)	Pipe Length (Meter)	Minimum Turn Over requirement					
					For Indian bidders, in Rs			For Foreign bidders, in USD		
					Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
A	A1	30 (762.0)	15.9	14950	191824000	21,774,000	213,598,000	4,147,600	470,800	4,618,300
	A2	30 (762.0)	19.1	4140						
	A3	30 (762.0)	19.1	228						
B	B1	18 (457.0)	9.5	15000	59,173,000	11,752,000	70,925,000	1,279,400	254,100	1,533,500
	B2	18 (457.0)	12.7	2200						
	B3	18 (457.0)	12.7	216						
C	C1	8 (219.1)	6.4	3000	10,036,000	2,717,000	12,753,000	217,000	58,700	275,700
	C2	8 (219.1)	7.9	5300						
	C3	8 (219.1)	7.9	120						
D	D1	4 (114.3)	6.4	25600	13,559,000	4,366,000	17,925,000	293,200	94,400	387,600
	D2	4 (114.3)	6.4	84						

4.2.2 Net worth

Net worth of the Bidder / each member of the Consortium should be positive as per audited financial statement for the last financial year 2008-09 or year ending December 2008.

4.2.3 Working capital

The minimum working capital of the Bidder / leader of Consortium as per audited financial year for the last financial year 2008-09 or year ending December 2008 shall be as under:

Group	Item no.	NB in inch (mm)	Thk (mm)	Pipe Length (Meter)	Minimum Working Capital requirement					
					For Indian bidders, in Rs			For Foreign bidders, In USD		
					Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
A	A1	30 (762.0)	15.9	14950	38,365,000	4,355,000	42,720,000	829,500	94,200	923,700
	A2	30 (762.0)	19.1	4140						
	A3	30 (762.0)	19.1	228						
B	B1	18 (457.0)	9.5	15000	11,835,000	2,350,000	14,185,000	255,900	50,800	306,700
	B2	18 (457.0)	12.7	2200						
	B3	18 (457.0)	12.7	216						
C	C1	8 (219.1)	6.4	3000	2,007,000	543,000	2,551,000	43,400	11,700	55,100
	C2	8 (219.1)	7.9	5300						
	C3	8 (219.1)	7.9	120						
D	D1	4 (114.3)	6.4	25600	2,712,000	873,000	3,585,000	58,600	18,900	77,500
	D2	4 (114.3)	6.4	84						

If the bidder's working capital is inadequate, the bidder should supplement this with a letter from the bidder's bank, having net worth not less than Rs.100 Crores / US\$ 21.62 million, confirming the availability of the line of credit to cover the inadequacy of working capital in the previous year i.e. 2008-09 or year ending December 2008 to meet the working capital requirement.

- 4.2.4 In case bidder quotes for more than one item / item clubbed together, the requirement of annual turnover and Working Capital shall be on cumulative basis, for the quoted item / items clubbed together.
- 4.2.5 Consortium bids can be submitted for Option-3 only. In case of consortium bid, the leader of the consortium shall meet the Turnover and Working Capital criteria stipulated at para 4.2.1 and 4.2.3 above. The other member of consortium shall meet the turnover equal to 50% of the turnover criteria.
- 4.2.6 GAIL/Mecon decision shall be final with respect to capability & capacity assessment of the bidder.

5.0 BID SECURITY

Group	Item no	NB inch (mm)	Thk (mm)	Pipe Length (Meter)	Minimum Bid Security requirement					
					For Indian bidders, in Rs			For Foreign bidders, In USD		
					Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
A	A1	30 (762.0)	15.9	14950	3,836,000	871,000	4,272,000	83,000	18,800	92,400
	A2	30 (762.0)	19.1	4140						
	A3	30 (762.0)	19.1	228						
B	B1	18 (457.0)	9.5	15000	2,000,000	470,000	2,000,000	43,200	10,200	43,200
	B2	18 (457.0)	12.7	2200						
	B3	18 (457.0)	12.7	216						
C	C1	8 (219.1)	6.4	3000	401,000	109,000	510,000	8,700	2,350	11,000
	C2	8 (219.1)	7.9	5300						
	C3	8 (219.1)	7.9	120						
D	D1	4 (114.3)	6.4	25600	542,000	175,000	717,000	11,700	3,780	15,500
	D2	4 (114.3)	6.4	84						

- 5.1 In case bidder quotes for more than one item/item clubbed together, the requirement of Bid Security shall be on cumulative basis, for the quoted item/item clubbed together.

6.0 PRE-BID MEETING

- 6.1 Pre-bid Meeting shall be held at GAIL (India) Limited, GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi – 110 066. Bidders or their authorized representatives are requested to attend the Pre-Bid Meeting so that their queries, if any related to the Bid Document and Scope of Work can be addressed during the meeting. On request from the bidders, session may be arranged to demonstrate the e-tendering system to facilitate bidders to submit the Bid Online.
- 6.2 The bidders are requested to send clarifications, if any, by courier or by fax or by e-mail to reach GAIL/MECON at least 03 (three) days before the pre-bid meeting. The clarifications shall be provided during the pre-bid meeting.

6.3 Non attendance of the pre-bid meeting shall not be a cause of disqualification of the bidder.

7.0 ZERO DEVIATION BIDS

7.1 This is a ZERO Deviation Bidding Process. Bidder is to ensure compliance of all provisions of the Bidding Document and submit their bid accordingly. Bids with any deviation to the bid conditions shall be liable for rejection.

8.0 GENERAL

8.1 Payment of bid document fee shall be submitted through Crossed Bank Draft having a 6 months validity from a first class International Bank or an Indian Nationalized Bank, in favour of GAIL (India) Limited, payable at New Delhi. Payment of Mill Audit Fees shall be submitted through Crossed Bank Draft having a 6 months validity from a first class International Bank or an Indian Nationalized Bank, in favour of MECON Limited, payable at Delhi.

Both the above Bank Drafts shall be submitted in physical form alongwith Bid Security / EMD. The bid of any bidder shall be considered only if the bid is accompanied by the prescribed bid document fee in the form of demand draft alongwith Bid Security / EMD.

8.2 Bidder can download the Bid Document from MECON's website <http://www.meconlimited.co.in> ; GAIL's website <http://www.gailtenders.in> and GAIL's e-tendering website (<http://etender.gail.co.in>). **However, bidders have to submit their bids only through e-tendering website of GAIL i.e. <http://etender.gail.co.in>.** Only silent details of the bid document shall be on GAIL's website <http://www.gailtenders.in> as the same is information only. For detailed bid document bidder shall refer GAIL's e-tender website.

Corrigenda/Addenda, if any, shall also be available on the referred web sites. Further, bidder shall give an undertaking on their letter head that the contents of the bidding document have not been altered or modified.

8.3 No extension in the bid due date/time shall be considered on account of delay in receipt of any document by mail.

8.4 The following documents in addition to up-loading the bid on GAIL's e-tender portal shall also submitted in Original (in physical) form:

- i) Demand Draft towards Bid Document Fee.
- ii) Demand Draft towards Mill Audit Fee, if applicable
- iii) EMD/Bid Bond
- iv) Power of Attorney.
- v) Integrity Pact duly filled and signed by the bidder.

However, bidder must upload the scanned copy of all the above documents mentioned in sl no (i) to (v) along with their original bid.

8.5 Small scale Industries registered with NSIC and Central Government PSUs are not required to pay the bid document Fee. However, Industries registered with NSIC shall provide necessary documentary evidence, whereas PSUs shall submit declaration to this effect that they are Central PSU and are eligible for getting bid documents free of cost.

8.6 GAIL/MECON will not be responsible or liable for cost incurred in preparation & delivery of bids, regardless of the conduct or outcome of the bidding process

8.7 Bid document is non-transferable. Bids received from bidders in whose name Bid Document fee has been submitted shall only be considered. Bidder must submit the Bid Document Fee in their name. Bid Document Fee will be submitted by Bidders as per Clause 1.2.8 above.

8.9 Bids received after stipulated last date and time, due to any reasons what-so-ever, including postal delays, will not be considered.

- 8.10 GAIL/MECON will follow purchase preference policies in line with the instructions of the Govt. from time to time.
- 8.11 Bidder should not be under liquidation, court receivership or similar proceedings.
- 8.12 Bidder should not be black listed with any PSU and should not be on holiday list of GAIL.
- 8.13 GAIL/MECON reserves the right to reject any or all the bids received at its discretion without assigning any reason whatsoever.

This Invitation of Bids (IFB) is an integral and inseparable part of the Bid Document.

For & On behalf of GAIL (India) Limited

(S S Roy)
DGM I/c (Contracts)
MECON Limited, Delhi

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
(LINE PIPES)

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ANNEXURE-II

BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
	<u>FOR OPTION-I</u>			
1	4.1.1.1 (01)	The bidder shall be a manufacturer of API 5L (PSL2) or equivalent quality line pipes and shall have valid license to use API monogram on line pipes with product specification level PSL-2 quality from the proposed pipe mill/(s) Submit the following documents in support of above (i) Copy of valid API 5L Certificate with PSL-2 quality for the proposed mill(s)		
2	4.1.1.1 (02)	The bidder should have manufactured and supplied from the proposed pipe mill/(s) at least one (1) km of line pipe in a single order as per API 5L, PSL-2 (or equivalent) that are of same type and equal or higher in terms of diameter, wall thickness and material grade as quoted for, in last 7 years reckoned from the due date of bid submission. Submit the following documents in support of above (i) Copy of relevant Purchase Order (PO).		
3	4.1.1.1 (03)	In addition, line pipe manufacturer should have manufactured and supplied from proposed pipe mill/(s) at least 10% of the quoted quantity of line pipes of the type as quoted for, of same or higher diameter and wall thickness of 15.9mm or higher in a single order as per API 5L PSL-2, X-65 (or equivalent) or higher grade for items of group A; wall thickness of 9.5mm or higher in a single order as per API 5L PSL-2, X-65 (or equivalent) or higher for items of group B; wall thickness of 6.4mm or higher in a single order as per API 5L PSL-2, X-52 (or equivalent) or higher grade for items of group C and wall thickness of 6.4mm or higher in a single order as per API 5L PSL-2, X-52 (or equivalent) or higher grade for items of group D in the last seven (07) years reckoned from the bid due date. Submit the following documents in support of above (i) Copy of relevant Purchase Order (PO) / Letter of Award (LOA) (ii) Inspection Certificate / Release Note (iii) Completion Certificate against referred P.O.		

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(Bidder's Signature & Seal)

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ANNEXURE-II

BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
4	4.1.1.1 (04)	The Mill Qualification : The bidder shall furnish a certificate for proposed pipe mills along with their bid, which have not been audited by GAIL / or its authorized representatives or, have not supplied pipes to GAIL of same or higher size and material Grade as quoted for or higher grade during last seven years reckoned from the due date of submission of bid, as per Format provided in the bid document, from a reputed International inspection agency (i.e. CEIL/ LLOYDS/ BV/DNV/ TUV/ ABS/ MOODY/AIB-Vincotte), certifying that the mill has capability to produce line pipes complying with technical requirements specified in the bid documents. Non-compliance to the above requirement will make the mill liable for rejection. The mill capability certificate from one of the above mentioned reputed agencies for the proposed mill for same or higher size, wall thickness and material Grade as quoted for or higher grade, issued in the last 12 months, reckoned from the bid due date, for any of GAIL projects shall be considered acceptable for this project also. Submit the following documents in support of above (i) Capability Certificate format certified by International Inspection Agency as mentioned.		
5	4.1.1.1 (05)	The Bidder shall procure steel plates / coils/ billets from the steel plate or coil or billet manufacturer as per list provided in bid document. In addition, the bidder may submit more names, if they so desire, which shall be evaluated during bidding stage based on the criteria mentioned in the bid document. The techno-commercially qualified bidder(s) will be informed prior to price bid opening on acceptance of the proposed steel plate/ coil/ billet manufacturer(s), if any. Bidder's offer shall be unconditional irrespective of finally qualified steel plate/ coil/ billet manufacturer(s). The list of accepted steel plate/ coil/ billet manufacturer(s) other than specified in the bid document will also be intimated to the successful bidder/(s) to whom FOA has been issued Submit the Letter of Confirmation for the same.		

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(Bidder's Signature & Seal)

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
(LINE PIPES)

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BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
6	4.1.1.2 (02) (03)	For Authorized Pipe Supplier Submit details as per Clauses 4.1.1.1 Submit authority certificate from the pipe manufacturer confirming the bidder's status as their authorized / accredited supplier / trading house		
7	4.1.5.1 (a) 4.1.5.1 (b)	Foreign Bidder : Submit the maximum annual production (in MT) achieved of API 5L / or equivalent as quoted of one grade lower or higher or higher grade line pipes from the proposed meters in any of the last seven (7) years reckoned from the due date of bid submissions, certified by practicing chartered engineer or local chamber of commerce. Indian bidder : Submit the following documents for capacity assessment (i) Copy of Purchase Order (PO) / Letter of Acceptance (LOA) (ii) Copy of Inspection Certificate / Release Note. (iii) Copy of Daily Progress Report (DPR)		
	FOR OPTION-II			
1	4.1.2 (01)	The bidder shall be a coating applicator and should have completed at least one line pipe coating contract using Three – Layer (3LPE) External Coating of at least 25 Kms or 50% of quoted length (whichever is lower) of bare line pipe of quoted diameter or higher using three layers side extruded PE coating, under a single contract during any of the last seven years reckoned from the due date for bid submission. Submit the following documents in support of above (i) Copy of Purchase Order (PO). (ii) Inspection Certificate / Completion Certificate		

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
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ANNEXURE-II

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DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
2	4.1.2 (02)	Coating Plant Qualification: The Bidder shall furnish a certificate for proposed coating plant along with their bid, which have not been audited by GAIL / or its authorized representatives or, have not carried out Coating application for GAIL of same or higher size during last seven years reckoned from the Due date for Bid Submission , as per Format provided in the bid documents, from a reputed International inspection agency (i.e. CEIL, LLOYDS, BV, DNV, TUV, ABS, MOODY, AIB-Vincotte) certifying that the plant has capability to coat line pipes (external/internal, as applicable) complying with technical requirements specified in bid document. Non-compliance to the above requirement will make the plant liable for rejection. The certificate for coating plant qualification from one of the above mentioned reputed agencies for the proposed coating plant for same or higher size as quoted for, issued in the last 12 months, reckoned from the bid due date, for any of GAIL projects shall be considered acceptable for this project also. Submit the following documents in support of above (i) Capability Certificate format certified by International Inspection Agency as mentioned.		
3	4.1.5.1 B)	For Coating Submit the following documents for capacity assessment (i) Copy of Purchase Order (PO) / Letter of Acceptance (LOA) (ii) Copy of Inspection Certificate / Release Note (iii) Copy of Daily Progress Report (DPR)		

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(Bidder's Signature & Seal)

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
(LINE PIPES)

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ANNEXURE-II

BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
	<u>FOR OPTION-III</u>			
1	4.1.1.1 (01)	The bidder shall be a manufacturer of API 5L (PSL2) or equivalent quality line pipes and shall have valid license to use API monogram on line pipes with product specification level PSL-2 quality from the proposed pipe mill/(s) Submit the following documents in support of above (i) Copy of valid API 5L Certificate with PSL-2 quality for the proposed mill(s)		
2	4.1.1.1 (02)	The bidder should have manufactured and supplied from the proposed pipe mill/(s) at least one (1) km of line pipe in a single order as per API 5L, PSL-2 (or equivalent) that are of same type and equal or higher in terms of diameter, wall thickness and material grade as quoted for, in last 7 years reckoned from the due date of bid submission. Submit the following documents in support of above (i) Copy of relevant Purchase Order (PO).		
3	4.1.1.1 (03)	In addition, line pipe manufacturer should have manufactured and supplied from proposed pipe mill/(s) at least 10% of the quoted quantity of line pipes of the type as quoted for, of same or higher diameter and wall thickness of 15.9mm or higher in a single order as per API 5L PSL-2, X-65 (or equivalent) or higher grade for items of group A; wall thickness of 9.5mm or higher in a single order as per API 5L PSL-2, X-65 (or equivalent) or higher for items of group B; wall thickness of 6.4mm or higher in a single order as per API 5L PSL-2, X-52 (or equivalent) or higher grade for items of group C and wall thickness of 6.4mm or higher in a single order as per API 5L PSL-2, X-52 (or equivalent) or higher grade for items of group D in the last seven (07) years reckoned from the bid due date. Submit the following documents in support of above (i) Copy of relevant Purchase Order (PO) / Letter of Award (LOA) (ii) Inspection Certificate / Release Note (iii) Completion Certificate against referred P.O.		

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(Bidder's Signature & Seal)

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
(LINE PIPES)

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ANNEXURE-II

BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
4	4.1.1.1 (04)	The Mill Qualification : The bidder shall furnish a certificate for proposed pipe mills along with their bid, which have not been audited by GAIL / or its authorized representatives or, have not supplied pipes to GAIL of same or higher size and material Grade as quoted for or higher grade during last seven years reckoned from the due date of submission of bid, as per Format provided in the bid document, from a reputed International inspection agency (i.e. CEIL/ LLOYDS/ BV/DNV/ TUV/ ABS/ MOODY/AIB-Vincotte), certifying that the mill has capability to produce line pipes complying with technical requirements specified in the bid documents. Non-compliance to the above requirement will make the mill liable for rejection. The mill capability certificate from one of the above mentioned reputed agencies for the proposed mill for same or higher size, wall thickness and material Grade as quoted for or higher grade, issued in the last 12 months, reckoned from the bid due date, for any of GAIL projects shall be considered acceptable for this project also. Submit the following documents in support of above (i) Capability Certificate format certified by International Inspection Agency as mentioned.		
5	4.1.1.1 (05)	The Bidder shall procure steel plates / coils/ billets from the steel plate or coil or billet manufacturer as per list provided in bid document. In addition, the bidder may submit more names, if they so desire, which shall be evaluated during bidding stage based on the criteria mentioned in the bid document. The techno-commercially qualified bidder(s) will be informed prior to price bid opening on acceptance of the proposed steel plate/ coil/ billet manufacturer(s), if any. Bidder's offer shall be unconditional irrespective of finally qualified steel plate/ coil/ billet manufacturer(s) The list of accepted steel plate/ coil/ billet manufacturer(s) other than specified in the bid document will also be intimated to the successful bidder/(s) to whom FOA has been issued Submit the Letter of Confirmation for the same.		

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(Bidder's Signature & Seal)

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
(LINE PIPES)

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ANNEXURE-II

BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
6	4.1.1.2 (02) (03)	For Authorized Pipe Supplier Submit details as per Clauses 4.1.1.1 Submit authority certificate from the pipe manufacturer confirming the bidder's status as their authorized / accredited supplier / trading house		
7	4.1.5.1 (a) 4.1.5.1 (b)	Foreign Bidder : Submit the maximum annual production (in MT) achieved of API 5L / or equivalent as quoted of one grade lower or higher or higher grade line pipes from the proposed meters in any of the last seven (7) years reckoned from the due date of bid submissions, certified by practicing chartered engineer or local chamber of commerce. Indian bidder : Submit the following documents for capacity assessment (i) Copy of Purchase Order (PO) / Letter of Acceptance (LOA) (ii) Copy of Inspection Certificate / Release Note. (iii) Copy of Daily Progress Report (DPR)		
8	4.1.2 (01)	The bidder shall be a coating applicator and should have completed at least one line pipe coating contract using Three – Layer (3LPE) External Coating of at least 25 Kms or 50% of quoted length (whichever is lower) of bare line pipe of quoted diameter or higher using three layers side extruded PE coating, under a single contract during any of the last seven years reckoned from the due date for bid submission. Submit the following documents in support of above (i) Copy of Purchase Order (PO). (ii) Inspection Certificate / Completion Certificate		

CHECK LIST FOR SUBMISSION OF DOCUMENTS REQUIRED FOR BID EVALUATION
(LINE PIPES)

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ANNEXURE-II

BID DOCUMENT NO.: 05/51/23M3(PH-I)/GAIL/012

DOCUMENTS REQUIRED FOR BID EVALUATION (TECHNICAL)

Sl. No.	BEC Clause No. (Ann-I to IFB - Vol-I)	Description & Documents Required	Submitted (Bidder to indicate Yes/ No)	Reference in E- Bid Document (Bidder to indicate place in the ebid, such as Page No./ Vol. No. etc.)
9	4.1.2 (02)	Coating Plant Qualification: The Bidder shall furnish a certificate for proposed coating plant along with their bid, which have not been audited by GAIL / or its authorized representatives or, have not carried out Coating application for GAIL of same or higher size during last seven years reckoned from the Due date for Bid Submission , as per Format provided in the bid documents, from a reputed International inspection agency (i.e. CEIL, LLOYDS, BV, DNV, TUV, ABS, MOODY, AIB-Vincotte) certifying that the plant has capability to coat line pipes (external/internal, as applicable) complying with technical requirements specified in bid document. Non-compliance to the above requirement will make the plant liable for rejection. The certificate for coating plant qualification from one of the above mentioned reputed agencies for the proposed coating plant for same or higher size as quoted for, issued in the last 12 months, reckoned from the bid due date, for any of GAIL projects shall be considered acceptable for this project also. Submit the following documents in support of above (i) Capability Certificate format certified by International Inspection Agency as mentioned.		
10	4.1.5.1 B)	For Coating Submit the following documents for capacity assessment (i) Copy of Purchase Order (PO) / Letter of Acceptance (LOA) (ii) Copy of Inspection Certificate / Release Note (iii) Copy of Daily Progress Report (DPR)		
	GENERAL	i) Digitally signed & stamped Vol-I & Vol II of Bid Document No. 05/51/23M3(Ph-1)/GAIL/012. ii) Price schedule (Blank) duly signed and stamped iii) No deviation confirmation in bidder letter head (Format F-6) iv) Present commitment at proposed plant (Format F-9)		

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(Bidder's Signature & Seal)

SECTION II

- 1. INSTRUCTIONS TO BIDDERS (ITB)**
- 2. ADDENDUM TO ITB**
- 3. READY RECOKNER**

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3. ONE BID PER BIDDER
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INSTRUCTIONS TO BIDDERS (ITB)

GENERAL

This Instruction to Bidders is to be read in conjunction with Addendum to Instruction to Bidders, attached with the bid document and in case of contradiction, Addendum to Instruction to Bidders shall prevail to the extent applicable.

1. SCOPE OF BID:

- 1.1. The Employer/Purchaser/Owner/GAIL/PMC as defined in the General Conditions of Contract, hereinafter “the Employer” wishes to receive bids as described in the Bidding Documents.
- 1.2. SCOPE OF BID: The scope of work shall be as defined in the bidding document.
- 1.3. The successful bidder will be expected to complete the Scope of Bid within the period stated in special conditions of contract.
- 1.4. Throughout this bidding documents, the term “bid” and “tender” and their derivatives (“bidder/tenderer”, “Bid/tendered/tender”, “bidding/tendering”, etc.) are synonymous, and day means calendar day. Singular also means plural.

2. ELIGIBLE BIDDERS:

2.1 Documents Establishing Bidder’s Qualification

- 2.1.1 Bidder shall, as part of their bid, submit a written power of attorney authorizing the signatory of the bid to commit the bidder.
- 2.1.2 Pursuant to qualification criteria specified in Invitation for Bids (IFB) the bidder shall furnish all necessary supporting documentary evidence to establish the bidder’s claim of meeting qualification criteria.
- 2.1.3 The bidder shall furnish, as part of his bid, documents establishing the bidder’s eligibility to bid and his qualifications to perform the contract if his bid is accepted.
- 2.1.4 The documentary evidence of the bidder’s qualifications to perform the contract if his bid is accepted, shall establish to the OWNER’S/CONSULTANT’S satisfaction that, the bidder has the financial, technical and productions capacity necessary to perform the contract.
- 2.1.5 In case of Foreign Bidders, bids from only foreign suppliers/ manufacturers are acceptable and offers from the Indian Agents of Foreign Principals / Suppliers / Manufacturers are not permitted.
- 2.2 The invitation of bid is open to any bidder.
- 2.3 A bidder shall not be affiliated with a firm or entity:
 - i) that has provided consulting services related to the work to the EMPLOYER during the preparatory stages of the works or of the project of which the works form a part, or
 - ii) that has been hired by the Employer as engineer/consultant for the contract.
- 2.4 The bidder shall not be under a declaration of ineligibility by EMPLOYER for corrupt or fraudulent practices as defined in ITB clause no. 44.
- 2.5 The bidder is not put on holiday/ blacklisted by GAIL/MECON or by any Government

Department/ Public Sector on due date of submission of bid. If the documents were issued inadvertently / downloaded from website, offers submitted by such bidders shall not be considered for opening / evaluation / award.

2.6 While evaluating the bids, pursuant to bid evaluation criteria (BEC) as specified in the Global Notice for Invitation for Bids (IFB), bidder's past performance shall also be assessed for ascertaining the responsiveness of the bid. In such a case, the decision of the Purchaser/consultant shall be final and binding on the contractor.

2.7 Any job executed by bidder for its own concern, shall not be considered as experience for meeting Bid Evaluation Criteria.

3. ONE BID PER BIDDER

3.1. A Bidder shall submit only one bid in the same bidding process. A Bidder who submits or participates in more than one bid will cause all the proposals in which the bidder has participated to be disqualified.

3.2. Alternative bids are not acceptable. Bidder can quote for various options as described in the MR.

3.3. Bare pipeline manufacturer, domestic as well as foreign have the option to form a consortium with a firm for coating work to offer quoted pipes. Bids are acceptable from Consortium only for Option – 3 subject to following:

3.3.1 Total number of consortium members including leader should not exceed two. Further, after submission of bid, members of consortium declared can not be changed.

3.3.2 A member who is a line pipe manufacturer and meets the requirement for supply of line pipe as per BEC only shall be nominated as leader of the Consortium and this authorization/nomination shall be evidenced by submitting a power of attorney signed by legally authorized signatories of both the members.

3.3.3 The bid security, the bid, and in case of a successful bid, the Agreement, shall be signed by the leader and member of consortium so as to legally bind both members of Consortium.

3.3.4 The leader shall be authorized to incur liabilities and receive instructions for and on behalf of any and all members of the Consortium and for entire execution of the Contract, including payment. All payments shall be released in favour of Consortium.

3.3.5 Both members of Consortium shall be liable jointly and severally for the execution of the Contract in accordance with the contract terms, and a statement to this effect shall be included in the authorization mentioned under para (3.3.2) above, as well as in the bid and in the Agreement (in case of a successful bid); and

3.3.6 A copy of the Consortium Agreement / MOU entered into by both members shall be submitted along with the bid.

4. COST OF BIDDING

4.1 The bidder shall bear all costs associated with the preparation and submission of the bid, and EMPLOYER (GAIL)/Consultant (MECON), will in no case be responsible or liable for this cost, regardless of the conduct or outcome of the bidding process.

5. SITE VISIT

- 5.1. The bidder is advised to visit and examine the site or / locations of Warehouse/storage yard and its surroundings and obtain for itself, at its own responsibility, all the information that may be necessary for preparing the bid and entering into the Contract. The cost of visiting the site shall be at the bidder's own expense.
- 5.2. The bidder or any of its personnel or agents will be granted permission by the Employer to enter upon its premises and land for the purpose of such visits, but only upon the express condition that the bidder, its personnel, and agents will indemnify the Employer and its personnel and agents from and against all liabilities 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.

BIDDING DOCUMENTS

6. CONTENT OF BIDDING DOCUMENT

- 6.1 The Bid Documents hosted on GAIL and MECON's Website are as stated below and should be read in conjunction with any addenda issued/hosted in accordance with clause 8 of ITB:

Volume I of II : Commercial

Volume II of II: Technical – Material Requisition MR.

- 6.2 The bidder is expected to examine IFB, e-bidding guidelines on GAIL website, all instructions, form/formats, terms, specifications and drawings etc., enclosed in the bid documents. The invitation for bid (IFB) together with all its attachment thereto, shall be considered to be read, understood and accepted by the bidder. Failure to furnish all information required by the Bid Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at bidder's risk and may result in the rejection of the Bid.

7. CLARIFICATION ON BID DOCUMENTS

- 7.1 A prospective bidder requiring any information or clarification of the Bidding Documents, may notify the Employer/Consultant in writing by e-mail/fax at Consultant's mailing address indicated in the Bid Document. MECON will respond in writing to any request for clarification of the bidding documents, which it receives at least 03 (three) days before scheduled date of pre-bid meeting. Written copies of GAIL/MECON response (including an explanation of the query but without identifying the source of the query) will be hosted on the website www.gailtenders.in, <http://etender.gail.co.in> and www.meconlimited.co.in, before bid due date.

8. AMENDMENT OF BID DOCUMENTS

- 8.1. At any time prior to the deadline for submission of bids, the Employer/Consultant may, for any reason, whether on its own requirement or in response to a clarification requested by prospective bidders, modify the Bidding Documents by issuing addenda.
- 8.2. Any addendum/corrigendum/clarifications thus issued shall be part of the Bidding Documents pursuant to ITB clause 6.1 and shall be hosted on the websites as mentioned in clause 7.1 above before the bid due date. All the prospective bidders who have attended the pre bid meeting/submitted Bid document fee till date shall be

informed by e-mail/Fax about the addendum/corrigendum/clarifications to bidder's query for their reference. Bidders desirous to submit its bid have to take into consideration of all the addendum(s) / corrigendum (s) / clarifications issued/ web hosted, before submitting the bid.

- 8.3. The Employer/Consultant may, at its discretion, extend the date of submission of Bids in order to allow the bidders a reasonable time to furnish their most competitive bid taking into account the amendments issued.

PREPARATION OF BIDS

9. LANGUAGE OF BID

- 9.1. The Bid prepared by the bidder, all correspondence/drawings and documents relating to the bid exchanged by the bidder with the Employer/Consultant shall be in English Language alone provided that any printed literature furnished by the bidder may be written in another language so long as accompanied by an English translation, in which case, for the purpose of interpretation of the bid, the English translation shall govern.
- 9.2. In the event of submission of any document/ certificate by the Bidder in a language other than English, the English translation of the same duly authenticated by Chamber of Commerce of Bidder's country shall be submitted by the Bidder. Metric measurement system shall be applied.

10. DOCUMENTS COMPRISING THE BID

- 10.1 The e-bid prepared by the bidder shall comprise the following:
- 10.2 **E-Envelope- I: Superscribing Techno-Commercial Un-priced Bid (PART-I)**
- 10.2.1 Part – I: Techno-commercial/Un-priced Bid and shall contain the following duly E-Signed on each page.
- a. Covering letter.
 - b. Bidder's General Details/information as per format F-1.
 - c. Power of Attorney in original physical form in favour of person (s) signing the bid that such person (s) is/are authorised to sign the bid on behalf of the bidder and any consequence resulting due to such signing shall be binding on the bidder.
 - d. Bid Form as per format F-2.
 - e. List of enclosures as required in format F-3.
 - f. Financial details as per formats F-3A (Annual Turnover) & F-3B (Financial Situation)
 - g. Price Schedule with prices blanked out mentioning "Quoted / Not Quoted" against each item under each Option in each Group and shall mention type of pipe quoted along with other details like rate of taxes and duties etc. considered.
 - h. Bid security/EMD in accordance with Clause 14 of "ITB" shall be furnished in Original in physical form either in the form of Banker's Cheque/Bank Draft payable to GAIL at New Delhi or Bank Guarantee as per format F-4 and for Letter of credit in the format F-4A
 - i. Letter of authority in original physical form in favour of any one of bidder's executive having authority to attend the un-priced and price bid opening on specified dates and venue as per format F-5
 - j. Confirmation of no deviation as per Format F-6.
 - k. Certificate as per Format F-7 for confirming the Government of India is not party of Agreement.

- l. Details of similar work done during past seven years as per Form F-8.
- m. Concurrent commitments as per form F-9 and shall give manufacturing and execution plan for the pipes being offered by the bidder considering the concurrent commitments.
- n. All necessary documents to establish the qualification pursuant to sub clauses of IFB.
- o. Line Pipe Manufacturing Mill Capability Certification as per Format – F-10A (SMLS)
- p. Line Pipe Manufacturing Mill Capability Certification as per Format – F-10A (EW/SAW)
- q. Capacity Assessment For Production Of (Size: Dia X Thk) LSAW/HS AW/ERW PIPES as per Format - F-10B
- r. Data For Capacity Assessment For Production of (Size: Dia X Thk, Type)Pipe By Conducting Time Study of The Critical Operations of Any Ongoing Production Campaign At Bidder Pipe Mill as per Format 10 C
- s. Capability/ Capacity Assessment by Pilot Production of 10 Nos (Size: Dia X Thk API 5L Gr.X 65 / Gr. X52) (PSL 2) Pipes or Equivalent Pipes as per Format 10 D
- t. Certificate of Non-Involvement of Agent as per Format F-11, if there is no Agent / Consultant / retainer / Associate is involved.
- u. Proforma for details of Indian Agents as per Format F-12 if Agent/Consultant/Retainer/ Associate is involved.
- v. Line Pipe Coating Capability Certificateas per format F-13
- w. Data For Capacity Assessment For Coating Plant Based On Best Offered Campaign (Not Less Than 10 Consecutive Days) For 3lpe Coating Of API 5l Grade Pipe Within Last Seven Years At Bidder Pipe Mill as per format F-13A
- x. Declaration as per Format F-14.
- y. Check list duly filled in as per Format F-15
- aa. In case of consortium bid for Option – 3, the bid shall contain the following documents:
 - i) Power of Attorney in original in physical form signed by legally authorised signatories of all the members evidencing authorization to one of the member as nominated leader in the consortium as per Clause 3.3.2 to ITB.
 - ii) Consortium Agreement / MOU in original in physical form entered into by all members as per Clause 3.3.6 of ITB.
- bb. Scanned copy of the Demand Demand/Bankers cheque as an evidence for Cost of bidding document and Mill Audit Fee (Wherever applicable).
- cc. Any other information/ details required as per Bidding Documents.

Note: All pages of the bid are to be e-signed and sealed by authorised person of the bidder.

10.3 **E-Envelope II: Superscribing “Price Bid – Not to Open with Techno – Commercial Un priced Bid”- (PART-II)**

10.3.1 Part – II : Price Bid

10.3.1.1 Bidder shall download the schedule of rates, which is uploaded on website as an excel attachment. Bidder shall submit schedule of rates duly filling in and e-signed strictly as per format without altering the content of it. The duly filled schedule of rates shall be uploaded by the bidder on website as per e-tendering procedure.

- 10.4. **Envelope III; Superscribing “Bid Security”- PART-III in physical form.**
- 10.4.1 Part-III: Bid Security in original physical form.
- 10.4.1.1 Part-III shall contain one original and one copy of Bid security in separate sealed envelopes.
- 10.5 **Envelope IV: Superscribing “Bid Document Fee & Mill Audit Fee (if applicable)”- PART-IV in physical form.**
- 10.5.1 Part-IV: Bid Document Fee in original physical form.
- 10.5.1.1 Part-IV shall contain one original and one copy of Bid Document Fee in separate sealed envelopes.
- 10.6 **Envelope V: Superscribing “Power of Attorney & INTEGRITY PACT”- PART-V in physical form.**
- 10.6.1 Part-V: Power of Attorney & Integrity Pact in original physical form.
- 10.6.1.1 Part-V shall contain one original and one copy of Power of Attorney & Integrity Pact in separate sealed envelopes.
- 10.7 The bidder has an option to submit the Demand Draft towards tender fee and Mill Audit Fee, Bid security, Power of Attorney , Integrity Pact and Letter of Authority in physical form within 7 (seven) days reckoned from bid due date provided scanned copies of the above documents have been submitted as a part of e-bid on or before the bid due date and time. EMD not received in physical form within 7 days from the date of unpriced bid opening, the bid will be rejected irrespective of their status/ ranking in tender and notwithstanding the fact that a copy of EMD was earlier uploaded by the bidder.
11. **BID PRICES**
- 11.1 The bidder shall e-quote Bid Prices on the appropriate format for “Price Schedule” enclosed as part of Bid Document.
- 11.2 **Deleted**
- 11.3. Price quoted by the bidder, shall remain firm, fixed, and valid until completion of the contract performance and will not be subject to any variation, except statutory variation pursuant to relevant provisions in clause 11.7.1.2.2, 11.7.1.2.4, 11.7.2.2.2, 11.7.2.2.4, 11.7.3.2.2, 11.7.3.2.4 and 11.8.3.4.4 of ITB.
- 11.3.1 Any new taxes & duties, if imposed by Govt. of India after the date of bid submission specified in the bid document but before the contractual delivery date, shall be reimbursed to the contractor on submission of documentary evidence for proof of payment to Govt. authorities and after ascertaining it’s applicability w.r.t the contract.
- 11.4. The bidder shall e-quote the price for item in the Price Schedule after careful analysis of cost involved for the performance of complete work considering all parts of the Bidding Documents. In case, any activity though specifically not covered but is required to complete the work as per scope of work, scope of supply, specifications, standards, drawings, GCC, SCC or any other part of Bidding Document, the prices quoted shall deemed to be inclusive of cost incurred for such activity.

- 11.5. The Employer is entitled to Project rate of Customs Duty for imports made for this Pipeline Project. The present rates of Customs duty for Imports are basic duty (Project rate) @ 5% + CVD & Ed. Cess i.e. CVD@ 8.24% + ED. Cess @3%+ SAD @4% as applicable.

The bidder while quoting the price may consider the project rate of custom duty. However, in case bidder is allowed, vide any other notification, a lower rate of custom duty than project rate of customs duty for import of raw materials and components viz. plates/coils, welding material, coating material, bare pipes, coated pipes etc., in such case bidder may consider the same and quote accordingly. Bidder shall ascertain the applicable rate of customs duty and shall be solely responsible towards applicability and correctness of such rates. The evaluation and ordering shall be carried out based on the rates of customs duty considered by the bidder. However, in case of wrong classification, no variation including statutory variation of Customs Duty will be payable extra. The bidder(s) must indicate quantity, CIF value & rate of custom duty considered in the Price Schedule.

The Employer's responsibility is only limited to furnishing of the necessary certificate to obtain Essentiality Certificate from their Administrative Ministry for availing the Project rate of Customs Duty by Bidders. However, this certificate shall not be issued for import of Line Pipes to Indian Bidders.

If bidder has considered Customs Duty for import contents other than the Project rate of customs duty in their offer, then statutory variation on the customs duty shall be payable extra on the project rate of customs duty or the rate of customs duty considered by the bidder, whichever is lower.

- 11.6 a) The Employer will not issue any concessional form for CST/ LST/VAT.
- b) Bidders are required to provide CENVATABLE invoices with respect to Excise Duty, VAT, WCT and Service Tax in all cases of Option – 1, Option – 2 & Option – 3 which shall be raised as per the details provided in detailed Order/ Letter of Acceptance.

- 11.6.1 Rate of Cenvatable Excise duty including Education cess will be 8.24% for supply of bare line pipes from non-EOU Indian mill. Indian Bare line pipe manufactures will furnish invoice for cenvatable Excise duty including education cess @ 8.24% for supply of the line pipes from their non-EOU mill, to Coater quoting under Option-2.

Subject to statutory variation, in case of cenvatable invoice from the bare line pipe manufacturer from non-EOU mill for cenvatable excise duty is found to be of the rate lower than that specified above, the Difference will be deducted by GAIL from the bills of bare line pipe manufacturer. The amount so deducted will be paid to the affected Coater quoting under Option-2.

- 11.6.2 Rate of Cenvatable CVD including Education Cess will be 8.24% for supply of bare line pipes from Overseas. GAIL will provide invoice for cenvatable CVD including education cess @ 8.24% (paid to the custom authorities for imported bare line pipes), to Coater quoting under Option-2.

Subject to statutory variation, in case the cenvatable CVD paid by GAIL is found to be at the rate lower than that specified above, the difference will be paid by GAIL to the affected Coater quoting under Option-2.

- 11.6.3 For supply of Bare Line pipe from EOU mill, Indian line pipe manufacturer will furnish invoice for cenvatable excise duty including education cess for supply of the line pipes from their EOU mill, to Coater quoting under Option-2.

Subject to statutory variation, in case of cenvatable invoice from the bare line pipe manufacturer from EOU mill for cenvatable excise duty is found to be at the rate lower than that specified above, the difference will be deducted by GAIL from the bills of bare line pipe manufacturer. The amount so deducted will be paid to the affected Coater quoting under Option-2. Entire amount of excise duty and cess applicable on coated pipe shall be borne by coating contractor under option-2 after availing cenvat benefit as mentioned above.

11.7 Indian Bidders shall indicate the following as per Price Schedule :

11.7.1 Option-I: Supply of bare line pipes

11.7.1.1. Ex-Works unit and total price of bare pipes including packing, forwarding and charges towards loading of pipes on Truck / Trailer to be arranged by Coating Contractors (such price to include all costs as well as duties and taxes paid or payable on components and raw materials incorporated or to be incorporated in the goods, inspection testing and loading on coating contractor's carrier etc.) but excluding applicable taxes and duties on finished goods.

11.7.1.2. The bidder shall indicate the following separately:

11.7.1.2.1. CIF value of import for raw material and components incorporated or to be incorporated in the goods. The bidder shall provide description of such material, quantity, rate, value etc.

11.7.1.2.2. Customs duty (rate) considered on above CIF value of import for raw material and components as per clause 11.7.1.2.1. The statutory variation in Customs duty only, on CIF value indicated as per Clause 11.7.1.2.1 above, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of Customs duty beyond the contractual completion period shall be to bidder's account. In case of wrong classification, no variation including statutory variation of Customs Duty will be payable extra. Any decrease in the rate of Customs duty shall be passed on to the Employer.

11.7.1.2.3. Unit price of finished goods including packing and forwarding charges but excluding applicable taxes and duties.

11.7.1.2.4. Excise Duty and CST/Sales Tax/VAT (rates and amount) without concessional form for CST/VAT which will be payable on the finished goods, if this contract is awarded. The statutory variation in Excise duty and Sales tax / VAT and Service Tax, if applicable, on finished goods, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of these taxes and duties beyond the contractual completion period shall be to bidder's account. Any decrease in the rate of taxes & duties shall be passed on to the Employer.

Wherever service tax is applicable bidder to indicate the option and rate considered by them. Option once declared can not be changed. Statutory variation on account of service tax would be allowed which will flow from the statute of India.

11.7.2 Option-2: Coating of bare line pipes

11.7.2.1. Ex-warehouse/storage yard price of coated pipes including, applicable taxes and duties etc. (such price to include transportation of bare pipes from pipe mill(s)/port of entry to coating facility, internal & external coating of bare pipes (as applicable) including all costs as well as duties and taxes paid or payable on components and raw materials incorporated or to be incorporated in the goods, inland transportation

including taxes, duties, levies, octroi , entry tax etc., despatch of coated pipes to Warehouse/storage yard, establishment (hiring /owning) of Warehouse/storage yard, transit & storage insurance, storage and preservation of coated pipes at Warehouse/storage yard for 3 months beyond contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is later and loading on line pipe laying contractor's carrier, ED & ST/VAT applicable on finished goods, WCT, Service Tax, etc. as applicable). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence. However, after this free period of three months, Coating Contractor will be entitled for payment of Rs. 5000/-per day for storage and preservation of coated line pipes at Warehouse/storage yard.

- a) Bidder to quote their prices considering following locations of issue of the bare line pipes:

Location	Place of Issue of Bare Pipes
1.	Kandla Port (Gujarat)
2.	Mundra / Anjar
3.	Nagothane
4.	Bahadurgarh
5.	Howrah
6.	Kalyan
7.	Jindal Nagar, Ghaziabad
8.	Kosi kalan , Mathura

- 11.7.2.2.2 The bidder shall indicate the following separately:
- 11.7.2.2.1 CIF value of import for raw material and components incorporated or to be incorporated in the goods. The bidder shall provide description of such material, quantity, rate, value etc.
- 11.7.2.2.2 Customs duty (rate) considered on above CIF value of import for raw material and components as per clause 11.7.2.2.1. The statutory variation in Customs duty only, on CIF value indicated as per clause 11.7.2.2.1 above, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of Customs duty beyond the contractual completion period shall be to bidder's account. In case of wrong classification, no variation including statutory variation of Customs Duty will be payable extra. Any decrease in the rate of Customs duty shall be passed on to the Employer.
- 11.7.2.2.3 Unit price of finished goods including packing and forwarding charges but excluding applicable taxes and duties.
- 11.7.2.2.4 Excise Duty and Sales tax/VAT (rates and amount) without any concessional form, which will be payable on the finished goods, if this contract is awarded. The statutory variation in Excise duty and Sales tax / VAT and Service Tax, if applicable, on finished goods, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of these taxes and duties beyond the contractual completion period shall be to bidder's account. Any decrease in the rate of taxes & duties shall be passed on to the Employer.

The Employer shall provide necessary documents to claim CENVAT on excise duty,

as applicable, on free issue bare line pipes.

In case Free Issue material is imported bare line pipes, the employer shall provide necessary documents to claim CENVAT on CVD, as applicable if any, on free issue of bare line pipes.

Wherever service tax is applicable bidder to indicate the option and rate considered by them. Option once declared can not be changed. Statutory variation on account of service tax would be allowed which will flow from the statute of India.

- 11.7.2.2.5 Inland transportation charges from place of issue bare line pipes to coating Plants, despatch point to designated Warehouse/storage yard including loading, unloading of pipes at respective warehouse/storage yard. The prices should be inclusive of all taxes, duties, levies etc. except Octroi & Entry Tax and storage and preservation of coated pipes at Warehouse/storage yard upto 3 months beyond the contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is later. (including loading on line pipe laying contractor's carrier). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence.
- 11.7.2.2.6 Taxes and duties in % and amount included in Clause 11.7.2.2.5.
- 11.7.2.2.7 Separately quote all inclusive unit rate including all taxes, duties, etc. for repair of defects of imported bare line pipes received at Kandla Port (Gujarat) .
- 11.7.3 **Option-3: Supply of coated line pipes**
- 11.7.3.1 Ex- warehouse/storage yard price of coated pipes including packing and forwarding, applicable taxes and duties etc. (such price to include fabrication /manufacturing of line pipes including all costs as well as duties and taxes paid or payable on components and raw materials incorporated or to be incorporated in the goods, packing & forwarding of line pipes to coating facility, internal & external coating of pipes (as applicable), inland transportation including taxes, duties, levies, octroi , entry tax etc., despatch of coated pipes to Warehouse/storage yard, establishment (hiring /owning) of Warehouse/storage yard, transit and storage insurance storage and preservation of coated pipes at Warehouse/storage yard for 3 months beyond contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is later and loading on line pipe laying contractor's carrier, ED & ST/VAT applicable on finished goods, WCT, Service Tax, etc. as applicable). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence. However, after this free period of three months, Coated Pipe supplier will be entitled for payment of Rs. 5000/- per day for storage and preservation of coated line pipes at Warehouse/storage yard.
- 11.7.3.2 The bidder shall indicate the following separately:
- 11.7.3.2.1 CIF value of import for raw material and components incorporated or to be incorporated in the goods. The bidder shall provide description of such material, quantity, rate, value etc.
- 11.7.3.2.2 Customs duty (rate) considered on above CIF value of import for raw material and components. The statutory variation in Customs duty only, on CIF value indicated as per Clause 11.7.3.2.1 above, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of Customs duty beyond the contractual completion period shall be to bidder's account. In case of wrong classification, no variation including statutory

variation of Customs Duty will be payable extra. Any decrease in the rate of Customs duty shall be passed on to the Employer.

11.7.3.2.3 Unit price of finished goods including packing and forwarding charges but excluding applicable taxes and duties, transportation charges and arranging / maintenance of Warehouse/storage yard charges.

11.7.3.2.4 Excise Duty and Sales tax/VAT (rates and amount) without any concessional form, which will be payable on the finished goods, if this contract is awarded. The statutory variation in Excise duty and Sales tax / VAT and Service Tax, if applicable, on finished goods, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of these taxes and duties beyond the contractual completion period shall be to bidder's account. Any decrease in the rate of taxes & duties shall be passed on to the Employer.

Wherever service tax is applicable bidder to indicate the option and rate considered by them. Option once declared can not be changed. Statutory variation on account of service tax would be allowed which will flow from the statute of India.

11.7.3.2.5 Inland transportation charges from dispatch point to designated warehouse/storage yard including loading, unloading of pipes at respective Warehouse/storage yards. The prices should be inclusive of all taxes, duties, levies etc. except Octroi & Entry Tax and storage and preservation of coated pipes at Warehouse/storage yard upto 3 months beyond the contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is later (including loading on line pipe laying contractor's carrier). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence.

11.7.3.2.6 Taxes and duties in % and amount included in Clause 11.7.3.2.5.

11.8 **Foreign bidders shall indicate the following as per price schedule:-**

11.8.1 Option-1: Supply of Bare Line Pipes

11.8.1.1 Bidders shall submit their unit & total prices on FOB – International Port of Shipment, and CFR Kandla Port basis as detailed out in the Price Schedule.

11.8.1.2 The request for different price basis is merely to facilitate the comparison of bids and will not in any way limit the Employer's right to contract on different terms.

11.8.1.3 Employer reserves the right to place the order on any of the above specified price Basis. In case of award, initially the Fax of Acceptance (FOA) shall be placed on FOB basis and GAIL reserves the right to convert the same to CFR basis within 45 days from placement of order. Therefore, the CFR prices should be valid for additional 45 days from the date of Fax of Acceptance (FOA).

11.8.1.4 Prices quoted shall be inclusive of all applicable taxes and duties, packing & forwarding, stowing, etc. applicable upto FOB – International Port of shipment.

11.8.2 **Option-2: Coating of bare line pipes**

Same as applicable for Indian bidders opting for option – 2, clause no. 11.7.2

11.8.3 **Option-3: Supply of coated line pipes**

A) If the coated pipes are imported:

11.8.3.1 Foreign bidder to quote Ex- warehouse/storage yard in India Unit and total price of coated pipes including packing and forwarding, applicable taxes and duties etc. on finished goods excluding octroi & entry tax, if applicable (such price to include fabrication/manufacturing of the line pipes including all costs as well as duties and taxes applicable outside India, paid or payable on components and raw materials incorporated or to be incorporated in the goods, packing & forwarding of line pipes to coating facility, internal & external coating of pipes (as applicable) ,despatch of coated pipes to port of entry in India, (except payment of Indian Customs duty), port clearance and other charges at port of entry, custom clearance & forwarding, inland transportation including taxes, duties, levies etc., in India, despatch of coated pipes to Warehouse/storage yard, establishment (hiring /owning) of Warehouse/storage yard, all insurance storage and preservation of coated pipes at Warehouse/storage yard for 3 months beyond contractual completion period or date of last coated pipe received at Warehouse/storage yard, whichever is later and loading on line pipe laying contractor's carrier, WCT, Service Tax etc.). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence. However, after this free period of three months, Coated Pipe supplier will be entitled for payment of Rs. 5000/- per day for storage and preservation of coated line pipes at Warehouse/storage yard.

All Type of insurance including but not limited to marine, transit, storage etc. shall be in bidder's scope.

Indian Customs Duty, as applicable, at the Port of entry will be paid by GAIL. The Pipes shall be consigned to GAIL (India) Limited. The Foreign Bidder shall furnish Indemnity Bond equivalent to the CIF value of goods plus the value of import duties to Purchaser before undertaking above activities. The Indemnity Bond shall be valid upto receipt and acceptance of last Coated Pipes at Warehouse/storage yards.

Any delay in submitting Indemnity Bond and thus resulting in any cost/charges to Purchaser including demurrage/wharfage shall be to Bidder's account only. Responsibility of safe custody of Pipes while undertaking customs clearance; transportation etc. shall be with foreign bidder. Foreign Bidder shall indemnify GAIL against any losses of or damage to misuses or misappropriation whatsoever of Purchaser's Pipes while in possession of them / their Indian counterpart. Foreign Bidder shall take adequate precautions for safe custody of Purchaser's Pipes including its insurance while in their possession.

In order to import the goods on project rate of Indian customs duty, bare line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of bare line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

11.8.3.2 The bidder shall indicate the following separately:

11.8.3.2.1 CIF value of Coated Pipes at port of discharge (Kandla Port) in India.

11.8.3.2.2 **Deleted.**

11.8.3.2.3 Establishment (hiring/owing) of warehouse/storage yard, inland transportation charges from dispatch point to designated Warehouse/storage yard, including loading, unloading of pipes at respective Warehouse/storage yard. The prices should be inclusive of all taxes, duties, levies etc. and storage and preservation of coated pipes at Warehouse/storage yard upto 3 months beyond the contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is

later (including loading on line pipe laying contractor's carrier). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence.

11.8.3.2.4 Taxes and duties as applicable in % and amount included in 11.8.3.2.3.

11.8.3.2.5 In order to import the goods on project rate of Indian customs duty, coated line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of coated line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

B) If the foreign bidder opts to import the bare pipe and coat in India:

11.8.3.3 Foreign bidder to quote Ex-Warehouse/storage yard unit & total price of coated pipes including packing and forwarding, applicable taxes and duties, etc. on finished goods excluding entry tax & octroi, if applicable (such price to include fabrication /manufacturing of line pipes including all costs as well as duties and taxes applicable outside India, paid or payable on components and raw materials incorporated or to be incorporated in the goods, despatch of bare pipes to port of entry in India, (excluding payment of Indian Customs duty), port clearance and other charges at port of entry, inland transportation including taxes, duties, levies, octroi & entry tax upto Coater's Works etc., in India, despatch of bare pipes to coating facility, internal & external coating of pipes (as applicable), despatch of coated pipes to Warehouse/storage yard, establishment (hiring /owning) of Warehouse/storage yard, all insurance, storage and preservation of coated pipes at Warehouse/storage yard for contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is later and loading on line pipes laying contractor's carrier, ED/ ST/VAT applicable on finished goods, WCT, Service Tax etc.). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence. However, after this free period of three months beyond contractual period, Coated Pipe supplier will be entitled for payment of Rs. 5000/-per day for storage and preservation of coated line pipes at Warehouse/storage yard.

All type of insurance including but not limited to marine, transit, storage etc. shall be in bidder's scope.

Customs Duty will be paid directly by GAIL. The Pipes shall be consigned to GAIL (India) Limited. The Foreign Bidder shall furnish Indemnity Bond equivalent to the CIF value of Customs Cleared goods to Purchaser before undertaking above activities. The Indemnity Bond shall be valid upto receipt and acceptance of last Coated Pipes at Warehouse/storage yards.

Any delay in submitting Indemnity Bond and thus resulting in any cost/charges to Purchaser including demurrage/wharfage shall be to Bidder's account only. Responsibility of safe custody of Pipes while undertaking customs clearance; transportation etc. shall be with Foreign bidder. Foreign Bidder shall indemnify GAIL against any losses of or damage to misuses or misappropriation whatsoever of Purchaser's Pipes while in possession of them / their Indian counterpart. Foreign Bidder shall take adequate precautions for safe custody of Purchaser's Pipes including its insurance while in their possession.

In order to import the goods on project rate of Indian customs duty, bare line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of bare line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

11.8.3.4 The bidder shall indicate the following separately:

- 11.8.3.4.1 CIF value of bare line pipes, coating materials etc., at port of discharge (Kandla Port) in India. : The bidder shall provide description of such material, quantity, rate, value etc.
- 11.8.3.4.2 **Deleted.**
- 11.8.3.4.3 Unit price of finished goods including packing and forwarding charges but excluding applicable taxes and duties.
Indicate price of coating works separately in price schedule.
- 11.8.3.4.4 Excise duty and Sales tax/VAT (rates and amount) which will be payable on the finished goods, if this contract is awarded. The statutory variation in Excise duty and Sales tax / VAT and Service Tax, if applicable, on finished goods, within the contractual delivery period shall be to Employer's account against submission of the documentary evidence. However, any increase in the rate of these taxes and duties beyond the contractual completion period shall be to bidder's account. Any decrease in the rate of taxes & duties shall be passed on to the Employer.
- Wherever service tax is applicable bidder to indicate the option and rate considered by them. Option once declared can not be changed. Statutory variation on account of service tax would be allowed which will flow from the statute of India.
- 11.8.3.4.5 Establishment (hiring/owing) of Warehouse/storage yard, inland transportation charges from dispatch point to designated Warehouse/storage yard including loading, unloading of pipes at respective Warehouse/storage yards. The prices should be inclusive of all taxes, duties, levies etc. and storage and preservation of coated pipes at Warehouse/storage yard upto 3 months beyond the contractual completion period or date of last coated pipe received at Warehouse/storage yard whichever is later. (including loading on line pipe laying contractor's carrier). Octroi /Entry tax, on the coated pipes, if applicable, shall be reimbursed at actual by Owner on submission of documentary evidence.
- 11.8.3.4.6 Taxes and duties as applicable in % and amount included in clause 11.8.3.4.5.
- 12. BID CURRENCY:**
- 12.1 Indian bidders may submit bid in Indian Rupees or in US \$ / Euro and receive payment in such currency.
- 12.2 Foreign bidders may submit bid in the home currency of bidder's country or US\$/EURO/INR.
- 12.3 A bidder expecting to incur a portion of his expenditure in the performance of Contract in more than one currency (limited to maximum two currencies) (without prejudice to the provisions of Clause 12.2) and wishing to be paid accordingly shall indicate the same in the bid. In such a case, the bid shall be expressed in different currencies with the respective amounts in each currency together making up the total price.
- 12.4 Currency once quoted will not be allowed to be changed. Employer shall not be compensating for any exchange rate fluctuation.
- 13. PERIOD OF VALIDITY OF BIDS**
- 13.1 The bid shall remain valid for acceptance for three (03) months from the bid due date. A bid valid for a shorter period shall be rejected being non-responsive.
- 13.2 In exceptional circumstances, prior to expiry of the original bid validity period, the

Employer/ Consultant may request that the bidder extend the period of validity for a specified additional period. The requests and the responses thereto shall be made in writing (by e-mail/fax). A bidder may refuse the request without forfeiture of its bid security. A bidder agreeing to the request will not be required or permitted to modify his bid, but will be required to extend the validity of its bid security for the period of the extension and in accordance with ITB clause 14 in all respects.

14. BID SECURITY

14.1 The bidder shall furnish, as part of its Bid, a Bid Security in the amount specified in the IFB.

14.2 The bid security is required to protect the Employer against the risk of bidder's conduct which would warrant the bid security's forfeiture, pursuant to clause 14.7 of ITB.

14.3 The bid security in US Dollars for foreign bidders and Indian Rupees for Indian bidders shall be in the form of Demand Draft/ Banker's Cheque in favour of GAIL (India) Ltd., payable at New Delhi (issued by Indian Nationalised/Scheduled bank **or first class international bank**) or in the form of an irrevocable Bank Guarantee in favour of GAIL (India) Ltd. as per format enclosed at F-4.

GAIL shall not be liable to pay any bank charges, commission or interest on the amount of bid security.

In case, bid security is in the form of irrevocable Bank Guarantee the same shall be from any Indian scheduled Bank or a branch of an International bank situated in India and registered with the Reserve Bank of India as scheduled foreign bank in case of Indian Bidder and from **any reputed International Bank** or Indian Scheduled Bank in case of foreign bidder. However, in case of Bank Guarantee from banks other than the Nationalized Indian bank, the bank must be a commercial bank having net worth in excess of Rs. 100 Crores and **a declaration to this effect** should be made by such commercial bank either in the bank guarantee itself or separately on its letter head.

The bid security shall be valid for two (02) months beyond the validity of the bid as specified in Clause 13 of ITB.

14.4 Any bid not accompanied with bid security in accordance with clause 14.1 and 14.3 shall be rejected by GAIL as non-responsive.

14.5 Unsuccessful bidder's bid security will be discharged or returned, as promptly as possible but not later than 30 days after the expiration of period of bid validity prescribed by GAIL pursuant to clause 13.

14.6 The successful bidder's bid security will be discharged upon the bidder's accepting the order, pursuant to clause 37 of ITB and furnishing the Contract Performance Guarantee pursuant to clause 42 of ITB.

14.7 The bid security may be forfeited:

14.7.1 If a bidder withdraws its bid during the period of Bid validity.

14.7.2 In case of a successful bidder, if the bidder fails:

- i) to accept the award in accordance with clause 37 of ITB. OR
- ii) If the bidder changes the proposed pipe manufacturer/coating agency. OR
- ii) to accept the arithmetic corrections pursuant to clause 31 of ITB. AND/OR

- iv) to furnish the performance guarantee in accordance with Clause 42 of ITB .
- 14.8 Bid security should be in favour of GAIL (India) Limited, New Delhi and addressed to GAIL. Bid security must indicate the bid document and the work for which the bidder is quoting. This is essential to have proper co-relation at a later date. The bid security shall be in the form provided at Attachment I of Section-II.
- 14.9 For Indian Bidders: Central Public Sector Undertakings of Government of India and firms registered with NSIC are exempted from furnishing Bid Security, provided they are registered for the quoted items, they intend to quote and subject to their enclosing with their bid a copy of latest and current registration certificate.
- 14.10 Small Scale Industries units registered with NSIC , under its Single Point Registration Scheme, shall be exempted from submission of EMD/Bid Bond.
- 15. PRE-BID MEETING**
- 15.1 The bidder (s) or his designated representative, who have downloaded the bid document and have confirmed their intention to bid are invited to attend a pre-bid meeting which will take place at GAIL (India) Limited, 16, Bhikaji Cama Place, New Delhi – 110 066, India.
- 15.2 The purpose of meeting will be to clarify issues and to answer queries on any matter that may be raised at that stage.
- 15.3 The bidder is requested, as far as possible, to submit any queries by courier or by fax to reach Employer/Consultant's office not later than 3(three) days before the meeting. It may not be practicable at the meeting to answer queries received late, but queries and responses/clarifications will be transmitted in accordance with the following sub-clause.
- 15.4 The text of the queries raised and the responses given, together with any responses prepared after the meeting will be transmitted without delay (without identifying the sources of the questions) to all the purchasers of the bidding documents .Any modifications of the bidding documents listed in clause 6.1 of ITB that may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an addendum pursuant to 8 of ITB and not through the minutes of the pre-bid meeting
- 15.5 Non- attendance of the pre-bid meeting will not be a cause for disqualification of the bidder.
- 16. FORMAT AND SIGNING OF BID**
- 16.1 The bidder shall submit their e-bid as per Addendum-I to ITB on GAIL's e-tender website: (<http://etender.gail.co.in>) as per guidelines given therein.
- 16.2 The e-bid shall be signed by the person or persons duly authorized to sign on behalf of the bidder. The name and position held by each person signing must be stated below the signature. All pages of the bid except any catalogues / literatures shall be signed and sealed by the person or persons signing the bid.
- 16.3 The bid shall contain no alterations, omissions or additions, unless such corrections are initialed by the person or persons signing the bid.

17. ZERO DEVIATION:

- 17.1 Bidder to note that this is a ZERO Deviation Bidding Document. Employer/Consultant will appreciate submission of offer based on the terms and conditions in the enclosed GCC, SCC, ITB, Scope of Work, and Technical Specification etc. to avoid wastage of time and money in seeking clarifications on technical/ commercial aspect of the offer.
- 17.2 Not withstanding to the above, bids with the following deviation(s) to the bid conditions shall be summarily rejected without any post bid reference to the bidder:
- 17.2.1 Firm prices
 - 17.2.2 Bid document fee, Mill Audit Fee and Earnest money deposit (EMD) / Bid bond as applicable
 - 17.2.3 Scope of supply/ work
 - 17.2.4 Specifications
 - 17.2.5 Price schedule
 - 17.2.6 Delivery / Completion Schedule.
 - 17.2.7 Period of validity of bid
 - 17.2.8 Price Reduction Schedule (PRS).
 - 17.2.9 Performance Bank Guarantee (PBG) / Security Deposit.
 - 17.2.10 Guarantee of Material / Works
 - 17.2.11 Arbitration / Resolution of dispute
 - 17.2.12 Force Majeure.
 - 17.2.13 Applicable laws
 - 17.2.14 *EPF registration in case of Domestic Bidder.*
 - 17.2.15 Any other condition specifically mentioned in the tender documents elsewhere that non-compliance of the clause lead to rejection of the bid.

18. E-PAYMENTS

- 18.1 GAIL (India) Limited has initiated payments to suppliers and Contractors electronically and to facilitate the payments electronically, the bidder should have an account with HDFC Bank or ICICI Bank or State Bank of India (SBI) so that the payment through e-banking be made to the bidder, in case work is awarded to him. The bidder should give their account number and other details in any one of the above banks to facilitate payment through E-banking.

19. AGENTS/CONSULTANTS/REPRESENTATIVES/RETAINERS/ASSOCIATES

- 19.1 GAIL would prefer to deal directly with the manufacturers/ principals abroad without involving any Indian Agent. But in case they decide to have their Agent/Consultant/ Representative/Retainer/Associate in India and pay commission for their services against a particular tender it should be bare minimum and the principal would have to certify that such a commission is commensurate with the services rendered to them by such an Agent/ Consultant/ Representative/ Retainer/ Associate in India. The principal will also have to broadly list out services to be rendered by the Agent/Consultant/ Representative/ Retainer/ Associate in India.
- 19.2 In the event bidder is having as Agent/ Consultant/ Representative/ Retainer/ Associate/ servicing facilities in India (who is not an employee of the bidder) the bidder should indicate in their offer the name of such an Agent/ Consultant/ Representative /Retainer /Associate, they have for services in India. The bidder must also indicate clearly the commission payable to the Agent/Consultant/ Representative/ Retainer/Associate in rupees in terms of Agreement (enclosing copy of the same). The bidder, in his bid will indicate the nature and extent of service to be provided by such an Agent/Consultant/ Representative/Retainer/ Associate on behalf of the bidder and also remuneration therefore provided in the price, as a separate item, quoted by the bidder to GAIL. Such remuneration/commission will be paid by

GAIL in non-convertible Indian currency in India. Should it be established at any subsequent point of time that the above statement of the bidder is not correct or that any other amount of remuneration/commission either in India or abroad is being paid to any one (who is not an employee of the bidder), the bidder would be liable to be debarred from participating in the future tenders of GAIL. Failure to give such information will lead to rejection of the offer.

The following particulars will also be furnished by the bidder:

- (i) Name, address and precise relationship between the foreign manufacturer/principal and their Agent/Consultant/ Representative/ Retainer/Associate in India.
- (ii) The mutual interest which the manufacturer/principal and the Agent/ Consultant/ Representative/ Retainer/Associate in India have in the business of each other.
- (iii) Any payment which the Agent/ Consultant/ Representative/ Retainer/ Associate receives in India or abroad from the manufacturer/principal whether as a commission for the contract or as a general fee. *Bidder's quoted price shall be treated as inclusive of such concessional / fee.*
- (iv) Permanent Income Tax number of Agent/ Consultant/ Representative/ Retainer/ Associate in India.

Permanent income tax account number of foreign supplier.
- (vi) All services to be rendered by the Agent/ Consultant/ Representative / Retainer/Associate.
- (vii) Payments to Indian Agent shall only be remitted after getting proof of registration with RBI, New Delhi.

Note: Tenders which do not comply with the above stipulations are liable to be ignored.

- 19.3 Overseas bidder should send bids directly. Bids sent through Agent/ Consultant /Representative / Retainer /Associate will not be recognized. Agent/ Consultant/ Representative/Retainer/Associate of the overseas manufacturers/suppliers are, however, permitted to download bidding documents and attend bid opening provided such as Agent/ Consultant/ Representative/Retainer/Associate has a power of attorney/letter of authority setting out very clearly his role, which will be limited to such areas of activity as downloading of bid documents, attending of bid opening and claiming of payment for their services, provided further that such a power of attorney/letter of authority is submitted to GAIL in advanced for scrutiny and acceptance or otherwise.

SUBMISSION OF BIDS

20. MARKING OF BIDS

- 20.1 E-Bid shall be submitted in the following manner in separate e-envelopes duly super scribed as below:

Part-I – Techno-commercial / un-priced bid

Part-II - Priced Bid

Part-III - Original Bid security in physical form.

Part-IV – Bid Documents Fee and Mill Audite Fee (if applicable) in physical form as explained in IFB.

Part V – Power of Attorney & Integrity Pact in physical form

- 20.2 Techno Commercial Un-priced Bid: (Part I) Original Bid of Techno– commercial Un-priced Bid shall be up-loaded in collaboration folder of E-tender site.
- 20.3 Price Bid: (Part II) Original Price Bid shall be uploaded as SRM attachment
- 20.4 Bid Security: (Part III) in physical form : Original bid security and one copy of the same shall be sealed in envelope clearly super scribing “Bid Security”.
- 20.5 Bid Document Fee & Mill Audit Fee, If applicable (Part-IV) in physical form: Original Bid Document Fee as explained in IFB shall be sealed in an envelope clearly super-scribing “Bid Document Fee”.
- 20.6 Power of Attorney (Part-V) in physical form : Original Power of Attorney & Integrity pact as explained in IFB shall be sealed in an envelope clearly super-scribing “Power of Attorney & Integrity Pact”
- 20.7 All envelopes containing the documents in physical form required to be submitted by the bidder shall have bid Document Number and shall be addressed to DGM (Contracts) at address mentioned in Cl.20.8 below.

The documents i) EMD / Bid Security ii) Power of Attorney & Integrity Pact iii) Tender Fee iv) Mill Audit Fee (if applicable) required in physical form as mentioned in IFB/ITB must be received within 7 days from the date of unpriced opening subject to the conditions that the scanned copies of the same have been loaded in e-Tender within the due date and time indicated in the e-Tender. *In case, EMD not received in physical form within 7 days from the date of unpriced bid opening, the bid will be rejected irrespective of their status/ ranking in tender and notwithstanding the fact that a copy of EMD was earlier uploaded by the bidder.*

- 20.8 Bids must be received online by GAIL through e-tendering website and the scanned copies of all the documents to be submitted in physical form must also be uploaded online along with the original bid.

Shri S S Roy, DGM (Contracts)
MECON Limited
15th Floor, North Tower,
SCOPE Minar, Laxmi Nagar District Centre
Delhi-110092 (India)

- 20.9 Each envelope shall indicate name and address of the bidder to enable the bid to be returned unopened, if required.
- 20.10 If the envelope is not sealed and marked as above, the Employer will assume no responsibility for the misplacement or premature opening of the bid.

21. DEADLINE FOR SUBMISSION OF BID

- 21.1 The Bid must be submitted online by the bidder in GAIL's e-tender portal no later than the time and date as specified in IFB.
- 21.2 The Employer/Consultant may, in exceptional circumstances and at its discretion, on giving reasonable notice by e-mail/fax or any written communication to all prospective bidders who have downloaded the bid document extend the deadline for the submission of bids in which case all rights and obligations of the Employer/Consultant and bidders, previously subject to the original deadline will thereafter be subject to

deadline as extended.

22. LATE BIDS / UNSOLICITED BIDS / BID SUBMISSION AT OTHER PLACE

22.1 Receipt of bids in GAIL's e-tendering website shall close immediately after the deadline for submission of bid prescribed by the Consultant pursuant to clause 21 of ITB.

22.2 Unsolicited bids or bids being submitted in physical form/to address other than one specifically stipulated in the bid document will not be considered for opening / evaluation / award and will be returned to such bidders.

23. MODIFICATION AND WITHDRAWAL OF BIDS

23.1 The bidder may modify, re-submit or withdraw its e-bid after the bid submission, but, before the due date of submission as per provision of e-tendering system of GAIL.

23.2 **Deleted**

23.3 No bid shall be modified after the deadline for submission of bid.

23.4 No bid shall be allowed to be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the bidder on the bid form. Withdrawal of a bid during this interval shall result in the bidder's forfeiture of its bid security, pursuant to clause 14.7 of ITB.

BID OPENING AND EVALUATION

24. BID OPENING

24.1 Un-Priced Techno – Commercial bid opening:

24.2 The Employer/Consultant will open, in the presence of bidders' designated representatives, unpriced part of bid at date, time as stipulated in IFB. The bidder's representatives who are present shall sign bid-opening statement evidencing their attendance.

24.3 **Deleted.**

24.4 Bidder's names, the presence (or absence) and amount of bid security, and any other such details as the consultant may consider appropriate will be announced by the Consultant.

25. PROCESS TO BE CONFIDENTIAL

25.1 Information relating to the examination, clarifications, evaluation and comparison of bids, and recommendations for the award of a Contract, shall not be disclosed to bidders or any other person officially concerned with such process. Any effort by a bidder to influence the Employer/Consultant in any manner in respect of bid evaluation or award will result in the rejection of that bid.

26. CONTACTING THE EMPLOYER/CONSULTANT

26.1 From the time of the bid opening to the time of the Contract award, if any bidder wishes to contact the Employer for any matter relating to the bid it should do so in writing.

26.2 Any effort by a bidder to influence the Employer/Consultant in any manner in respect

of bid evaluation or award will result in the rejection of that bid.

27. EXAMINATION OF BIDS AND DETERMINATION OF RESPONSIVENESS

27.1 Techno-Commercial Bid Evaluation.

27.2 The Employer/Consultant will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required securities have been furnished, whether the documents have been properly signed, and whether the bids are generally in order.

27.3 Prior to the detailed evaluation, the Employer/Consultant will determine whether each bid is of acceptable quality, is generally complete and is responsive to the Bidding Documents. For the purposes of this determination, a responsive bid is one that conforms to all the terms, conditions and specifications of the Bidding Documents without deviations, objections, conditionality or reservations.

27.4 No deviation, whatsoever, is permitted in the Bidding Documents and the price bids of those bidders whose technical and commercial bids contain any exception to the conditions and stipulations of the Bidding Documents shall not be opened and returned un-opened to such bidder(s).

27.5 The Employer/Consultant's determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence. If a bid is not responsive, it will be rejected by the Employer/Consultant, and may not subsequently be made responsive by the bidder by correction of the nonconformity.

27.6 The Employer/Consultant will carry out a detailed evaluation of the bids previously determined to be responsive in order to determine whether the technical aspects are in accordance with the requirements set forth in the Bidding Documents. In order to reach such a determination, the Employer/Consultant will examine and compare the technical aspects of the bids on the basis of the information supplied by the bidders, taking into account the following factors:

- (a) Overall completeness and compliance with the Technical Specifications; quality, function and operation of any process control concept included in the bid. The bid that does not meet minimum acceptable standard of completeness/ specifications defined in the bid document, consistency and detail will be rejected as non-responsive.
- (b) Any other relevant factor, if any that the Employer/Consultant deems necessary or prudent to be taken into consideration.

27.7 Requisite forms contains all necessary information including those required for meeting qualifying criteria stipulated in IFB, etc.

28. CONCURRENT COMMITMENTS

Bidder shall furnish the concurrent commitment for the pipes being offered by the bidder as per format given under Attachment-I (Format F-9) duly filled in for present commitment of the bidder.

29. DELETED

30. PRICE BID OPENING

30.1 The Employer/Consultant shall inform the time, date and venue for price bid opening to all such bidders who qualify pursuant to techno-commercial bid evaluation. Bidders may be required to attend price bid opening at a short notice of 24 hours.

30.2 The Employer/Consultant will open price bids of all bidders notified to attend price bid opening in presence of authorised bidders' representatives present at the time of priced bid opening. The bidder's representatives who are present shall sign bid-opening statement evidencing their attendance.

30.3 The bidder's name, prices, and such other details as the Employer/Consultant, at its discretion, may consider appropriate will be announced and recorded at the time of bid opening.

31. ARITHMETIC CORRECTIONS

The bids will be checked for any arithmetic errors as follows:

31.1 *When there is a difference between the rates in figures and words, the rate which corresponds to the amount worked out by the contractor (by multiplying the quantity and rate) shall be taken as correct.*

31.2 *When the rate quoted by the contractor in figures and words tallies but the amount is incorrect, the rate quoted by the contractor shall be taken as correct and not the amount and the amount corrected.*

31.3 *When it is not possible to ascertain the correct rate, in the manner prescribed above, the rate as quoted in words shall be adopted and the amount worked out, for comparison purposes.*

31.4 If the bidder does not accept the correction of errors, its bid will be rejected and the bid security will be forfeited.

32. CONVERSION TO SINGLE CURRENCY

32.1 To facilitate evaluation and comparison, the Employer/Consultant will convert all bid prices expressed in the amounts in various currencies in which the bid price is payable to single currency and that will be Indian Rupees only at the Bills selling exchange rate published by the State Bank of India on one day prior to the price bid opening date.

33 EVALUATION METHODOLOGY:

33.1 Evaluation and comparison of bids shall be done using Optimization Technique (Mathematical Model) to work out the ordering on overall lowest cost to Owner, utilizing maximum capacity taking following into consideration:

- i) Bidder's Qualification
- ii) Bidder's capacity
- iii) Evaluated Prices for all the three Options
- iv) Comparison of prices for option-3 with combination of prices for Option-1 and Option-2
- v) Clubbing of items for the purpose of evaluation and award.

Optimization of price for placement of order/award may result in situation where bare line pipe from one source (under Option-1) is supplied to various coating Contractors (under Option-2). Also, it may result into award of coating work/placement of order for coated pipes pertaining to an individual storage yard to more than one bidder.

33.2 Bidder's Qualification

Qualification of Bidder for supply of bare line pipe, coating and coated pipes shall be established based on criteria specified in the IFB. Quoted price for those items for which bidder gets qualified shall be taken up for price bid evaluation.

33.3 Bidder's Capacity

Bidder shall be considered for quantity of pipe manufactured from different type of processes subject to maximum assessed capacity of each mill and upto maximum quantity quoted from respective mill as per Format provided in the bid document. The assessed capacity shall be calculated based on data furnished by the bidder in Format provided in the bid document. The assessed capacity in Tons/Day shall be converted to assessed capacity in Km/day, considering weight of pipes as per corresponding wall thickness as indicated under API 5L Specification.

In case of bidder quoting for Option-2, the bidder shall be considered for the quantity offered from each Coating Plant as per Format provided in the bid document. The assessed capacity in Km/Day shall be calculated based on data furnished by the bidder in Format provided in the bid document.

For arriving at the total assessed capacity, following shall be considered:

- i) For bare pipes, coating & coated pipes, the total delivery requirement as specified in the Delivery Schedule.

Accordingly, following shall be considered as No. of production days for supply of bare line pipes/ coating/ supply of coated line pipes:

Group	Item No.	Qty (mtrs.)	Total Qty (MT)	Production Days	
				Option-1	Option-2
A	A1	14950	4373.47	49	53
B	B1	15000	1572.60	49	53

Note:

- i) Number of production days for option-3 shall be arrived at by adding number of production days of Option-1 & 2.
- ii) The capacity on per day basis of the bidders established based on capacity criteria specified under IFB.
- iii) Based on (i) & (ii) above, bidder total capacity as per delivery requirement shall be assessed.
- iv) Based on available capacity worked out at para iii) above, the capacity constraint i.e. the maximum quantity (KM) of bare pipe/Coating Work/coated pipe that can be ordered on a bidder shall be determined.

In case the capacity of selected Bidder falls short upto 5% of total /balance item quantity of a particular item, then his capacity will be enhanced (upto 5%) to consider him for placement of order for that item.

33.4 Evaluated Prices for different options

GAIL desire to have coated line pipe at storage yard. Bidder can manufacture the bare pipe, carryout the coating and supply the coated pipe as Alternative-1. However, in case a bidder choose to supply the bare line pipe only or carry out only the coating work only, the same is also permitted under Alternative-2.

Prices of following items shall be clubbed together for the purpose of evaluation and award.

- (i) Item No. A1, A2 & A3 combined together.
- (ii) Item Nos. B1, B2 & B3 combined together.
- (iii) Item Nos. C1, C2 & C3 combined together.
- (iv) Item Nos. D1 & D2 combined together.

The evaluation shall be done on the basis of clubbed items landed cost of coated pipes at Warehouse locations including arrangement & maintenance of storage yards as specified in MR. Landed cost shall be arrived at with following two alternatives:

33.4.1 Alternative-1 (For Coated Pipes under Option-3)

Evaluated price shall be derived by taking the following into account.

a) Indian Bidder:

Unit Price Ex-warehouse all inclusive as quoted by the Bidder under column 4 of Price Schedule.

b) Foreign Bidder:

1. With supply of coated pipes from outside India

- i) Unit Price Ex-warehouse all inclusive (excluding Custom Duty) as quoted by the Bidder under Column 4 of Price Schedule + Custom Duty (based on Project rate or merit rate which ever is lower on bid due date) on (CIF value specified by the Bidders under column 6 of Price Schedule + landing charges). Landing charges for the purpose of calculating Custom Duty shall be considered as 1% of CIF value.

2. With supply of bare pipes from outside India and coating at plant in India

- i) Unit Price Ex-warehouse all inclusive (excluding Custom Duty) as quoted by the Bidder under Column 4 of Price Schedule + Custom Duty (based on Project rate or merit rate which ever is lower on bid due date) on (CIF value specified by the Bidders under column 6 of Price Schedule + landing charges). Landing charges for the purpose of calculating Custom Duty shall be considered as 1% of CIF value.

33.4.2 Alternative-2 (with combination of Bare pipe under Option-1 and coating of Pipes under Option-2)

A. Bare pipe (Option-1)

The evaluated price shall be derived by taking the following into account:

a) Indian Bidder:

- i) Ex-works price including Packing and Forwarding as quoted under Column 4 of Price Schedule.
- ii) Add Excise Duty quoted under Column 6 of Price Schedule. However, for supply of bare linepipe from EOU, the total Excise Duty calculated based on the rate indicated by bidder in unpriced bid shall be added.
- iii) Add Sales Tax/ VAT quoted under Column 7 of Price Schedule.

CST without concessional form shall be considered in case the coater and bare line pipe manufacturer are in different states and VAT without

concessional form shall be considered in case the coater and the bare line pipe manufacturer are in same state.

b) Foreign Bidder

The evaluated price on landed cost at Kandla Port taking into account:

- i) CFR Price quoted under Column 6 of Price Schedule.
- ii) Add Marine insurance @ 1% of FOB price under column 4 of Price Schedule.
- iii) Add Prevailing rate of Customs Duties (Project/Merit Rate whichever is lower on bid due date) on (CIF value + landing charges). Landing charges for the purpose of calculating Custom Duty shall be considered as 1% of CIF value.

B. Coating Work (Option-2)

Evaluated Prices shall be derived at by taking following into account:

- i) Ex-warehouse price all inclusive quoted by the Bidders under Column 4 of Price Schedule.

Under this alternative, evaluation of bare line pipe (Option-1) from various sources and coating work (Option-2) (with corresponding source of supply of bare line pipe) at storage yard shall be done together with Mathematical Model to determine the lowest combination.

As an illustration for supply of coated pipes at storage yard, under Alternative-2, there could be following combinations:

Combination – 1:

Supply of bare pipe at L2 price from a particular source say PS-1 + coating of corresponding pipes (supplied from source PS-1) at L1 price.

Combination – 2:

Supply of bare pipe at L1 price from other source say PS-2 + coating of corresponding pipe (supplied from source PS-2) at L1 price.

In case total price under Combination-1 above is lower than total price under Combination-2, the Combination-1 will be considered as combination of selected L1 Bidders, under Alternative-2.

Comparison of prices for option-3 with combination of prices for Option-1 and Option-2.

Item-wise comparison shall be made between the lowest evaluated prices for each item under Alternative-1 and Alternative-2 above (combined evaluated price with Option-1 and Option-2) and whichever alternative is lower for a particular item, shall be considered for ordering.

In case no bid is received/ qualified for any one of three Options, then above comparison shall not be applicable.

33.5 Matching of Prices

- 33.5.1 In case due to reasons like capacity constraints, quoted scope of work, limitations of the bidders or any other reasons, if full quantity of any item under a "Price Schedule" cannot be awarded to selected L1 Bidder, the L2 / L3 and so on bidders shall be asked to match their evaluated price with the evaluated price of the selected L1 bidder (by discounting prices for Bare Pipe / Coater / Coated Pipe Supplier as applicable), for placement of order on L2, L3 and so on bidders, limited to their assessed capacities. The bidders who match the evaluated price of selected L1 bidder will be considered for award based on the original ranking.
- 33.5.2 In case of Alternative-2, the selected L1 Bidders shall mean the selected bidders (line pipe supplier and corresponding coater) arriving out of the price wise lowest combination of Option-1 and 2. The requirement of matching shall be applicable to bare line pipe supplier, coating contractor as well as to coated line pipe supplier.
- 33.5.3 In case the L2 / L3 and so on bidders do not match their prices as mentioned above or some quantity is left out after matching the prices as above, then fresh tender shall be floated for quantities not ordered.
- 33.5.4 While working out the group wise landed cost for supplies from Foreign bidder under Option-1 (to compare with the landed cost of Indian Bidders for purpose of matching of prices), following shall also be added in the evaluated price determined under para 33.4.2 (A) (b) above (since these are not covered in the scope of Foreign Bidder under Option-1) :
- (i) Landing charges @ 1% on CIF
- 33.5.5 While working out the group wise evaluated price for Coating Work under Option-2, with supplies of bare pipes from Foreign bidder, (to compare with evaluated price of coating work with supplies of bare pipes from Indian bidders for purpose of matching of prices), following shall be deducted from the evaluated prices determined under Para 33.4.2 (B) above:
- (i) Landing charges of bare pipes @ 1% of CIF.
- 33.6 **Placement of Orders**
- Based on above, order shall be placed / work shall be awarded with any of the following Options based on the least cost to the company.
- (i) Supply of bare pipes
 - (ii) Coating work
 - (iii) Supply of coated pipes
 - (iv) Combination of Supply of Bare Pipes / Coating Work / Coated Pipes
- 33.7 **General**
- (i) The quantity for ordering of individual item may be divided on more than one bidder. As such Bidder's quoted price for an item shall be valid for part quantity also.
 - (ii) Bidder may quote for supply of bare or coated pipes manufactured by any one Process or different Processes. However, bidder shall quote only one price for an item, irrespective of Process of manufacturing.
 - (iii) In case bidder opts to quote pipes (Option 1 & 3) manufactured by different Processes of manufacturing for an item, bidder shall specify quantity offered for each type of Processes of manufacturing and the Mill(s) from where the same are offered, as per Format in IFB.

PREFERENCES

Purchase Preference to Central Government Public Sector Undertaking (PSU) shall be allowed as per Government Instructions in vogue.

a) Purchase Preference

Purchase preference to the products and services of Central / State Government / Public Sector, Enterprises and Public Sector Construction and Services Enterprises may be accorded in line with the instructions of the Govt. from time to time.

b) Price Preference to Indigenous Supplier / Services over Imported Materials against International Competitive Bidding.

The price preference to be given to the indigenous supplies / services over the imported ones will be governed in line with the instructions of the Govt. from time to time.

c) Price / purchase preference to the products of SSS

The price preference to be given to the SSS will be governed in line with the instructions of the Govt. from time to time.

34. OTHER CRITICAL POINTS FOR EVALUATION OF OFFER ARE AS UNDER:

34.1 The unit prices quoted in the price bid is to be considered for evaluation and no cognizance will be given to the supplementary/supporting document attached to the price bid, break-up of prices, etc.

35. Preference for Domestic Bidders

35.1 *The price preference to be given to the indigenous supplies / services over the imported ones will be governed in line with the instructions of the Govt. from time to time.*

36. DEEMED EXPORT BENEFIT

36.1 Deemed export benefits are not applicable and Indian Bidder should furnish prices without considering these benefits.

AWARD OF CONTRACT**37. AWARD OF WORK.**

37.1 The Employer/ Consultant will award the contract to the successful bidder (s) whose bid has been determined to be substantially responsive, meets the technical & financial criteria and/or have been determined as a lowest bid on least cost basis to Employer and is determined to be qualified to satisfactorily perform the Contract.

38. QUANTITY VARIATION:

38.1 The Employer/Consultant reserves the right to vary the quantity upto $\pm 15\%$ for all items specified in MR, at the time of award without any change in quoted unit price or other terms and conditions.

38.2 In addition to above the Employer/ Consultant also reserve the right to delete the

requirement of any one or more items of MR without assigning any reason.

39. EMPLOYER/CONSULTANT'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY BID

- 39.1 The Employer/Consultant reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to award of the contract without thereby incurring any liability to the affected bidder or bidders or any obligations to inform the affected bidder or bidders of the ground for Employer/Consultant's action.

40. NOTIFICATION OF AWARD

- 40.1 Prior to the expiration of period of bid validity GAIL will notify the successful bidder in writing by fax/e-mail to be confirmed in writing, that his bid has been accepted. The notification of award / Fax of Intent will constitute the formation of the Contract.
- 40.2 The Progressive Delivery / Completion period shall commence from the date of notification of award / Fax of Intent (FOA).
- 40.3 The notification of award will constitute the formation of a Contract, until the Contract has been effected pursuant to signing of Contract as per Clause 4 of ITB.

41. SIGNING OF AGREEMENT

- 41.1 After the successful bidder has been notified for acceptance of his bid, the bidder is required to execute the Contract Agreement within 15 days of receipt of Fax of Intent in the form provided in the Bidding Documents. The Contract Agreement is to be executed on the non-judicial paper of appropriate value (the cost of stamp paper shall be borne by the Contractor).
- 41.2 In the event of failure on the part of the successful bidder to sign the AGREEMENT within the above-stipulated period, the Bid Security shall be forfeited and the acceptance of the tender shall be considered as cancelled.

42. PERFORMANCE GUARANTEE

- 42.1 Pursuant to clause no. 12 of GCC-Goods and Clause No. 24 of GCC-Works bidder will provide Performance Guarantee of appropriate value within 15 days of receipt of FOI from the Employer. The Performance Guarantee shall be in form of either Demand Draft or Banker's Cheque or irrevocable Bank Guarantee and shall be in the currency of Contract.
- 42.2 Failure of the successful bidder to comply with the requirement of this clause shall constitute a breach of contract, cause for annulment of the award, forfeiture of the bid security and any such remedy the Employer may take under the Contract pursuant to Clause 32 (C) of GCC-Works/Clause 28.1.3 of GCC-Goods.
- 42.3 SSI Units registered with the NSIC, under its single point Registration Scheme shall be exempted from submission of Security Deposit/ Contract Performance Guarantee to the Monetary Limit for which the unit is registered.
- 42.4 *In partial modification to clause no. 12 of GCC-Goods and Clause No. 24 of GCC-Works, Performance Guarantee for 10% of total order/Contract value shall be exclusive of taxes & duties.*

43. REPEAT ORDER

- 43.1 In partial modification to GCC-Goods clause no.40, Repeat Order shall be applicable upto 20% of the ordered quantity within contractual delivery period or six months from the date of Fax of acceptance, whichever is earlier.

44. CORRUPT AND FRAUDULENT PRACTICES

- 44.1 The Employer requires that Bidders/Contractors observe the highest standard of ethics during the execution of Contract. In pursuance of this policy, the Employer defines, for the purposes of this provision, the terms set forth below as follows:

- i) "Corrupt Practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of public official in contract execution; and
- ii) "Fraudulent Practice" means a misrepresentation of facts in order to influence the execution of a Contract to the detriment of the Employer, and includes collusive practise among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.

- 44.2 The Employer will reject a proposal for award if it determines that the bidder recommended for award has engaged corrupt or fraudulent practices in competing for the Contract in question:

- 44.3 The Employer will declare a firm ineligible for a period pursuant to clause 32 (C) of GCC-Works/Clause No. 28.1.3 of GCC-Goods.

- 44.4 The bidder(s) are required to execute the "**Integrity Pact**" attached in the Bid Document as Attachment-IV. In case a bidder does not sign the Integrity Pact, his bid shall be liable for rejection.

45. WAIVER OR TRANSFER OF THE AGREEMENT

- 45.1 The successful bidder shall not waive the Agreement or transfer it to third parties, whether in part or in whole, nor waive any interest that is included in the Agreement without the prior written permission of the Employer.

46. ORDER OF PRECEDENCE

- 46.1 The Articles contained in this Section shall supplement to the Special Conditions of Contract, General Conditions of Contracts – Goods and General Conditions of Contract – Works. Where any portion of Special Conditions of Contracts, General Conditions of Contract – Goods and General Conditions of Contract – Works is repugnant or at variance with any provisions of Instructions to Bidders. Instructions to Bidders shall be deemed to over-ride the provision(s) of Special Conditions of Contract, General Conditions of Contract – Goods and General Conditions of Contract – Works only to the extent that such repugnancies of variations in Instructions to Bidders are not possible of being reconciled with the provisions of Special Conditions of Contract, General Conditions of Contract – Goods, General Conditions of Contract – Works.

47.0 CENVAT CREDIT

Bidders shall provide required documents for availing Cenvat Credit applicable on Excise duty, CST/VAT/ LST and Service Tax as per prevailing rules.

2. ADDENDUM TO INSTRUCTIONS TO BIDDERS

Addendum to Instruction to Bidders

Instructions to Bidders for participation in E-Procurement

GAIL (India) Ltd., has developed a secured and user friendly system which will enable Vendors/Bidders to Search, View, Download tenders directly from GAIL (India) Ltd. secured website and also enables them to participate and submit Online Bids/Offer in the E-Procurement site directly from the website in secured and transparent manner maintaining confidentiality and security throughout the tender evaluation process and award.

Bidders are requested to read following conditions in conjunction with various conditions, wherever applicable appearing with this bid invitation for e-Procurement. The conditions mentioned here in under shall supersede and shall prevail over the conditions enumerated elsewhere in the Bid Document.

1) How to submit On-line Bids/Offer electronically against E-Procurement tenders?

Vendor/Bidder who wish to participate for E-tenders which are uploaded on GAIL (India) Ltd. Website should follow the following steps which shall permit them to Search, Display/View, Download and Submit their **electronic Bids/Offer** online in a secured manner ensuring confidentiality.

Vendors/Bidders are advised to read the following instructions for participating in the electronic tenders directly through Internet:

- i) No Late and delayed Bids/Offer after due date/time shall be permitted in e-Tendering system. Time being displayed on our e-Tendering System shall be final binding on bidder and bids have to be submitted by bidder(s) considering this time only and not the time as per their location / country.** No bid can be submitted after the last date and time of submission has reached, however if bidder intends to change the bid already entered may change/revise the same on or before the last date and time of submission deadline. The system time (IST) that will be displayed on e-Procurement webpage shall be the time and no other time shall be taken into cognizance.
- ii) Bidders are advised in their own interest to ensure that bids are uploaded in e-Procurement system well before the closing date and time of bid.
- iii) No bid can be modified after the dead line for submission of bids.
- iv) **No Manual Bids/Offer shall be permitted. The offers submitted through e-tendering system shall only be considered for evaluation.**

2) HOW TO SEARCH, VIEW AND DOWNLOAD E-TENDER?

Vendors/Bidders must go to e-tender website <https://etender.gail.co.in> and logon using their user-id and password. In the case of vendors not possessing the User Id and Password, they can access through Guest Login as guest. This facilitates viewing of tenders in display mode in Collaboration folder (C Folder). If the vendor desires to download the NIT and attached e-tender at this stage, he may download the same for viewing free of cost.

Note: All e-tender notices and Bid Documents are available only in soft copies such as Microsoft Word, Excel, PDF files. For downloading / viewing PDF files use **Adobe 6 Software utility** which can be installed free of cost from Vendors home page link by any vendor onto his own computer.

3) PARTICIPATION IN BID, REQUEST FOR USER ID and PASSWORD:

To participate in Bid submission, it is Mandatory on the part of Vendor(s) to have User ID and Password. To obtain User ID and Password Vendor/Bidder must open <https://etender.gail.co.in> site and perform the following steps:

- i) Click on button Request User ID (For new Bidders)
- ii) Fill the on line form and submit. Ensure that the email address given in the form is valid and active. If you have already been provided with the Vendor Code of GAIL , please mention the 10 digit Vendor code in specified field , Otherwise leave blank.
- iii) Ensure that all the mandatory fields(identified with a star mark) are filled in application form for User ID creation.

e-Procurement administrator would take possible care to allot an User id and Password within 4 working days .An Email (system generated) shall be sent to your email – Id (mentioned by you in the Registration form) giving details of your User- ID and password. On Receipt of User Id, Please reset the password immediately by logging to our E-tendering site.

User Id and passwords are unique to each vendor and the vendor can use the same to view/download/participate in all e-tenders of GAIL.

Note: Without login registration I.D vendor cannot participate in e-tender. There will be single login I.D permission for one single vendor. There can be more than one I.D for the same vendor at different location address.

Obtaining User Id is an on-going process and is not linked to any particular Bid Invitation (tender). Any vendor willing to participate in GAIL tenders can obtain User Id as described above. Each vendor will get one user id. Vendors are requested to designate one officer from their organization who will submit bids on line.

Vendors are advised to apply for user id at least 7 days prior to the last date of bid submission in their own interests. User ids shall be given within 4 days subject to condition that information furnished by the bidder is complete in all respect. GAIL shall not be responsible for any delays in allocation of user id/password and the ensuing consequences including but not limited to timely submission of bids.

4) WHAT IS A DIGITAL SIGNATURE?

This is a unique digital code which can be transmitted electronically and primarily identifies a unique sender. The objective of digital signature is to guarantee that the individual sending the message is who he or she really claims to be just like the written signature. The Controller of Certifying Authorities of India (CCA) has authorized certain trusted Certifying Authorities(CA) who in turn allot on a regular basis Digital Certificates. Documents which are signed digitally are legally valid documents as per the Indian I T Act (2000).

5) WHY IS A DIGITAL SIGNATURE REQUIRED?

In order to bid for GAIL e-tenders all the vendors are required to obtain a legally valid Digital Certificate as per Indian IT Act from the licensed Certifying Authorities (CA) operating under the Root Certifying Authority of India (RCAI), Controller of Certifying Authorities (CCA) of India.

6) HOW TO OBTAIN DIGITAL CERTIFICATE FROM CERTIFYING AUTHORITY (CA)?

Vendors/Bidders cannot submit online Bids/Offeres under e-tenders without obtaining valid Digital Certificate from Certifying Agency(C.A). A hyperlink on Vendor/Bidder home page gives link to Controller of Certifying Agency's (C.C.A.) website from there the bidder can access web sites of various CA sites, using the links provided. One Digital Certificate is valid for specified period and can be used for signing any number of quotations against enquiries issued by GAIL during such validity period.

Note: In terms of I.T Act 2000, only a digitally signed document will be considered as valid signed document.

The Digital Certificate is issued by C. A. in the name of a person authorized for filing Bids/Offer on behalf of his Company. The certificate is installed / stored in his computer or preferably received by him (his authorized person) in form as **USB token**. a Vendor/Bidder can submit their Bids/Offer On-line only after digitally signing the bid/documents with the above allotted Digital Signatures.

7) STEPS FOR OBTAINING DIGITAL CERTIFICATE :

Digital Certificate can be obtained by the following steps:

- i) Visit the site of the licensed CA* using internet browser.
- ii) Apply for a class 3 Digital Certificate for the designated individual with the name of Organization. Ensure the Digital Certificate is legally valid in India.
- iii) For making payment and submission of documents required for issue of the Digital Certificate , follow the instructions on the CA's website.
- iv) Use the class 3 Digital Certificate thus obtained for online bidding on GAIL e-Procurement site.

***Links to some licensed CA's are provided below**

1. <http://www.ncodesolutions.com>
2. <http://www.safescrypt.com/>
3. <http://www.tcs-ca.tcs.co.in/>
4. <http://www.mtnltrustline.com/>

8) PRE-BID MEETING:

Subsequent to opening of bids, GAIL may not seek clarifications. Therefore, clarifications, if any, are to be sought by the bidders during the pre-bid meeting.

During the pre-bid meeting, GAIL may also arrange demonstration of the e-Procurement portal to the interested vendors.

9) BID SECURITY:

Bidders are required to submit the Bid Security amount in original as per clause 14 of Instruction to Bidders either in person or through courier in Sealed Envelope super scribing the description of Bid Document , Bid Document No. etc. as per clause 11 below.

10) BID DOCUMENT FEE _: As per clause 7.3 of IFB

11) SUBMISSION OF DOCUMENTS:

Bidders are required to upload all Tender forms and supporting documents which form part of the bid/tender in the e-Procurement (COLLABORATION ,C-Folders) site only. However, documents specified to be submitted physically viz: Bid Document Fees, Bid Security, Power of Attorney submitted in a sealed envelope and the same should reach MECON Limited, 15th Floor, Scope Minor, Laxmi nagar District Centre, Delhi – 110092, India (cut -out slip attached in Bid Document) on or before the Bid due date & time fixed for receipt of bids. Bidder shall ensure that all the documents relevant to bid are uploaded in time and failure to upload the same before bid submission date is the sole responsibility of bidder. Under no circumstances, GAIL shall entertain any request for acceptance of bid documents in physical form, which were required to be uploaded in e-form. Bidders are required to submit the Bid Security in original in the prescribed formats and in the manner prescribed in the bid document in sealed envelope on or before the time of bid submission. However, if the bidder is unable to submit Bid Security in original on the due date, **he should upload a scanned copy of the Bid Security while submitting the bid electronically**, provided the original Bid Security, copy of which has been uploaded, is received within 7 days from the date of unpriced bid opening, failing which the bid will be rejected irrespective of their status/ranking in tender and notwithstanding the fact that a copy of Bid Security was earlier loaded by the bidder.

Note:

- i) Bidder is required to save/store their bid documents for each item into their computers before submitting their bid into e-tendering system by pressing the Hold Button.
- ii) Bidder is required to fill up the price/rate strictly in the Schedule of Rate(SOR) attached with the tender.

Inadvertently, if a document is uploaded in Collaboration Folder (C Folder) by the bidders, such document can be deleted by the Bidder and in its place a new/modified document can be uploaded. The new/modified document will be required to be signed digitally. Where two similar documents are existing in the folder, the latest version of the document shall only be taken into cognizance for evaluation and earlier versions shall be ignored.

Bidders are requested to upload small sized documents preferably (upto 2 MB) at a time to facilitate easy uploading into e-Procurement site. GAIL does not take any responsibility in case of failure of the bidder to upload the documents within specified time of tender submission.

12) PRICES, OTHER DOCUMENTS AND DIGITAL SIGNATURE:

The Prices are to be submitted online strictly as per the Schedule of Rates (SOR). GAIL shall not be responsible for any failure on the part of the bidder to follow the instructions.

Un-priced techno-commercial bid document should be placed in the private area earmarked in the C-folder.

Before the bid is uploaded, the bid comprising of all attached documents should be digitally signed using digital signatures issued by an acceptable Certifying Authority (CA) in accordance with the Indian IT Act 2000. If any modifications are required to be made to a document after attaching digital signatures, the digital signature shall again be attached to the modified documents before uploading the same.

The Authenticity of above digital signatures shall be verified through authorized CA after bid opening and in case the digital signature is not authorized/valid, the bid will be rejected. Bidder shall be responsible for ensuring the validity of digital signatures and proper usage of the same by responsible persons who can bind the bidder. Scanned copy of Power of Attorney of the signatory issued by the bidding company should be submitted on line along with other documents as per tender conditions.

BIDDERS SHALL OBTAIN THE DIGITAL CERTIFICATE DIRECTLY FROM CERTIFYING AUTHORITY (CA) ONLY AND DIGITAL CERTIFICATE ISSUED BY SUB CA / AGENT WILL NOT BE COMPATATIBLE WITH OUR e-TENDERING SYSTEM.

FOREIGN BIDDERS SHALL ALSO HAVE TO OBTAIN DIGITAL CERTIFICATE FROM CERTIFYING AUTHORITIES IN INDIA AS APPROVED BY CCA. DIGITAL CERTIFICATE OBTAINED FROM FOREIGN COUNTRIES ARE NOT ACCEPTABLE.

***Links to some licensed CA's IN India are provided below. Foreign Bidders may obtain the Digital certificate from these CAs.**

1<http://www.ncodesolutions.com>

2<http://www.safescrypt.com/>

3<http://www.tcs-ca.tcs.co.in/>

4<http://www.mtnltrustline.com/>

- 13) PRICES:** The bidder needs to enter the prices on line strictly as per the SOR format provided in our E-Tender. No new conditions shall be added by the bidder.

14) SUBMISSION AND OPENING OF BIDS:

The bid along with all the copies of documents should be submitted in e-form only through GAIL e-Procurement portal.

15) LAST DATE FOR SUBMISSION / RECEIPT OF BIDS:

System does not allow for submission / receipt of bids beyond the deadline for bid submission. However, if the bidder for some reason intends to change the bid already entered, he may change/revise the same on or before the last date and time of submission. The system time displayed on GAIL's e-Procurement webpage shall be final and binding on the bidders for all purposes pertaining to various events of the subject tender and no other time shall be taken into cognizance.

Bidders are advised in their own interest to ensure that bids are uploaded in e-Procurement system well before the closing date and time of bid.

Bidders must use any computer having **Windows 2000 or Windows XP** versions or higher of Window operating system and an internet Web Browser version Internet explorer V6.0 or higher recommended.

- 16) Proxy:** If any bidder is unable to access GAIL's e-Procurement site or Bid Documents, the bidder may please check whether they are using proxy to connect to internet or their PC is behind any firewall and may contact their system administrator to enable connectivity. Please note that Port 443 and Port 8443 should be enabled on proxy/firewall for HTTPS connectivity. Dial-up internet connectivity without Proxy settings is another option.

3. READY RECKONERS for E-TENDERING

READY RECKONER FOR VENDORS :

I. ACCESSING THE SYSTEM THROUGH guest user

THROUGH guest user LOGIN, VENDORS CANNOT PARTICIPATE IN BIDDING PROCESS. ONLY TENDERS CAN BE DISPLAYED FOR VIEWING AND DOWNLOADING.

IN THE HOME PAGE OF ETENDER SITE OF GAIL (<https://etender.gail.co.in>), CLICK ON Guest User.

- SYSTEM DISPLAYS **PROCESS BID AND HELP DOCUMENT** ON LEFT SIDE OF SCREEN
- CLICK ON THE **PROCESS BID** FOR DOWNLOADING / VIEWING OF TENDERS
- FIND THE BID INVITATIONS AND CURRENT BIDS PUBLISHED AND DUE FOR OPENING.
- KEEP THE COLUMNS (NUMBER OF DOCUMENT, NAME, STATUS, PROCESSED BY ME) **BLANK** AND CLICK ON START.
- THE BID INVITATIONS APPEAR.

CLICK ON THE INTERESTED BID INVITATION NUMBER (80000.....) , UNDER NUMBER COLUMN.

FOR DOWNLOADING/VIEWING TENDERS, REFER STEPS MENTIONED UNDER III.

II. PRE-REQUISITES TO PARTICIPATE IN BID:

- OBTAIN /POSSESS DIGITAL SIGNATURE CLASS 3B FROM CAs (CERTIFYING AUTHORITIES-**NOT FROM THEIR SUB-CAs**)
- MUST POSSESS THE VALID EMAILID AND TELEPHONE NO.
- TO OBTAIN USERID AND PASSWORD: FILL UP THE APPLICATION FORM IN ADVANCE IN (REQUEST FOR USERID) <https://etender.gail.co.in>.YOU WILL RECEIVE THE USER ID PASSWORD FROM SYSTEM OF GAIL IN YOUR EMAIL ADDRESS PROVIDED IN APPLICATION.
- SET YOUR SYSTEM CONFIGURATION AS PER THE INSTRUCTIONS PROVIDED IN FAQs AND ITB.

III. HOW TO DOWNLOAD TENDER & SOR DOCUMENTS:

- IN THE HOME PAGE OF ETENDER SITE OF GAIL (<https://etender.gail.co.in>), ENTER YOUR LOGIN USER ID AND PASSWORD AND PRESS LOGON.
- IN CASE USER ID & PASSWORD ARE NOT RECEIVED, SYSTEM CAN BE ACCESSED THROUGH Guest User Logon for downloading of documents.
- AFTER SUCCESSFUL LOGON, SYSTEM DISPLAYS **PROCESS BID AND HELP DOCUMENT** ON LEFT SIDE OF SCREEN
- CLICK ON THE **PROCESS BID** FOR DOWNLOADING
- FIND THE BID INVITATIONS AND CURRENT BIDS PUBLISHED AND DUE FOR OPENING.
- KEEP THE COLUMNS (NUMBER OF DOCUMENT, NAME, STATUS, PROCESSED BY ME) **BLANK** AND CLICK ON START.
- THE BID INVITATIONS APPEAR.
- CLICK ON THE INTERESTED BID INVITATION NUMBER (80000.....) , UNDER NUMBER

FOR VIEWING THE DETAIL OF TENDER

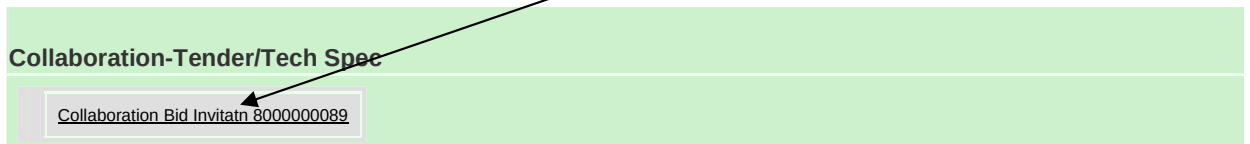
- CLICK ON BASIC DETAILS AS FOLLOWS, SYSTEM DISPLAYS THE DETAILS OF TENDER

Basic Data | [Information from Purchaser](#) | [My Notes](#) | [Partner/Delivery Address](#)

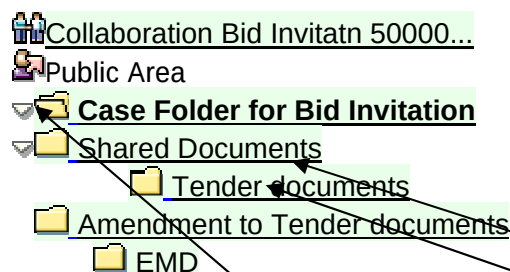
- GO TO **INFORMATION FROM PURCHASER** AS SHOWN ABOVE TO VIEW SCHEDULE OF RATES AND TENDER DOCUMENTS.

Overview of Attachments (for Price Bid)								
	Description	Category	Version	Processor	Typ	File Size (Kb)	Changed By	Changed on
	testing SOR050507.xls.p7sec	Standard Attachment	1		p7sec	16	EMPLOYEE1	09.05.2007 17:01:13

- CLICK ON SOR FILE UNDER THE COLUMN 'Description' AS ABOVE TO VIEW SOR. THE SAME CAN BE DOWNLOADED BY SAVING THE FILE ON YOUR SYSTEM.
- SIMILARLY, TO VIEW THE TECHNICAL DOCUMENTS, CLICK ON "**Collaboration Bid Invitation**" AS BELOW. A SMALL WINDOW WITH MESSAGE 'Application is starting' APPEARS WITH OK BUTTON. CLICK ON OK BUTTON. A NEW POPUP WINDOW 'Public Area – C Folder' APPEARS ON THE SCREEN. INCASE THE SAME IS NOT APPEARING DIRECTLY ON THE SCREEN, PRESS ALT+TAB SIMULTANEOUSLY TO GET THE SAID WINDOW DISPLAYED ON THE SCREEN.



- THE SCREEN APPEARS AS FOLLOWS:



- EXPAND ON Case Folder for Bid Invitation AS SHOWN ABOVE, THE Shared Documents NODE APPEARS UNDER IT AND FURTHER EXPAND IT TO SEE THE Tender documents. CLICK ON Tender documents.
- RIGHT HAND SIDE OF THE SCREEN FOLLOWING APPEARS.

Folder Contents					
			Copy	Copy as Bookmar	k All None
	Name	Current Version	Status	Changed by	Changed on
	Tender document	Tender.doc.p7sec (982KB)	released	Rajiv Kumar	31.05.2007 20:01:07

- CLICK ON DOCUMENTS UNDER **current version** AS ABOVE TO VIEW THE TECHNICAL DETAILS OF TENDER. THE SAME CAN BE DOWNLOADED BY SAVING THE FILE ON YOUR SYSTEM.

IV HOW TO UPLOAD PRICE BID AND TECHNICAL TENDER DOCUMENTS OF BIDDER FOR SUBMISSION OF BID:

- AFTER ENTERING INTO THE SITE WITH THE USERID AND PASSWORD OF BIDDER, CLICK ON Process bid APPEARING ON THE LEFT SIDE OF THE SCREEN.

Process Bid

- ENTER THE APPLICABLE BID INVITATION NUMBER UNDER THE HEAD Number of Document AS PER BELOW AND CLICK ON **START**.

Number of Document	Name	Status	Processed by Me
800000			

Start

- CLICK ON BID INVITATION NUMBER, FOLLOWING SCREEN APPEARS
- CLICK ON **REGISTER** (ONLY FOR BIDDERS WHO ARE BIDDING FIRST TIME)
- AND THEN CLICK ON **CREATE BUTTON** AS BELOW

Register Create Hold Change Refresh Pay Tender Fees Verify BI Sign

- CLICK ON MY NOTES TAB AS SHOWN BELOW

General Data	Item Data	
Basic Data Information from Purchaser My Notes Partner/Delivery Address		

- ATTACHMENT FIELDS APPEAR AS BELOW(ATTACH ONLY PRICE BID HERE)
- NOTE: FILE TO BE ATTACHED SHOULD NOT HAVE SPECIAL CHARACTERS IN FILE NAME.

Attachments (for Price Schedule)

Attach only PRICE BID here. Go to 'Collaboration' link below to attach Technical Documents.

Description

Path browse

Add Sign

- THEN ENTER AS price bid ETC. UNDER DESCRIPTION FIELD.

NOTE: YOU MUST HAVE ALREADY DOWNLOADED THE PRICE SCHEDULE ATTACHMENT PROVIDED BY PURCHASER & KEPT READY WITH FILLED IN PRICES.

- GO TO **BROWSE** AS ABOVE UNDER Path, SELECT THE FILE (filled in SOR file) TO BE ATTACHED. **SIGN IT FIRST** WITH YOUR DIGITAL SIGNATURE BY CLICKING ON "SIGN"
- ANOTHER FILE WITH EXTENSION "P7.SEC" GETS CREATED JUST BELOW THE ORIGINAL FILE IN THE SAME FOLDER.
- CLICK browse AGAIN AND SELECT THE "P7.SEC" FILE ATTACHMENT AND **ADD**
- HERE YOUR FILE (FILLED IN SOR-PRICES) GETS ADDED THAT IS YOUR PRICE BID.(CHECK THE SAME-BY CLICKING IT)
- GO TO THE HOLD BUTTON ON TOP LEFT AND CLICK ON IT FOR SAVING YOUR BID. IN ORDER TO CONTINUE FURTHER PRESS **CHANGE BUTTON**.
- THIS WAY YOU CAN ADD ANY NUMBER OF PRICE SCHEDULES.
- **CAUTION: AT THIS STAGE YOU HAVE NOT YET SUBMITTED THE BID , UNTIL YOU PRESS THE SUBMIT BUTTON)**

SIMILARLY FOR ADDING TENDER DOCUMENTS IN COLLOBORATION FOLDER.

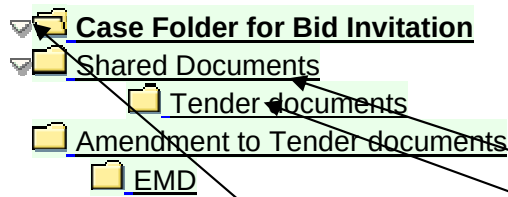
Collaboration-Tender/Tech Spec

Bid 4000000973 RAJ INDUSTRIES

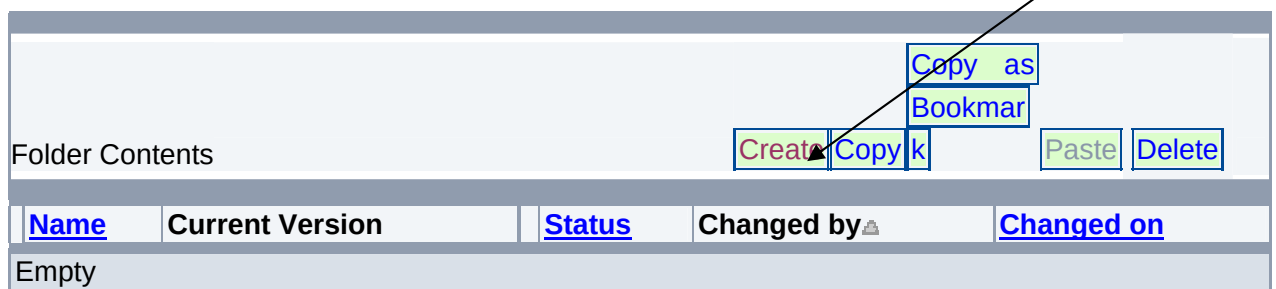
- CLICK ON **COLLOBORATION FOLDER**.
- A SMALL WINDOW WITH MESSAGE 'Application is starting' APPEARS WITH OK BUTTON. CLICK ON OK BUTTON. A NEW POPUP WINDOW 'Work Area' APPEARS ON THE SCREEN. INCASE THE SAME IS NOT APEARING DIRECTLY ON THE SCREEN, PRESS ALT+TAB SIMULTANEOUSLY TO GET THE SAID WINDOW DISPLAYED ON THE SCREEN.

Collaboration Bid Invitatn 50000...

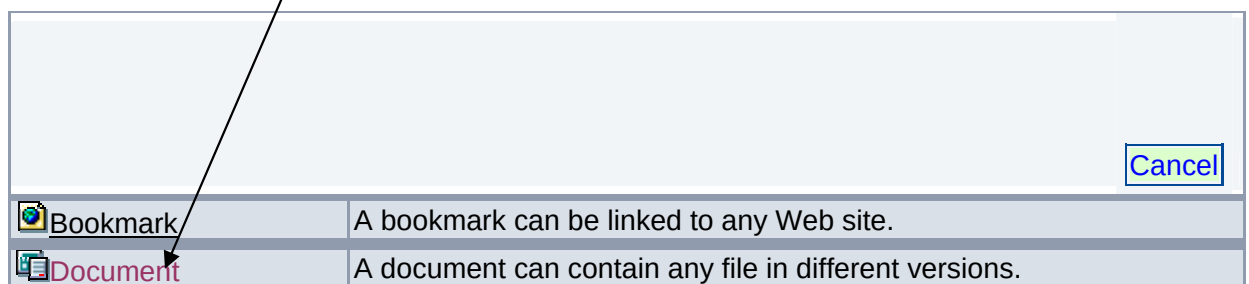
Public Area



- EXPAND ON Case Folder for Bid Invitation AS SHOWN ABOVE, THE Shared Documents NODE APPEARS UNDER IT AND FURTHER EXPAND IT TO SEE THE Tender documents. CLICK ON Tender documents.
- ON THE RIGHT HAND SIDE, FOLLOWING SCREEN APPEARS, PRESS ON **Create**.



- CLICK ON **DOCUMENT**



- UNDER NAME FIELD, ENTER THE **NAME OF THE DOCUMENT TO BE UPLOADED**.

Create Document

Name xxxxxxxxx*

Description

-  Upload Local File
-  Create File Later

[Continue](#) [Cancel](#)

- THEN CLICK ON **CONTINUE**,
- FOLLOWING SCREEN APPEARS

To select the required file, choose *Browse* and then *Save*.

[Sign](#) [Save](#) [Cancel](#) [Browse](#)

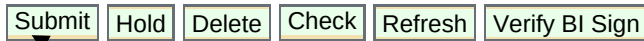
- CLICK ON **BROWSE** AS ABOVE, SELECT THE FILE TO BE ATTACHED/UPLOADED (NOTE: YOUR UPLOAD FILE NAME SHOULD NOT CONTAIN ANY SPECIAL CHARACTERS LIKE @#\$%^&*)
- **SIGN IT FIRST** WITH YOUR DIGITAL SIGNATURE BY CLICKING ON "SIGN"
- ANOTHER FILE WITH EXTENSION "P7.SEC" GETS CREATED JUST BELOW THE ORIGINAL FILE IN THE SAME FOLDER.
- CLICK browse AGAIN AND SELECT THE "P7.SEC" FILE AND **SAVE**
- HERE YOUR FILE GETS ADDED THAT IS YOUR TECHNICAL BID.(CHECK THE SAME-BY CLICKING IT)
- THIS WAY YOU CAN ADD ANY NUMBER OF TECHNICAL BID FILES SUCH AS SCANNED COPIES ETC.
- AFTER ADDING/ATTACHING/UPLOADING ALL TECHNICAL FILES, THEN CLOSE THIS SCREEN/WINDOW BY CLICKING (X) IN TOP RIGHT CORNER, AND GO TO MAIN ETENDER SITE (SRM) SCREEN

NOTE: VERY IMPORTANT: **NOW YOU NEED TO SUBMIT THE BID**

IN CASE THE SCREEN IS IN DISPLAY MODE, MAKE IT TO "change mode" BY CLICKING ON **change** BUTTON

[Change](#) [Delete](#) [Check](#) [Refresh](#) [Verify BI Sign](#) [Verify Quot Sign](#)

[Back to Initial Screen](#)



- BEFORE, CLICKING on SUBMIT BUTTON, ENSURE THAT ALL DOCUMENTS ARE ATTACHED /ADDED. THEN CHECK THAT YOUR DOCUMENTS ARE PROPERLY UPLOADED BY CLICKING ON **CHECK**.
- FINALLY CLICK **SUBMIT**.THIS COMPLETES YOUR UPLOADING OF TENDER DOCUMENTS AND PRICE BID.
- AFTER SUBMISSION, YOU MAY CHECK THE STATUS OF YOUR BID BY RELOGGING INTO THE SYSTEM. **Bid Submitted** UNDER Bid Status COLUMN MEANS BID SUBMITTED SUCCESSFULLY. **Held** UNDER Bid Status COLUMN MEANS BID IS NOT YET SUBMITTED AND IN **HELD** POSITION (UNDER PROCESS STATUS).

NOTE:

1. DURING BIDDING PROCESS, YOU MAY SAVE THE BID BY PRESSING ON **Hold** BUTTON. FOR FURTHER CONTINUING BIDDING PROCESS, ENSURE THAT THE BID IS IN **Process Response** BY CLICKING **Change** BUTTON. BIDDING PROCESS CANNOT BE CARRIED OUT INCASE THE BID IS IN **Display Response**. FURTHER ENSURE THAT YOU COMPLETE YOUR ENTRIES BEFORE DUE DATE AND TIME.
2. IN ORDER TO SUCCESSFULLY CLOSE /LOG OUT THE E-TENDERING SYSTEM, CLICK ON **Log off** ON TOP LEFT CORNER OF THE E-TENDER HOME PAGE.
3. IN CASE YOU DO NOT LOG OUT PROPERLY AS ABOVE, YOUR TRANSACTION MAY GET LOCKED FOR SOMETIME. IN THIS CASE, YOU MAY NOT BE ABLE TO PROCESS THE BID. THE TRANSACTION GETS AUTOMATICALLY UNLOCKED AFTER 10 MINUTES APPROXIMATELY. HENCE LOG-OFF AS EXPLAINED ABOVE AND RE-LOGIN AFTER 10 MINUTES (INCASE OF LOCKED STATUS) TO FURTHER PROCES THE BID.
4. YOU NEED TO HAVE BROADBAND CONNECTIVITY.
5. PL. READ FAQ'S AND HELPDOCUMENT.

DISCLAIMER:

(IT MAY BE NOTED THAT THIS IS AN EFFORT TO HELP BIDDERS WITH SHORT READY RECKONER FOR UPLOADING OF BIDS DURING BIDDING PROCESS. FOR DETAILS YOU MAY READ HELP DOCUMENT AVAILABLE IN SYSTEM. GAIL DO NOT STAND RESPONSIBLE ON FAILURE TO UPLOAD THE BIDS SUCCESSFULLY BASED ON THESE INSTRUCTIONS)

SECTION – III A

GENERAL CONDITIONS OF CONTRACT – GOODS (GCC - GOODS)

(FO OPTION -1 AND 3)

General Conditions of Contract-GOODS

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40	Repeat Order
41	Limitation of Liability

1	Definitions	In this document, General Conditions of Contract (GCC-Goods), the following terms shall have the following respective meanings: 1.0 BIDDER : Designates the individual or legal entity which has made a proposal, a tender or a bid with the aim of concluding a Contract with the PURCHASER. 1.1 CONSULTANT <i>[if engaged]</i> shall mean M/s.having its registered office at..... The term consultant includes successors, assigns of M/s. 1.2 CONTRACT shall mean Purchase Order/Contract and all attached exhibits and documents referred to therein and all terms and conditions thereof together with any subsequent modifications thereto. 1.3 CONTRACT PRICE shall mean the price payable to the Seller under the Contract for the full and proper performance of his contractual obligations. 1.4 COMPLETION DATE shall mean the date on which the goods are successfully commissioned by the Seller and handed over to the PURCHASER. 1.5 COMMERCIAL OPERATION shall mean the condition of the operation in which the complete equipment covered under the Contract is officially declared by the PURCHASER to be available for continuous operation at different loads upto and including rated capacity. 1.6 DELIVERY terms shall be interpreted as per INCO TERMS 2000 in case of Contract with a foreign Bidder and as the date of LR/GR in the case of a contract with an Indian Bidder. 1.7 DRAWINGS shall mean and include Engineering drawings, sketches showing plans, sections and elevations in relation to the Contract together with modifications and/or revisions thereto. 1.8 ENGINEER or Engineer-in-Charge of the Project SITE shall mean the person designated from time to time by PURCHASER/CONSULTANT at SITE and shall include those who are expressly authorized by him to act for and on his behalf for operation of this CONTRACT. 1.9 FINAL ACCEPTANCE shall mean the PURCHASER's written acceptance of the Works performed under the Contract after successful completion of performance and guarantee test.
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		1.10 GOODS shall mean articles, materials, equipment, design and drawings, data and other property to be supplied by Seller to complete the contract. 1.11 INSPECTOR shall mean any person or outside Agency nominated by PURCHASER/CONSULTANT through CONSULTANT to inspect equipment, stagewise as well as final, before dispatch, at SELLER's works and on receipt at SITE as per terms of the CONTRACT. 1.12 INITIAL OPERATION shall mean the first integral operation of the complete equipment covered under the Contract with sub-systems and supporting equipment in service or available for service. 1.13 PURCHASER shall mean GAIL (INDIA) LIMITED (GAIL) having its registered office at 16, BHIKAIJI CAMA PLACE, R.K.PURAM, NEW DELHI-110066 (INDIA). The term PURCHASER includes successors, assigns of GAIL. 1.14 PERFORMANCE AND GUARANTEE TESTS shall mean all operational checks and tests required to determine and demonstrate capacity, efficiency and operating characteristics as specified in the Contract documents. PROJECT designates the aggregate of the Goods and/or Services to be provided by one or more Contractors. Quantities – Bills of quantities Bills of quantities Designate the quantity calculations to be taken into account when these calculations are made from detailed or construction drawings, or from work actually performed, and presented according to a jointly agreed breakdown of the Goods and/or Services. 1.15 SELLER shall mean the person, firm or company with whom PURCHASE ORDER/CONTRACT is placed/entered into by PURCHASER for supply of equipment, materials and services. The term Seller includes its successors and assigns. 1.16 SERVICE shall mean erection, installation, testing, commissioning, provision of technical assistance, training and other such obligations of the Seller covered under the Contract. 1.17 SITE designates the land and/or any other premises
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		on, under, in or across which the Goods and/or Services have to be supplied, erected, assembled, adjusted, arranged and/or commissioned. 1.18 SPECIFICATIONS shall mean and include schedules, details, description, statement of technical data, performance characteristics, standards (Indian as well as International) as applicable and specified in the Contract. 1.19 SUB-CONTRACT shall mean order placed by the Seller, for any portion of the contracted work, after necessary consent and approval of PURCHASER. 1.20 SUB-CONTRACTOR shall mean the person named in the CONTRACT for any part of the work or any person to whom any part of the CONTRACT has been sub-let by the SELLER with the consent in writing of the CONSULTANT/PURCHASER and will include the legal representatives, successors, and permitted assigns of such person. 1.21 START-UP shall mean the time period required to bring the equipments covered under the Contract from an inactive condition, when construction is essentially complete to the state of readiness for trial operation. The start-up period shall include preliminary inspection and check out of equipment and supporting subsystems, initial operation of the complete equipments covered under the Contract to obtain necessary pre-trial operation data, perform calibration and corrective action, shutdown inspection and adjustment prior to the trial operation period. 1.22 TESTS shall mean such process or processes to be carried out by the Seller as are prescribed in the Contract or considered necessary by PURCHASER or his representative in order to ascertain quality, workmanship, performance and efficiency of equipment or part thereof. 1.23 TESTS ON COMPLETION shall mean such tests as prescribed in the Contract to be performed by the Seller before the Works are taken over by the PURCHASER.
2	Seller To Inform	2.1 The Seller shall be deemed to have carefully examined all contract documents to his entire satisfaction. Any lack of information shall not in any way relieve the Seller of his responsibility to fulfill his obligation under the Contract.
3	Application	3.1 These General Conditions of Contract (GCC-Goods) shall apply to the extent that they are not superseded by provisions of other parts of the Contract.

4	Country of Origin	4.1 For purposes of this Clause "origin" means the place where the Goods were mined, grown or produced, or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
5	Scope of Contract	5.1 Scope of the CONTRACT shall be as defined in the PURCHASE ORDER/CONTRACT specifications, drawings and Annexure thereto. 5.2 Completeness of the EQUIPMENT shall be the responsibility of the SELLER. Any equipment, fittings and accessories which may not be specifically mentioned in the specifications or drawings, but which are usual or necessary for the satisfactory functioning of the equipment (successful operation and functioning of the EQUIPMENT being SELLER's responsibility) shall be provided by SELLER without any extra cost. 5.3 The SELLER shall follow the best modern practices in the manufacture of high grade EQUIPMENT notwithstanding any omission in the specifications. The true intent and meaning of these documents is that SELLER shall in all respects, design, engineer, manufacture and supply the equipment in a thorough workmanlike manner and supply the same in prescribed time to the entire satisfaction of PURCHASER. 5.4 The SELLER shall furnish twelve (12) copies in English language of Technical documents, final drawings, preservation instructions, operation and maintenance manuals, test certificates, spare parts catalogues for all equipments to the PURCHASER. 5.5 The documents once submitted by the SELLER shall be firm and final and not subject to subsequent changes. The SELLER shall be responsible for any loss to the PURCHASER/CONSULTANT consequent to furnishing of incorrect data/drawings. 5.6 All dimensions and weight should be in metric system. 5.7 All equipment to be supplied and work to be carried out under the CONTRACT shall conform to and comply with the provisions of relevant regulations/Acts(State Government or Central Government) as may be applicable to the type of equipment/work carried out and necessary certificates shall be furnished.

		5.8 The Seller shall provide cross sectional drawings, wherever applicable, to identify the spare part numbers and their location. The size of bearings, their make and number shall be furnished. 5.9 Specifications, design and drawings issued to the SELLER alongwith RFQ and CONTRACT are not sold or given but loaned. These remain property of PURCHASER/CONSULTANT or its assigns and are subject to recall by PURCHASER/CONSULTANT. The SELLER and his employees shall not make use of the drawings, specifications and technical information for any purpose at any time except for manufacture against the CONTRACT and shall not disclose the same to any person, firm or corporate body, without written permission of PURCHASER/CONSULTANT. All such details shall be kept confidential. 5.10 SELLER shall pack, protect, mark and arrange for despatch of EQUIPMENT as per instructions given in the CONTRACT.
6	Standards	6.1 The GOODS supplied under the CONTRACT shall conform to the standards mentioned in the Technical Specifications, or such other standards which ensure equal or higher quality, and when no applicable standard is mentioned, to the authoritative standard appropriate to the GOODS' country of origin and such standards shall be the latest issued by the concerned institution.
7	Instructions, Direction & Correspondence	7.1 The materials described in the CONTRACT are to be supplied according to the standards, data sheets, tables, specifications and drawings attached thereto and/or enclosed with the CONTRACT, itself and according to all conditions, both general and specific enclosed with the contract, unless any or all of them have been modified or cancelled in writing as a whole or in part. - All instructions and orders to SELLER shall, excepting what is herein provided, be given by PURCHASER/CONSULTANT. - All the work shall be carried out under the direction of and to the satisfaction of PURCHASER/CONSULTANT. - All communications including technical/commercial clarifications and/or comments shall be addressed to CONSULTANT in quintuplicate with a copy to PURCHASER and shall always bear reference to the CONTRACT. - Invoices for payment against CONTRACT shall be addressed to PURCHASER. - The CONTRACT number shall be shown on all invoices, communications, packing lists,

		containers and bills of lading, etc.
8	Contract Obligations	8.1 If after award of the contract, the Seller does not acknowledge the receipt of award or fails to furnish the performance guarantee within the prescribed time limit, the PURCHASER reserves the right to cancel the contract and apply all remedies available to him under the terms and conditions of this contract. 8.2 Once a contract is confirmed and signed, the terms and conditions contained therein shall take precedence over the Seller's bid and all previous correspondence.
9	Modification In Contract	9.1 All modifications leading to changes in the CONTRACT with respect to technical and/or commercial aspects including terms of delivery, shall be considered valid only when accepted in writing by PURCHASER/CONSULTANT by issuing amendment to the CONTRACT. Issuance of acceptance or otherwise in such cases shall not be any ground for extension of agreed delivery date and also shall not affect the performance of contract in any manner except to the extent mutually agreed through a modification of contract. 9.2 PURCHASER/CONSULTANT shall not be bound by any printed conditions or provisions in the SELLER's Bid Forms or acknowledgment of CONTRACT, invoices, packing list and other documents which purport to impose any conditions at variance with or supplemental to CONTRACT.
10	Use of Contract Documents & Information	10.1 The Seller shall not, without the PURCHASER's/CONSULTANT's prior written consent, disclose the CONTRACT or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the PURCHASER in connection therewith, to any person other than a person employed by the SELLER in the performance of the CONTRACT. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purpose of such performance. 10.2 The SELLER shall not, without the PURCHASER's prior written consent, make use of any document or information enumerated in Article 10.1. except for purpose of performing the CONTRACT.
11	Patent Rights, Liability & Compliance of Regulations	11.1 SELLER hereby warrants that the use or sale of the materials delivered hereunder will not infringe claims of any patent covering such material and SELLER agrees to be responsible for and to defend at his sole expense all suits and proceedings against

		PURCHASER based on any such alleged patent infringement and to pay all costs, expenses and damages which PURCHASER and/or CONSULTANT may have to pay or incur by reason of any such suit or proceedings. 11.2 The SELLER shall indemnify the PURCHASER against all third party claims of infringement of patent, trade mark or industrial design rights arising from use of the GOODS or any part thereof in the PURCHASER's country. 11.3 SELLER shall also protect and fully indemnify the PURCHASER from any claims from SELLER'S workmen/employees or their heirs, dependants, representatives, etc. or from any other person/persons or bodies/companies etc. for any acts of commissions or omission while executing the CONTRACT. 11.4 SELLER shall be responsible for compliance with all requirements under the laws and shall protect and indemnify completely the PURCHASER from any claims/penalties arising out of any infringements.
12	Performance Guarantee	12.1 Within 15 days after the SELLER's receipt of notification of award of the CONTRACT, the SELLER shall furnish Performance Guarantee in the form of Bank Guarantee/irrevocable Letter of Credit to the PURCHASER, in the form provided in the Bidding Documents, for an amount equivalent to 10% of the total value of the CONTRACT. 12.2 The proceeds of Performance Guarantee shall be appropriated by the PURCHASER as compensation for any loss resulting from the SELLER's failure to complete his obligations under the CONTRACT without prejudice to any of the rights or remedies the PURCHASER may be entitled to as per terms and conditions of CONTRACT. The proceeds of this Performance Guarantee shall also govern the successful performance of Goods and Services during the entire period of Contractual Warrantee/Guarantee. 12.3 The performance guarantee shall be denominated in the currency of the CONTRACT. 12.4 The Performance Guarantee shall be valid for the duration of 90 days beyond the expiry of Warrantee/Guarantee period. The Bank Guarantee will be discharged by PURCHASER not later than 6 months from the date of expiration of the Seller's entire obligations, including any warrantee obligations, under the CONTRACT.

13	Inspection, Testing & Expediting	13.1 The PURCHASER or its representative shall have the right to inspect and/or to test the GOODS to confirm their conformity to the CONTRACT specifications. The special conditions of CONTRACT and/or the Technical Specifications shall specify what inspections and tests the PURCHASER requires and where they are to be conducted. The PURCHASER shall notify the SELLER in writing the identity of any representative(s) retained for these purposes. 13.2 The inspections and tests may be conducted on the premises of the SELLER or his sub-contractor(s), at point of DELIVERY and/or at the GOODS' final destination, When conducted on the premises of the SELLER or his sub-contractor (s), all reasonable facilities and assistance including access to the drawings and production data shall be furnished to the inspectors at no charge to the PURCHASER. 13.3 Should any inspected or tested GOODS fail to conform to the specifications, the PURCHASER may reject them and the SELLER shall either replace the rejected GOODS or make all alterations necessary to meet Specifications' requirements, free of cost to the PURCHASER. 13.4 The PURCHASER's right to inspect, test and where necessary reject the GOODS after the GOODS' arrival in the PURCHASER's country shall in no way be limited or waived by reason of the GOODS having previously been inspected, tested and passed by the PURCHASER, or their representative prior to the GOODS shipment from the country of origin. 13.5 The INSPECTOR shall follow the progress of the manufacture of the GOODS under the CONTRACT to ensure that the requirements outlined in the CONTRACT are not being deviated with respect to schedule and quality. 13.6 SELLER shall allow the INSPECTOR to visit, during working hours, the workshops relevant for execution of the CONTRACT during the entire period of CONTRACT validity. 13.7 In order to enable PURCHASER's representatives to obtain entry visas in time, SELLER shall notify PURCHASER two months before assembly, testing and packing of main EQUIPMENT. If requested, SELLER shall assist PURCHASER's representatives in getting visas in the shortest possible time (applicable only in case of foreign order). 13.8 SELLER shall place at the disposal of the INSPECTOR, free of charge, all tools, instruments,
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		and other apparatus necessary for the inspection and/or testing of the GOODS. The INSPECTOR is entitled to prohibit the use and dispatch of GOODS and/or materials which have failed to comply with the characteristics required for the GOODS during tests and inspections. 13.9 SELLER shall advise in writing of any delay in the inspection program at the earliest, describing in detail the reasons for delay and the proposed corrective action. 13.10 ALL TESTS and trials in general, including those to be carried out for materials not manufactured by SELLER shall be witnessed by the INSPECTOR. Therefore, SELLER shall confirm to PURCHASER by fax or e-mail about the exact date of inspection with at least 30 days notice. SELLER shall specify the GOODS and quantities ready for testing and indicate whether a preliminary or final test is to be carried out. 13.11 If on receipt of this notice, PURCHASER should waive the right to witness the test, timely information will be given accordingly. 13.12 Any and all expenses incurred in connection with tests, preparation of reports and analysis made by qualified laboratories, necessary technical documents, testing documents and drawings shall be at SELLER's cost. The technical documents shall include the reference and numbers of the standards used in the construction and, wherever deemed practical by the INSPECTOR, copy of such standards. 13.13 Nothing in Article-13 shall in any way release the SELLER from any warranty or other obligations under this CONTRACT. 13.14 Arrangements for all inspections required by Indian Statutory Authorities and as specified in technical specifications shall be made by SELLER. 13.15 Inspection & Rejection of Materials by consignees When materials are rejected by the consignee, the supplier shall be intimated with the details of such rejected materials, as well as the reasons for their rejection, also giving location where such materials are lying at the risk and cost of the contractor/supplier. The supplier will be called upon either to remove the materials or to give instructions as to their disposal within 14 days and in the case of dangerous, infected and perishable materials within 48 hours, failing which the consignee will either return the materials to the contractor freight to pay or
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		otherwise dispose them off at the contractor's risk and cost. The PURCHASER shall also be entitled to recover handling and storage charges for the period, during which the rejected materials are not removed @ 5% of the value of materials for each month or part of a month till the rejected materials are finally disposed off.
14	Time Schedule & Progress Reporting	14.1 Time Schedule Network/Bar Chart 14.1.1 Together with the Contract confirmation, SELLER shall submit to PURCHASER, his time schedule regarding the documentation, manufacture, testing, supply, erection and commissioning of the GOODS. 14.1.2 The time schedule will be in the form of a network or a bar chart clearly indicating all main or key events regarding documentation, supply of raw materials, manufacturing, testing, delivery, erection and commissioning. 14.1.3 The original issue and subsequent revisions of SELLER's time schedule shall be sent to PURCHASER. 14.1.4 The time schedule network/bar chart shall be updated at least every second month. 14.2 Progress Trend Chart/Monthly Report 14.2.1 SELLER shall report monthly to PURCHASER, on the progress of the execution of CONTRACT and achievement of targets set out in time bar chart. 14.2.2 The progress will be expressed in percentages as shown in the progress trend chart attached to the Time Schedule specification. 14.2.3 The first issue of the Progress Trend Chart will be forwarded together with the time bar chart alongwith CONTRACT confirmation. 14.3.1 PURCHASER's/CONSULTANT's representatives shall have the right to inspect SELLER's premises with a view to evaluating the actual progress of work on the basis of SELLER's time schedule documentation. 14.3.2 Irrespective of such inspection, SELLER shall advise CONSULTANT, with copy to PURCHASER, at the earliest possible date of any anticipated delay in the progress. 14.4 Notwithstanding the above, in case progress on the execution of contract at various stages is not as per phased time schedule and is not satisfactory in the opinion of the PURCHASER/CONSULTANT which shall be conclusive or SELLER shall neglect to execute the CONTRACT with due diligence and

		expedition or shall contravene the provisions of the CONTRACT, PURCHASER/CONSULTANT may give notice of the same in writing to the SELLER calling upon him to make good the failure, neglect or contravention complained of. Should SELLER fail to comply with such notice within the period considered reasonable by PURCHASER/ CONSULTANT, the PURCHASER/CONSULTANT shall have the option and be at liberty to take the CONTRACT wholly or in part out of the SELLER's hand and make alternative arrangements to obtain the requirements and completion of CONTRACT at the SELLER's risk and cost and recover from the SELLER, all extra cost incurred by the PURCHASER on this account. In such event PURCHASER/CONSULTANT shall not be responsible for any loss that the SELLER may incur and SELLER shall not be entitled to any gain. PURCHASER/CONSULTANT shall, in addition, have the right to encash Performance Guarantee in full or part.
15	Delivery & Documents	15.1 Delivery of the GOODS shall be made by the SELLER in accordance with terms specified in the CONTRACT, and the goods shall remain at the risk of the SELLER until delivery has been completed. 15.2 Delivery shall be deemed to have been made : a) In the case of FOB, CFR & CIF Contracts, when the Goods have been put on board the ship, at the specified port of loading and a clean Bill of Lading is obtained. The date of Bill of Lading shall be considered as the delivery date. b) In case of FOT despatch point contract (For Indian bidder), on evidence that the goods have been loaded on the carrier and a negotiable copy of the GOODS receipt obtained. The date of LR/GR shall be considered as the date of delivery. c) In case of FOT site (for Indian bidders) on receipt of goods by PURCHASER/Consultant at the designated site(s). 15.3 The delivery terms are binding and essential and consequently, no delay is allowed without the written approval of PURCHASER/CONSULTANT. Any request concerning delay will be void unless accepted by PURCHASER/CONSULTANT through a modification to the CONTRACT. 15.4 Delivery time shall include time for submission of drawings for approval, incorporation of comments, if any, and final approval of drawings by PURCHASER/CONSULTANT. 15.5 In the event of delay in delivery, Price Reduction

		Schedule as stipulated in Article – 26 shall apply. 15.6 The documentation, in English Language, shall be delivered in due time, in proper form and in the required number of copies as specified in the contract. 15.7 The additional copies of final drawings and instructions will be included in the package of goods, properly enveloped and protected. 15.8 The SELLER should comply with the Packing, Marking and Shipping Documentation Specifications enclosed.
16	Transit Risk Insurance	16.1 All goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery. 16.2 Where delivery is on FOB or CFR basis, marine insurance shall be the responsibility of the Purchaser. Insurance Requirements : Indigenous Bidders : Transit risk insurance from F.O.T. despatch point onwards shall be arranged and borne by GAIL. Foreign Bidders : Marine insurance as well as transit insurance in Purchaser's country shall be arranged and borne by GAIL. The SELLER shall ensure that in effecting despatch of materials, the primary responsibility of the carriers for safe movement is always retained so that the PURCHASER's interests are fully safeguarded and are in no way jeopardised. The Seller shall furnish the cost of materials against each equipment. 16.3 PURCHASER's Insurance Agent : [The name and address-as mentioned under SCC]
17	Transportation	17.1 Where the SELLER is required under the CONTRACT to deliver the GOODS FOB, transport of the GOODS until delivery, that is, upto and including the point of putting the GOODS on board the export conveyance at the specified port of loading, shall be arranged and paid for by the SELLER and the cost thereof shall be included in the Contract price. 17.2 Where the SELLER is required under the CONTRACT to deliver the GOODS CFR or CIF,

		transport of the Goods to the port of discharge or such other point in the country of destination as shall be specified in the CONTRACT shall be arranged and paid for by the SELLER and the cost thereof shall be included in the Contract price.
18	Incidental Services	18.1 The Seller may be required to provide any or all of the following services: 18.1.1 Performance or supervision of onsite assembly and/or start-up of the supplied Goods: 18.1.2 Furnishing tools required for assembly and/or maintenance of the supplied Goods: 18.1.3 Performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the Seller of any warranty/guarantee obligations under the Contract. 18.1.4 Training of the Purchaser's personnel at the Seller's plant and/or at Site, in assembly, start-up operation, maintenance and/or repair of the supplied Goods at no extra cost. However, Purchaser will bear boarding, lodging & personal expenses of Trainees. 18.2 Prices charged by the Seller for the preceding incidental services, shall not exceed the prevailing rates charged to other parties by the Seller for similar services. 18.3 When required, Seller shall depute necessary personnel for supervision and/or erection of the Equipment at site for duration to be specified by Purchaser on mutually agreed terms. Seller's personnel shall be available at Site within seven days for emergency action and twenty-one days for medium and long-term assistance, from the date of notice given by Purchaser. 18.4 The cost of incidental services shall not be included in the quoted prices. The cost of applicable incidental services should be shown separately in the price schedules.
19	Spare Parts, Maintenance Tools, Lubricants	19.1 Seller may be required to provide any or all of the following materials and notification pertaining to spare parts manufactured or distributed by the Seller. 19.1.1 Such spare parts as the Purchaser may opt to purchase from the Seller, provided that his option shall not relieve the Seller of any warranty obligations under the Contract, and 19.1.2 In the event of termination of production of the spare parts: i) Advance notification to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure needed requirements, and

		ii) Following such termination, furnishing at no cost to the Purchaser, the blue prints, drawings and specifications of the spare parts, if any when requested. 19.2 Seller shall supply item wise list with value of each item of spare parts and maintenance tools requirements, along with full details of manufacturers/vendors for such spares/maintenance tools for : 19.2.1 The construction, execution and commissioning. 19.2.2 2 years operation and maintenance. 19.3 Spare parts shall be new and of first class quality as per engineering standards/ codes, free of any defects (even concealed), deficiency in design, materials and workmanship and also shall be completely interchangeable with the corresponding parts. 19.4 Type and sizes of bearings shall be clearly indicated. 19.5 Spare parts shall be packed for long storage under tropical climatic conditions in suitable cases, clearly marked as to intended purpose. 19.6 A list of special tools and gauges required for normal maintenance and special handling and lifting appliances, if any, for the Goods shall be submitted to Purchaser. 19.7 Bidders should note that if they do not comply with Clause 19.2 above, their quotation may be rejected. 19.8 Lubricants 19.8.1 Whenever lubricants are required, Seller shall indicate the quantity of lubricants required for the first filling, the frequency of changing, the quantity of lubricants required for the one year's continuous operation and the types of recommended lubricants indicating the commercial name (trade-mark), quality and grade. 19.8.2 If Seller is unable to recommend specific oil, basic recommended characteristics of the lubricants shall be given. 19.8.3 Seller shall indicate various equivalent lubricants available in India.
20	Guarantee	20.1 All Goods or Materials shall be supplied strictly in accordance with the specifications, drawings, data sheets, other attachments and conditions stated in the Contract. No deviation from such specifications or alterations or of these conditions shall be made without PURCHASER'S /CONSULTANT'S agreement in writing which must be obtained before any work

		against the order is commenced. All materials supplied by the SELLER pursuant to the Contract (irrespective of whether engineering, design data or other information has been furnished, reviewed or approved by PURCHASER/CONSULTANT) are guaranteed to be of the best quality of their respective kinds (unless otherwise specifically authorised in writing by PURCHASER/CONSULTANT) and shall be free from faulty design, workmanship and materials, and to be of sufficient size and capacity and of proper materials so as to fulfil in all respects all operating conditions, if any, specified in the Contract. If any trouble or defect, originating with the design, material, workmanship or operating characteristics of any materials, arises at any time prior to twelve(12) months from the date of the first commercial operation of the Plant for which the materials supplied under the Contract form a part thereof, or twenty four (24) months from the date of last shipment whichever period shall first expire, and the SELLER is notified thereof, SELLER shall, at his own expense and as promptly as possible, make such alterations, repairs and replacements as may necessary to permit the materials to function in accordance with the specifications and to fulfil the foregoing guarantees. PURCHASER/CONSULTANT may, at his option, remove such defective materials, at SELLER'S expense in which event SELLER shall, without cost to PURCHASER/CONSULTANT and as promptly as possible, furnish and install proper materials. Repaired or replaced materials shall be similarly guaranteed by the SELLER for a period of no less than twelve (12) months from the date of replacement/repair. In the event that the materials supplied do not meet the specifications and/or not in accordance with the drawings data sheets or the terms of the Contract and rectification is required at site, PURCHASER/CONSULTANT shall notify the SELLER giving full details of differences. The SELLER shall attend the site within seven (7) days of receipt of such notice to meet and agree with representatives of PURCHASER/CONSULTANT, the action required to correct the deficiency. Should the SELLER fail to attend meeting at Site within the time specified above, PURCHASER/CONSULTANT shall immediately rectify the work/materials and SELLER shall reimburse PURCHASER all costs and expenses incurred in connection with such trouble or defect.
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		20.2 PERFORMANCE GUARANTEE OF EQUIPMENT 20.2.1 SELLER shall guarantee that the performance of the EQUIPMENT supplied under the CONTRACT shall be strictly in conformity with the specifications and shall perform the duties specified under the CONTRACT. 20.2.2 If the SELLER fails to prove the guaranteed performance of the EQUIPMENT set forth in the specification, the SELLER shall investigate the causes and carry out necessary rectifications/modifications to achieve the guaranteed performance. In case the SELLER fails to do so within a reasonable period, the SELLER shall replace the EQUIPMENT and prove guaranteed performance of the new equipment without any extra cost to PURCHASER. 20.2.3 If the SELLER fails to prove the guarantee within a reasonable period, PURCHASER/CONSULTANT shall have the option to take over the EQUIPMENT and rectify, if possible, the EQUIPMENT to fulfil the guarantees and/or to make necessary additions to make up the deficiency at Seller's risk and cost. All expenditure incurred by the PURCHASER/CONSULTANT in this regard shall be to SELLER's account.
21	Terms of Payment	21.1 The method of payment to be made to the SELLER under this CONTRACT shall be specified in the Special Conditions of Contract. 21.2 The type(s) of payment to be made to the SELLER under this CONTRACT shall be specified in the Special Conditions of Contract. 21.3 The SELLER's request(s) for payment shall be made to the PURCHASER in writing accompanied by an invoice describing, as appropriate, the Goods delivered and services performed, and by shipping documents submitted, and upon fulfillment of other obligations stipulated in the Contract. 21.4 Payment will be made in the currency or currencies in which the Contract Price has been stated in the SELLER's bid, as well as in other currencies in which the SELLER had indicated in his bid that he intends to incur expenditure in the performance of the Contract and wishes to be paid. If the requirements are stated as a percentage of the bid price alongwith exchange rates used in such calculations these exchange rates shall be maintained. General Notes: 1. All foreign currency payments to foreign bidder

		shall be released through an irrevocable Letter of Credit, which shall be opened through Government of India Nationalised Bank and hence shall not be confirmed. In case any bidder insists on confirmation, charges towards confirmation shall be borne by him. L/C shall be established within 30 days after receipt of unconditional acceptance of Letter /Fax of Intent together with Performance Guarantee for 10% of total order/Contract value. 2. For dispatches on FOT dispatch point (in India) basis, the payment shall be through PURCHASER's bank. Payment through Bank, wherever applicable, shall be released as per normal banking procedures. 3. Payment shall be released within 30 days after receipt of relevant documents complete in all respects. 4. All bank charges incurred in connection with payments shall be to Seller's account in case of Indian bidders and to respective accounts in case of Foreign bidder. 5. Unless otherwise specifically stated in bid document, all payments shall be made in the currency quoted. 6. No interest charges for delay in payments, if any, shall be payable by PURCHASER. 7. In case of Indian bidder, variation, if any, on account of customs duty on their built-in- import content, as per terms of bid document, shall be claimed separately by bidder after receipt of goods at site (s). However, any price benefits to the PURCHASER, on account of such variation as per terms specified in the bid document, shall be passed on to the PURCHASER alongwith invoicing itself. 8. Agency commission, if any, to Indian agent for Foreign bidders, indicated in prices, shall be paid to the agent in equivalent Indian Rupees on receipt and acceptance of material at site.
22	Prices	22.1 Prices charged by the SELLER for Goods delivered and services performed under the CONTRACT shall not, with the exception of any price adjustments authorized by the Contract vary from the prices quoted by the SELLER in his bid.
23	Subletting & Assignment	23.1 The contractor shall not without previous consent in writing of the PURCHASER authority, sublet, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner whatsoever. Provided, nevertheless, that any such consent shall not relieve the contractor from any obligation, duty or responsibility under the contract.

24	Time As Essence of Contract	24.1 The time and date of delivery/completion of the GOODS/SERVICES as stipulated in the Contract shall be deemed to be the essence of the Contract.
25	Delays In The Seller's Performance	25.1 If the specified delivery schedule is not adhered to or the progress of manufacture or supply of the items is not satisfactory or is not in accordance with the progress schedule the PURCHASER has the right to: i) hire for period of delay from elsewhere goods which in PURCHASER's opinion will meet the same purpose as the goods which are delayed and SELLER shall be liable without limitation for the hire charges; or ii) cancel the CONTRACT in whole or in part without liability for cancellation charges. In that event, PURCHASER may procure from elsewhere goods which PURCHASER's opinion would meet the same purpose as the goods for which CONTRACT is cancelled and SELLER shall be liable without limitations for the difference between the cost of such substitution and the price set forth in the CONTRACT for the goods involved; or iii) hire the substitute goods vide (i) above and if the ordered goods continue to remain undelivered thereafter, cancel the order in part or in full vide (ii) above. 25.2 Any unexcusable delay by the SELLER or his sub-contractor shall render the SELLER liable, without prejudice to any other terms of the Contract, to any or all of the following sanctions: forfeiture of Contract performance guarantee, imposition of price reduction for delay in delivery and termination of the contract for default.
26	Price Reduction Schedule For Delayed Delivery	26.1 Subject to Article -29, if the SELLER fails to deliver any or all of the GOODS or performance the services within the time period (s) specified in the CONTRACT, the PURCHASER shall, without prejudice to his other remedies under the CONTRACT, deduct from the CONTRACT PRICE, a sum calculated on the basis of the CONTRACT PRICE, including subsequent modifications. 26.1.1 Deductions shall apply as per following formula: In case of delay in delivery of equipment/materials or delay in completion, total contract price shall be reduced by ½ % (half percent) of the total contract price per complete week of delay or part thereof subject to a maximum of 5% (five percent) of the total contract price. 26.2 In case of delay in delivery on the part of Seller, the invoice/document value shall be reduced proportionately for the delay and payment shall be released accordingly.

		26.3 In the event the invoice value is not reduced proportionately for the delay, the PURCHASER may deduct the amount so payable by SELLER, from any amount falling due to the SELLER or by recovery against the Performance Guarantee. Both seller and PURCHASER agree that the above percentages of price reduction are genuine pre estimates of the loss/damage which the PURCHASER would have suffered on account of delay/breach on the part of the SELLER and the said amount will be payable on demand without there being any proof of the actual loss/or damage caused by such breach/delay. A decision of the PURCHASER in the matter of applicability of price reduction shall be final and binding.
27	Rejections, Removal of Rejected Equipment & Replacement	27.1 Preliminary inspection at SELLER's works by INSPECTOR shall not prejudice PURCHASER's/CONSULTANT's claim for rejection of the EQUIPMENT on final inspection at SITE or claims under warranty provisions. 27.2 If the EQUIPMENTS are not of specification or fail to perform specified duties or are otherwise not satisfactory the PURCHASER/CONSULTANT shall be entitled to reject the EQUIPMENT/MATERIAL or part thereof and ask free replacement within reasonable time failing which obtain his requirements from elsewhere at SELLER's cost and risk. 27.3 Nothing in this clause shall be deemed to deprive the PURCHASER AND/OR AFFECT ANY rights under the Contract which it may otherwise have in respect of such defects or deficiencies or in any way relieve the SELLER of his obligations under the Contract. 27.4 EQUIPMENT rejected by the PURCHASER/CONSULTANT shall be removed by the Seller at his cost within 14 days of notice after repaying the amounts received against the SUPPLY. The PURCHASER shall in no way be responsible for any deterioration or damage to the EQUIPMENT under any circumstances whatsoever. 27.5 In case of rejection of EQUIPMENT, PURCHASER shall have the right to recover the amounts, if any, from any of CONTRACTOR'S invoices pending with PURCHASER or by alternative method(s).
28	Termination of Contract	28.1 Termination for Default 28.1.1 The PURCHASER may, without prejudice to any other remedy for breach of CONTRACT, by written notice of default sent to the SELLER, terminate the CONTRACT in whole or in part: A) If the SELLER fails to deliver any or all of the

		GOODS within the time period(s) specified in the CONTRACT; or B) If the SELLER fails to perform any other obligation(s) under the CONTRACT, and C) If the SELLER, in either of the above circumstances, does not cure his failure within a period of 30 days (or such longer period as the PURCHASER may authorize in writing) after receipt of the default notice from the PURCHASER. 28.1.2 In the event the PURCHASER terminates the CONTRACT in whole or in part, pursuant to Article 28.1.1, the PURCHASER may procure, upon such terms and in such manner as it deems appropriate, goods similar to those undelivered and the SELLER shall be liable to the PURCHASER for any excess costs for such similar GOODS. However, the SELLER shall continue performance of the CONTRACT to the extent not terminated. 28.1.3 In case of termination of CONTRACT herein set forth (under clause 28) except under conditions of Force Majeure and termination after expiry of contract, the VENDOR shall be put under holiday [i.e. neither any enquiry will be issued to the party by GAIL (India) Ltd. Against any type of tender nor their offer will be considered by GAIL against any ongoing tender (s) where contract between GAIL and that particular VENDOR (as a bidder) has not been finalized] for three years from the date of termination by GAIL (India) Ltd. to such VENDOR. 28.2 Termination for Insolvency The PURCHASER, may at any time, terminate the CONTRACT by giving written notice to the SELLER, without compensation to the SELLER, if the SELLER becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the PURCHASER. 28.3 Termination for Convenience 28.3.1 The PURCHASER may, by written notice sent to the SELLER, terminate the CONTRACT, in whole or part, at any time for his convenience. The notice of termination shall specify that termination is for the PURCHASER's convenience, the extent to which performance of work under the CONTRACT is terminated and the date upon which such termination becomes effective. 28.3.2 The GOODS that are complete and ready for shipment within 30 days after the SELLER's receipt of notice of termination shall be purchased by the PURCHASER at the CONTRACT terms and prices. For the remaining GOODS, the PURCHASER may opt: a) to have any portion completed and delivered at
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		b) the CONTRACT terms and prices, and /or to cancel the remainder and pay to the SELLER an agreed amount for partially completed GOODS and for materials and parts previously procured by the SELLER.
29	Force Majeure	29.1 Shall mean and be limited to the following: a) War/hostilities b) Riot or Civil commotion c) Earthquake, flood, tempest, lightening or other natural physical disaster. d) Restrictions imposed by the Government or other Statutory bodies which prevents or delays the execution of the Contract by the SELLER. The SELLER shall advise PURCHASER/CONSULTANT by a registered letter duly certified by the local Chamber of Commerce or statutory authorities, the beginning and end of the above causes of delay within seven (7) days of the occurrence and cessation of such Force Majeure Conditions. In the event of delay lasting over one month, if arising out of causes of Force Majeure, PURCHASER/CONSULTANT reserves the right to cancel the Contract and the provisions governing termination stated under Article 28.0 shall apply. For delays arising out of Force Majeure, the SELLER shall not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither PURCHASER/CONSULTANT nor SELLER shall be liable to pay extra costs provided it is mutually established that Force Majeure Conditions did actually exist. SELLER shall categorically specify the extent of Force Majeure Conditions prevalent in their works at the time of submitting their bid and whether the same have been taken into consideration or not in their quotations. In the event of any force majeure cause, the SELLER or the PURCHASER shall not be liable for delays in performing their obligations under this order and the delivery dates will be extended to the SELLER without being subject to price reduction for delayed deliveries, as stated elsewhere.
30	Resolution of Disputes/Arbitration	30.1 The PURCHASER and the SELLER shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the contract. 30.2 If, after thirty days from the commencement of such informal negotiations, the PURCHASER and the SELLER have been unable to resolve amicably a

		Contract dispute, either party may require that the dispute be referred for resolution to the formal mechanism as specified hereunder. 30.3 Legal Construction The Contract shall be, in all respects be construed and operated as an Indian Contract and in accordance with Indian Laws as in force for the time being and is subject to and referred to the Court of Law situated within Union Territory of New Delhi. 30.4 Arbitration All disputes, controversies, or claims between the parties (except in matters where the decision of the Engineer-in-Charge is deemed to be final and binding) which cannot be mutually resolved within a reasonable time shall be referred to Arbitration by a sole arbitrator. The PURCHASER (GAIL (India) Limited) shall suggest a panel of three independent and distinguished persons to the Seller to select any one among them to act as the sole Arbitrator. In the event of failure of the Seller to select the Sole Arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of Sole Arbitrator by the other party shall stand forfeited and the PURCHASER shall have discretion to proceed with the appointment of the Sole Arbitrator. The decision of the PURCHASER on the appointment of Sole Arbitrator shall be final and binding on the parties. The award of the Sole Arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the Sole Arbitrator, the cost of arbitration proceedings shall be shared equally by the parties. The arbitration proceeding shall be in English language and the venue shall be at New Delhi, India. Subject to the above, the provisions of (Indian)Arbitration & Conciliation Act, 1996 and the rules framed thereunder shall be applicable. All matters relating to this contract are subject to the exclusive jurisdiction of the Courts situated in the State of Delhi (India). Seller may please note that the Arbitration & Conciliation Act 1996 was enacted by the Indian Parliament and is based on United nations Commission on International Trade Law (UNCITRAL model law), which were prepared after extensive consultation with Arbitral Institutions and centers of International Commercial Arbitration. The United Nations General Assembly vide resolution 31/98
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		adopted the UNCITRAL Arbitration rules on 15 December 1996. The WORK under the CONTRACT shall, however, continue during the Arbitration proceedings and no payment due or payable to the Seller shall be withheld on account of such proceedings.
31	Governing Language	31.1 The Contract shall be written in English language as specified by the PURCHASER/CONSULTANT in the Instruction to Bidders. All literature, correspondence and other documents pertaining to the Contract which are exchanged by the parties shall be written in English language. Printed literature in other language shall only be considered, if it is accompanied by an English translation. For the purposes of interpretation, English translation shall govern and be binding on all parties.
32	Notices	32.1 Any notice given by one party to the other pursuant to the Contract shall be sent in writing or by telegram or fax, telex/cable confirmed in writing. 32.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.
33	Taxes & Duties	33.1 A foreign Seller shall be entirely responsible for all taxes, stamp duties, licence fees, and other such levies imposed outside the PURCHASER's country. 33.2 A domestic Seller shall be entirely responsible for all taxes, duties, licence fees etc. incurred until the delivery of the contracted goods to the PURCHASER. However, Sales Tax and Excise duty on finished products shall be reimbursed by PURCHASER. 33.3 Customs duty payable in India for imported goods ordered by PURCHASER on foreign Seller shall be borne and paid by PURCHASER. 33.4 Any income tax payable in respect of supervisory services rendered by foreign Seller under the Contract shall be as per the Indian Income Tax Act and shall be borne by SELLER. It is upto the bidder/seller to ascertain the amount of these taxes and to include them in his bid price.
34	Books & Records	34.1 SELLER shall maintain adequate books and records in connection with Contract and shall make them available for inspection and audit by PURCHASER/CONSULTANT or their authorized agents or representatives during the terms of Contract until expiry of the performance guarantee. Fixed price (lumpsum or unit price) Contract will not

		be subject to audit as to cost except for cost reimbursable items, such as escalation and termination claims, transportation and comparable requirements.
35	Permits & Certificates	35.1 SELLER shall procure, at his expense, all necessary permits, certificates and licences required by virtue of all applicable laws, regulations, ordinances and other rules in effect at the place where any of the work is to be performed, and SELLER further agrees to hold PURCHASER and/or CONSULTANT harmless from liability or penalty which might be imposed by reason of any asserted or established violation of such laws, regulations, ordinances or other rules. PURCHASER will provide necessary permits for SELLER's personnel to undertake any work in India in connection with Contract.
36	General	36.1 In the event that terms and conditions stipulated in the General Conditions of Contract should deviate from terms and conditions stipulated in the Contract, the latter shall prevail. 36.2 Losses due to non-compliance of Instructions Losses or damages occurring to the PURCHASER owing to the SELLER's failure to adhere to any of the instructions given by the PURCHASER/CONSULTANT in connection with the contract execution shall be recoverable from the SELLER. 36.3 Recovery of sums due All costs, damages or expenses which the PURCHASER/CONSULTANT may have paid, for which under the CONTRACT SELLER is liable, may be recovered by the PURCHASER(he is hereby irrevocably authorized to do so) from any money due to or becoming due to the SELLER under this Contract or other Contracts and/or may be recovered by action at law or otherwise. If the same due to the SELLER be not sufficient to recover the recoverable amount, the SELLER shall pay to the PURCHASER, on demand, the balance amount. 36.4 Payments, etc. not to affect rights of the PURCHASER No sum paid on account by the PURCHASER nor any extension of the date for completion granted by the PURCHASER/CONSULTANT shall affect or prejudice the rights of the PURCHASER against the SELLER or relieve the SELLER of his obligation for the due fulfillment of the CONTRACT. 36.5 Cut-off Dates No claims or correspondence on this Contract shall be entertained by the PURCHASER/Consultant after

		90 days after expiry of the performance guarantee (from the date of final extension, if any) 36.6 Paragraph heading The paragraph heading in these conditions shall not affect the construction thereof.
37	Import Licence	37.1 No import licence is required for the imports covered under this document.
38	FALL CLAUSE	38.1 The price charged for the materials supplied under the order by the supplier shall in no event exceed the lowest price at which the supplier or his agent/principal/dealer, as the case may be, sells the materials of identical description to any persons/organizations including the Purchaser or any department of the Central Govt. or any Deptt. Of a State Govt. or any Statutory Undertaking of the Central or State Govt. as the case may be, during the currency of the order. 38.2 If at any time during the said period, the supplier or his agent/principal/dealer, as the case may be, reduces the sale price, sells or offers to sell such materials to any persons/organizations including the Purchaser or any Deptt. Of Central Govt. or State Govt. as the case may be, at a price lower than the price chargeable under the order, he shall forthwith notify such reduction or sale or offer of sale to the Purchase Authority who has issued this order and the price payable under the order for the materials supplied after the date of coming into force of such reduction or sale or offer of sale shall stand correspondingly reduced. The above stipulation will, however, not apply to: a) Exports by the Contractor/Supplier or b) Sale of goods as original equipment at prices lower than the prices charged for normal replacement c) sale of goods such as drugs which have expiry dates. 38.3 The supplier shall furnish the following certificate to the concerned Paying Authority alongwith each bill for payment for supplies made against this order:- "I/We certify that there has been no reduction in sale price of the items/goods/materials of description identical to those supplied to the GAIL under the order herein and such items/goods/materials have not been offered/sold by me/us to any person/organizations including the Purchaser or any Deptt. Of Central Govt. or any Deptt. Of State Govt. or any Statutory Undertaking of the Central or State Govt. as the case may be upto the date of bill/during the currency of the order whichever is later, at a price lower than the price charged to the GAIL under the order." Such a certificate shall be obtained, except for

			quantity of items/goods/materials categories under sub-clause (a),(b) & (c) of sub-para 38.2 above, of which details shall be furnished by the supplier.
39	Publicity & Advertising	39.1	Seller shall not without the written permission of PURCHASER/Consultant make a reference to PURCHASER/Consultant or any Company affiliated with PURCHASER/Consultant or to the destination or the description of goods or services supplied under the contract in any publication, publicity or advertising media.
40	Repeat Order	40.1	PURCHASER reserves the right, within 6 months of order to place repeat order upto 50% of the total order value without any change in unit price or other terms and conditions.
41	Limitation of Liability	41.1	Notwithstanding anything contrary contained herein, the aggregate total liability of Seller under the Agreement or otherwise shall be limited to 100% of Agreement / Order price. However, neither party shall be liable to the other party for any indirect and consequential damages, loss of profits or loss of production.

SECTION III B

SPECIAL CONDITIONS OF CONTRACT –
GOODS
(SCC- GOODS)
(FOR OPTION 1 AND 3)

1. DEFINITIONS

In addition to meaning ascribed to certain initial capitalised terms in Section III "GCC - Goods", following initial capitalised terms shall have the meaning as ascribed to such term hereunder. In case any term defined hereunder is also defined in Section III "GCC-Goods", the meaning ascribed to such term hereunder shall prevail:

1.1 Definitions

1.1.1 Bid Documents shall mean documents issued to the Bidder pursuant to document listed in ITB.

1.1.2 Effective Date shall mean the date on which Sellers obligations will commence and that will be the date of Fax of Acceptance (FOA).

1.1.3 Warehouse / Dump Yard / Dump site / Storage Yards shall mean a placed hired / owned by Contractor at Employer / Consultant specified location for the purpose of storing the Coated Pipes and delivering the coated pipes to Laying Contractor.

1.2 Interpretations

1.2.1 Where any portion of the GCC - Goods is repugnant to or at variance with any provisions of the SCC then, unless a different intention appears, the provisions of the SCC-Goods shall be deemed to govern the provisions of the GCC - Goods and SCC-Goods provisions shall prevail to the extent of such repugnancy, or variations exist.

1.2.2 In Contract Documents unless otherwise stated specifically, the singular shall include the plural and vice versa wherever the context so requires.

1.3 Notwithstanding the sub-division of the Contract Documents into separate sections and volumes, every part of each shall be deemed to be supplementary to and complementary of every other part and shall be read with and into the Agreement so far as it may be practicable to do so.

1.4 All headings, subtitles and marginal notes to the clauses of the GCC - Goods, SCC or to the Specifications or to any other part of Bid Document are solely for the purpose of giving a concise indication and not a summary of the contents thereof, and they shall never be deemed to be part thereof or be used in the interpretation or construction thereof.

1.5 The terms fully capitalized and/or initial capitalized shall be interchangeable and shall have the meaning as assigned to fully capitalized term or initial capitalised term.

1.6 Except the obligation of payment to Seller, Consultant may discharge all other Purchasers obligations. In Bid Documents, at all such places where obligations are confined to Purchaser alone such provision to read as Purchaser/ Consultants obligation to the extent the context so means/ requires.

2. SCOPE OF SUPPLY / WORK

The scope of supply shall be as given at Material Requisition (Section-VI) and Price Schedule enclosed with this tender enquiry.

The bids may be submitted for any of the following two OPTIONS depending upon the bidder's eligibility.

OPTION-I : Supply of bare Pipes at FOT Dispatch point for Indian Bidders/ FOB port of shipment for Foreign Bidders.

OPTION-III: Supply of Coated Pipes at designated Warehouse / Warehouse and maintenance of Warehouse for three (3) months beyond the contractual completion period or actual completion period, whichever is later.

The bidder is required to quote for all the items and for the entire quantity under Option-I or Option-III as per his choice. The bids shall be evaluated for the full quantity on L-1 basis under the given option as selected by the Bidder (*the items have been defined as A, B, C & D in the Material Requisition*). It may, however, be noted that

- Bare Pipe Manufacturers can quote either for Bare Pipe (Option-I) or for Coated Pipe (Option-III). In case of Option III, bidder can quote independently or with consortium arrangement.
- Coating Contractor can quote either for Coating & Transportation Work (Option-II) or for Coated Pipe (Option-III) with consortium arrangement only.

Other requirements in respect of supply shall be as follows :-

- a) Pipes shall be ordered only to Specified grade as in MR/SOR. Intermediate grades shall not be acceptable. Higher grade pipe shall not be considered as a substitute for a pipe ordered without GAIL/ MECON prior approval.
- b) The manufacturer shall be required to establish and maintain quality assurance system in accordance with ISO:9001 or equivalent. GAIL/ MECON reserves the right to audit manufacturer's quality system.
- c) Foreign Bidder may quote in any Foreign currency or Indian currency.
- d) Under Option-III, the foreign Bidder will be allowed to engage Indian Contractor for 3LPE external Coating works under consortium arrangement if so desired by the Bidder.
- e) GAIL is manufacturing 3LPE compound-PB48A004 and coating contractor can opt for external coating of pipes available on the prevailing rate at the time of procurement.
GAIL PE-compound can be issued from any place out of the five locations viz. Daman, Silvassa, Dadra, Malanpur (Gwailor) and Ghaziabad. Exact location shall be decided by GAIL at the time of issuing compound material. The transportation of compound material from the place decided by GAIL shall be in the scope of coating contractor.

2.1

Works associated with Receiving & Taking over of Line Pipes

In case bare line pipe supply is of imported origin, the Contractor shall "receive and take-over" the line pipes at Indian Port of entry. Bare line pipes will be delivered to coating contractor on his trailer(s) directly from ship's crane hook. The sufficient number of trailer shall be provided by coating contractor to meet the time limit for unloading of the ship(s) as per port authorities requirements. Arrangement and management of intermediate warehouse(s), if required, for meeting the time limits for unloading of the ship(s) and preservation & security shall be the responsibility of coating contractor. The consequences for the delay in unloading of the ship and any charges payable to port authorities in delay shall be in the account of coating contractor. The Contractor shall take over the line pipes from the vessel as per commercial conditions indicated else where in the requisition including all handling, unloading / loading as required.

In case bare line pipe supply is of domestic origin, the coating Contractor shall receive and take over the pipes ex-pipe mill(s) on FOT basis. The trailers shall be provided by coating contractor where as crane for loading will be provided by bare line pipe manufacturer. Contractor shall take only defect free pipes from pipe manufacturer. Pipe manufacturer shall repair the defect found at the time of handing

over of pipes. The Coating Contractor at no cost to Company shall repair any defect found after taking over.

Handing Over Taking Over (HOTO): While taking over of bare line pipes from bare line pipe manufacturer, both the bare line pipe supplier and coating contractor shall record item(s) and their quantity and length handed over/taken over without any apparent defect. Bare line-pipe contractor shall ensure that the coating contractor while taking over the bare line-pipes shall record at HOTO statement that pipes are received without apparent defect and in case any apparent defect, if noticed during the taking over of bare line-pipes by coating contractor shall be recorded and defect shall be repaired by the bare line-pipe manufacturer as per the requirements of technical specifications in the bid documents and without any additional cost.

Apart from the document requirement specified in the MR, the scope of seller also includes handing over of list of accepted pipes in editable format (MS-Excel) but protecting the details (cells) pertaining to manufacturing and testing of bare line pipe to coating contractor at the time of HOTO. The other documents of IRN and Dispatch Clearance Note (DCN) shall be provided to Coating at the time of HOTO.

2.1.1 Works associated with External coating of Line Pipes

- i) Supply of all coating materials as per specification no. MEC/S/05/21/014, Rev. 0, for carrying out 3-layer polyethylene external coating and specification no. MEC/S/05/21/014 B, Rev. 0, for carrying out internal coating. The bidder's proposed coating raw material supplier(s) shall be manufacturer of the materials meant for the three layer side extruded polyethylene coating and internal epoxy coating of pipes. They must have manufactured and supplied the offered grades of materials within the last seven years reckoned from the bid due date. These manufacturer(s) shall be evaluated at the bid stage and the bidder shall submit necessary letter of authorization and confirmation (as applicable) from such proposed manufacturer(s). Bidder offer shall be unconditional irrespective of the finally qualified raw material manufacturer(s).
- ii) The minimum thickness of finished 3LPE coating shall be 2.0 mm for 6" & 8", 2.5 mm for 18" and 3.0 mm for 30" pipes and the thickness of Internal coating shall be 60 µm – 80 µm.

Cleaning and surface preparation of pipes, application of 3 layer side extruded polyethylene coating & internal coating on bare line pipes, carrying out inspection and testing, repairing of coating defects, re-testing, any cutting of pipes for the purpose of PQT or regular production testing, carrying out re-bevelling and all associated works after cutting etc. and carrying out all coating works as per specification. Application shall also include coating of pipes of non-standard lengths obtained.

2.1.2 Works associated with Ware House/Storage yards

- i) Bidder(s) shall arrange for land for Ware House near Kochi. adjacent to State highway/National highway and near to ROU, adequate to store pipes as per the requirements stipulated and beyond the octroi limit applicability. Bidder shall enter into lease agreement with the various land owners for usage of land adequate as per the Ware House plan. The area of Ware House and number of layers for pipes shall be chosen so as to ensure safe handling of pipes and free movement of trailers. Bidder shall submit the Ware House location and layout plan for MECON/GAIL'S review/approval prior to actual acquisition of land for the said purpose.
- ii) Bidder(s) shall develop the Ware House area required for stacking/storing of specified quantity of coated / bare pipes. Bidder shall be responsible for maintaining suitable warehouse facilities including preservation, traceability, security and insurance at Kochi. Bidder shall carry out in this regard all civil

works within the Ware House required for temporary storage of pipes in all types of soils such as site grading, clearing, cutting, levelling, filling-up, providing temporary internal roads duly compacted for movement of cranes/trailers within the Ware House, providing temporary fencing and gates/barrier, cabins etc. as per the relevant drawings and other requirements indicated in the Contract document. Bidder shall be responsible for temporary land acquisition for Ware House, making approach road as required to the Ware House from the nearest main road including compensation to land owner(s) for the approach road, permission for the approach road, etc.

- iii) In case any tree cutting is involved, the disposal of uprooted trees shall be as per prevailing environment protection law. All internal access roads shall be dressed and consolidated by means of power driven rollers to obtain maximum compaction. Bidder shall also provide adequate drainage within the Ware House. All leveling, dressing and consolidation works shall be carried out as per the instructions of Company Representative. Bidder shall obtain tree cutting permission from concerned authority wherever applicable.
- iv) A typical layout of storage yards sketch no. MEC/05/28/23M3/014/01 is enclosed for reference purpose. Bidder shall develop a detailed development plan of Ware House including approach road and obtain MECON/GAIL'S approval prior to acquisition of land and commencement of Ware House development works. The area of Ware House shall be chosen so as to ensure safe handling of pipes and free movement of trailers.
- v) The Ware House shall be provided with barbed wire fencing.
- vi) The bare/coated pipes within the Ware House may be stacked by placing them on ridges of sand free from stones and covered with a plastic film or on wooden supports provided with suitable cover. Supply of sand and other materials shall be in Bidder's scope. This cover may consist of dry, germ free straw with a plastic film, otherwise foam rubber shall be used. The support shall be spaced in such a manner as to avoid permanent bending of the pipes. Bare pipe stacks shall consist of limited number of layers so that overstressing & deformation of the pipe is avoided. In case of coated pipes, stacks shall consist of limited number of layers so that the pressure exercised by the pipe's own weight does not cause deformation of the line pipe/ damages to coating. Each section shall be separated by means of spacers suitably spaced for this purpose. Calculation for stacking arrangement for bare/coted pipes and number of layers of pipes at storage yards shall be submitted by the coating contractor and approved by MECON/GAIL.
- vii) Bidder shall also be responsible for providing illumination at the Ware House. The illumination shall be 10 to 15 lux minimum and shall be provided with 11 metres flood light poles. The required power for the lighting shall be arranged by the Bidder.
- viii) Bidder shall be responsible for maintenance and management of Storage yards/ Ware House for the time specified elsewhere in the tender document or as advised by MECON/GAIL including providing security guard etc.
- ix) The Storage yards/ Ware House shall be restored to original status before handing over to the land owner. Bidder shall carry out all activities related to restoration. The rates quoted shall include all such aspects.
- x) Bidder shall furnish No Dues/ No Objection certificate from land owner upon handing over the land to its owner after completion of works.
- xi) Handing over of pipes to laying contractor progressively, based on the construction requirement. Inspection of all bare & coated line pipes in presence of company representative while handing over of pipes to laying contractor at Storage yards/ Ware House. Repair of damaged pipes, beveled end defects

and damaged coating (including supply of coating materials for repair) noticed at the time of handing over of bare/ coated pipes to laying contractor. All handling, lifting tools etc. required for inspection of coated/ bare line pipes at Ware House shall be carried out by the bidder. Bidder shall load the coated & bare pipes on to the truck/ trailer (arranged by Installation Agency) at the Storage yards/ Ware House during handing over.

- xii) Handing over of all surplus coated & bare pipes to laying contractor at the Storage yards/ Ware House at the end of work.

2.1.3 Materials to be supplied by Bidder

Bidder shall procure and supply in sequence and at appropriate time, all corrosion coating materials, repair materials, all accessories, consumables and utilities required for completion of works. The rates quoted for the execution of the work shall be inclusive of supply of these materials. All materials supplied shall be strictly in accordance with the requirements of relevant applicable Company specifications enclosed.

Materials to be supplied shall include, but not limited to, the following:

- a) All materials and equipment required for repair, re-beveling and / or cutting out defects of bare pipes.
- b) All consumables, equipment required for surface cleaning / preparation etc.
- c) Coating materials and other materials, equipment, consumables as required for coating.
- d) All materials and equipment required for conducting all types of inspection and tests including non-destructive testing of pipes after rebeveling/ grinding.
- e) All materials and equipment required for repairing of defects of coated pipes and thereafter re-testing.
- f) All equipment, tools, tackles, trucks/ trailers, devices required for loading, transportation, hauling, handling, unloading, stacking, and storage of bare/ coated pipes.
- g) Any other items not mentioned above but required for timely completion of work in all respect.

2.1.4 Other Requirements

- i) The coating plant, equipment, machinery and other facilities shall be in good operating condition to meet the job requirement of quality and production. Worn out or improvised plant are not acceptable. The coating plant(s) for the work shall be of size and capacity that shall be suitable for the scale of work, production rate, time schedule specified elsewhere in the tender document.
- ii) Bidder shall, at his own responsibility and cost, provide and prepare all necessary area for the storage of pipes and all other materials for coating yard, stock piling, and other temporary installation. Bidder shall provide servitude agreements as required with the relevant authorities and on work completion to clean, restore and pay settlements and claim for damages.
- iii) It is mandatory for the Bidder to provide all testing instruments/ equipment required for qualification, pre production and regular production testing with adequate inventory to carry out tests required within the coating yard. No outside testing is acceptable for this purpose.

- iv) Bidder shall, at his own responsibility and cost, provide water and power supply and other utilities, obtain permit regarding access roads and other permits required for the execution of works conforming to all the requirements of the governing authorities.
- v) All handling, loading, unloading, stacking/storing shall be done in such a manner as to minimise mechanical damages & corrosion and as per the procedure approved by the Company.
 - a. All handling shall be done with slings or padded hooks.
 - b. Trailers shall be cleaned of debris or any other substance that might damage the pipe.
 - c. Suitable timber and other dunnage shall be used to protect the pipes against the damage during transit.
 - d. Loading shall be done in accordance with API RP 5L1 and procedure approved by the Company.
 - e. Finished pipe to be stored for a significant period of time in the coating yard in a manner to prevent corrosion and damages to the coating.
- vi) A NACE Level-II coating specialist shall be made available during entire duration of coating works.
- vii) Coating wastage generated due to standard cut backs on external coating shall be the property of the Bidder.
- viii) Any other works not listed specifically herein but required to be carried out by the Bidder in order to complete the job in all respects, shall also form a part of Bidder's scope.

3. PACKING , MARKING AND SHIPMENT

- 3.1 The Seller, wherever applicable shall after proper painting, pack and crate all goods for sea/air/road/rail transportation in a manner suitable to tropical humid climatic region in accordance with the internationally accepted practices and in such a manner so as to protect it from damage and deterioration, in transit by sea or air or road or rail and during storage at the storehouse till the time of issuance to erection contractor. The Seller shall be held responsible for all damages due to improper packing. The Seller shall ensure sizing or packing of all oversized consignments in such a way that availability of carrier and/or road/rail route is properly taken into consideration.
- 3.2 Seller shall comply with the Packing, Marking and Shipping Instructions and Special Packaging Requirement as per Attachment VI of this Bidding Document.

4. DELIVERY SCHEDULE

The delivery schedule shall be as given below:-

Option	Description	Delivery Schedule	Effective Date of Start	Delivery Basis
1	Supply of Bare Pipes	<u>Domestic Bidder</u> Progressively from beginning of 16 th week and up to end of 22 th week. <u>Foreign Bidder</u> Progressively from beginning of 12 th week and up to end of 18 ^h week.	<u>Domestic / Foreign bidder :</u> Date of Issue of FOA	<u>Domestic Bidder</u> Loading of bare pipes on trailer by line pipe manufacturer and trailer arranged by GAIL appointed coating contractor. <u>Foreign Bidder</u> FOB port of exit
3	Supply of coated pipes	<u>Domestic / Foreign bidder :</u> Progressively from beginning of 22 nd week and upto end of 30 th week.	<u>Domestic / Foreign bidder :</u> Date of Issue of FOA	FOT site. (Dump Yard)

- 4.1 Delivery of goods shall be based on FOT despatch point for Indian mills. The date of Inspection Release Note OR the date of Lorry Receipt / Date of Handing over and receipt of bare line pipes by coating contractor whichever is earlier, shall be considered as date of delivery. The pipe manufacturer shall give 15 days advance notice to GAIL/MECON and the coater for arranging the trailer to be provided by coating contractor. The Line Pipe supplier shall also send a copy of inspection release note to Coating Contractor.

5 DISPATCH INSTRUCTIONS

- 5.1 Seller shall obtain dispatch clearance from the Purchaser/Consultant prior to each dispatch.

Copy of Inspection Release note, Dispatch Clearance and Statement showing the name of vessel, description and weight of material and shipping mark etc. to be submitted along with the documents.

6. INDEPENDENT SELLER

- 6.1 It is expressly understood and agreed that Seller is an independent party and that neither the Seller/ its personnel are servants, agents or employees of Purchaser/ Consultant nor the Seller has any kind of interest in other sellers.

7. LIEN

- 7.1 Seller shall ensure that the Scope of Supply supplied under the Agreement shall be free from any claims of title/liens from any third party. In the event of such claims by any party, Seller shall at his own cost defend, indemnify and hold harmless Purchaser or its authorised representative from such disputes of title /liens, costs, consequences etc.

8. RECOVERY OF CUSTOM DUTY, EXCISE DUTY AND SALES TAX

- 8.1 In case, the statutory variation entitles the Purchaser to recover the amount (irrespective of Contractual Delivery) such amount will be recovered from any bill of the Contractor, immediately, on enforcement of such variation, under intimation to the

Contractor.

9. RECOVERY ON FAILURE OF PIPE UNDER FIELD HYDRO TEST

Price reduction schedule on failure of pipe under field hydrotest and/ or during guarantee/ warranty period and/ or defect liability period as applicable shall be as follows (for pipe supplier) :-

Pursuant to General Conditions of Contract as per Volume-I and clause 14 (new) of the Technical Specification owner shall be reimbursed by the successful bidders for any pipe supplied against this order that fails under field hydrostatic test and/ or during guarantee/ warranty period and/ or defect liability period as applicable, if such failure is caused by a defect in pipes which is outside the acceptance limits of the specifications. The reimbursement cost will be the landed cost of the defective pipes including all cost incurred upto delivery thereof at site and shall also include but not limited to cost of all duties, freight, insurance, labour, material, charges for cutting, removing, re-coating, replacement and relaying of defective pipeline including cost of incidental activities as well as losses suffered by GAIL. The recovery cost shall be calculated at actual but will be subject to the minimum values given below. Recovery shall be applied on the actual or minimum pre-determined rate, whichever is higher. The minimum pre-determined rate shall not need any justifications. The minimum pre-determined reimbursement cost of each pipe shall be as under :-

- i) For 30" & above
USD 55,000 (Fifty five thousand US Dollars) for bidder quoting in foreign currency
Rs.25,00,000/- (Rs. Twenty five lacs only) for bidder quoting in Indian Rupees.
- ii) For 18" to 28"
USD 44,000 (Forty four thousand US Dollars) for bidder quoting in foreign currency
Rs.20,00,000/- (Rs. Twenty lacs only) for bidder quoting in Indian Rupees.
- iii) For 10" to 16"
USD 35,500 (Thirty five thousand five hundred US Dollars) for bidder quoting in foreign currency
Rs.16,00,000/- (Rs. Sixteen lacs only) for bidder quoting in Indian Rupees.
- iv) For 8" & below
USD 28,400 (Twenty eight thousand four hundred US Dollars) for quoting in foreign currency
Rs.12,80,000/- (Rs. Twelve lacs eighty thousand only) for bidder quoting in Indian Rupees.

The above cost shall be for each pipe, payable by the vendor to the Owner on demand without necessity of any proof of replacement/ reimbursement cost. Further, in case, the amount payable by the vendor to GAIL become more than what can be adjusted through price reduction, GAIL may recover at its discretion through deduction from any payment due or becomes due to the contractor or by encashing the Bank Guarantee(s) furnished by contractor, the unrecovered part of such payment will be paid by the contractor to GAIL within 15 days of date of notification by GAIL to him.

In the event of conflict between the stipulations of this article and anything contained in the Technical Specification (Material Requisition), the stipulations of this article shall govern.

Necessary tests to establish cause of failure of pipes shall be carried out at Welding Research Institute, Trichi, India and shall be binding on the both GAIL and the pipe supplier.

10. REJECTION

- 10.1 Any materials/ goods covered under scope of supply, which during the process of

inspection by Purchaser/ Appointed third party, at any stage prior to dispatch, is found not conforming to the requirements/ specifications of the Purchase Requisition/ Order, and shall be liable for immediate rejection.

- 10.2 Seller shall be responsible and liable for immediate replacement of such material with acceptable material at no extra cost or impact on the delivery schedule to Purchaser.

11. LIMITATION OF LIABILITY

- 11.1 Notwithstanding anything contrary contained herein, the aggregate total liability of Seller under the Contract or otherwise shall be limited to 100% of contract value. However, neither party shall be liable to the other party for any indirect and consequential damage, loss of profits or loss of production.

12. INSURANCE (APPLICABLE IN CASE OF OPTION 3 ONLY)

- 12.1 Supplier shall, at his own expense arrange, secure and maintain insurance as may be necessary with reputable insurance companies to the satisfaction of the Employer. Bidder's failure in this regard shall not relieve him of any of this responsibilities and obligations under Contract. The Contractor will insure the Goods for its full replacement value till the coated pipes are handed over to erection contractor.
- 12.2 Employer will be co-insured in the Policy.
- 12.3 Any damage or loss or short receipt noted by the Employer on receipt of material at Warehouse or at the time of taking delivery at Warehouse, as the case may be, the Employer might immediately inform the Contractor through e-mail/ fax/ letter. The documentary evidence shall be forwarded to Contractor in due course.
- 12.4 The Contractor shall take immediate step to lodge claims with its insurer and arrange to make good or immediate replacement of damaged/ lost/ short receipt material without waiting for insurance claim settlement.
- 12.5 In case the damage is repairable and carried out by the Employer to save time, the Contractor will reimburse the cost of repair, immediately on demand.

13. GOVERNING LAW

- 13.1 Laws of India will govern the Agreement and Delhi courts will have exclusive jurisdiction on all matters related to Agreement.

14. BONUS CLAUSE

- 14.1 The Bonus Clause 27.3 of GCC-Goods is not applicable in the instant tender.

15. EMPLOYER'S RIGHT AND REMEDIES

Without prejudice to Purchaser's right and remedies under Agreement, if Seller fails to commence delivery as per agreed schedule and/ or in reasonable opinion of the Purchaser, Seller is not in a position to make-up the delay to meet the intended purpose, the Purchaser may terminate the Agreement in full or part at Seller's default and may get supplies from other sources at Seller's risk and cost.

16. GUARANTEE

Indian Bidder and Foreign bidder in case of order on CFR basis: In partial modification to GCC-Goods Clause 20.0, Guarantee shall be twenty four (24) months starting from the date of handing over of last pipe to the coating contractor.

Foreign bidder in case of order on FOB basis: In partial modification to GCC-Goods

Clause 20.0, Guarantee shall be twenty four (24) months starting from the date of Clean Bill of lading of last pipe.

17. PRICE REDUCTION SCHEDULE (PRS)

17.1 In partial modification of provisions of GCC-Goods 26.0 and pursuant to clause 4 of SCC, in case of delay in delivery of any equipment / material or delay in completion, total contract price shall be reduced by ½% (half percent) of the total price of undelivered quantity value as per complete week of delay or part thereof of subject to a maximum of 5% (five percent) of total Contract Price.

17.2 The value referred in PRS clause is excluding taxes and duties.

18. TERMS AND MODE OF PAYMENT

18.1 The terms and mode of payment shall be as per Section III C .

19. DELETED

20. REPEAT ORDER

20.1 In partial modification to GCC clause no. 40, Repeat Order shall be applicable upto 20% of the ordered quantity within contractual delivery period or six months from the date of Fax of acceptance, whichever is earlier

21. ORIGIN OF GOODS

21.1 A certificate issued by relevant Chamber of Commerce to this effect shall form part of shipping documents.

22. FALL CLAUSE

In partial modification to GCC clause no. 38.0, Fall Clause is not applicable for this package.

23. QUALITY ASSURANCE/QUALITY CONTROL

23.1 The Contractor shall prepare a detailed quality assurance plan for the execution of Contract for various facilities, which will be mutually discussed and agreed to.

23.2 The Contractor shall establish document and maintain an effective quality assurance system outlined in recognized codes.

23.3 The Purchaser/ Consultant, while agreeing to a quality assurance plan shall mark the stages where they would like to witness the tests; review any or all stages of work at shop/ site as deemed necessary for quality assurance.

24. Procurement of Steel Plates/ Coils / Billets

24.1 Following steel plate / coil / billets manufacturers are acceptable for the procurement of steel plates / coils / billets to be used in the manufacture of line pipes.

- a) Thyssen Krupp, Germany
- b) Mannesmann Salzgitter Roehrenwerke, Germany
- c) Dillinger Huette, Germany
- d) Europipe, Germany
- e) Ilva (Riva Group), Italy
- f) Azovstal, Ukraine
- g) Posco, South Korea
- h) Voest Alpine, Austria

- i) Nippon Steel, Japan
 - j) AHMSA (Altos Hornos de Mexico), Mexico
 - k) Essar Steel, India
 - l) Ispat Industries Ltd., India
 - m) SAIL, Bokaro, India
 - n) JSW Steel Ltd., Vijay Nagar(for Billets only)
 - o) Jindal Steel & Power Limited, Raigarh (CG) (for Billets only)
 - p) Kalyani Steel Limited, Hospet(for Billets only)
 - q) JSW Steel Ltd., Salem (for Billets only)
 - r) Bao Steel, China
 - s) Wuhan Iron & Steel Corporation (WISCO), China
 - t) Tianjen Iron & Steel Corporation (TISCO), China
- 24.2 In case bidder proposes steel coil / billets manufacturer(s) not covered in the above list, then the proposed steel plates/ coils manufacturer must meet the following criteria :-
- 24.3 Steel coil / billets manufacturer(s) must have manufactured and supplied in a single order, the steel coil of not less than 2500 MT meant for the production of line pipes conforming to API 5L (PSL-2) of the same or higher grade as required under present bid in last five years from the date of Bid submission.
- 24.4 The steel coil / billets manufacturer have manufactured coils / billets conforming to API 5L (PSL-2) of same or higher wall thickness as required for line pipes quoted for under present bid in last five years from the date of Bid submission.
- 24.5 The steel coil / billets manufacturer must have manufactured coils / billets conforming to API 5L (PSL-2) which are equal or higher in terms of width of coil / length of billets (corresponding to pipe size) as required for line pipes under present bid.
- 24.6 A letter of commitment from proposed steel coil / billets manufacturer for supply of steel plates/coils / billets required for the manufacture of line pipes under present bid.
- 24.7 Confirmation regarding compliance with applicable requirements for steel plates/coils / billets specified in Technical Specifications/ Material Requisition of this Bid Document.
- a) Bidder must submit documentary evidence alongwith the bid, to substantiate the qualification criteria indicated above. In the absence of such documentary evidence, Owner/ Consultant reserve the right to reject the bid without making any reference to the bidder.
 - b) The qualification of steel plates /coil / billets manufacturer(s) shall be assessed prior to price bid opening.
 - c) Bidder's offer shall be unconditional irrespective of the finally qualified steel plates/ coil / billets manufacturer(s).
- 24.8 The techno commercially qualified bidder(s) will be informed prior to price bid opening on acceptance of the proposed steel plate / coil / billet manufacturer(s), if any.
- 24.9 Bidder's offer shall be unconditional irrespective of the finally qualified steel plate /coils/ billet manufacturer(s).
- 24.10 The techno commercially qualified bidder(s) will be informed prior to price bid opening on acceptance of the proposed steel plate / coil / billet manufacturer(s), if any.
- 24.11 The list of accepted steel plate / coil / billet manufacturer(s) other than specified in the bid document will be intimated to the successful bidder to whom FOA has been issued.

25. CERTIFICATION

The vendor shall be completely responsible for the design, materials, fabrication, coating, testing, inspection, preparation for shipment, loading of the above item strictly in accordance with the Material Requisition and all attachments thereto. All items shall be provided with EN 10204, 3.2 Certification.

26. THIRD PARTY INSPECTION AGENCIES

Vendor shall appoint anyone of the following TPIA for inspection purpose. Vendor has to proposed minimum 4 names of below listed agencies to be approved by GAIL/MECON.

- a) Lloyd Register of Industrial Services
- b) Technische Ulierwachungs Verein (TUV)
- c) Det Norske Veritas (DNV)
- d) AIB - Vincotte
- e) Bureau Veritas
- f) SGS
- g) ABS Industrial Verification India Ltd.
- h) Velosi Certification Services

Apart from inspection by TPIA, Inspection shall also be performed by GAIL and or its authorised representative / MECON, as set out and specified in the codes and particular documents forming this MR

27. PERFORMANCE EVALUATION

The performance of Seller (s) to whom the award is placed shall be evaluated right from submission of bid till the final completion, as per enclosed Attachment V.

28. ECA FINANCING (FOR FOREIGN BIDDERS ONLY)

28.1 GAIL intends to finance the supply of the material from the Banks/Financial Institution with the support of Export Credit Agency(ies) of International repute. GAIL will approach the leading Bank(s)/ financial institutions at appropriate time for finalizing the loan based on the guarantee given by the ECA of the supplier/vendor country. The supplier shall be required to extend full co-operation to the ECA, prospective lenders (Banks and financial institution) and GAIL to facilitate the finalisation of the loan in term of inter-alia providing necessary details and information etc. that may be needed for carrying out the due diligence exercise by the ECA and the lending banks. In the event, GAIL choose to opt for ECA financing, the payment terms would be amended accordingly to reflect the buyers credit payment facility to the vendor.

In the event GAIL avails the ECA backed financing from the lenders, necessary comfort would be provided to the vendors with respect to the security of the payment to the vendors against the supply of material. The payment to the vendors depending upon the circumstances could be either through the LC or directly from the GAIL lenders who are backed / provided guarantee by the ECA of the bidder's country.

Further, the bidders will be required to submit a letter from the ECA of the bidder's respective country that subject to the due diligence, the ECA would support by way of providing guarantee for arranging finance for the purchase of the compressor package by GAIL.

29. Clause no. 16.0 of GCC shall be appended with the following :

- i) All equipments / materials are to be insured by GAIL for transit risks unless specified otherwise in the purchase order, to cover the damages during the transportation etc.

- ii) Any such damage during the transportation shall be immediately notified to under-writers as well as the transporter, for further necessary action for recovery of transit damages.
 - iii) For the purpose of arranging transit insurance of the goods despatched / shipped, vendors are required to furnish the despatch / shipping particulars to the Insurance Company giving complete details of despatches along with Policy No. etc.
30. 3rd Para of Clause no. 20 of GCC shall stand modified as per following :-
- If any trouble or defect, originating with the design, material, workmanship or operating characteristics of any materials, arises at any time prior to twelve(12) months from the date of, commissioning of the equipment or twenty four (24) months from the date of last shipment whichever is earlier, first expire, and the SELLER is notified thereof, SELLER shall, at his own expense and as promptly as possible, make such alterations, repairs and replacements as may necessary to permit the materials to function in accordance with the specifications and to fulfill the foregoing guarantees
31. Point No. 1 of General Notes under Clause no. 21.0 of GCC shall be modified to the following extent : -
- Performance Guarantee for 10% of total order/Contract value Exclusive of taxes & duties..
- Further, SSI Units registered with the NSIC, under its single point Registration Scheme shall be exempted from submission of Security Deposit/ Contact Performance Guarantee to the Monetary Limit for which the unit is registered.
32. 5th Para of Clause no. 30.4 of GCC, shall be modified as per the following :
- "provisions of (Indian)Arbitration & Conciliation Act, 1996" shall be replaced by "provisions of (Indian)Arbitration & Conciliation Act, 1996 as amended time to time"
33. Clause no. 30.4 of GCC shall be appended with the following :
- FOR THE SETTLEMENT OF DISPUTES BETWEEN GOVERNMENT DEPARTMENT AND ANOTHER AND ONE GOVERNMENT DEPARTMENT AND PUBLIC ENTERPRISE AND ONE PUBLIC ENTERPRISE AND ANOTHER THE ARBITRATION SHALL BE AS FOLLOWS:
- "In the event of any dispute or difference between the parties hereto, such dispute or difference shall be resolved amicably by mutual consultation or through the good offices of empowered agencies of the Government. If such resolution is not possible, then, the unresolved dispute or difference shall be referred to arbitration of an arbitrator to be nominated by Secretary, Department of Legal Affairs ("Law Secretary") in terms of the Office Memorandum No.55/3/1/75-CF, dated the 19th December 1975 issued by the Cabinet Secretariat (Department of Cabinet Affairs), as modified from time to time. The Arbitration Act 1940 (10 of 1940) shall not be applicable to the arbitration under this clause. The award of the Arbitrator shall be binding upon parties to the dispute. Provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to Law Secretary whose decision shall bind the parties finally and conclusively.
34. Other clauses
- 1) **Failure and termination Clause**

Time and date of delivery shall be the essence of the contract. If the vendor/contractor fails to deliver the entire quantity of materials ordered/ complete the work or a part thereof within the contractual delivery/ completion period agreed to for such part or total quantity as per the delivery / time schedule or at any time repudiates the contract before the expiry of such period, GAIL may without prejudice to any other right or remedy available to it recover damages for breach of the contract in any manner stipulated hereunder:-

- (a) Recover from the vendor/ contractor an agreed amount towards Price Reduction Schedule and not by way of penalty a sum equivalent to 1/2% (half per cent) of the contract price of the whole unit per week for such delay or part thereof (this is a genuine pre-estimate of damages duly agreed by the parties) which the vendor/ contractor has failed to deliver within the period fixed for delivery in the schedule, where delivery thereof is accepted after expiry of the aforesaid period.

It may be noted that such recovery of PRS may be up to 5% of the contract price / of the total quantity of items of materials / equipment which the contractor has failed to deliver within the period fixed for delivery; or

- (b) Purchase or authorise the purchase elsewhere on the account and at the risk of the contractor, of the materials not so delivered or others of a similar description, by serving prior notice to the contractor / supplier without canceling the contract in respect of the installment not yet due for delivery;

or

- (c) Cancel the contract or a portion thereof by serving prior notice to the contractor and if so desired, purchase or authorise the purchase of the materials not so delivered or others of a similar description (where such materials exactly complying with particulars are not, in the opinion of the purchaser, which shall be final, readily procurable) at the risk and cost of the contractor. If the contractor had defaulted in the performance of the original contract, the purchaser shall have the right to ignore his tender for risk purchases even through the lowest. Where the contract is terminated at the risk and cost of the firm under the provisions of this clause, it shall be solely upto the purchaser to exercise his discretion to collect or not, the security deposit from the firm, on whom the contract is placed, at the risk and expense of the defaulting firm.

- (d) Where action is taken under sub-clause (b) or sub-clause(c) above, the contractor shall be liable for any loss which the purchaser may sustain on that account, provided the purchase or if there is an agreement to purchase, such agreement is made, in case of failure to deliver the materials within six months from the date of such failure and in case repudiation of the contract within six months from the date of cancellation of contract. The contractor shall not be entitled to any gain on such purchase and the manner and method of such purchase shall be at the entire discretion of the purchaser. It shall be necessary for the purchaser to give a notice of such purchase on the contractor.

- (e) It may further be noted that clause (a) above provides for recovery of PRS on the cost of contract price of delayed supplies whole unit) at the rate of 1/2% (half per cent) of the contract price of

the whole unit per week for such delay or part thereof upto a ceiling of 5% of the contract price of delayed supplies thus accrued will be recovered by the paying authorities of the purchaser specified in the supply order, from the bill for payment of the cost of the material submitted by the vendor/ contractor in accordance with terms of supply order, or otherwise.

- (f) Notwithstanding any thing stated above equipment and materials will be deemed to have been delivered only when all its components, parts are also delivered. If certain components are not delivered in time the equipment and material will be considered as delayed until such time all the missing parts are also delivered.

35. POST ORDER CORRESPONDENCE

All post-order correspondence shall be addressed to:

- a) The DGM I/C (Inspection & Expediting)
MECON Limited
15th Floor, SCOPE Minar, Laxmi Nagar,
District Centre, Delhi – 110 092
- b) Deputy Gen. Manager (Projects) GAIL (India) Limited,
GAIL Bhavan,
16, Bhikaiji Cama Place,
R. K. Puram, New Delhi - 110066, India Deputy Gen. Manager (C&P)
- c) DGM (C&P)
GAIL (India) Limited,
GAIL Bhavan,
16, Bhikaiji Cama Place,
R. K. Puram, New Delhi - 110066, India

SECTION III C

PAYMENT TERMS AND MODE OF PAYMENT

(FOR OPTION 1 AND 3)

1. TERMS OF PAYMENT

1.1. Option 1: (Supply of Bare Line Pipes)

1.1.1. Indian Bidder:

1.1.1.1. 100% of Cenvetable/ Vatable Invoice value will be paid progressively after adjustment against monthly PRS and against submission of invoice in triplicate along with:

- i) Inspection release note by Purchaser/Consultant.
- ii) GR/LR
- iii) Packing List
- iv) Proof of customs clearance including payment of customs duty for imports permitted in the Contract, if applicable
- vi) Documents as specified in Purchase Requisition.

1.1.1.2. The Supplier shall raise invoices on fortnightly basis.

1.1.1.3. The payments to the Supplier will be released within a period of 15 days from the date of receipt of the complete invoice duly certified by Purchaser/Consultant as per the terms and conditions of the Contract.

1.1.1.4 Indian Bidder (under option-1) is also required to submit the Handing over Taking over statement (HOTO) along with other documents mentioned above at Sl. No. 1.1.1.1.

In case, trailer is not arranged within 30 days beyond the date of Inspection release Note (IRN) by Coating Contractor, payment of invoice value shall be released against submission of indemnity bond equivalent to invoice value & insurance policy of invoice value for a minimum period of four months alongwith IRN, Despatch clearance issued by Purchaser/consultant and copy of intimation to coating contractor for mobilisation of trailers duly acknowledged by Purchaser/consultant and other documents.

Bidder shall arrange insurance policy at his own expenses with reputable insurance companies to the satisfaction of purchaser. The bidder will insure the pipe for its full value till the pipes are handed over to coating contractor. Purchaser will be the beneficiary in the insurance policy.

1.1.2. Foreign Bidder:

1.1.2.1. 100% of total invoice value will including ocean freight (in case of CFR contract) less Indian Agents' commission (if applicable) will be paid progressively through irrevocable LC after adjustment against monthly PRS, if any, and submission of invoice in triplicate along with:

- i) Inspection release note by Purchaser/Consultant.
- ii) Clean Bill of Lading.
- iii) Packing List
- iv) Country of origin certificate
- v) Dispatch instructions/ clearance by Purchaser/Consultant.
- vi) Documents as specified in Purchase Requisition.

1.2 Option 3: (Supply of Coated Line Pipes)

1.2.1 Indian Bidder (Indian Manufacturer & Coater/Consortium with Coater):

1.2.1.1 90% of Cenvatable / Vatable Invoice value will be paid progressively against receipt of coated pipes at warehouse/ storage yard by Purchaser / Consultant after adjustment against monthly PRS and against submission of invoice in triplicate along with:

- i) Inspection release note by Purchaser/Consultant.
- ii) GR/LR.
- iii) Packing List
- iv) Proof of customs clearance including payment of customs duty for imports permitted in the contract.
- v) Indemnity bond for the total price of delivered items as per attachment II
- vi) Documents as specified in Purchase Requisition.

1.2.1.2 The Supplier shall raise invoices on fortnightly basis after adjustment against PRS.

1.2.1.3 The payments to the Supplier will be released within a period of 15 days from the date of receipt of the complete invoice duly certified by Purchaser/Consultant as per the terms and conditions of the Contract.

1.2.1.4 Balance 10% amount of the invoice value shall be paid progressively within 30 days after delivery of finished line pipe by the supplier to the laying contractor and receipt of final technical document (if any) as specified in the PR.

CASE – I

1.2.2 Foreign Bidder (supply of coated pipes from overseas/Indian Sub-Supplier for other scope of Services):

1.2.2.1 90% of CIF value of coated pipes will be paid progressively against receipt of coated pipes at Kandla Port, after port clearance , after adjustment against monthly PRS and against submission of invoice in triplicate along with:

- a. Cenvatable / Vatable Invoice in triplicate
- b. Inspection release note issued by Purchaser/Consultant at Dumpsite.
- c. Clean Bill of Lading.
- d. Packing List
- e. Country of origin certificate
- f. Proof of customs clearance including payment of Customs duty for import permitted in the Contract
- g. Indemnity bond for the total price of delivered items as per attachment II

Import Duties (Customs Duty & Cess) on such pipes shall be paid directly by the Purchaser (GAIL) to Indian Customs Authority. The Customs and Port clearance and transportation of Pipes in India shall be undertaken by the Foreign Bidder/their Indian counterpart. The responsibility for transportation of Coated Pipes directly from Indian Port to Coater's Works and from the Works to Dumpsites for the coated Pipes shall be with the Foreign Bidder.

The Pipes shall be consigned to GAIL (India) Limited. The Foreign Bidder shall furnish Indemnity Bond equivalent to the CIF value of Customs Cleared goods plus import duties to Purchaser before undertaking above activities. The Indemnity Bond shall be valid till handing over of last pipe to laying contractor.

Any delay in submitting Indemnity Bond and thus resulting in any cost/charges to Purchaser including demurrage/wharfage shall be to Bidder's account only. Responsibility of safe custody of Pipes while undertaking customs clearance; transportation etc. shall be with Foreign bidder. Foreign Bidder shall indemnify GAIL against any losses of or damage to misuses or misappropriation whatsoever of Purchaser's Pipes while in possession of them / their Indian counterpart. Foreign Bidder shall take adequate precautions for safe custody of Purchaser's Pipes including its insurance while in their possession.

In order to import the goods on project rate of India customs duty, bare line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of

bare line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

- 1.2.2.2 Balance 10% amount shall be paid **progressively** within 30 days after handing over of coated pipe to the laying contractor and receipt of Final Technical Document (if any) as specified in PR.

CASE –II

1.2.3 Foreign Bidder (Foreign Manufacturer and consortium with Indian Coater):

- 1.2.3.1 90% of CIF value of bare pipes will be paid progressively against receipt of bare pipes at Kandla Port, after port clearance, after adjustment against monthly PRS and against submission of invoice in triplicate along with:

- a. Cenvatable / Vatable Invoice in triplicate
- b. Inspection release note issued by Purchaser/Consultant at Dumpsite.
- c. Clean Bill of Lading.
- d. Packing List
- e. Country of origin certificate
- f. Proof of customs clearance including payment of Customs duty for import permitted in the Contract
- g. Indemnity bond for the total price of delivered items as per attachment II

Import Duties (Customs Duty & Cess) on such pipes shall be paid directly by the Purchaser (GAIL) to Indian Customs Authority. The Customs and Port clearance and transportation of Pipes in India shall be undertaken by the Foreign Bidder/their Indian counterpart. The responsibility for transportation of Pipes directly from Indian Port to Coater's Works and from the Works to Dumpsites for the coated Pipes shall be with the Foreign Bidder.

The Pipes shall be consigned to GAIL (India) Limited. The Foreign Bidder shall furnish Indemnity Bond equivalent to the CIF value of Customs Cleared goods to Purchaser before undertaking above activities. The Indemnity Bond shall be valid till handing over of last pipe to laying contractor.

Any delay in submitting Indemnity Bond and thus resulting in any cost/charges to Purchaser including demurrage/wharfage shall be to Bidder's account only. Responsibility of safe custody of Pipes while undertaking customs clearance; transportation etc. shall be with Foreign bidder. Foreign Bidder shall indemnify GAIL against any losses of or damage to misuses or misappropriation whatsoever of Purchaser's Pipes while in possession of them / their Indian counterpart. Foreign Bidder shall take adequate precautions for safe custody of Purchaser's Pipes including its insurance while in their possession.

In order to import the goods on project rate of India customs duty, bare line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of bare line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

- 1.2.3.2 Balance 10% of CIF value of bare line pipe shall be **progressively** within 30 days after handing over of coated pipe to the laying contractor and receipt of Final Technical Document (if any) as specified in PR.

- 1.2.4 (a) In case of bare pipes plus coating in India by overseas bidder, the pipes to be imported in the name of GAIL.
- (b) Similarly, in case of supply of pipes coated overseas, the coated pipes are to be imported in the name of GAIL.

- (c) In both the cases at (a) & (b) above, the custom duty shall be paid by GAIL directly to custom authorities which shall be considered for evaluation of bid.
- (d) In case of (a) above, a separate contract shall be entered with the same bidder by GAIL for port handling, inland transportation, coating, dumpsite maintenance etc. and this contract and the contract for supply of bare pipe shall be interlinked for performance.
- (e) In case of (a) above, a separate contract shall be entered with the same bidder by GAIL for port handling, inland transportation, dumpsite maintenance etc. and this contract and the contract for supply of coated pipe shall be interlinked for performance.
- (f) Pipe (bare / coated) to be handed over to the bidder against submission of Indemnity bond for further performance of the work to be carried out under 2nd contract.
- (g) Pursuance to Clause I above, the bidder shall furnish a copy of complete shipment document to GAIL with the amount of Customs Duty to be paid, at least 15 days in advance from the "pay by date", enabling GAIL to make the payment. Any surcharge, demurrage etc. due to late payment of Customs Duty resulted due to delay in furnishing above document with request for payment from the bidder, shall be to bidder's account.
- (h) Pursuant to Clause (d) and (e) above, payment to the foreign bidder under two separate contracts shall be as per sub para 1.2.4.1 below:

1.2.4.1 ALTERNATIVE – 1:

Supply of bare pipe by Foreign Bidder and all other works(including coating) by Indian sub supplier.

- (I) 90% of CIF value of bare pipes will be paid progressively against receipt of bare pipes at Kandla Port, after port clearance, after adjustment against monthly PRS and against submission of invoice in triplicate along with:
 - a. Cenvatable / Vatable Invoice in triplicate
 - b. Inspection release note issued by Purchaser/Consultant at Dumpsite.
 - c. Clean Bill of Lading.
 - d. Packing List
 - e. Country of origin certificate
 - f. Proof of customs clearance including payment of Customs duty for import permitted in the Contract
 - g. Indemnity bond for the total price of delivered items as per attachment I to GCC

Import Duties (Customs Duty & Cess) on such pipes shall be paid directly by the Purchaser (GAIL) to Indian Customs Authority. The Customs and Port clearance and transportation of Pipes in India shall be undertaken by the Foreign Bidder/their Indian counterpart. The responsibility for transportation of Pipes directly from Indian Port to Coater's Works and from the Works to Dumpsites for the coated Pipes shall be with the Foreign Bidder.

The Pipes shall be consigned to GAIL (India) Limited. The Foreign Bidder shall furnish Indemnity Bond equivalent to the CIF value of Customs Cleared goods plus import duties to Purchaser before undertaking above activities. The Indemnity Bond shall be valid till handing over of last pipe to laying contractor.

Any delay in submitting Indemnity Bond and thus resulting in any cost/charges to Purchaser including demurrage/wharfage shall be to Bidder's account only.

Responsibility of safe custody of Pipes while undertaking customs clearance; transportation etc. shall be with Foreign bidder. Foreign Bidder shall indemnify GAIL against any losses of or damage to misuses or misappropriation whatsoever of Purchaser's Pipes while in possession of them / their Indian counterpart. Foreign Bidder shall take adequate precautions for safe custody of Purchaser's Pipes including its insurance while in their possession.

In order to import the goods on project rate of India customs duty, bare line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of bare line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

Balance 10% of CIF value of bare line pipe shall be **progressively** within 30 days after handing over of coated pipe to the laying contractor and receipt of Final Technical Document (if any) as specified in PR.

Contract B : For port Handling, inland transportation, Coating and other scope of work as per bidding Document:

- (I) 90% of Cenvatable/ Vatable Invoice value will be paid progressively against receipt of coated pipes at Dumpsite by Purchaser / Consultant after adjustment against monthly PRS and against submission of invoice in triplicate along with:
 - a. Invoice in triplicate
 - b. Inspection release note by Purchaser/Consultant at Dumpsite
 - c. Packing List duly endorsed by Purchaser / Consultant indicating receipt of material at Dumpsite.
- (II) Balance 10% amount of total invoice value shall be paid progressively within 30 days after handing over of coated pipe to the laying contractor and receipt of Final Technical Document (If any) as specified in PR.

ALTERNATIVE – 2:

Supply of coated pipes by Foreign Bidder and all other works by Indian sub-supplier.

Contract: A: For Supply of Coated Pipes by Foreign Bidder

- a) 90% of CIF value of coated pipes will be paid progressively against receipt of coated pipes at Kandla Port, after port clearance, after adjustment against monthly PRS and against submission of Invoice in triplicate along with:-
 - a. Cenvatable / Vatable Invoice in triplicate
 - b. Inspection release note issue by Purchaser/ Consultant.
 - c. Clean Bill of Lading
 - d. Packing List
 - e. Country of Origin Certificate
 - f. Proof of custom clearance including payment of customs duty for import permitted in the contract
 - g. Indemnity bond as per Attachment – I to GCC for the total price.

Import Duties (Customs Duty & Cess) on such pipes shall be paid directly by the Purchaser (GAIL) to Indian Customs Authority. The Customs and Port clearance and transportation of

Pipes in India shall be undertaken by the Foreign Bidder/their Indian counterpart. The responsibility for transportation of Pipes directly from Indian Port to Coater's Works and from the Works to Dumpsites for the coated Pipes shall be with the Foreign Bidder.

The Pipes shall be consigned to GAIL (India) Limited. The Foreign Bidder shall furnish Indemnity Bond equivalent to the CIF value of Customs Cleared goods plus import duties to Purchaser before undertaking above activities. The Indemnity Bond shall be valid till handing over of last pipe to laying contractor.

Any delay in submitting Indemnity Bond and thus resulting in any cost/charges to Purchaser including demurrage/wharfage shall be to Bidder's account only. Responsibility of safe custody of Pipes while undertaking customs clearance; transportation etc. shall be with Foreign bidder. Foreign Bidder shall indemnify GAIL against any losses of or damage to misuses or misappropriation whatsoever of Purchaser's Pipes while in possession of them / their Indian counterpart. Foreign Bidder shall take adequate precautions for safe custody of Purchaser's Pipes including its insurance while in their possession.

In order to import the goods on project rate of India customs duty, bare line pipes shall be consigned in the name of GAIL. The customs duty applicable on the import of bare line pipes shall be paid by GAIL and the cost of the same shall not be included in the quoted prices.

Balance 10% of CIF value of coated pipe shall be **progressively** within 30 days after handing over of coated pipe to the laying contractor and receipt of Final Technical Document (if any) as specified in PR.

Contract B : For port Handling, inland transportation and other scope pf work as per bidding Document:

- (I) 90% of Cenvatable/ Vatable Invoice value will be paid progressively against receipt of coated pipes at Dumpsite by Purchaser / Consultant after adjustment against monthly PRS and against submission of invoice in triplicate along with:
 - a. Invoice in triplicate
 - b. Inspection release note by Purchaser/Consultant at Dumpsite
 - c. Packing List duly endorsed by Purchaser / Consultant indicating receipt of material at Dumpsite.
- (II) Balance 10% amount of total invoice value shall be paid progressively within 30 days after handing over of coated pipe to the laying contractor and receipt of Final Technical Document (If any) as specified in PR.

1.2.5 Incase of foreign bidder coating in INR for Scope of services like port handling, custom clearance, inland transportation, dump site maintenance etc. to be provided by their Indian sub supplier, payment to Indian sub-supplier can be made against their invoices subject to (i) the sub supplier is approved by GAIL/MECON, ii) The Cenvatable invoice are complete as per bid document requirement and ; iii) the invoice are certified by foreign bidder advising for making payment to their Indian sub supplier.

2. The Invoice shall be made after adjusting the following

2.1 PRS pursuant to GCC – Goods clause 26.0, if applicable

2.2 Indian agents commissioning, if applicable

3.0 **Mode of Payment**

3.1 Payment will be released through E-payment as detailed in ITB clause 18.

3.2 Foreign Bidders

Through an irrevocable Letter of Credit (L/C) to be established by Purchaser through an Indian Nationalised Bank within 30 days of acceptance of award by the Seller and its furnishing requisite Performance Bank Guarantee. L/C opening charges payable to the L/C opening bank shall be borne by the Purchaser. In case the Seller requires a confirmed L/C, the confirmation charges shall be borne by the Seller. Any other charges not specified herein shall be on Seller's account.

4.0 Deduction at Source

4.1 Purchaser will release the payment to the Seller after effecting deductions as per applicable law in force.

4.2 Purchaser will release payments to the Contractor after offsetting all dues to the Purchaser payable by the Contractor under the Contract.

5. PAYING AUTHORITY:

General Manager (F&A),
GAIL (India) Ltd., GAIL Bhavan,
16, Bhikaiji Cama Place,
R.K. Puram, New Delhi
India.

SECTION - IIIB

GENERAL CONDITIONS OF CONTRACT -WORKS (GCC – WORKS)

(FOR OPTION – 2)



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Employer
102.0

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General Conditions of Contract

Section- I. Definitions

1. Definition of Terms:

- 1.1 In this CONTRACT (as here-in-after defined) the following words and expressions shall have the meanings hereby assigned to them except where the context otherwise required.
 - 1.1.1 The EMPLOYER/COMPANY/GAIL means GAIL (INDIA) LTD., a public limited company, incorporated under the Company's act 1956 and having its Registered office at 16, Bhikaji Cama Place, New Delhi 110066 and includes its successors and assigns.
 - 1.1.2 The "CONTRACTOR" means the person or the persons, firm or Company or corporation whose tender has been accepted by the EMPLOYER and includes the CONTRACTOR's legal Representatives his successors and permitted assigns.
 - 1.1.3 The ENGINEER/ENGINEER-IN-CHARGE" shall mean the person designated from time to time by the GAIL and shall include those who are expressly authorized by him to act for and on his behalf for operation of this CONTRACT.
 - 1.1.4 The "WORK" shall mean and include all items and things to be supplied/ done and services and activities to be performed by the CONTRACTOR in pursuant to and in accordance with CONTRACT or part thereof as the case may be and shall include all extra, additional, altered or substituted works as required for purpose of the CONTRACT.
 - 1.1.5 The "PERMANENT WORK" means and includes works which will be incorporated in and form a part of the work to be handed over to the EMPLOYER by the CONTRACTOR on completion of the CONTRACT.
 - 1.1.6 "CONSTRUCTION EQUIPMENT" means all appliances/equipment and things whatsoever nature for the use in or for the execution, completion, operation, or maintenance of the work or temporary works (as hereinafter defined) but does not include materials or other things intended to form or to be incorporated into the WORK, or camping facilities.
 - 1.1.7 "CONTRACT DOCUMENTS" means collectively the Tender Documents, Designs, Drawings, Specification, Schedule of Quantities and Rates, Letter of Acceptance and agreed variations if any, and such other documents constituting the tender and acceptance thereof.
 - 1.1.8 CONSULTANT: means ----- who are the consulting engineer to the Employer for this project and having registered office at -----
 - 1.1.9 The "SUB-CONTRACTOR" means any person or firm or Company (other than the CONTRACTOR) to whom any part of the work has been entrusted by the CONTRACTOR, with the written consent of the



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ENGINEER-IN-CHARGE, and the legal representatives, successors and permitted assigns of such person, firm or company.

- 1.1.10 The "CONTRACT" shall mean the Agreement between the EMPLOYER and the CONTRACTOR for the execution of the works including therein all contract documents.
- 1.1.11 The "SPECIFICATION" shall mean all directions the various technical specifications, provisions attached and referred to the Tender Documents which pertain to the method and manner of performing the work or works to the quantities and qualities of the work or works and the materials to be furnished under the CONTRACT for the work or works, as may be amplified or modified by the GAIL or ENGINEER-IN-CHARGE during the performance of CONTRACT in order to provide the unforeseen conditions or in the best interests of the work or works. It shall also include the latest edition of relevant Standard Specifications including all addenda/corrigenda published before entering into CONTRACT.
- 1.1.12 The "DRAWINGS" shall include maps, plans and tracings or prints or sketches thereof with any modifications approved in writing by the ENGINEER- IN-CHARGE and such other drawing as may, from time to time, be furnished or approved in writing by the ENGINEER-IN-CHARGE.
- 1.1.13 The "TENDER" means the proposal along with supporting documents submitted by the CONTRACTOR for consideration by the EMPLOYER.
- 1.1.14 The "CHANGE ORDER" means an order given in writing by the ENGINEER-IN-CHARGE to effect additions to or deletion from and alteration in the works.
- 1.1.15 The "COMPLETION CERTIFICATE" shall mean the certificate to be issued by the ENGINEER-IN-CHARGE when the works have been completed entirely in accordance with CONTRACT DOCUMENT to his satisfaction.
- 1.1.16 The "FINAL CERTIFICATE" in relation to a work means the certificate regarding the satisfactory compliance of various provision of the CONTRACT by the CONTRACTOR issued by the ENGINEER-IN-CHARGE/EMPLOYER after the period of liability is over.
- 1.1.17 "DEFECT LIABILITY PERIOD" in relation to a work means the specified period from the date of COMPLETION CERTIFICATE upto the date of issue of FINAL CERTIFICATE during which the CONTRACTOR stands responsible for rectifying all defects that may appear in the works executed by the CONTRACTOR in pursuance of the CONTRACT and includes warranties against Manufacturing/Fabrication/ Erection/Construction defects covering all materials plants, equipment, components, and the like supplied by the CONTRACTOR, works executed against workmanship defects.
- 1.1.18 The "APPOINTING AUTHORITY" for the purpose of arbitration shall be the CHAIRMAN and MANAGING DIRECTOR or any other person so designated by the EMPLOYER.



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- 1.1.19 "TEMPORARY WORKS" shall mean all temporary works of every kind required in or about the execution, completion or maintenance of works.
- 1.1.20 "PLANS" shall mean all maps, sketches and layouts as are incorporated in the CONTRACT in order to define broadly the scope and specifications of the work or works, and all reproductions thereof.
- 1.1.21 "SITE" shall mean the lands and other places on, under, in or through which the permanent works are to be carried out and any other lands or places provided by the EMPLOYER for the purpose of the CONTRACT.
- 1.1.22 "NOTICE IN WRITING OR WRITTEN NOTICE" shall mean a notice in written, typed or printed characters sent (unless delivered personally or otherwise proved to have been received by the addressee) by registered post to the latest known private or business address or registered office of the addressee and shall be deemed to have been received in the ordinary course of post it would have been delivered.
- 1.1.23 "APPROVED" shall mean approved in writing including subsequent written confirmation of previous verbal approval and "APPROVAL" means approval in writing including as aforesaid.
- 1.1.24 "LETTER OF INTENT/FAX OF INTENT" shall mean intimation by a Fax/Letter to Tenderer(s) that the tender has been accepted in accordance with the provisions contained in the letter.
- 1.1.25 "DAY" means a day of 24 hours from midnight to midnight irrespective of the number of hours worked in that day.
- 1.1.26 "WORKING DAY" means any day which is not declared to be holiday or rest day by the EMPLOYER.
- 1.1.27 "WEEK" means a period of any consecutive seven days.
- 1.1.28 "METRIC SYSTEM" - All technical documents regarding the construction of works are given in the metric system and all work in the project should be carried out according to the metric system. All documents concerning the work shall also be maintained in the metric system.
- 1.1.29 "VALUE OF CONTRACT" or "TOTAL CONTRACT PRICE" shall mean the sum accepted or the sum calculated in accordance with the prices accepted in tender and/or the CONTRACT rates as payable to the CONTRACTOR for the entire execution and full completion of the work, including change order.
- 1.1.30 "LANGUAGE FOR DRAWINGS AND INSTRUCTION" All the drawings, titles, notes, instruction, dimensions, etc. shall be in English Language.
- 1.1.31 "MOBILIZATION" shall mean establishment of sufficiently adequate infrastructure by the CONTRACTOR at "SITE" comprising of construction equipments, aids, tools tackles including setting of site offices with facilities such as power, water, communication etc. establishing manpower organisation comprising of Resident



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Engineers, Supervising personnel and an adequate strength of skilled, semi-skilled and un-skilled workers, who with the so established infrastructure shall be in a position to commence execution of work at site(s), in accordance with the agreed Time Schedule of Completion of Work. "MOBILISATION" shall be considered to have been achieved, if the CONTRACTOR is able to establish infrastructure as per Time Schedule, where so warranted in accordance with agreed schedule of work implementation to the satisfaction of ENGINEER-IN-CHARGE/ EMPLOYER.

1.1.32 "COMMISSIONING" shall mean pressing into service of the system including the plant(s), equipment(s), vessel(s), pipeline, machinery(ies), or any other section or sub-section of installation(s) pertaining to the work of the CONTRACTOR after successful testing and trial runs of the same.

- "COMMISSIONING" can be either for a completed system or a part of system of a combination of systems or sub-systems and can be performed in any sequence as desired by EMPLOYER and in a manner established to be made suited according to availability of pre-requisites. Any such readjustments made by EMPLOYER in performance of "COMMISSIONING" activity will not be construed to be violating CONTRACT provisions and CONTRACTOR shall be deemed to have provided for the same.

Section-II General Informations

2. General Information

2.1 a) Location of Site: The proposed location of Project site is defined in the Special Conditions of Contract.

b) Access by Road: CONTRACTOR, if necessary, shall build other temporary access roads to the actual site of construction for his own work at his own cost. The CONTRACTOR shall be required to permit the use of the roads so constructed by him for vehicles of any other parties who may be engaged on the project site. The CONTRACTOR shall also facilitate the construction of the permanent roads should the construction there of start while he is engaged on this work. He shall make allowance in his tender for any inconvenience he anticipates on such account.

Non-availability of access roads, railway siding and railway wagons for the use of the CONTRACTOR shall in no case condone any delay in the execution of WORK nor be the cause for any claim for compensation against the EMPLOYER.

2.2 Scope of Work: The scope of WORK is defined in the Technical Part of the tender document. The CONTRACTOR shall provide all necessary materials, equipment, labour etc. for the execution and maintenance of the WORK till completion unless otherwise mentioned in the Tender Document.

2.3 Water Supply: Contractor will have to make his own arrangements for supply of water to his labour camps and for works. All pumping installations, pipe net work and distribution system will have to be carried out by the Contractor at his own **risk and** cost.

Alternatively the Employer at his discretion may endeavour to provide water



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to the Contractor at the Employer's source of supply provided the Contractor makes his own arrangement for the water meter which shall be in custody of the Employer and other pipe net works from source of supply and such distribution pipe network shall have prior approval of the Engineer-in-Charge so as not to interfere with the layout and progress of the other construction works. In such case, the rate for water shall be deducted from the running account bills.

However, the Employer does not guarantee the supply of water and this does not relieve the Contractor of his responsibility in making his own arrangement and for the timely completion of the various works as stipulated.

2.4 Power Supply:

- 2.4.1 Subject to availability, EMPLOYER will supply power at 400/440 V at only one point at the nearest sub-station, from where the CONTRACTOR will make his own arrangement for temporary distribution. The point of supply will not be more than 500 m away from the CONTRACTOR'S premises. All the works will be done as per the applicable regulations and passed by the ENGINEER-IN-CHARGE. The temporary line will be removed forthwith after the completion of work or if there is any hindrance caused to the other works due to the alignment of these lines, the CONTRACTOR will re-route or remove the temporary lines at his own cost. The CONTRACTOR at his cost will also provide suitable electric meters, fuses, switches, etc. for purposes of payment to the EMPLOYER which should be in the custody and control of the EMPLOYER. The cost of power supply shall be payable to the EMPLOYER every month for Construction Works power which would be deducted from the running account bills. 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.
- 2.4.2 It shall be the responsibility of the CONTRACTOR to provide and maintain the complete installation on the load side of the supply with due regard to safety requirement at site. All cabling, equipment, installations etc. shall comply in all respects with the latest statutory requirements and safety provisions i.e., as per the Central/State Electricity Acts and Rules etc. The CONTRACTOR will ensure that his equipment and Electrical Wiring etc., are installed, modified, maintained by a licensed Electrician/Supervisor. A test certificate is to be produced to the ENGINEER-IN-CHARGE for his approval, before power is made available.
- 2.4.3 At all times, IEA regulations shall be followed failing which the EMPLOYER has a right to disconnect the power supply without any reference to the CONTRACTOR. No claim shall be entertained for such disconnection by the ENGINEER-IN-CHARGE. Power supply will be reconnected only after production of fresh certificate from authorized electrical supervisors.
- 2.4.4 The EMPLOYER is not liable for any loss or damage to the CONTRACTOR's equipment as a result of variation in voltage or frequency or interruption in power supply or other loss to the CONTRACTOR arising therefrom.



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- 2.4.5 The CONTRACTOR shall ensure that the Electrical equipment installed by him are such that average power factors does not fall below 0.90 at his premises. In case power factor falls below 0.90 in any month, he will reimburse to the EMPLOYER at the penal rate determined by the EMPLOYER for all units consumed during the month.
- 2.4.6 The power supply required for CONTRACTOR's colony near the plant site will be determined by the EMPLOYER and shall be as per State Electricity Board's Rules and other statutory provisions applicable for such installations from time to time. In case of power supply to CONTRACTOR's colony, the power will be made available at a single point and the CONTRACTOR shall make his own arrangement at his own cost for distribution to the occupants of the colony as per Electricity Rules and Acts. The site and colony shall be sufficiently illuminated to avoid accidents.
- 2.4.7 The CONTRACTOR will have to provide and install his own lights and power meters which will be governed as per Central/State Government Electricity Rules. The metres shall be sealed by the EMPLOYER.
- 2.4.8 In case of damage of any of the EMPLOYER's equipment on account of fault, intentional or unintentional on the part of the CONTRACTOR, the EMPLOYER reserves the right to recover the cost of such damage from the CONTRACTOR's bill. Cost of HRC Fuses replaced at the EMPLOYER's terminals due to any fault in the CONTRACTOR's installation shall be to CONTRACTOR's account at the rates decided by the ENGINEER-IN-CHARGE.
- 2.4.9 Only motors upto 3 HP will be allowed to be started direct on line. For motors above 3 HP and upto 100 HP a suitable Starting device approved by the ENGINEER- IN-CHARGE shall be provided by the CONTRACTOR. For motors above 100 HP slipring induction motors with suitable starting devices as approved by the ENGINEER-IN-CHARGE shall be provided by the CONTRACTOR.
- 2.4.10 The CONTRACTOR shall ensure at his cost that all electrical lines and equipment and all installations are approved by the State Electricity Inspector before power can be supplied to the EMPLOYER.
- 2.4.11 The total requirement of power shall be indicated by the tenderer alongwith his tender.
- 2.5 Land for Contractor's Field Office, Godown and Workshop: The EMPLOYER will, at his own discretion and convenience and for the duration of the execution of the work make available near the site, land for construction of CONTRACTOR's Temporary Field Office, godowns workshops and assembly yard required for the execution of the CONTRACT. The CONTRACTOR shall at his own cost construct all these temporary buildings and provide suitable water supply and sanitary arrangement and get the same approved by the ENGINEER-IN-CHARGE.

On completion of the works undertaken by the CONTRACTOR, he shall remove all temporary works erected by him and have the SITE cleaned as directed by ENGINEER-IN-CHARGE. If the CONTRACTOR shall fail to comply with these requirements, the ENGINEER-IN-CHARGE may at he



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expenses of the CONTRACTOR remove such surplus, and rubbish materials and dispose off the same as he deems fit and get the site cleared as aforesaid; and CONTRACTOR shall forthwith pay the amount of all expenses so incurred and shall have no claim in respect of any such surplus materials disposed off as aforesaid. But the EMPLOYER reserves the right to ask the CONTRACTOR any time during the pendency of the CONTRACT to vacate the land by giving 7 days notice on security reasons or on national interest or otherwise. Rent may be charged for the land so occupied from contractor by the Employer.

The CONTRACTOR shall put up temporary structures as required by them for their office, fabrication shop and construction stores only in the area allocated to them on the project site by the EMPLOYER or his authorised representative. No tea stalls/canteens should be put up or allowed to be put up by any CONTRACTOR in the allotted land or complex area without written permission of the EMPLOYER.

No unauthorised buildings, constructions or structures should be put up by the CONTRACTOR anywhere on the project site.

For uninterrupted fabrication work, the CONTRACTOR shall put up temporary covered structures at his cost within Area in the location allocated to them in the project site by the EMPLOYER or his authorised representative.

No person except for authorised watchman shall be allowed to stay in the plant area/CONTRACTOR's area after completion of the day's job without prior written permission from ENGINEER-IN-CHARGE.

2.6 Land for Residential Accommodation:-No Land shall be made available for residential accommodation for staff and labour of CONTRACTOR.

Section-III. General Instructions to Tenderers

3. Submission of Tender:

- 3.1 TENDER must be submitted without making any additions, alterations, and as per details given in other clauses hereunder. The requisite details shall be filled in by the TENDERER at space provided under "Submission of Tender at the beginning of GCC of Tender Document. The rate shall be filled only in the schedule given in this Tender Document.
- 3.2 Addenda/Corrigenda to this Tender Document, if issued, must be signed, submitted alongwith the Tender Document. the tenderer should write clearly the revised quantities in Schedule of Rates of Tender Document and should price the WORK based on revised quantities when amendments of quantities are issued in addenda.
- 3.3 Covering letter alongwith its enclosures accompanying the Tender Document and all further correspondence shall be submitted in duplicate.
- 3.4 Tenderers are advised to submit quotations based strictly on the terms and conditions and specifications contained in the Tender Documents and not to stipulate any deviations.
- 3.5 Tenders should always be placed in double sealed covers, superscribing ["QUOTATION DO NOT OPEN" Tender for



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_____ Project of GAIL (India) Limited due for opening on _____. The *Full Name, Address and Telegraphic Address, Fax No. of the Tenderers* shall be written on the bottom left hand corner of the sealed cover.

4. Documents:

4.1 General:

The tenders as submitted, will consist of the following:

- i) Complete set of Tender Documents (Original) as sold duly filled in and signed by the tenderer as prescribed in different clauses of the Tender Documents.
- ii) Earnest money in the manner specified in Clause 6 hereof.
- iii) Power of Attorney or a true copy thereof duly attested by a Gazetted Officer in case an authorised representative has signed the tender, as required by Clause 14 hereof.
- iv) Information regarding tenderers in the proforma enclosed.
- v) Details of work of similar type and magnitude carried out by the Tenderer in the proforma provided in the tender document.
- vi) Organisation chart giving details of field management at site, the tenderer proposes to have for this job.
- vii) Details of construction plant and equipments available with the tenderer for using in this work.
- viii) Solvency Certificate from Scheduled Bank to prove the financial ability to carry out the work tendered for.
- ix) Latest Balance Sheet and Profit & Loss Account duly audited.
- x) Details of present commitment as per proforma enclosed to tender.
- xi) Data required regarding SUB-CONTRACTOR(s)/ Supplier/ Manufacturers and other technical informations the tenderer wish to furnish.
- xii) Provident fund registration certificate
- xiii) List showing all enclosures to tender.

4.2 All pages are to be Initialed: All signatures in Tender Documents shall be dated, as well as, all the pages of all sections of Tender Documents shall be initialed at the lower right hand corner and signed wherever required in the tender papers by the TENDERER or by a person holding power of attorney authorising him to sign on behalf of the tenderer before submission of tender.

4.3 Rates to be in Figures and Words: The tender should quote in English both in figures as well as in words the rates and amounts tendered by him in the Schedule of Rates of Tender submitted by the CONTRACTOR for each item and in such a way that interpolation is not possible. The amount for each item should be worked out and entered and requisite total given



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of all items, both in figures and in words. The tendered amount for the work shall be entered in the tender and duly signed by the Tenderer.

If some discrepancies are found between the RATES in FIGURES and WORDS or the AMOUNT shown in the tender, the following procedure shall be followed:

- a) When there is difference between the rates in figures and words, the rate which corresponds to the amount worked out by the tenderer shall be taken as correct.
- b) When the rate quoted by the tenderer in figures and words tally but the amount is incorrect the rate quoted by the tenderer shall be taken as correct.
- c) When it is not possible to ascertain the correct rate by either of above methods, the rate quoted in words shall be taken as correct.

4.4 Corrections and Erasures: All correction(s) and alteration(s) in the entries of tender paper shall be signed in full by the TENDERER with date. No erasure or over writing is permissible.

4.5 Signature of Tenderer:

4.5.1 The TENDERER shall contain the name, residence and place of business of person or persons making the tender and shall be signed by the TENDERER with his usual signature. Partnership firms shall furnish the full names of all partners in the tender. It should be signed in the partnership's name by all the partners or by duly authorised representatives followed by the name and designation of the person signing. Tender by a corporation shall be signed by an authorised representative, and a Power of Attorney in that behalf shall accompany the tender. A copy of the constitution of the firm with names of all partners shall be furnished.

4.5.2 When a tenderer signs a tender in a language other than English, the total amount tendered should, in addition, be written in the same language. The signature should be attested by at least one witness.

4.6 Witness: Witness and sureties shall be persons of status and property and their names, occupation and address shall be stated below their signature.

4.7 Details of Experience: The tenderer should furnish, alongwith his tender, details of previous experience in having successfully completed in the recent past works of this nature, together with the names of Employers, location of sites and value of contract, date of commencement and completion of work, delays if any, reasons of delay and other details alongwith documentary evidence(s).

4.8 Liability of Government of India: It is expressly understood and agreed by and between Bidder or/Contractor and M/s GAIL (India) Limited, and that M/s GAIL (India) Ltd., is entering into this agreement 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 Government of India is not a party to this agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that M/s GAIL (India) Ltd. is an independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable Laws of India



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and general principles of Contract Law. The Bidder/Contractor expressly agrees, acknowledges and understands that M/s GAIL (India) Ltd. is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the contract. Accordingly, Bidder/Contractor hereby expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this contract and covenants not to sue to Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this agreement.

5. Transfer of Tender Documents:

6. Earnest Money:

5.1 Transfer of Tender Documents purchased by one intending tenderer to another is not permissible.

6.1 The bidder must pay Earnest Money as given in the letter /notice inviting tenders and attach the official receipt with the tender failing which the tender is liable to be rejected and representatives of such tenderers will not be allowed to attend the tender opening. Earnest Money can be paid in Demand Drafts or Bank Guarantee or Banker's Cheque or Letter of Credit from any Indian scheduled bank or a branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank. However, other than the Nationalised Indian Banks, the banks whose BGs are furnished, must be commercial banks having net worth in excess of Rs. 100 crores and a declaration to this effect should be made by such commercial bank either in the bank guarantee itself or separately on a letter head.

The bid guarantee shall be submitted in the prescribed format .

Note: The Bank Guarantee so furnished by the tenderer shall be in the proforma prescribed by the EMPLOYER. No interest shall be paid by the EMPLOYER on the Earnest Money deposited by the tenderer. The Bank Guarantee furnished in lieu of Earnest Money shall be kept valid for a period of "SIX MONTHS" from the date of opening of tender.(TWO MONTHS beyond the bid due date).

The Earnest Money deposited by successful tenderer shall be forfeited if the Contractor fails to furnish the requisite Contract Performance Security as per clause 24 hereof and /or fails to start work within a period of 15 days or fails to execute the AGREEMENT within 15 days of the receipt by him of the Notification of Acceptance of Tender.

Note: The Earnest Money of the **unsuccessful bidder will be returned by EMPLOYER/CONSULTANT, directly to the tenderer (s), within a reasonable period of time but not later than 30 days after the expiration of the period of bid validity prescribed by EMPLOYER.**

7 Validity:

7.1 Tender submitted by tenderers shall remain valid for acceptance for a period of "4 MONTHS" from the date of opening of the tender. The tenderers shall not be entitled during the said period of 4 months, without the consent in writing of the EMPLOYER, to revoke or cancel his tender or to vary the tender given or any term thereof. In case of tender revoking or canceling his tender or varying any term in regard



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thereof without the consent of EMPLOYER in writing, the EMPLOYER shall forfeit Earnest Money paid by him alongwith tender.

8 Addenda/Corrigenda

- 8.1 Addenda/ Corrigenda to the Tender Documents will be issued in duplicate prior to the date of opening of the tenders to clarify documents or to reflect modification in design or CONTRACT terms.
- 8.2 Each addenda/ corrigendum issued will be issued in duplicate to each person or organisation to whom set of Tender Documents has been issued. Recipient will retain tenderer's copy of each Addendum/Corrigendum and attach original copy duly signed along with his offer. All Addenda/Corrigenda issued shall become part of Tender Documents.

9 Right of Employer to Accept or Reject Tender:

- 9.1 The right to accept the tender will rest with the EMPLOYER. The EMPLOYER, however, does not bind himself to accept the lowest tender, and reserves to itself the authority to reject any or all the tenders received without assigning any reason whatsoever. *At the option of the Employer, the work for which the tender had been invited, may be awarded to one Contractor or split between more than one bidders, in which case the award will be made for only that part of the work, in respect of which the bid has been accepted. The quoted rates should hold good for such eventualities.*

Tenders in which any of the particulars and prescribed information are missing or are incomplete in any respect and/or the prescribed conditions are not fulfilled are liable to be rejected. The Tender containing uncalled for remarks or any additional conditions are liable to be rejected.

Canvassing in connection with tenders is strictly prohibited and tenders submitted by the Tenderers who resort to canvassing will be liable to rejection.

10 Time Schedule

- 10.1 The WORK shall be executed strictly as per the TIME SCHEDULE specified in TENDER/CONTRACT Document. The period of construction given in Time Schedule includes the time required for mobilisation as well as testing, rectifications if any, retesting and completion in all respects to the entire satisfaction of the ENGINEER-IN- CHARGE.
- 10.2 A joint programme of execution of the WORK will be prepared by the ENGINEER-IN-CHARGE and CONTRACTOR based on priority requirement of this project. This programme will take into account the time of completion mentioned in 10.1 above and the time allowed for the priority works by the ENGINEER-IN-CHARGE.
- 10.3 Monthly/Weekly construction programme will; be drawn up by the ENGINEER-IN-CHARGE jointly with the CONTRACTOR, based on availability of work fronts and the joint construction programme as per 10.2 above. The CONTRACTOR shall scrupulously adhere to these targets /programmes by deploying adequate personnel, construction tools and tackles and he shall also supply himself all materials of his scope of supply in good time to achieve the targets/programmes. In all matters concerning the extent of targets set out in the weekly and monthly programmes and the degree of achievements the decision of the ENGINEER-IN-CHARGE will be final and binding on the



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CONTRACTOR.

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| 11 Tenderer's Responsibility | 11.1 The intending tenderers shall be deemed to have visited the SITE and familiarised submitting the tender. Non-familiarity with the site conditions will not be considered a reason either for extra claims or for not carrying out the works in strict conformity with the DRAWINGS and SPECIFICATIONS or for any delay in performance. |
| 12 Retired Government or Company Officers | 12.1 No Engineer of Gazetted rank or other Gazetted Officer employed in Engineering or Administrative duties in an Engineering Department of the States/ Central Government or of the EMPLOYER is allowed to work as a CONTRACTOR for a period of two years after his retirement from Government Service, or from the employment of the EMPLOYER without the previous permission of the EMPLOYER. The CONTRACT, if awarded, is liable to be cancelled if either the CONTRACTOR or any of his employees is found at any time to be such a person, who has not obtained the permission of the State/Central Government or of the EMPLOYER as aforesaid before submission of tender, or engagement in the CONTRACTOR'S service as the case may be. |
| 13 Signing of the Contract: | 13.1 The successful tenderer shall be required to execute an AGREEMENT in the proforma attached with TENDER DOCUMENT within 15 days of the receipt by him of the Notification of Acceptance of Tender. In the event of failure on the part of the successful tenderer to sign the AGREEMENT within the above stipulated period, the Earnest Money or his initial deposit will be forfeited and the acceptance of the tender shall be considered as cancelled. |
| 14 Field Management & Controlling/Coordinating Authority: | <p>14.1 The field management will be the responsibility of the ENGINEER-IN-CHARGE, who will be nominated by the EMPLOYER. The ENGINEER-IN-CHARGE may also authorise his representatives to assist in performing his duties and functions.</p> <p>14.2 The ENGINEER-IN-CHARGE shall coordinate the works of various agencies engaged at site to ensure minimum disruption of work carried out by different agencies. It shall be the responsibility of the CONTRACTOR to plan and execute the work strictly in accordance with site instructions to avoid hindrance to the work being executed by other agencies.</p> |
| 15 Note to Schedule of Rates: | <p>15.1 The Schedule of Rates should be read in conjunction with all the other sections of the tender.</p> <p>15.2 The tenderer shall be deemed to have studied the DRAWINGS, SPECIFICATIONS and details of work to be done within TIME SCHEDULE and to have acquainted himself of the condition prevailing at site.</p> <p>15.3 Rates must be filled in the Schedule of Rates of original Tender Documents. If quoted in separate typed sheets no variation in item description or specification shall be accepted. Any exceptions taken by the tenderer to the Schedule of Rates shall be brought out in the terms and conditions of the offer.</p> <p>15.4 The quantities shown against the various items are only approximate. Any increase or decrease in the quantities shall not form the basis of alteration of the rates quoted and accepted.</p> |



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- 15.5 The EMPLOYER reserves the right to interpolate the rates for such items of work falling between similar items of lower and higher magnitude.
- 16 Policy for Tenders Under Consideration:**
- 16.1 Only Those Tenders which are complete in all respects and are strictly in accordance with the Terms and Conditions and Technical Specifications of Tender Document, shall be considered for evaluation. Such Tenders shall be deemed to be under consideration immediately after opening of Tender and until such time an official intimation of acceptance /rejection of Tender is made by GAIL to the Bidder.
- 16.2 Zero Deviation: Bidders to note that this is a ZERO DEVIATION TENDER. GAIL will appreciate submission of offer based on the terms and conditions in the enclosed General Conditions of Contract (GCC), Special Conditions of Contract (SCC), Instructions to Bidders (ITB), Scope of Work, technical specifications etc. to avoid wastage of time and money in seeking clarifications on technical/ commercial aspects of the offer. Bidder may note that no technical and commercial clarifications will be sought for after the receipt of the bids. In case of any deviation/nonconformity observed in the bid, it will be liable for rejection.
- 17 Award of Contract:**
- 17.1 The Acceptance of Tender will be intimated to the successful Tenderer by GAIL either by Telex/ Telegram/ Fax or by Letter or like means-defined as LETTER OF ACCEPTANCE OF TENDER.
- 17.2 GAIL will be the sole judge in the matter of award of CONTRACT and the decision of GAIL shall be final and binding.
- 18 Clarification of Tender Document:**
- 18.1 The Tender is required to carefully examine the Technical Specifications, Conditions of Contract, Drawings and other details relating to WORK and given in Tender Document and fully inform himself as to all conditions and matters which may in any way affect the WORK or the cost thereof. In case the Tenderer is in doubt about the completeness or correctness of any of the contents of the Tender Documents he should request in writing for an interpretation/clarification to GAIL in triplicate. GAIL will then issue interpretation/clarification to Tenderer in writing. Such clarifications and or interpretations shall form part of the Specifications and Documents and shall accompany the tender which shall be submitted by tenderer within time and date as specified in invitations to tender.
- 18.2 Verbal clarification and information given by GAIL or its employee(s) or its representatives shall not in any way be binding on GAIL.
- 19 Local Conditions:**
- 19.1 It will be imperative on each tenderer to inform himself of all local conditions and factors which may have any effect on the execution of WORK covered under the Tender Document. In their own interest, the tenderer are requested to familiarise themselves with the Indian Income Tax Act 1961, Indian Companies Act 1956, Indian Customs Act 1962 and other related Acts and Laws and Regulations of India with their latest amendments, as applicable GAIL shall not entertain any requests for clarifications from the tenderer regarding such local conditions.
- 19.2 It must be understood and agreed that such factors have properly been



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investigated and considered while submitting the tender. No claim for financial or any other adjustments to VALUE OF CONTRACT, on lack of clarity of such factors shall be entertained.

20 Abnormal Rates:

- 20.1 The tenderer is expected to quote rate for each item after careful analysis of cost involved for the performance of the completed item considering all specifications and Conditions of Contract. This will avoid loss of profit or gain in case of curtailment or change of specification for any item. In case it is noticed that the rates quoted by the tenderer for any item are unusually high or unusually low, it will be sufficient cause for the rejection of the tender unless the EMPLOYER is convinced about the reasonableness after scrutiny of the analysis for such rate(s) to be furnished by the tenderer (on demand).

Section-IV. General Obligations

21 Priority of Contract Documents

- 21.1 Except if and the extent otherwise provided by the Contract, the provisions of the General Conditions of Contract and Special Conditions shall prevail over those of any other documents forming part of the CONTRACT. Several documents forming the CONTRACT are to be taken as mutually explanatory of one another, but in case of ambiguities or discrepancies the same shall be explained and adjusted by the ENGINEER-IN-CHARGE who shall thereupon issue to the Contractor instructions thereon and in such event, unless otherwise provided in the Contract, the priority of the documents forming the Contract shall be as follows :
- 1) The Contract Agreement ;
 - 2) The Letter of Acceptance;
 - 3) The (Instructions to Bidders)ITB;
 - 4) Special Conditions of Contract (SCC);
 - 5) General Conditions of Contract (GCC)
 - 6) Any other document forming part of the Contract.

Works shown in the DRAWING but not mentioned in the SPECIFICATIONS OR described in the SPECIFICATIONS without being shown in the DRAWINGS shall nevertheless be deemed to be included in the same manner as if they had been specifically shown upon the DRAWINGS and described in the SPECIFICATIONS.

- 21.2 Headings and Marginal Notes: All headings and marginal notes to the clauses of these General Conditions of Contract or to the SPECIFICATIONS or to any other Tender Document are solely for the purpose of giving a concise indication and not a summary of the contents thereof, and they shall never be deemed to be part thereof or be used in the interpretation or construction thereof the CONTRACT.
- 21.3 Singular and Plural: In CONTRACT DOCUMENTS unless otherwise stated specifically, the singular shall include the plural and vice versa wherever the context so requires.
- 21.4 Interpretation: Words implying 'Persons' shall include relevant 'Corporate Companies / Registered Associations/ Body of Individuals/ Firm of Partnership' as the case may be.

22 Special Conditions of

- 22.1 Special Conditions of Contract shall be read in conjunction with



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Contract:

the General Conditions of Contract, specification of Work, Drawings and any other documents forming part of this CONTRACT wherever the context so requires.

- 22.2 Notwithstanding the sub-division of the documents into these separate sections and volumes every part of each shall be deemed to be supplementary to and complementary of every other part and shall be read with and into the CONTRACT so far as it may be practicable to do so.
- 22.3 Where any portion of the General Condition of Contract is repugnant to or at variance with any provisions of the Special Conditions of Contract, unless a different intention appears the provisions of the Special Conditions of Contract shall be deemed to over-ride the provisions of the General Conditions of Contract and shall to the extent of such repugnancy, or variations, prevail.
- 22.4 Wherever it is mentioned in the specifications that the CONTRACTOR shall perform certain WORK or provide certain facilities, it is understood that the CONTRACTOR shall do so at his cost and the VALUE OF CONTRACT shall be deemed to have included cost of such performance and provisions, so mentioned.
- 22.5 The materials, design and workmanship shall satisfy the relevant INDIAN STANDARDS, the JOB SPECIFICATIONS contained herein and CODES referred to. Where the job specification stipulate requirements in addition to those contained in the standard codes and specifications, these additional requirements shall also be satisfied.

23 Contractor to obtain his own Information:

- 23.1 The CONTRACTOR in fixing his rate shall for all purpose whatsoever reason may be, deemed to have himself independently obtained all necessary information for the purpose of preparing his tender and his tender as accepted shall be deemed to have taken into account all contingencies as may arise due to such information or lack of same. The correctness of the details, given in the Tender Document to help the CONTRACTOR to make up the tender is not guaranteed.

The CONTRACTOR shall be deemed to have examined the CONTRACT DOCUMENTS, to have generally obtained his own information in all matters whatsoever that might affect the carrying out of the works at the schedules rates and to have satisfied himself to the sufficiency of his tender. Any error in description of quantity or omission therefrom shall not vitiate the CONTRACT or release the CONTRACTOR from executing the work comprised in the CONTRACT according to DRAWINGS and SPECIFICATIONS at the scheduled rates. He is deemed to have known the scope, nature and magnitude of the WORKS and the requirements of materials and labour involved etc., and as to what all works he has to complete in accordance with the CONTRACT documents whatever be the defects, omissions or errors that may be found in the DOCUMENTS. The CONTRACTOR shall be deemed to have visited surroundings, to have satisfied himself to the nature of all existing structures, if any, and also as to the nature and the conditions of the Railways, Roads, Bridges and Culverts, means of transport and communication, whether by



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land, water or air, and as to possible interruptions thereto and the access and egress from the site, to have made enquiries, examined and satisfied himself as to the sites for obtaining sand, stones, bricks and other materials, the sites for disposal of surplus materials, the available accommodation as to whatever required, depots and such other buildings as may be necessary for executing and completing the works, to have made local independent enquiries as to the sub-soil, subsoil water and variations thereof, storms, prevailing winds, climatic conditions and all other similar matters effecting these works. He is deemed to have acquainted himself as to his liability of payment of Government Taxes, Customs duty and other charges, levies etc.

Any neglect or omission or failure on the part of the CONTRACTOR in obtaining necessary and reliable information upon the foregoing or any other matters affecting the CONTRACT shall not relieve him from any risks or liabilities or the entire responsibility from completion of the works at the scheduled rates and times in strict accordance with the CONTRACT.

It is, therefore, expected that should the CONTRACTOR have any doubt as to the meaning of any portion of the CONTRACT DOCUMENT he shall set forth the particulars thereof in writing to EMPLOYER in duplicate, before [submission of tender](#). The EMPLOYER may provide such clarification as may be necessary in writing to CONTRACT, such clarifications as provided by EMPLOYER shall form part of CONTRACT DOCUMENTS.

No verbal agreement or inference from conversation with any effect or employee of the EMPLOYER either before, during or after the execution of the CONTRACT agreement shall in any way affect or modify and of the terms or obligations herein contained.

Any change in layout due to site conditions or technological requirement shall be binding on the CONTRACTOR and no extra claim on this account shall be entertained.

24 Contract Performance Security:

- 24.1 The CONTRACTOR shall furnish to the EMPLOYER, within 15 days from the date of notification of award, [a security in the](#) sum of 10% of the accepted value of the tender or the actual value of work [to be](#) done whichever is applicable due to any additional work or any other reasons, in the form of a Bank draft/Banker's cheque or Bank Guarantee or irrevocable Letter of credit (as per proforma enclosed) as Contract Performance Security with the EMPLOYER which will be refunded after the expiry of DEFECTS LIABILITY PERIOD.
- 24.2 CONTRACTOR can furnish the Contract Performance Security in the form of Demand Draft or through a Bank Guarantee or through an irrevocable Letter of Credit from any Indian scheduled bank or a branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank. However, other than the Nationalised Indian Banks, the banks whose BGs are furnished, must be commercial banks having net worth in excess of Rs. 100 crores and a declaration to this effect should be made by such commercial bank either in the bank guarantee itself or separately on a letter head.



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The bank guarantee or the Letter of Credit shall be submitted in the prescribed format.

- 24.3 If the CONTRACTOR/SUB-CONTRACTOR or their employees or the CONTRACTOR's agents and representatives shall damage, break, deface or destroy any property belonging to the EMPLOYER or others during the execution of the CONTRACT, the same shall be made good by the CONTRACTOR at his own expenses and in default thereof, the ENGINEER-IN-CHARGE may cause the same to be made good by other agencies and recover expenses from the CONTRACTOR (for which the certificate of the ENGINEER- IN-CHARGE shall be final).
- 24.4 All compensation or other sums of money payable by the CONTRACTOR to the EMPLOYER under terms of this CONTRACT may be deducted from or paid by the encashment or sale of a sufficient part of his Contract Performance Security or from any sums which may be due or may become due to the CONTRACTOR by the EMPLOYER of any account whatsoever and in the event of his Contract Performance Security being reduced by reasons of any such deductions or sale of aforesaid, the CONTRACTOR shall within ten days thereafter make good in cash, bank drafts as aforesaid any sum or sums which may have been deducted from or realised by sale of his Contract Performance Security, or any part thereof. No interest shall be payable by the EMPLOYER for sum deposited as Contract Performance Security.
- 24.5 Failure of the successful bidder to comply with the requirements of this Clause shall constitute sufficient grounds for the annulment of the award and the forfeiture of bid security.

25 Time of Performance:

- 25.1 Time for Mobilisation
The work covered by this CONTRACT shall be commenced within fifteen (15) days, the date of letter/Fax of Intent and be completed in stages on or before the dates as mentioned in the TIME SCHEDULE OF COMPLETION OF WORK. The CONTRACTOR should bear in mind that time is the essence of this agreement. Request for revision of construction time after tenders are opened will not receive consideration. The above period of fifteen (15) days is included within the overall COMPLETION SCHEDULE, not over and above the completion time to any additional work or any other reasons.
- 25.2 Time Schedule of Construction:
- 25.2.1 The general Time Schedule of construction is given in the TENDER DOCUMENT. CONTRACTOR should prepare a detailed monthly or weekly construction program jointly with the ENGINEER-IN-CHARGE within 15 days of receipt of LETTER/FAX OF INTENT or ACCEPTANCE OF TENDER. The WORK shall be executed strictly as per the Time Schedule given in the CONTRACT DOCUMENT. The period of construction given includes the time required for mobilisation testing, rectifications, if any, retesting and completion in all respects in accordance with CONTRACT DOCUMENT to the entire



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satisfaction of the ENGINEER-IN-CHARGE.

25.2.2 The CONTRACTOR shall submit a detailed PERT network within the time frame agreed above consisting of adequate number of activities covering various key phases of the WORK such as design, procurement, manufacturing, shipment and field erection activities within fifteen (15) days from the date of LETTER/FAX OF INTENT. This network shall also indicate the interface facilities to be provided by the EMPLOYER and the dates by which such facilities are needed.

25.2.3 CONTRACTOR shall discuss the network so submitted with the EMPLOYER and the agreed network which may be in the form as submitted with the EMPLOYER or in revised form in line with the outcome of discussions shall form part of the CONTRACT, to be signed within fifteen (15) days from the date of LETTER OF ACCEPTANCE OF TENDER. During the performance of the CONTRACT, if in the opinion of the EMPLOYER proper progress is not maintained suitable changes shall be made in the CONTRACTOR's operation to ensure proper progress.

The above PERT network shall be reviewed periodically and reports shall be submitted by the CONTRACTOR as directed by EMPLOYER.

26 Force Majeure:

26.1 CONDITIONS FOR FORCE MAJEURES

In the event of either party being rendered unable by Force Majeure to perform any obligations required to be performed by them under the CONTRACT the relative obligation of the party affected by such Force Majeures shall upon notification to the other party be suspended for the period during which Force Majeures event lasts. The cost and loss sustained by the either party shall be borne by the respective parties.

The term "Force Majeures" as employed herein shall mean acts of God, earthquake, war (declared or undeclared), revolts, riots, fires, floods, rebellions, explosions, hurricane, sabotage, civil commotions and acts and regulations of respective Government of the two parties, namely the EMPLOYER and the CONTRACTOR.

Upon the occurrence of such cause(s) and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing immediately but not later than 72 (Seventy-two) hours of the alleged beginning and ending thereof giving full particulars and satisfactory evidence in support of its claim.

Time for performance of the relative obligation suspended by the Force Majeures shall then stand extended by the period for which such cause lasts.

If deliveries of bought out items and/or works to be executed by the CONTRACTOR are suspended by Force Majeure conditions lasting for more than 2 (two) months the EMPLOYER shall have the option to terminate the CONTRACT or re-negotiate the



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contract provisions.

26.2 OUTBREAK OF WAR

26.2.1 If during the currency of the CONTRACT there shall be an out-break of war whether declared or not, in that part of the World which whether financially or otherwise materially affect the execution of the WORK the CONTRACTOR shall unless and until the CONTRACT is terminated under the provisions in this clause continue to use his best endeavour to complete the execution of the WORK, provided always that the EMPLOYER shall be entitled, at any time after such out-break of war to terminate or **re-negotiate** the CONTRACT by giving notice in writing to the CONTRACTOR and upon such notice being given the CONTRACT shall, save as to the rights of the parties under this clause and to the operation of the clauses entitled settlement of Disputes and Arbitration hereof, be terminated but without prejudice to the right of either party in respect of any antecedent breach thereof.

26.2.2 If the CONTRACT shall be terminated under the provisions of the above clause, the CONTRACTOR shall with all reasonable diligence remove from the SITE all the CONTRACTOR's equipment and shall give similar facilities to his SUB-CONTRACTORS to do so.

27 **Price reduction schedule:**

27.1 Time is the essence of the CONTRACT. In case the CONTRACTOR fails to complete the WORK within the stipulated period, then, unless such failure is due to Force Majeure as defined in Clause 26 here above or due to EMPLOYER's defaults, the Total Contract price shall be reduced by ½ % of the total Contract Price per complete week of delay or part thereof subject to a maximum of 5 % of the Total Contract Price, by way of reduction in price for delay and not as penalty. The said amount will be recovered from amount due to the Contractor/ Contractor's Contract Performance Security payable on demand.

The decision of the ENGINEER-IN-CHARGE in regard to applicability of Price Reduction Schedule shall be final and binding on the CONTRACTOR.

27.2 All sums payable under this clause is the reduction in price due to delay in completion period at the above agreed rate.

27.3 **Bonus For Early Completion (*)**

27.3 BONUS FOR EARLY COMPLETION

If the Contractor achieves completion of Works in all respect prior to the time schedule stipulated in the SCC, the Employer shall pay to the Contractor the relevant sum, if mentioned specifically in SCC, as bonus for early completion. The bonus for early completion, if provided specifically in SCC, shall be payable to the maximum ceiling of 2 ½ % of the total contract price.

(*) Partial earlier completion may not always produce net benefits to the Employer, for example where utilization of the completed Works requires (a) the fulfillment of all parts of the Contract (e.g. the training of personnel); or (b) the completion of all Sections



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(e.g. in pipeline laying, where early completion of the laying of pipeline would not be useful if the compressor is still under installation); or (c) certain seasonal effects to take place (e.g. onset of the rainy season, for impounding a reservoir); or (d) other circumstances. Also a more rapid drawdown of budgeted funds may be required. All such factors should be considered prior to the inclusion of a bonus clause in the Contract.

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| 28 | Rights of the employer to forfeit contract performance security: | 28.1 | Whenever any claim against the CONTRACTOR for the payment of a sum of money arises out or under the CONTRACT, the EMPLOYER shall be entitled to recover such sum by appropriating in part or whole the Contract Performance Security of the CONTRACTOR. In the event of the security being insufficient or if no security has been taken from the CONTRACTOR, then the balance or the total sum recoverable, as the case may be shall be deducted from any sum then due or which at any time thereafter may become due to the CONTRACTOR. The CONTRACTOR shall pay to the EMPLOYER on demand any balance remaining due. |
| 29 | Failure by the contractor to comply with the provisions of the contract: | 29.1 | <p>If the CONTRACTOR refuses or fails to execute the WORK or any separate part thereof with such diligence as will ensure its completion within the time specified in the CONTRACT or extension thereof or fails to perform any of his obligation under the CONTRACT or in any manner commits a breach of any of the provisions of the CONTRACT it shall be open to the EMPLOYER at its option by written notice to the CONTRACTOR:</p> <p>a) <u>TO DETERMINE THE CONTRACT</u> in which event the CONTRACT shall stand terminated and shall cease to be in force and effect on and from the date appointed by the EMPLOYER on that behalf, whereupon the CONTRACTOR shall stop forthwith any of the CONTRACTOR's work then in progress, except such WORK as the EMPLOYER may, in writing, require to be done to safeguard any property or WORK, or installations from damage, and the EMPLOYER, for its part, may take over the work remaining unfinished by the CONTRACTOR and complete the same through a fresh contractor or by other means, at the risk and cost of the CONTRACTOR, and any of his sureties if any, shall be liable to the EMPLOYER for any excess cost occasioned by such work having to be so taken over and completed by the EMPLOYER over and above the cost at the rates specified in the schedule of quantities and rate/prices.</p> <p>b) <u>WITHOUT DETERMINING THE CONTRACT</u> to take over the work of the CONTRACTOR or any part thereof and complete the same through a fresh contractor or by other means at the risk and cost of the CONTRACTOR. The CONTRACTOR and any of his sureties are liable to the EMPLOYER for any excess cost over and above the cost at the rates specified in the Schedule of Quantities/ rates, occasioned by such works having been taken over and completed by the EMPLOYER.</p> |



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29.2 In such events of Clause 29.1(a) or (b) above.

a) The whole or part of the Contract Performance Security furnished by the CONTRACTOR is liable to be forfeited without prejudice to the right of the EMPLOYER to recover from the CONTRACTOR the excess cost referred to in the sub-clause aforesaid, the EMPLOYER shall also have the right of taking possession and utilising in completing the works or any part thereof, such as materials equipment and plants available at work site belonging to the CONTRACTOR as may be necessary and the CONTRACTOR shall not be entitled for any compensation for use or damage to such materials, equipment and plant.

b) The amount that may have become due to the CONTRACTOR on account of work already executed by him shall not be payable to him until after the expiry of Six (6) calendar months reckoned from the date of termination of CONTRACT or from the taking over of the WORK or part thereof by the EMPLOYER as the case may be, during which period the responsibility for faulty materials or workmanship in respect of such work shall, under the CONTRACT, rest exclusively with the CONTRACTOR. This amount shall be subject to deduction of any amounts due from the CONTRACT to the EMPLOYER under the terms of the CONTRACT authorised or required to be reserved or retained by the EMPLOYER.

29.3 Before determining the CONTRACT as per Clause 29.1(a) or (b) provided in the judgement of the EMPLOYER, the default or defaults committed by the CONTRACTOR is/are curable and can be cured by the CONTRACTOR if an opportunity given to him, then the EMPLOYER may issue Notice in writing calling the CONTRACTOR to cure the default within such time specified in the Notice.

29.4 The EMPLOYER shall also have the right to proceed or take action as per 29.1(a) or (b) above, in the event that the CONTRACTOR becomes bankrupt, insolvent, compounds with his creditors, assigns the CONTRACT in favour of his creditors or any other person or persons, or being a company or a corporation goes into voluntary liquidation, provided that in the said events it shall not be necessary for the EMPLOYER to give any prior notice to the CONTRACTOR.

29.5 Termination of the CONTRACT as provided for in sub-clause 29.1(a) above shall not prejudice or affect their rights of the EMPLOYER which may have accrued upto the date of such termination.

30 Contractor remains liable to pay compensation if action not taken under clause 29:

30.1 In any case in which any of the powers conferred upon the EMPLOYER BY CLAUSE 29.0 thereof shall have become exercisable and the same had not been exercised, the non-exercise thereof shall not constitute a waiver of any of the conditions hereof and such powers shall notwithstanding be exercisable in the event of any further case of default by the



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CONTRACTOR for which by any clause or clauses hereof he is declared liable to pay compensation amounting to the whole of his Contract Performance Security, and the liability of the CONTRACTOR for past and future compensation shall remain unaffected. In the event of the EMPLOYER putting in force the power under above sub-clause (a), (b) or (c) vested in him under the preceding clause he may, if he so desired, take possession of all or any tools, and plants, materials and stores in or upon the works or the site thereof belonging to the CONTRACTOR or procured by him and intended to be used for the execution of the WORK or any part thereof paying or allowing for the same in account at the CONTRACT rates or in case of these not being applicable at current market rates to be certified by the ENGINEER-IN-CHARGE whose certificate thereof shall be final, otherwise the ENGINEER-IN-CHARGE may give notice in writing to the CONTRACTOR or his clerk of the works, foreman or other authorised agent, requiring him to remove such tools, plant, materials or stores from the premises (within a time to be specified in such notice), and in the event of the CONTRACTOR failing to comply with any such requisition, the ENGINEER-IN-CHARGE may remove them at the CONTRACTOR's expense or sell them by auction or private sale on account of the CONTRACTOR and at his risk in all respects without any further notice as to the date, time or place of sale and the certificate of the ENGINEER-IN-CHARGE as to the expenses of any such removal and the amount of the proceeds and expenses of any such sale shall be final and conclusive against the CONTRACTOR.

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| 31 Change in constitution: | 31.1 | Where the CONTRACTOR is a partnership firm, the prior approval of the EMPLOYER shall be obtained in writing, before any change is made in the constitution of the firm. Where the CONTRACTOR is an individual or a Hindu undivided family business concern, such approval as aforesaid shall, likewise be obtained before such CONTRACTOR enters into any agreement with other parties, where under, the reconstituted firm would have the right to carry out the work hereby undertaken by the CONTRACTOR. In either case if prior approval as aforesaid is not obtained, the CONTRACT shall be deemed to have been allotted in contravention of clause 37 hereof and the same action may be taken and the same consequence shall ensure as provided in the said clause. |
| 32 Termination of contract | 32(A) | <p>TERMINATION OF CONTRACT FOR DEATH:</p> <p>If the CONTRACTOR is an individual or a proprietary concern and the individual or the proprietor dies or if the CONTRACTOR is a partnership concern and one of the partner dies then unless, the EMPLOYER is satisfied that the legal representative of the individual or the proprietary concern or the surviving partners are capable of carrying out and completing CONTRACT, he (the EMPLOYER) is entitled to cancel the CONTRACT for the uncompleted part without being in any way liable for any compensation payment to the estate of the deceased CONTRACTOR and/or to the surviving partners of the CONTRACTOR'S firm on account of the cancellation of CONTRACT. The decision of the EMPLOYER in such assessment shall be final and binding on the parties. In the event of such cancellation, the EMPLOYER shall not hold the</p> |



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estate of the diseased CONTRACTOR and/or the surviving partners of the CONTRACTOR'S firm liable for any damages for non-completion of CONTRACT.

32(B) TERMINATION OF CONTRACT IN CASE OF LIQUIDATION / BANKRUPTCY ETC.

If the Contractor shall dissolve or become bankrupt or insolvent or cause or suffer any receiver to be appointed of his business of any assets thereof compound with his Creditors, or being a corporation commence to be wound up, not being a member's voluntary winding up for the purpose of amalgamation or reconstruction, or carry on its business under a Receiver for the benefits of its Creditors any of them, EMPLOYER shall be at liberty :-

To terminate the contract forthwith upon coming to know of the happening of any such event as aforesaid by notice in writing to the Contractor or to [give](#) the Receiver or liquidator or other person, the option of carrying out the contract subject to his providing a guarantee upto an amount to be agreed upon by EMPLOYER for due and faithful performance of the contract.

32 (C) In case of termination of CONTRACT herein set forth (under clause 29.0) except under conditions of Force Majeure and termination after expiry of contract, the CONTRACTOR shall be put under holiday [i.e. neither any enquiry will be issued to the party by GAIL (India) Ltd. against any type of tender nor their offer will be considered by GAIL against any ongoing tender (s) where contract between GAIL and that particular CONTRACTOR (as a bidder) has not been finalized] for three years from the date of termination by GAIL (India) Ltd. to such CONTRACTOR.

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| 33 Members of the employer not individually liable : | 33.1 | No Director, or official or employee of the EMPLOYER/ CONSULTANT shall in any way be personally bound or liable for the acts or obligations of the EMPLOYER under the CONTRACT or answerable for any default or omission in the observance or performance of any of the acts, matters or things which are herein contained. |
| 34 Employer not bound by personal representations: | 34.1 | The CONTRACTOR shall not be entitled to any increase on the scheduled rates or any other right or claim whatsoever by reason of any representation, explanation statement or alleged representation, promise or guarantees given or alleged to have been given to him by any person. |
| 35 Contractor's office at site: | 35.1 | The CONTRACTOR shall provide and maintain an office at the site for the accommodation of his agent and staff and such office shall be open at all reasonable hours to receive instructions, notice or other communications. The CONTRACTOR at all time shall maintain a site instruction book and compliance of these shall be communicated to the ENGINEER-IN CHARGE from time to time and the whole document to be preserved and handed over after completion of works. |
| 36 Contractor's subordinate staff and their conduct | 36.1 | The CONTRACTOR, on or after award of the WORK shall name and depute a qualified engineer having sufficient experience in carrying out work of similar nature, to whom the equipments, materials, if any, shall be issued and instructions for works given. The CONTRACTOR shall also provide to the satisfaction of the ENGINEER-IN- CHARGE sufficient and qualified staff to |



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superintend the execution of the WORK, competent sub-agents, foremen and leading hands including those specially qualified by previous experience to supervise the types of works comprised in the CONTRACT in such manner as will ensure work of the best quality, expeditious working. Whenever in the opinion of the ENGINEER-IN- CHARGE additional properly qualified supervisory staff is considered necessary, they shall be employed by the CONTRACTOR without additional charge on accounts thereof. The CONTRACTOR shall ensure to the satisfaction of the ENGINEER-IN-CHARGE that SUB-CONTRACTORS, if any, shall provide competent and efficient supervision, over the work entrusted to them.

- 36.2 If and whenever any of the CONTRACTOR's or SUB-CONTRACTOR'S agents, sub-agents, assistants, foremen, or other employees shall in the opinion of ENGINEER-IN- CHARGE be guilty of any misconduct or be incompetent or insufficiently qualified or negligent in the performance of their duties of that in the opinion of the EMPLOYER or the ENGINEER-IN-CHARGE, it is undesirable for administrative or any other reason for such person or persons to be employed in the works, the CONTRACTOR, is so directed by the ENGINEER-IN-CHARGE, shall at once remove such person or persons from employment thereon. Any person or persons so removed from the works shall not again be employed in connection with the WORKS without the written permission of the ENGINEER-IN- CHARGE. Any person so removed from the WORK shall be immediately re-placed at the expense of the CONTRACTOR by a qualified and competent substitute. Should the CONTRACTOR be requested to repatriate any person removed from the works he shall do so and shall bear all costs in connection herewith.
- 36.3 The CONTRACTOR shall be responsible for the proper behaviour of all the staff, foremen, workmen, and others, and shall exercise a proper degree of control over them and in particular and without prejudice to the said generality, the CONTRACTOR shall be bound to prohibit and prevent any employees from trespassing or acting in any way detrimental or prejudicial to the interest of the community or of the properties or occupiers of land and properties in the neighborhood and in the event of such employee so trespassing, the CONTRACTOR shall be responsible therefore and relieve the EMPLOYER of all consequent claims or actions for damages or injury or any other grounds whatsoever. The decision of the ENGINEER-IN-CHARGE upon any matter arising under this clause shall be final. The CONTRACTOR shall be liable for any liability to EMPLOYER on account of deployment of CONTRACTOR's staff etc. or incidental or arising out of the execution of CONTRACT.

The CONTRACTOR shall be liable for all acts or omissions on the part of his staff, Foremen and Workmen and others in his employment, including misfeasance or negligence of whatever kind in the course of their work or during their employment, which are connected directly or indirectly with the CONTRACT.

- 36.4 If and when required by the EMPLOYER and CONTRACTOR's



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37 Sub-letting of works:

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personnel entering upon the EMPLOYER's premises shall be properly identified by badges of a type acceptable to the EMPLOYER which must be worn at all times on EMPLOYER's premises. CONTRACTOR may be required to obtain daily entry passes for his staff/employees from EMPLOYER to work within operating areas. These being safety requirements, no relaxations on this account shall be given to CONTRACTOR.

No part of the CONTRACT nor any share or interest therein shall in any manner or degree be transferred, assigned or sublet by the CONTRACTOR directly or indirectly to any person, firm or corporation whatsoever without the consent in writing, of the ENGINEER/EMPLOYER except as provided for in the succeeding sub-clause.

i) SUB-CONTRACTS FOR TEMPORARY WORKS ETC.:

The EMPLOYER may give written consent to Sub-contract for the execution of any part of the WORK at the site, being entered in to by CONTRACTOR provided each individual Sub- contract is submitted to the ENGINEER-IN-CHARGE before being entered into and is approved by him.

ii) LIST OF SUB-CONTRACTORS TO BE SUPPLIED:

At the commencement of every month the CONTRACTOR shall furnish to the ENGINEER-IN-CHARGE list of all SUB-CONTRACTORS or other persons or firms engaged by the CONTRACTOR and working at the SITE during the previous month with particulars of the general nature of the Subcontract or works done by them.

iii) CONTRACTOR'S LIABILITY NOT LIMITED BY SUB-CONTRACTORS:

Notwithstanding any sub-letting with such approval as aforesaid and notwithstanding that the ENGINEER-IN-CHARGE shall have received copies of any Subcontracts, the contractor shall be and shall remain solely responsible for the quality, proper and expeditious execution of the Contract in all respects as if such sub-letting or Subcontracting had not taken place, and as if such work had been done directly by the CONTRACTOR. The CONTRACTOR shall bear all responsibility for any act or omission on the part of sub-contractors in regard to work to be performed under the CONTRACT.

iv) EMPLOYER MAY TERMINATE SUB-CONTRACTS:

If any SUB-CONTRACTOR engaged upon the works at the site executes any works which in the opinion of the ENGINEER-IN-CHARGE is not in accordance with the CONTRACT documents, the EMPLOYER may by written notice to the CONTRACTOR request him to



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terminate such subcontract and the CONTRACTOR upon the receipt of such notice shall terminate such Subcontract and dismiss the SUB-CONTRACTOR(S) and the later shall forthwith leave the works, failing which the EMPLOYER shall have the right to remove such SUB- CONTRACTOR(S) from the site.

v) NO REMEDY FOR ACTION TAKEN UNDER THIS CLAUSE:

No action taken by the EMPLOYER under the clause shall relieve the CONTRACTOR of any of his liabilities under the CONTRACT or give rise to any right or compensation, extension of time or otherwise failing which the EMPLOYER shall have the right to remove such SUB-CONTRACTOR(S) from the site.

38 Power of entry:

38.1 If the CONTRACTOR shall not commence the WORK in the manner previously described in the CONTRACT documents or if he shall at any time in the opinion of the ENGINEER-IN-CHARGE.

- i) fail to carry out the WORK in conformity with the CONTRACT documents, or
- ii) fail to carry out the WORK in accordance with the Time Schedule, or
- iii) substantially suspend work or the WORK for a period of fourteen days without authority from the ENGINEER-IN-CHARGE, or
- iv) fail to carry out and execute the WORK to the satisfaction of the ENGINEER-IN-CHARGE, or
- v) fail to supply sufficient or suitable construction plant, temporary works, labour, materials or things, or
- vi) Commit, suffer, or permit any other breach of any of the provisions of the CONTRACT on his part to be performed or observed or persist in any of the above mentioned breaches of the CONTRACT for fourteen days, after notice in writing shall have been given to the CONTRACTOR by the ENGINEER-IN-CHARGE requiring such breach to be remedied, or
- vii) if the CONTRACTOR shall abandon the WORK or
- viii) If the CONTRACTOR during the continuance of the CONTRACT shall become bankrupt, make any arrangement or composition with his creditors, or permit any execution to be levied or go into liquidation whether compulsory or voluntary not being merely a voluntary



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liquidation for the purpose of amalgamation or reconstruction

then in any such case, the EMPLOYER shall have the power to enter upon the WORK and take possession thereof and of the materials, temporary WORK, construction plant, and stock thereon, and to revoke the CONTRACTOR's licence to use the same, and to complete the WORK by his agents, other CONTRACTORS or workmen or to relate the same upon any terms and to such other person, firm or corporation as the EMPLOYER in his absolute discretion may think proper to employ and for the purpose aforesaid to use or authorise the use of any materials, temporary work, CONSTRUCTION PLANT, and stock as aforesaid, without making payment or allowance to the CONTRACTOR for the said materials other than such as may be certified in writing by the ENGINEER-IN-CHARGE to be reasonable, and without making any payment or allowance to the CONTRACTOR for the use of the temporary said works, construction plant and stock or being liable for any loss or damage thereto, and if the EMPLOYER shall by reason of his taking possession of the WORK or of the WORK being completed by other CONTRACTOR (due account being taken of any such extra work or works which may or be omitted) then the amount of such excess as certified by the ENGINEER-IN-CHARGE shall be deducted from any money which may be due for work done by the CONTRACTOR under the CONTRACT and not paid for. Any deficiency shall forthwith be made good and paid to the EMPLOYER by the CONTRACTOR and the EMPLOYER shall have power to sell in such manner and for such price as he may think fit all or any of the construction plant, materials etc. constructed by or belonging to and to recoup and retain the said deficiency or any part thereof out of proceeds of the sale.

39 Contractor's responsibility with the mechanical, electrical, intercommunication system, airconditioning contractors and other agencies:

39.1 Without repugnance of any other condition, it shall be the responsibility of the CONTRACTOR executing the work of civil construction, to work in close cooperation and coordinate the WORK with the Mechanical, Electrical, Air-conditioning and Intercommunication Contractor's and other agencies or their authorised representatives, in providing the necessary grooves, recesses, cuts and opening etc., in wall, slabs beams and columns etc. and making good the same to the desired finish as per specification, for the placement of electrical, intercommunication cables, conduits, air-conditioning inlets and outlets grills and other equipments etc. where required. For the above said requirements in the false ceiling and other partitions, the CONTRACTOR before starting-up the work shall in consultation with the Electrical, Mechanical, Intercommunication, Air-conditioning contractor and other agencies prepare and put-up a joint scheme, showing the necessary openings, grooves, recesses, cuts, the methods of fixing required for the WORK of the aforesaid, and the finishes therein, to the ENGINEER-IN-CHARGE and get the approval. The CONTRACTOR before finally submitting the scheme to the ENGINEER-IN-CHARGE, shall have the written agreement of the other agencies. The ENGINEER-IN-CHARGE, before communicating his approval to the scheme, with any required modification, shall get the final agreement of all the agencies,



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which shall be binding. No claim shall be entertained on account of the above.

The CONTRACTOR shall confirm in all respects with provision of any statutory regulations, ordinances or byelaws of any local or duly constituted authorities or public bodies which may be applicable from time to time to the WORK or any temporary works. The CONTRACTOR shall keep the EMPLOYER indemnified against all penalties and liabilities of every kind, arising out of non-adherence to such stains, ordinances, laws, rules, regulations, etc.

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| 40 Other agencies at site: | 40.1 | The CONTRACTOR shall have to execute the WORK in such place and conditions where other agencies will also be engaged for other works such as site grading, filling, and levelling, electrical and mechanical engineering works, etc. No claim shall be entertained due to WORK being executed in the above circumstances. |
| 41 Notice: | 41.1 | <p><u>TO THE CONTRACTOR:</u></p> <p>Any notice hereunder may be served on the CONTRACTOR or his duly authorised representative at the job site or may be served by registered mail direct to the address furnished by the CONTRACTOR. Proof of issue of any such notice could be conclusive of the CONTRACTOR having been duly informed of all contents therein.</p> <p>41.2 <u>TO THE EMPLOYER:</u></p> <p>Any notice to be given to the EMPLOYER under the terms of the CONTRACTOR shall be served by sending the same by Registered mail to or delivering the same at the respective site offices of M/S. GAIL (INDIA) LTD. addressed to the HEAD/SITE-IN-CHARGE.</p> |
| 42 Right of various interests: | 42.1 | <p>i) The EMPLOYER reserves the right to distribute the work between more than one agency(ies). The CONTRACTOR shall cooperate and afford other agency(ies) reasonable opportunity for access to the WORK for the carriage and storage of materials and execution of their works.</p> <p>ii) Wherever the work being done by any department of the EMPLOYER or by other agency(ies) employed by the EMPLOYER is contingent upon WORK covered by this CONTRACT, the respective rights of the various interests involved shall be determined by the ENGINEER-IN-CHARGE to secure the completion of the various portions of the work in general harmony.</p> |
| 43 Patents and royalties: | 43.1 | The CONTRACTOR, if licensed under any patent covering equipment, machinery, materials or compositions of matter to be used or supplied or methods and process to be practised or employed in the performance of this CONTRACT, agrees to pay all royalties and licence fees which may be due with respect thereto. If any equipment, machinery, materials, composition of matters, be used or supplied or methods and processes to be |



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practised or employed in the performance of this CONTRACT, is covered by a patent under which the CONTRACTOR is not licensed then the CONTRACTOR before supplying or using the equipment, machinery materials, composition method or processes shall obtain such licences and pay such royalties and licence fees as may be necessary for performance of this CONTRACT. In the event the CONTRACTOR fails to pay any such royalty or obtain any such licence, any suit for infringement of such patents which is brought against the CONTRACTOR or the EMPLOYER as a result such failure will be defended by the CONTRACTOR at his own expense and the CONTRACTOR will pay any damages and costs awarded in such suit. The CONTRACTOR shall promptly notify the EMPLOYER if the CONTRACTOR has acquired the knowledge of any plant under which a suit for infringement could be reasonably brought because of the use by the EMPLOYER of any equipment, machinery, materials, process, methods to be supplied hereunder. The CONTRACTOR agrees to and does hereby grant to EMPLOYER, together with the right to extend the same to any of the subsidiaries of the EMPLOYER as irrevocable, royalty free licence to use in any country, any invention made by the CONTRACTOR or his employee in or as result of the performance of the WORK under the CONTRACT.

- 43.2 All charges on account of royalty, tollage, rent, octroi terminal or sales tax and/or other duties or any other levy on materials obtained for the work or temporary work or part thereof (excluding materials provided by the EMPLOYER) shall be borne by the CONTRACTOR.
- 43.3 The CONTRACTOR shall not sell or otherwise dispose of or remove except for the purpose of this CONTRACT, the sand, stone, clay, ballast, earth, rock or other substances, or materials obtained from any excavation made for the purpose of the WORK or any building or produce upon the site at the time of delivery of the possession thereof, but all such substances, materials, buildings and produce shall be the property of the EMPLOYER provided that the CONTRACTOR may with the permission of the ENGINEER-IN-CHARGE, use the same for the purpose of the work by payment of cost of the same at such a rate as may be determined by the ENGINEER-IN-CHARGE.
- 43.4 The EMPLOYER shall indemnify and save harmless the CONTRACTOR from any loss on account of claims against CONTRACTOR for the contributory infringement of patent rights arising out and based upon the claim that the use of the EMPLOYER of the process included in the design prepared by the EMPLOYER and used in the operation of the plant infringes on any patent right. With respect to any subcontract entered into by CONTRACTOR pursuant to the provisions of the relevant clause hereof, the CONTRACTOR shall obtain from the SUB-CONTRACTOR an undertaking to provide the EMPLOYER with the same patent protection that CONTRACTOR is required to provide under the provisions of this clause.

44 Liens:

- 44.1 If, at any time there should be evidence or any lien or claim for which the EMPLOYER might have become liable and which is



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chargeable to the CONTRACTOR, the EMPLOYER shall have the right to retain out of any payment then due or thereafter to become due an amount sufficient to completely indemnify the EMPLOYER against such lien or claim and if such lien or claim be valid, the EMPLOYER may pay and discharge the same and deduct the amount so paid from any money which may be or may become due and payable to the CONTRACTOR. If any lien or claim remain unsettled after all payments are made, the CONTRACTOR shall refund or pay to the EMPLOYER all money that the latter may be compelled to pay in discharging such lien or claim including all costs and reasonable expenses. EMPLOYER reserves the right to do the same.

44.2 The EMPLOYER shall have lien on all materials, equipments including those brought by the CONTRACTOR for the purpose of erection, testing and commissioning of the WORK.

44.3 The final payment shall not become due until the CONTRACTOR delivers to the ENGINEER-IN-CHARGE a complete release or waiver of all liens arising or which may arise out of his agreement or receipt in full or certification by the CONTRACTOR in a form approved by ENGINEER-IN-CHARGE that all invoices for labour, materials, services have been paid in lien thereof and if required by the ENGINEER-IN-CHARGE in any case an affidavit that so far as the CONTRACTOR has knowledge or information the releases and receipts include all the labour and material for which a lien could be filled.

44.4 CONTRACTOR will indemnify and hold the EMPLOYER harmless, for a period of two years after the issue of FINAL CERTIFICATE, from all liens and other encumbrances against the EMPLOYER on account of debts or claims alleged to be due from the CONTRACTOR or his SUB-CONTRACTOR to any person including SUB- CONTRACTOR and on behalf of EMPLOYER will defend at his own expense, any claim or litigation brought against the EMPLOYER or the CONTRACTOR in connection therewith. CONTRACTOR shall defend or contest at his own expense any fresh claim or litigation by any person including his SUB-CONTRACTOR, till its satisfactory settlement even after the expiry of two years from the date of issue of FINAL CERTIFICATE.

45 Delays by employer or his authorised agents:

45.1 In case the CONTRACTOR's performance is delayed due to any act or omission on the part of the EMPLOYER or his authorised agents, then the CONTRACTOR shall be given due extension of time for the completion of the WORK, to the extent such omission on the part of the EMPLOYER has caused delay in the CONTRACTOR's performance of his WORK.

45.2 No adjustment in CONTRACT PRICE shall be allowed for reasons of such delays and extensions granted except as provided in TENDER DOCUMENT, where the EMPLOYER reserves the right to seek indulgence of CONTRACTOR to maintain the agreed Time Schedule of Completion.

In such an event the CONTRACTOR shall be obliged for working by CONTRACTOR's personnel for additional time beyond



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stipulated working hours as also Sundays and Holidays and achieve the completion date/interim targets.

46 Payment if the contract is terminated:

46.1

If the CONTRACT shall be terminated as per Tender pursuant to Clause no. 29 of GCC, the CONTRACTOR shall be paid by the EMPLOYER in so far as such amounts or items shall not have already been covered by payments of amounts made to the CONTRACTOR for the WORK executed and accepted by ENGINEER-IN-CHARGE prior to the date of termination at the rates and prices provided for in the CONTRACT and in addition to the following:

a) The amount payable in respect of any preliminary items, so far as the Work or service comprised therein has been carried out or performed and an appropriate portion as certified by ENGINEER-IN-CHARGE of any such items or service comprised in which has been partially carried out or performed.

b) Any other expenses which the CONTRACTOR has expended for performing the WORK under the CONTRACT subject to being duly recommended by ENGINEER-IN-CHARGE and approved by EMPLOYER for payment, based on documentary evidence of his having incurred such expenses.

46.2

The CONTRACTOR will be further required to transfer the title and provide the following in the manner and as directed by the EMPLOYER.

a) Any and all completed works.

b) Such partially completed WORK including drawings, informations and CONTRACT rights as the CONTRACTOR has specially performed, produced or acquired for the performance of the CONTRACTOR.

47 No waiver of rights:

47.1

Neither the inspection by the EMPLOYER or any of their officials, employees, or agents nor any order by the EMPLOYER for payment of money or any payment for or acceptance of the whole or any part of the Work by the EMPLOYER nor any extension of time, nor any possession taken by EMPLOYER shall operate as a waiver of any provision of the CONTRACT, or of any power herein reserved to the EMPLOYER, or any right to damages herein provided, nor shall any waiver of any breach in the CONTRACT be held to be a waiver of any other subsequent breach.

48 Certificate not to affect right of employer and liability of contractor:

48.1

No interim payment certificate(s) issued by the Engineer-in-Charge of the EMPLOYER, nor any sum paid on account by the EMPLOYER, nor any extension of time for execution of the work granted by EMPLOYER shall affect or prejudice the rights of the Employer against the CONTRACTOR or relieve the CONTRACTOR of his obligations for the due performance of the



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CONTRACT, or be interpreted as approval of the WORK done or of the equipment supplied and no certificate shall create liability for the EMPLOYER to pay for alterations, amendments, variations or additional works not ordered, in writing, by EMPLOYER or discharge the liability of the CONTRACTOR for the payment of damages whether due, ascertained, or certified or not or any sum against the payment of which he is bound to indemnify the EMPLOYER.

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|-----------------------------------|------|--|
| 49 Language and measures: | 49.1 | All documents pertaining to the CONTRACT including Specifications, Schedules, Notices, Correspondence, operating and maintenance Instructions, DRAWINGS, or any other writing shall be written in English language. The Metric System of measurement shall be used in the CONTRACT unless otherwise specified. |
| 50 Transfer of title: | 50.1 | The title of Ownership of supplies furnished by the CONTRACTOR shall not pass on to the EMPLOYER for all Supplies till the same are finally accepted by the EMPLOYER after the successful completion of PERFORMANCE TEST and GUARANTEE TEST and issue of FINAL CERTIFICATE. |
| | 50.2 | However, the EMPLOYER shall have the lien on all such works performed as soon as any advance or progressive payment is made by the EMPLOYER to the CONTRACTOR and the CONTRACTOR shall not subject these works for use other than those intended under this CONTRACT. |
| 51 Release of information: | 51.1 | The CONTRACTOR shall not communicate or use in advertising, publicity, sales releases or in any other medium, photographs, or other reproduction of the Work under this CONTRACT or description of the site dimensions, quantity, quality or other information, concerning the Work unless prior written permission has been obtained from the EMPLOYER. |
| 52 Brand names: | 52.1 | The specific reference in the SPECIFICATIONS and documents to any material by trade name, make or catalogue number shall be construed as establishing standard or quality and performance and not as limited competition. However, TENDERER may offer other similar equipments provided it meets the specified standard design and performance requirements. |
| 53 Completion of contract: | 53.1 | Unless otherwise terminated under the provisions of any other relevant clause, this CONTRACT shall be deemed to have been completed at the expiration of the PERIOD OF LIABILITY as provided for under the CONTRACT. |
| 54 Spares: | 54.1 | The CONTRACTOR shall furnish to the EMPLOYER all spares required for COMMISSIONING of the plants, recommendatory and/or mandatory spares, which are required essential by the manufacturer/supplier. The same shall be delivered at SITE, 3(Three) months before COMMISSIONING. |
| | | Also the CONTRACTOR should furnish the manufacturing drawings for fast wearing spares. |
| | 54.2 | The CONTRACTOR guarantees the EMPLOYER that before the |



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manufacturers of the equipments, plants and machineries go out of production of spare parts for the equipment furnished and erected by him, he shall give at least twelve (12) months' advance notice to the EMPLOYER, so that the latter may order his requirement of spares in one lot, if he so desires.

SECTION-V Performance of Work

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| 55 Execution of work: | 55.1 All the Works shall be executed in strict conformity with the provisions of the CONTRACT Documents and with such explanatory detailed drawings, specification and instructions as may be furnished from time to time to the CONTRACTOR by the ENGINEER-IN-CHARGE whether mentioned in the CONTRACT or not. The CONTRACTOR shall be responsible for ensuring that works throughout are executed in the most substantial, proper and workmanlike manner with the quality of material and workmanship in strict accordance with the SPECIFICATIONS and to the entire satisfaction of the ENGINEER-IN-CHARGE. The CONTRACTOR shall provide all necessary materials equipment labour etc. for execution and maintenance of WORK till completion unless otherwise mentioned in the CONTRACT. |
| 56 Co-ordination and inspection of work: | 56.1 The coordination and inspection of the day-to-day work under the CONTRACT shall be the responsibility of the ENGINEER-IN-CHARGE. The written instruction regarding any particular job will normally be passed by the ENGINEER-IN-CHARGE or his authorised representative. A work order book will be maintained by the CONTRACTOR for each sector in which the aforesaid written instructions will be entered. These will be signed by the CONTRACTOR or his authorised representative by way of acknowledgement within 12 hours. |
| 57 Work in monsoon and dewatering: | <p>57.1 Unless otherwise specified elsewhere in the tender, the execution of the WORK may entail working in the monsoon also. The CONTRACTOR must maintain a minimum labour force as may be required for the job and plan and execute the construction and erection according to the prescribed schedule. No extra rate will be considered for such work in monsoon.</p> <p>57.2 During monsoon and other period, it shall be the responsibility of the CONTRACTOR to keep the construction work site free from water at his own cost.</p> |
| 58 Work on sundays and holidays: | 58.1 For carrying out Work on Sundays, and Holidays, the CONTRACTOR will approach the ENGINEER-IN-CHARGE or his representative at least two days in advance and obtain permission in writing. The CONTRACTOR shall observe all labour laws and other statutory rules and regulations in force. In case of any violations of such laws, rules and regulations, consequence if any, including the cost thereto shall be exclusively borne by the CONTRACTOR and the EMPLOYER shall have no liability whatsoever on this account. |
| 59 General conditions for construction and erection work: | 59.1 The working time at the site of work is 48 hours per week. Overtime work is permitted in cases of need and the EMPLOYER will not compensate the same. Shift working at 2 or 3 shifts per day will become necessary and the CONTRACTOR should take |



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this aspect into consideration for formulating his rates for quotation. No extra claims will be entertained by the EMPLOYER on this account. For carrying out work beyond working hours the CONTRACTOR will approach the ENGINEER-IN-CHARGE or his authorised representative and obtain his prior written permission.

- 59.2 The CONTRACTOR must arrange for the placement of workers in such a way that the delayed completion of the WORK or any part thereof for any reason whatsoever will not affect their proper employment. The EMPLOYER will not entertain any claim for idle time payment whatsoever.
- 59.3 The CONTRACTOR shall submit to the EMPLOYER/ENGINEER-IN-CHARGE reports at regular intervals regarding the state and progress of WORK. The details and proforma of the report will mutually be agreed after the award of CONTRACT. The CONTRACTOR shall provide display boards showing progress and labour strengths at worksite, as directed by the ENGINEER-IN-CHARGE.
- 60 Alterations in specifications, design and extra works:**
- 60.1 The WORK covered under this CONTRACT having to be executed by the CONTRACTOR on a lumpsum firm price/item rate quoted by him, the EMPLOYER will not accept any proposals for changes in VALUE OF CONTRACT or extension in time on account of any such changes which may arise to the CONTRACTOR's scope of WORK as a result of detailed Engineering and thereafter during the execution of WORK. The only exception to this will be a case where the EMPLOYER requests in writing to the CONTRACTOR to upgrade the SPECIFICATIONS or the size of any major pieces of equipments, plant or machinery beyond what is normally required to meet the scope of WORK as defined in the CONTRACT DOCUMENT.
- In such cases, a change order will be initialled by the CONTRACTOR at the appropriate time for the EMPLOYER's prior approval giving the full back-up data for their review and for final settlement of any impact on price within 30 (thirty) days thereafter.
- 60.2 The ENGINEER-IN-CHARGE shall have to make any alterations in, omission from, additions to or substitutions for, the Schedule of Rates, the original specifications, drawings, designs and instructions that may appear to him to be necessary or advisable during the progress of the WORK and the CONTRACTOR shall be bound to carry out the such altered/ extra/ new items of WORK in accordance with any instructions which may be given to him in writing signed by the ENGINEER-IN-CHARGE, and such alterations, omissions, additions or substitutions shall not invalidate the CONTRACT and any altered, additional or substituted work which the CONTRACTOR may be directed to do in the manner above specified as part of the WORK shall be carried out by the CONTRACTOR on the same conditions in all respects on which he agreed to do the main WORK. The time of completion of WORK may be extended for the part of the particular job at the discretion of the ENGINEER-IN-CHARGE, for only such alterations, additions or substitutions of the WORK, as he may consider as just and reasonable. The rates for such additional, altered or substituted WORK under this clause shall be



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worked out in accordance with the following provisions:-

I. For Item Rate Contract

- a) If the rates for the additional, altered or substituted WORK are specified in the CONTRACT for the WORK, the CONTRACTOR is bound to carry on the additional, altered or substituted WORK at the same rates as are specified in the CONTRACT.
- b) If the rates for the additional, altered or substituted WORK are not specifically provided in the CONTRACT for the WORK, the rates will be derived from the rates for similar class of WORK as are specified in the CONTRACT for the WORK. The opinion of the ENGINEER-IN-CHARGE, as to whether or not the rates can be reasonably so derived from the items in this CONTRACT will be final and binding on the CONTRACTOR.
- c) If the rates for the altered, additional or substituted WORK cannot be determined in the manner specified in sub-clause(s) and (b) above, then the CONTRACTOR shall, within 7 days of the date of receipt of order to carry out the WORK, inform the ENGINEER-IN-CHARGE of the rates which it is his intention to charge for such class of WORK, supported by analysis of the rate or rates claimed, and the ENGINEER-IN-CHARGE shall determine the rate or rates on the basis of the prevailing market rates, labour cost at schedule of labour rates plus 10% to cover contractor's supervision, overheads and profit and pay the CONTRACTOR accordingly. The opinion of the ENGINEER-IN-CHARGE as to current market rates of materials and the quantum of labour involved per unit of measurement will be final and binding on the CONTRACTOR.
- d) Where the item of work will be executed through nominated specialist agency as approved by the ENGINEER-IN-CHARGE, then the actual amount paid to such nominated agency supported by documentary evidence and as certified by ENGINEER-IN-CHARGE shall be considered plus 10% (ten percent) to cover all contingencies, overhead, profits to arrive at the rates.
- e) Provisions contained in the Sub-clause (a) & (d) above shall, however, not apply for the following:-

Where the value of additions of new items



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together with the value of alterations, additions/deletions or substitutions does not exceed by or is not less than plus/minus (+)25% of the VALUE OF CONTRACT. The item rates in the Schedule of Rates shall hold good for all such variations between the above mentioned limits, irrespective of any increase/decrease of quantities in the individual items of Schedule of Rates.

Where the value of addition of new items together with the value of alterations, additions/deletions or substitutions reduces more than 25% of the contract value but is within the following limits the tenderer shall be paid compensation for decrease in the value of work, as follows:

S.No.	Range of Variation	Percentage compensation for decrease in the value of work in the respective range.
a)	Beyond (+) 25% upto & inclusive of (+) 50%	No increase and/or decrease shall be applicable for the Schedule of Rates (The rates quoted for this increase shall be valid).
b)	Beyond (-) 25% upto & inclusive of (-) 50%	For reduction beyond 25% contractor shall be compensated by an amount equivalent to 10% of the reduction in value of the contract as awarded. For example if the actual contract value is 70% of awarded value then compensation shall be 10% of (75-70) i.e. 0.5% of awarded contract value.

II. For Lumpsum Contracts

CONTRACTOR shall, within 7 days of the date of receipt of order to carry out the WORK, inform the ENGINEER-IN- CHARGE of the rates which it is his intention to charge for such class of WORK, supported by analysis of the rate or rates claimed, and the ENGINEER-IN-CHARGE shall determine the rate or rates on the basis of the prevailing market rates, labour cost at schedule of labour rates plus 10% to cover contractor's supervision, overheads and profit and pay the CONTRACTOR accordingly. The opinion of the ENGINEER- IN-CHARGE as to current market rates of materials and the quantum of labour involved per unit of measurement will be final and binding on the CONTRACTOR.



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61 Drawings to be supplied by the employer

- 61.1 The drawings attached with tender are only for the general guidance to the CONTRACTOR to enable him to visualize the type of work contemplated and scope of work involved. The CONTRACTOR will be deemed to have studied the DRAWINGS and formed an idea about the WORK involved.
- 61.2 Detailed working drawings on the basis of which actual execution of the WORK is to proceed, will be furnished from time to time during the progress of the work. The CONTRACTOR shall be deemed to have gone through the DRAWINGS supplied to him thoroughly and carefully and in conjunction with all other connected drawings and bring to the notice of the ENGINEER-IN-CHARGE discrepancies, if any, therein before actually carrying out the Work.
- 61.3 Copies of all detailed working drawings relating to the WORK shall be kept at the CONTRACTOR's office on the site and shall be made available to the ENGINEER-IN-CHARGE at any time during the CONTRACT. The drawings and other documents issued by the EMPLOYER shall be returned to the EMPLOYER on completion of the WORK.

62 Drawings to be supplied by the contractor:

- 62.1 The drawings/data which are to be furnished by the CONTRACTOR are enumerated in the special conditions of contract, and shall be furnished within the specified time.
- 62.2 Where approval/review of drawings before manufacture/construction/fabrication has been specified, it shall be CONTRACTOR's responsibility to have these drawings prepared as per the directions of ENGINEER-IN-CHARGE and got approved before proceeding with manufacture/construction/fabrication as the case may be. Any change that may have become necessary in these drawings during the execution of the work shall have to be carried out by the CONTRACTOR to the satisfaction of ENGINEER-IN-CHARGE at no extra cost. All final drawings shall bear the certification stamp as indicated below duly signed by both the CONTRACTOR and ENGINEER-IN-CHARGE.

"Certified true for _____
(Name of Work)

Agreement
No. _____

Signed: _____
(CONTRACTOR) (ENGINEER-IN-CHARGE)

- 62.3 The DRAWINGS submitted by the CONTRACTOR shall be reviewed by the ENGINEER-IN-CHARGE as far as practicable within 3 (Three) weeks and shall be modified by the CONTRACTOR, if any modifications and/or corrections are required by the ENGINEER-IN-CHARGE. The CONTRACTOR shall incorporate such modifications and/or corrections and submit the final drawings for approval. Any delays arising out of failure by the CONTRACTOR to rectify the drawing in good time shall not alter the Contract Completion Time.



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- 62.4 As built drawings showing all corrections, adjustments etc. shall be furnished by the CONTRACTOR in six copies and one transparent for record purposed to the EMPLOYER.
- 63 Setting out works:**
- 63.1 The ENGINEER-IN-CHARGE shall furnish the CONTRACTOR with only the four corners of the Works site and a level bench mark and the CONTRACTOR shall set out the Works and shall provide an efficient staff for the purpose and shall be solely responsible for the accuracy of such setting out.
- 63.2 The CONTRACTOR shall provide, fix and be responsible for the maintenance of all stakes, templates, level marks, profiles and other similar things and shall take all necessary precautions to prevent their removal or disturbance and shall be responsible for the consequence of such removal or disturbance should the same take place and for their efficient and timely reinstatement. The CONTRACTOR shall also be responsible for the maintenance of all existing survey marks, boundary marks, distance marks and center line marks, either existing or supplied and fixed by the CONTRACTOR. The work shall be set out to the satisfaction of the ENGINEER-IN-CHARGE. The approval there of joining with the CONTRACTOR by the ENGINEER- IN-CHARGE in setting out the work, shall not relieve the CONTRACTOR of any of his responsibility.
- 63.3 Before beginning the Works, the CONTRACTOR shall at his own cost, provide all necessary reference and level posts, pegs, bamboos, flags, ranging rods, strings and other materials for proper layout of the works in accordance with the schemes for bearing marks acceptable to the ENGINEER-IN-CHARGE. The center, longitudinal or face lines and cross lines shall be marked by means of small masonry pillars. Each pillar shall have distinct mark at the centre to enable theodolite to be set over it. No work shall be started until all these points are checked and approved by the ENGINEER-IN-CHARGE in writing but such approval shall not relieve the CONTRACTOR of any of his responsibilities. The CONTRACTOR shall also provide all labour, material and other facilities, as necessary, for the proper checking of layout and inspection of the points during construction.
- 63.4 Pillars bearing geodetic marks located at the sites of units of WORKS under construction should be protected and fenced by the CONTRACTOR.
- 63.5 On completion of WORK, the CONTRACTOR must submit the geodetic documents according to which the WORK was carried out.
- 64 Responsibility for level and alignment:**
- 64.1 The CONTRACTOR shall be entirely and exclusively responsible for the horizontal and vertical alignment, the levels and correctness of every part of the WORK and shall rectify effectively any errors or imperfections therein, such rectifications shall be carried out by the CONTRACTOR, at his own cost, when instructions are issued to that effect by the ENGINEER- IN-CHARGE.



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65 Materials to be supplied by contractor:

- 65.1 The CONTRACTOR shall procure and provide within the VALUE OF CONTRACT the whole of the materials required for the construction including steels, cement and other building materials, tools, tackles, construction plant and equipment for the completion and maintenance of the WORK except the materials which will be issued by the EMPLOYER and shall make his own arrangement for procuring such materials and for the transport thereof. The EMPLOYER may give necessary recommendation to the respective authority if so desired by the CONTRACTOR but assumes no further responsibility of any nature. The EMPLOYER will insist on the procurement of materials which bear ISI stamp and/or which are supplied by reputed suppliers.
- 65.2 The CONTRACTOR shall properly store all materials either issued to him or brought by him to the SITE to prevent damages due to rain, wind, direct exposure to sun, etc. as also from theft, pilferage, etc. for proper and speedy execution of his works. The CONTRACTOR shall maintain sufficient stocks of all materials required by him.
- 65.3 No material shall be despatched from the CONTRACTOR's stores before obtaining the approval in writing of the ENGINEER-IN-CHARGE.

66 Stores supplied by the employer:

- 66.1 If the SPECIFICATION of the WORK provides for the use of any material of special description to be supplied from the EMPLOYER's stores or it is required that the CONTRACTOR shall use certain stores to be provided by the ENGINEER-IN-CHARGE, such materials and stores, and price to be charged there for as hereinafter mentioned being so far as practicable for the convenience of the CONTRACTOR, but not so as in any way to control the meaning or effect of the CONTRACT, the CONTRACTOR shall be bound to purchase and shall be supplied such materials and stores as are from time to time required to be used by him for the purpose of the CONTRACT only. The sums due from the CONTRACTOR for the value of materials supplied by the EMPLOYER will be recovered from the running account bill on the basis of the actual consumption of materials in the works covered and for which the running account bill has been prepared. After the completion of the WORK, however, the CONTRACTOR has to account for the full quantity of materials supplied to him as per relevant clauses in this document.
- 66.2 The value of the stores/materials as may be supplied to the CONTRACTOR by the EMPLOYER will be debited to the CONTRACTOR's account at the rates shown in the schedule of materials and if they are not entered in the schedule, they will be debited at cost price, which for the purpose of the CONTRACT shall include the cost of carriage and all other expenses whatsoever such as normal storage supervision charges which shall have been incurred in obtaining the same at the EMPLOYER's stores. All materials so supplied to the CONTRACTOR shall remain the absolute property of the EMPLOYER and shall not be removed on any account from the SITE of the WORK, and shall be at all times open for inspection to the ENGINEER-IN-CHARGE. Any such materials remaining unused at the time of the completion or



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termination of the CONTRACT shall be returned to the EMPLOYER's stores or at a place as directed by the ENGINEER-IN-CHARGE in perfectly good condition at CONTRACTOR's cost.

67 Conditions for issue of materials:

- 67.1
- i) Materials specified as to be issued by the EMPLOYER will be supplied to the CONTRACTOR by the EMPLOYER from his stores. It shall be responsibility of the CONTRACTOR to take delivery of the materials and arrange for its loading, transport and unloading at the SITE of WORK at his own cost. The materials shall be issued between the working hours and as per the rules of the EMPLOYER as framed from time to time.
 - ii) The CONTRACTOR shall bear all incidental charges for the storage and safe custody of materials at site after these have been issued to him.
 - iii) Materials specified as to be issued by the EMPLOYER shall be issued in standard sizes as obtained from the manufacturers.
 - iv) The CONTRACTOR shall construct suitable Godowns at the SITE of WORK for storing the materials safe against damage by rain, dampness, fire, theft etc. He shall also employ necessary watch and ward establishment for the purpose.
 - v) It shall be duty of the CONTRACTOR to inspect the materials supplied to him at the time of taking delivery and satisfy himself that they are in good condition. After the materials have been delivered by the EMPLOYER, it shall be the responsibility of the CONTRACTOR to keep them in good condition and if the materials are damaged or lost, at any time, they shall be repaired and/or replaced by him at his own cost according to the instructions of the ENGINEER-IN-CHARGE.
 - vi) The EMPLOYER shall not be liable for delay in supply or non-supply of any materials which the EMPLOYER has undertaken to supply where such failure or delay is due to natural calamities, act of enemies, transport and procurement difficulties and any circumstances beyond the control of the EMPLOYER. In no case, the CONTRACTOR shall be entitled to claim any compensation or loss suffered by him on this account.
 - vii) It shall be responsibility of the CONTRACTOR to arrange in time all materials required for the WORK other than those to be supplied by the EMPLOYER. If, however, in the opinion of the ENGINEER-IN-CHARGE the execution of the WORK is likely to be delayed due to the CONTRACTOR's inability to make arrangements for supply of materials which normally he has to arrange for, the ENGINEER-IN-CHARGE shall have the right at his own discretion to issue such materials, if available with the EMPLOYER or procure the materials from the market or as



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elsewhere and the CONTRACTOR will be bound to take such materials at the rates decided by the ENGINEER-IN-CHARGE. This, however, does not in any way absolve the CONTRACTOR from responsibility of making arrangements for the supply of such materials in part or in full, should such a situation occur nor shall this constitute a reason for the delay in the execution of the WORK.

- viii) None of the materials supplied to the CONTRACTOR will be utilised by the CONTRACTOR for manufacturing item which can be obtained as supplied from standard manufacturer in finished form.
- ix) The CONTRACTOR shall, if desired by the ENGINEER-IN-CHARGE, be required to execute an Indemnity Bond in the prescribed form for safe custody and accounting of all materials issued by the EMPLOYER.
- x) The CONTRACTOR shall furnish to the ENGINEER-IN-CHARGE sufficiently in advance a statement showing his requirement of the quantities of the materials to be supplied by the EMPLOYER and the time when the same will be required by him for the works, so as to enable the ENGINEER-IN-CHARGE to make necessary arrangements for procurement and supply of the material.
- xi) Account of the materials issued by the EMPLOYER shall be maintained by CONTRACTOR indicating the daily receipt, consumption and balance in hand. This account shall be maintained in a manner prescribed by the ENGINEER-IN-CHARGE along with all connected papers viz. requisitions, issues, etc., and shall be always available for inspection in the CONTRACTOR's office at SITE.
- xii) The CONTRACTOR should see that only the required quantities of materials are got issued. The CONTRACTOR shall not be entitled to cartage and incidental charges for returning the surplus materials, if any, to the stores wherefrom they were issued or to the place as directed by the ENGINEER-IN-CHARGE.
- xiii) Materials/Equipment(s) supplied by EMPLOYER shall not be utilised for any purpose(s) than issued for.

68 Material procured with assistance of employer/return of surplus:

- 68.1 Notwithstanding anything contained to the contrary in any or all the clauses of this CONTRACT where any materials for the execution of the CONTRACT are procured with the assistance of the EMPLOYER either by issue from EMPLOYER's stock or purchases made under order or permits or licences issued by Government, the CONTRACTOR shall hold the said materials as trustee for the EMPLOYER and use such materials economically and solely for the purpose of the CONTRACT and not dispose them off without the permission of the EMPLOYER and return, if required by the ENGINEER-IN-CHARGE, shall determine having due regard to the condition of the materials. The price allowed to the CONTRACTOR, however, shall not exceed the amount charged to



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		him excluding the storage charges, if any. The decision of the ENGINEER-IN-CHARGE shall be final and conclusive in such matters. In the event of breach of the aforesaid condition, the CONTRACTOR shall, in terms of the licences or permits and/or criminal breach of trust, be liable to compensate the EMPLOYER at double rate or any higher rate, in the event of those materials at that time having higher rate or not being available in the market, then any other rate to be determined by the ENGINEER-IN-CHARGE and his decision shall be final and conclusive.
69 Materials obtained from dismantling:	69.1	If the CONTRACTOR in the course of execution of the WORK is called upon to dismantle any part for reasons other than those stipulated in Clauses 74 and 77 hereunder, the materials obtained in the WORK of dismantling etc., will be considered as the EMPLOYER's property and will be disposed off to the best advantage of the EMPLOYER.
70 Articles of value found:	70.1	All gold, silver and other minerals of any description and all precious stones, coins, treasure relics, antiquities and other similar things which shall be found in, under or upon the SITE, shall be the property of the EMPLOYER and the CONTRACTOR shall duly preserve the same to the satisfaction of the ENGINEER-IN-CHARGE and shall from time to time deliver the same to such person or persons indicated by the EMPLOYER.
71 Discrepancies between instructions:	71.1	Should any discrepancy occur between the various instructions furnished to the CONTRACTOR, his agent or staff or any doubt arises as to the meaning of any such instructions or should there be any misunderstanding between the CONTRACTOR's staff and the ENGINEER-IN-CHARGE's staff, the CONTRACTOR shall refer the matter immediately in writing to the ENGINEER-IN-CHARGE whose decision thereon shall be final and conclusive and no claim for losses alleged to have been caused by such discrepancies between instructions, doubts, or misunderstanding shall in any event be admissible.
72 Action where no specification is issued:	72.1	In case of any class of WORK for which there is no SPECIFICATION supplied by the EMPLOYER as mentioned in the Tender Documents such WORK shall be carried out in accordance with Indian Standard Specifications and if the Indian Standard Specifications do not cover the same, the WORK should be carried out as per standard Engineering Practice subject to the approval of the ENGINEER-IN-CHARGE.
73 Inspection of works:	73.1	The ENGINEER-IN-CHARGE will have full power and authority to inspect the WORK at any time wherever in progress either on the SITE or at the CONTRACTOR's premises/workshops wherever situated, premises/ workshops of any person, firm or corporation where WORK in connection with the CONTRACT may be in hand or where materials are being or are to be supplied, and the CONTRACTOR shall afford or procure for the ENGINEER-IN-CHARGE every facility and assistance to carry out such inspection. The CONTRACTOR shall, at all time during the usual working hours and at all other time at which reasonable notice of the intention of the ENGINEER-IN-CHARGE or his representative to visit the WORK shall have been given to the CONTRACTOR, either himself be present or receive orders and instructions, or have a responsible agent duly accredited in writing, present for the purpose. Orders given to the CONTRACTOR's agent shall be considered to have the same force as if they had been given to the



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CONTRACTOR himself. The CONTRACTOR shall give not less than seven days notice in writing to the ENGINEER-IN-CHARGE before covering up or otherwise placing beyond reach of inspection and measurement of any work in order that the same may be inspected and measured. In the event of breach of above the same shall be uncovered at CONTRACTOR's expense for carrying out such measurement or inspection.

- 73.2 No material shall be despatched from the CONTRACTOR's stores before obtaining the approval in writing of the Engineer-in-Charge.

The CONTRACTOR is to provide at all time during the progress of the WORK and the maintenance period, proper means of access with ladders, gangways etc. and the necessary attendance to move and adopt as directed for inspection or measurements of the WORK by the ENGINEER- IN-CHARGE.

- 73.3 The CONTRACTOR shall make available to the ENGINEER-IN-CHARGE free of cost all necessary instruments and assistance in checking or setting out of WORK and in the checking of any WORK made by the CONTRACTOR for the purpose of setting out and taking measurements of WORK.

74 Tests for quality of work:

- 74.1 All workmanship shall be of the respective kinds described in the CONTRACT DOCUMENTS and in accordance with the instructions of the ENGINEER-IN-CHARGE and shall be subjected from time to time to such test at CONTRACTOR's cost as the ENGINEER-IN-CHARGE may direct at the place of manufacture or fabrication or on the site or at all or any such places. The CONTRACTOR shall provide assistance, instruments, labour and materials as are normally required for examining, measuring and testing any workmanship as may be selected and required by the ENGINEER-IN-CHARGE.

- 74.2 All the tests that will be necessary in connection with the execution of the WORK as decided by the ENGINEER- IN-CHARGE shall be carried out at the field testing laboratory of the EMPLOYER by paying the charges as decided by the EMPLOYER from time to time. In case of non- availability of testing facility with the EMPLOYER, the required test shall be carried out at the cost of CONTRACTOR at Government or any other testing laboratory as directed by ENGINEER-IN-CHARGE.

- 74.3 If any tests are required to be carried out in conjunction with the WORK or materials or workmanship not supplied by the CONTRACTOR, such tests shall be carried out by the CONTRACTOR as per instructions of ENGINEER-IN-CHARGE and cost of such tests shall be reimbursed by the EMPLOYER.

75 Samples for approval:

- 75.1 The CONTRACTOR shall furnish to the ENGINEER-IN-CHARGE for approval, when requested or if required by the specifications, adequate samples of all materials and finished to be used in the WORK. Such samples shall be submitted before the WORK is commenced and in ample time to permit tests and examinations thereof. All materials furnished and finishes applied in actual WORK shall be fully equal to the approved samples.



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76 Action and compensation in case of bad work:

76.1 If it shall appear to the ENGINEER-IN-CHARGE that any work has been executed with unsound, imperfect or unskilled workmanship, or with materials of any inferior description, or that any materials or articles provided by the CONTRACTOR for the execution of the WORK are unsound, or of a quality inferior to that contracted for, or otherwise not in accordance with the CONTRACT, the CONTRACTOR shall on demand in writing from the ENGINEER-IN-CHARGE or his authorised representative specifying the WORK, materials or articles complained of notwithstanding that the same may have been inadvertently passed, certified and paid for, forthwith rectify or remove and reconstruct the WORK so specified and provide other proper and suitable materials or articles at his own cost and in the event of failure to do so within the period specified by the ENGINEER-IN-CHARGE in his demand aforesaid, the CONTRACTOR shall be liable to pay compensation at the rate of **1 % (One percent) of the estimated cost of the whole WORK, for every week limited to a maximum of 10% (ten percent)** of the value of the whole WORK, while his failure to do so shall continue and in the case of any such failure the ENGINEER-IN-CHARGE may on expiry of notice period rectify or remove and re-execute the WORK or remove and replaced with others, the materials or articles complained of to as the case may be at the risk and expense in all respects of the CONTRACTOR. The decision of the Engineering-in-charge as to any question arising under this clause shall be final and conclusive.

77 Suspension of works:

- 77.1
- i) Subject to the provisions of sub-para (ii) of this clause, the CONTRACTOR shall, if ordered in writing by the ENGINEER-IN-CHARGE, or his representative, temporarily suspend the WORKS or any part thereof for such written order, proceed with the WORK therein ordered to be suspended until, he shall have received a written order to proceed therewith. The CONTRACTOR shall not be entitled to claim compensation for any loss or damage sustained by him by reason of temporary suspension of the WORKS aforesaid. An extension of time for completion, corresponding with the delay caused by any such suspension of the WORKS as aforesaid will be granted to the CONTRACTOR should he apply for the same provided that the suspension was not consequent to any default or failure on the part of the CONTRACTOR.
 - ii) In case of suspensions of entire WORK, ordered in writing by ENGINEER-IN-CHARGE, for a period of more than two months, the CONTRACTOR shall have the option to terminate the CONTRACT.

78 Employer may do part of work:

78.1 Upon failure of the CONTRACTOR to comply with any instructions given in accordance with the provisions of this CONTRACT the EMPLOYER has the alternative right, instead of assuming charge of entire WORK, to place additional labour force, tools, equipments and materials on such parts of the WORK, as the EMPLOYER may designate or also engage another CONTRACTOR to carry out the WORK. In such cases, the EMPLOYER shall deduct from the amount which otherwise might become due to the CONTRACTOR, the cost of such work and material with ten percent (10%) added to



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cover all departmental charges and should the total amount thereof exceed the amount due to the CONTRACTOR, the CONTRACTOR shall pay the difference to the EMPLOYER.

79 Possession prior to completion:

79.1 The ENGINEER-IN-CHARGE shall have the right to take possession of or use any completed or partially completed WORK or part of the WORK. Such possession or use shall not be deemed to be an acceptance of any work completed in accordance with the CONTRACT agreement. If such prior possession or use by the ENGINEER-IN-CHARGE delays the progress of WORK, equitable adjustment in the time of completion will be made and the CONTRACT agreement shall be deemed to be modified accordingly.

80 (Defects liability period) twelve months period of liability from the date of issue of completion certificate:

80.1 The CONTRACTOR shall guarantee the installation/WORK for a period of 12 months from the date of completion of WORK as certified by the ENGINEER-IN-CHARGE which is indicated in the Completion Certificate. Any damage or defect that may arise or lie undiscovered at the time of issue of Completion Certificate, connected in any way with the equipment or materials supplied by him or in the workmanship, shall be rectified or replaced by the CONTRACTOR at his own expense as deemed necessary by the ENGINEER-IN-CHARGE or in default, the ENGINEER-IN-CHARGE may carry out such works by other work and deduct actual cost incurred towards labour, supervision and materials consumables or otherwise plus 100% towards overheads (of which the certificate of ENGINEER-IN-CHARGE shall be final) from any sums that may then be or at any time thereafter, become due to the CONTRACTOR or from his Contract Performance Security, or the proceeds of sale thereof or a sufficient part on thereof.

80.2 If the CONTRACTOR feels that any variation in WORK or in quality of materials or proportions would be beneficial or necessary to fulfil the guarantees called for, he shall bring this to the notice of the ENGINEER-IN-CHARGE in writing.

If during the period of liability any portion of the WORK/equipment, is found defective and is rectified/ replaced, the period of liability for such equipment/ portion of WORK shall be operative from the date such rectification/ replacement are carried out and Contract Performance Guarantee shall be furnished separately for the extended period of liability for that portion of WORK/ equipment only. Notwithstanding the above provisions the supplier's, guarantees/warantees for the replaced equipment shall also be passed on to the EMPLOYER.

80.3 LIMITATION OF LIABILITY

Notwithstanding anything contrary contained herein, the aggregate total liability of CONTRACTOR under the Agreement or otherwise shall be limited to 100% of Agreement / Contract Value. However, neither party shall be liable to the other party for any indirect and consequential damages, loss of profits or loss of production.

81 Care of works:

81.0 From the commencement to completion of the WORK, the



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CONTRACTOR shall take full responsibility for the care for all works including all temporary works and in case any damages, loss or injury shall happen to the WORK or to any part thereof or to any temporary works from any cause whatsoever, shall at his own cost repair and make good the same so that at completion the WORK shall be in good order and in conformity in every respects with the requirement of the CONTRACT and the ENGINEER-IN- CHARGE's instructions.

81.1 DEFECTS PRIOR TO TAKING OVER:

If at any time, before the WORK is taken over, the ENGINEER-IN-CHARGE shall:

- a) Decide that any works done or materials used by the CONTRACTOR or by any SUB-CONTRACTOR is defective or not in accordance with the CONTRACT, or that the works or any portion thereof are defective, or do not fulfill the requirements of CONTRACT (all such matters being hereinafter, called 'Defects' in this clause), and
- b) As soon as reasonably practicable, gives to the CONTRACTOR notice in writing of the said decision, specifying particulars of the defects alleged to exist or to have occurred, then the CONTRACTOR shall at his own expenses and with all speed make good the defects so specified.

In case CONTRACTOR shall fail to do so, the EMPLOYER may take, at the cost of the CONTRACTOR, such steps as may in all circumstances, be reasonable to make good such defects. The expenditure so incurred by the EMPLOYER will be recovered from the amount due to the CONTRACTOR. The decision of the ENGINEER-IN-CHARGE with regard to the amount to be recovered from the CONTRACTOR will be final and binding on the CONTRACTOR. As soon as the WORK has been completed in accordance with the CONTRACT (except in minor respects that do not affect their use for the purpose for which they are intended and except for maintenance there of provided in clause 80.1 of General Conditions of Contract) and have passed the tests on completion, the ENGINEER-IN-CHARGE shall issue a certificate (hereinafter called Completion Certificate) in which he shall certify the date on which the WORK have been so completed and have passed the said tests and the EMPLOYER shall be deemed to have taken over the WORK on the date so certified. If the WORK has been divided into various groups in the CONTRACT, the EMPLOYER shall be entitled to take over any group or groups before the other or others and there upon the ENGINEER-IN-CHARGE shall issue a Completion Certificate which will, however, be for such group or groups so taken over only. In such an event if the group /section/ part so taken over is related, to the integrated system of the work, not withstanding date of grant of Completion Certificate for group/ section/ part. The period of liability in respect of such group/ section/ part shall extend 12 (twelve) months from the date of completion of WORK.

81.2 DEFECTS AFTER TAKING OVER:



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In order that the CONTRACTOR could obtain a COMPLETION CERTIFICATE he shall make good, with all possible speed, any defect arising from the defective materials supplied by the CONTRACTOR or workmanship or any act or omission of the CONTRACT or that may have been noticed or developed, after the works or groups of the works has been taken over, the period allowed for carrying out such WORK will be normally one month. If any defect be not remedied within a reasonable time, the EMPLOYER may proceed to do the WORK at CONTRACTOR's risk and expense and deduct from the final bill such amount as may be decided by the EMPLOYER.

If by reason of any default on the part of the CONTRACTOR a COMPLETION CERTIFICATE has not been issued in respect of any portion of the WORK within one month after the date fixed by the CONTRACT for the completion of the WORK, the EMPLOYER shall be at liberty to use the WORK or any portion thereof in respect of which a completion certificate has not been issued, provided that the WORK or the portion thereof so used as aforesaid shall be afforded reasonable opportunity for completing these works for the issue of Completion Certificate.

82 Guarantee/transfer of guarantee:

82.1 For works like water-proofing, acid and alkali resisting materials, pre-construction soil treatment against termite or any other specialized works etc. the CONTRACTOR shall invariably engage SUB-CONTRACTORS who are specialists in the field and firms of repute and such a SUB-CONTRACTOR shall furnish guarantees for their workmanship to the EMPLOYER, through the CONTRACTOR. In case such a SUB-CONTRACTOR/ firm is not prepared to furnish a guarantee to the EMPLOYER, the CONTRACTOR shall give that guarantee to the EMPLOYER directly.

83 Training of employer's personnel:

83.1 The CONTRACTOR undertakes to provide training to Engineering personnel selected and sent by the EMPLOYER at the works of the CONTRACTOR without any cost to the EMPLOYER. The period and the nature of training for the individual personnel shall be agreed upon mutually between the CONTRACTOR and the EMPLOYER. These engineering personnel shall be given special training at the shops, where the equipment will be manufactured and/ or in their collaborator's works and where possible, in any other plant where equipment manufactured by the CONTRACTOR or his collaborators is under installation or test to enable those personnel to become familiar with the equipment being furnished by the CONTRACTOR. EMPLOYER shall bear only the to and fro fare of the said engineering personnel.

84 Replacement of defective parts and materials:

84.1 If during the progress of the WORK, EMPLOYER shall decide and inform in writing to the CONTRACTOR, that the CONTRACTOR has manufactured any plant or part of the plant unsound or imperfect or has furnished plant inferior to the quality specified, the CONTRACTOR on receiving details of such defects or deficiencies shall at his own expenses within 7 (seven) days of his receiving the notice, or otherwise within such time as may be reasonably necessary for making it good, proceed to alter, re-construct or



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remove such work and furnish fresh equipments upto the standards of the specifications. In case the CONTRACTOR fails to do so, EMPLOYER may on giving the CONTRACTOR 7 (seven) day's notice in writing of his intentions to do so, proceed to remove the portion of the WORK so complained of and at the cost of CONTRACTOR's, perform all such works or furnish all such equipments provided that nothing in the clause shall be deemed to deprive the EMPLOYER of or affect any rights under the CONTRACT, the EMPLOYER may otherwise have in respect of such defects and deficiencies.

- 84.2 The CONTRACTOR's full and extreme liability under this clause shall be satisfied by the payments to the EMPLOYER of the extra cost, of such replacements procured including erection/installation as provided for in the CONTRACT; such extra cost being the ascertained difference between the price paid by the EMPLOYER for such replacements and the CONTRACT price portion for such defective plants and repayments of any sum paid by the EMPLOYER to the CONTRACTOR in respect of such defective plant. Should the EMPLOYER not so replace the defective plant the CONTRACTOR's extreme liability under this clause shall be limited to the repayment of all such sums paid by the EMPLOYER under the CONTRACT for such defective plant.

85 Indemnity

- 85.1 If any action is brought [before a Court, Tribunal or any other Authority against the Employer](#) or an officer or agent of the EMPLOYER, for the failure, omission or neglect on the part of the CONTRACTOR to perform any acts, matters, covenants or things under the CONTRACT, or damage or injury caused by the alleged omission or negligence on the part of the CONTRACTOR, his agents, representatives or his SUB- CONTRACTOR's, or in connection with any claim based on lawful demands of SUB-CONTRACTOR's workmen suppliers or employees, the CONTRACTOR, shall in such cases indemnify and keep the EMPLOYER and/or their representatives harmless from all losses, damages, expenses or decrees arising out of such action.

86 Construction aids, equipments, tools & tackles:

- 86.1 CONTRACTOR shall be solely responsible for making available for executing the WORK, all requisite CONSTRUCTION EQUIPMENTS, Special Aids, Barges, Cranes and the like, all Tools, Tackles and Testing Equipment and Appliances, including imports of such equipment etc. as required. In case of import of the same the rates applicable for levying of Custom Duty on such Equipment, Tools, & Tackles and the duty drawback applicable thereon shall be ascertained by the CONTRACTOR from the concerned authorities of Government of India. It shall be clearly understood that EMPLOYER shall not in any way be responsible for arranging to obtain Custom Clearance and/or payment of any duties and/or duty draw backs etc. for such equipments so imported by the CONTRACTOR and the CONTRACTOR shall be fully responsible for all taxes, duties and documentation with regard to the same. Tenderer in his own interest may contact, for any clarifications in the matter, concerned agencies/Dept./Ministries of Govt. of India. All clarifications so obtained and interpretations thereof shall be solely the responsibility of the CONTRACTOR.

SECTION-VI Certificates and Payments



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87 Schedule of rates and payments:

87.1 i) CONTRACTOR'S REMUNERATION:

The price to be paid by the EMPLOYER to CONTRACTOR for the whole of the WORK to be done and for the performance of all the obligations undertaken by the CONTRACTOR under the CONTRACT DOCUMENTS shall be ascertained by the application of the respective Schedule of Rates (the inclusive nature of which is more particularly defined by way of application but not of limitation, with the succeeding sub-clause of this clause) and payment to be made accordingly for the WORK actually executed and approved by the ENGINEER-IN-CHARGE. The sum so ascertained shall (excepting only as and to the extent expressly provided herein) constitute the sole and inclusive remuneration of the CONTRACTOR under the CONTRACT and no further or other payment whatsoever shall be or become due or payable to the CONTRACTOR under the CONTRACT.

ii) SCHEDULE OF RATES TO BE INCLUSIVE:

The prices/rates quoted by the CONTRACTOR shall remain firm till the issue of FINAL CERTIFICATE and shall not be subject to escalation. Schedule of Rates shall be deemed to include and cover all costs, expenses and liabilities of every description and all risks of every kind to be taken in executing, completing and handing over the WORK to the EMPLOYER by the CONTRACTOR. The CONTRACTOR shall be deemed to have known the nature, scope, magnitude and the extent of the WORK and materials required though the CONTRACT DOCUMENT may not fully and precisely furnish them. Tenderer's shall make such provision in the Schedule of Rates as he may consider necessary to cover the cost of such items of WORK and materials as may be reasonable and necessary to complete the WORK. The opinion of the ENGINEER-IN-CHARGE as to the items of WORK which are necessary and reasonable for COMPLETION OF WORK shall be final and binding on the CONTRACTOR, although the same may not be shown on or described specifically in CONTRACT DOCUMENTS.

Generality of this present provision shall not be deemed to cut down or limit in any way because in certain cases it may and in other cases it may not be expressly stated that the CONTRACTOR shall do or perform a work or supply articles or perform services at his own cost or without addition of payment or without extra charge or words to the same effect or that it may be stated or not stated that the same are included in and covered by the Schedule of Rates.

iii) SCHEDULE OF RATES TO COVER CONSTRUCTION EQUIPMENTS, MATERIALS, LABOUR ETC.:



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Without in any way limiting the provisions of the preceding sub-clause the Schedule of Rates shall be deemed to include and cover the cost of all construction equipment, temporary WORK (except as provided for herein), pumps, materials, labour, insurance, fuel, consumables, stores and appliances to be supplied by the CONTRACTOR and all other matters in connection with each item in the Schedule of Rates and the execution of the WORK or any portion thereof finished, complete in every respect and maintained as shown or described in the CONTRACT DOCUMENTS or as may be ordered in writing during the continuance of the CONTRACT.

liv)

SCHEDULE OF RATES TO COVER ROYALTIES,
RENTS AND CLAIMS:

The Schedule of Rates (i.e., VALUE OF CONTRACT) shall be deemed to include and cover the cost of all royalties and fees for the articles and processes, protected by letters, patent or otherwise incorporated in or used in connection with the WORK, also all royalties, rents and other payments in connection with obtaining materials of whatsoever kind for the WORK and shall include an indemnity to the EMPLOYER which the CONTRACTOR hereby gives against all actions, proceedings, claims, damages, costs and expenses arising from the incorporation in or use on the WORK of any such articles, processes or materials, octroi or other municipal or local Board Charges, if levied on materials, equipment or machineries to be brought to site for use on WORK shall be borne by the CONTRACTOR.

v)

SCHEDULE OF RATES TO COVER TAXES AND
DUTIES:

No exemption or reduction of Customs Duties, Excise Duties, Sales Tax, Sales Tax on works Contract quay or any port dues, transport charges, stamp duties or Central or State Government or local Body or Municipal Taxes or duties, taxes or charges (from or of any other body), whatsoever, will be granted or obtained, all of which expenses shall be deemed to be included in and covered by the Schedule or Rates. The CONTRACTOR shall also obtain and pay for all permits or other privileges necessary to complete the WORK.

vi)

SCHEDULE OF RATES TO COVER RISKS OF DELAY:

The Schedule of Rates shall be deemed to include and cover the risk of all possibilities of delay and interference with the CONTRACTOR's conduct of WORK which occur from any causes including orders of the EMPLOYER in the exercise of his power and on account of extension of time granted due to various reasons and for all other possible or probable causes of delay.

vii)

SCHEDULE OF RATES CANNOT BE ALTERED:



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For WORK under unit rate basis, no alteration will be allowed in the Schedule of Rates by reason of works or any part of them being modified, altered, extended, diminished or committed. The Schedule of Rates are fully inclusive of rates which have been fixed by the CONTRACTOR and agreed to by the EMPLOYER and cannot be altered.

For lumpsum CONTRACTS, the payment will be made according to the WORK actually carried out, for which purpose an item wise, or work wise Schedule of Rates shall be furnished, suitable for evaluating the value of WORK done and preparing running account bill.

Payment for any additional work which is not covered in the Schedule of Rates, shall only be released on issuance of change order.

88 Procedure for measurement and billing of work in progress:

88.1 BILLING PROCEDURE:

Following procedures shall be adopted for billing of works executed by the CONTRACTOR.

88.1.1 All measurements shall be recorded in sextuplicate on standard measurement sheets supplied by EMPLOYER and submitted to EMPLOYER/CONSULTANT for scrutiny and passing.

88.1.2 EMPLOYER/CONSULTANT shall scrutinise and check the measurements recorded on the sheets and shall certify correctness of the same on the measurement sheets.

88.1.3 ENGINEER-IN-CHARGE shall pass the bills after carrying out the comprehensive checks in accordance with the terms and conditions of the CONTRACTS, within 7 days of submission of the bills, complete in all respects and send the same to the Employer to effect payment to the CONTRACTOR.

88.1.4 GAIL shall make all endeavour to make payments of undisputed amount of the bills submitted based on the joint measurements within 15 (Fifteen) days from the date of certification by the Engineer-in-Charge.

88.1.5 Measurements shall be recorded as per the methods of measurement spelt out in EMPLOYER/CONSULTANT SPECIFICATIONS / CONTRACT DOCUMENT. EMPLOYER/CONSULTANT shall be fully responsible for checking the measurements quantitatively and qualitatively as recorded in the Measurement Books/ Bills.

88.1.6 While preparing the final bills overall measurements will not be taken again. Only volume of work executed since the last measured bill alongwith summary of final measurements will be considered for the final bill. However, a detailed check shall be made as to missing measurements and in case there are any missing items or measurements the same shall be recorded.

88.1.7 COMPUTERISED BILLING SYSTEM : GAIL (India) Limited has



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introduced Computerised Billing System whereby when the Bills are submitted in GAIL by a Contractor, a receipt number is generated. The Contractor can know the status of the Bill through GAIL's website.

88.2 SECURED ADVANCE ON MATERIAL:

Unless otherwise provided elsewhere in the tender, no 'Secured Advance' on security of materials brought to site for execution of contracted items(s) shall be paid to the Contractor whatsoever.

88.3 DISPUTE IN MODE OF MEASUREMENT:

In case of any dispute as to the mode of measurement not covered by the CONTRACT to be adopted for any item of WORK, mode of measurement as per latest Indian Standard Specifications shall be followed.

88.4 ROUNDING OF AMOUNTS:

In calculating the amount of each item due to the CONTRACTOR in every certificate prepared for payment, sum of less than 50 paise shall be omitted and the total amount on each certificate shall be rounded off to the nearest rupees, i.e., sum of less than 50 paise shall be omitted and sums of 50 paise and more upto one rupee shall be reckoned as one rupee.

89 Lumpsum in tender:

89.1 The payment against any Lumpsum item shall be made only on completion of that item as per the provision of the CONTRACT after certification by ENGINEER-IN-CHARGE.

90 Running account payments to be regarded as advance:

90.1 All running account payments shall be regarded as payment by way of advance against the final payment only and not as payments for WORK actually done and completed and shall not preclude the requiring of bad, unsound and imperfect or unskilled work to be removed and taken away and reconstructed or re-erected or be considered as an admission of the due performance of the CONTRACT, or any part thereof, in this respect, or of the accruing of any claim by the CONTRACTOR, nor shall it conclude, determine or affect in any way the powers of the EMPLOYER under these conditions or any of them as to the final settlement and adjustment of the accounts or otherwise, or in any other way vary or affect the CONTRACT. The final bill shall be submitted by the CONTRACTOR within one month of the date of physical completion of the WORK, otherwise, the ENGINEER-IN-CHARGE's certificate of the measurement and of total amount payable for the WORK accordingly shall be final and binding on all parties

91 Notice of claims for additional payments:

91.1 Should the CONTRACTOR consider that he is entitled to any extra payment for any extra/additional WORKS or MATERIAL change in original SPECIFICATIONS carried out by him in respect of WORK he shall forthwith give notice in writing to the ENGINEER-IN-CHARGE that he claims extra payment. Such notice shall be given to the ENGINEER-IN-CHARGE upon which CONTRACTOR bases such claims and such notice shall contain full particulars of the nature of such claim with full details of amount claimed. Irrespective of any provision in the CONTRACT to the contrary, the



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CONTRACTOR must intimate his intention to lodge claim on the EMPLOYER within 10 (ten) days of the commencement of happening of the event and quantify the claim within 30 (thirty) days, failing which the CONTRACTOR will lose his right to claim any compensation/reimbursement/damages etc. or refer the matter to arbitration. Failure on the part of CONTRACTOR to put forward any claim without the necessary particulars as above within the time above specified shall be an absolute waiver thereof. No omission by EMPLOYER to reject any such claim and no delay in dealing therewith shall be waiver by EMPLOYER of any of this rights in respect thereof.

- 91.2 ENGINEER-IN-CHARGE shall review such claims within a reasonable period of time and cause to discharge these in a manner considered appropriate after due deliberations thereon. However, CONTRACTOR shall be obliged to carry on with the WORK during the period in which his claims are under consideration by the EMPLOYER, irrespective of the outcome of such claims, where additional payments for WORKS considered extra are justifiable in accordance with the CONTRACT provisions, EMPLOYER shall arrange to release the same in the same manner as for normal WORK payments. Such of the extra works so admitted by EMPLOYER shall be governed by all the terms, conditions, stipulations and specifications as are applicable for the CONTRACT. The rates for extra works shall generally be the unit rates provided for in the CONTRACT. In the event unit rates for extra works so executed are not available as per CONTRACT, payments may either be released on day work basis for which daily/hourly rates for workmen and hourly rates for equipment rental shall apply, or on the unit rate for WORK executed shall be derived by interpolation/ extrapolation of unit rates already existing in the CONTRACT. In all the matters pertaining to applicability of rate and admittance of otherwise of an extra work claim of CONTRACTOR the decision of ENGINEER-IN-CHARGE shall be final and binding.

92 Payment of contractor's bill:

- 92.1 No payment shall be made for works estimated to cost less than Rs.10,000/- till the whole of the work shall have been completed and a certificate of completion given. But in case of works estimated to cost more than Rs.10,000/-, that CONTRACTOR on submitting the bill thereof be entitled to receive a monthly payment proportionate to the part thereof approved and passed by the ENGINEER-IN-CHARGE, whose certificate of such approval and passing of the sum so payable shall be final and conclusive against the CONTRACTOR. This payment will be made after making necessary corrections/deductions as stipulated elsewhere in the CONTRACT DOCUMENT for materials, Contract Performance Security, taxes etc.
- 92.2 Payment due to the CONTRACTOR shall be made by the EMPLOYER by Account Payee cheque forwarding the same to registered office or the notified office of the CONTRACTOR. In no case will EMPLOYER be responsible if the cheque is mislaid or misappropriated by unauthorised person/persons. In all cases, the CONTRACTOR shall present his bill duly pre-receipted on proper



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revenue stamp payment shall be made in Indian Currency.

92.3 In general payment of final bill shall be made to CONTRACTOR within 60 days of the submission of bill on joint measurements, after completion of all the obligations under the CONTRACT.

93 Receipt for payment:

93.1 Receipt for payment made on account of work when executed by a firm, must be signed by a person holding due power of attorney in this respect on behalf of the CONTRACTOR, except when the CONTRACTOR's are described in their tender as a limited company in which case the receipts must be signed in the name of the company by one of its principal officers or by some other person having authority to give effectual receipt for the company.

94 Completion certificate:

94.1 APPLICATION FOR COMPLETION CERTIFICATE:

When the CONTRACTOR fulfils his obligation under Clause 81.1 he shall be eligible to apply for COMPLETION CERTIFICATE.

The ENGINEER-IN-CHARGE shall normally issue to the CONTRACTOR the COMPLETION CERTIFICATE within one month after receiving any application therefore from the CONTRACTOR after verifying from the completion documents and satisfying himself that the WORK has been completed in accordance with and as set out in the construction and erection drawings, and the CONTRACT DOCUMENTS.

The CONTRACTOR, after obtaining the COMPLETION CERTIFICATE, is eligible to present the final bill for the WORK executed by him under the terms of CONTRACT.

94.2 COMPLETION CERTIFICATE:

Within one month of the completion of the WORK in all respects, the CONTRACTOR shall be furnished with a certificate by the ENGINEER-IN-CHARGE of such completion, but no certificate shall be given nor shall the WORK be deemed to have been executed until all scaffolding, surplus materials and rubbish is cleared off the SITE completely nor until the WORK shall have been measured by the ENGINEER-IN-CHARGE whose measurement shall be binding and conclusive. The WORKS will not be considered as complete and taken over by the EMPLOYER, until all the temporary works, labour and staff colonies are cleared to the satisfaction of the ENGINEER-IN-CHARGE.

If the CONTRACTOR fails to comply with the requirements of this clause on or before the date fixed for the completion of the WORK, the ENGINEER-IN-CHARGE may at the expense of the CONTRACTOR remove such scaffolding, surplus materials and rubbish and dispose off the same as he thinks fit and clean off such dirt as aforesaid, and the CONTRACTOR shall forthwith pay the amount of all expenses so incurred and shall have no claim in respect of any such scaffolding or surplus materials as aforesaid except for any sum actually realised by the sale thereof.

94.3 COMPLETION CERTIFICATE DOCUMENTS:



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For the purpose of Clause 94.0 the following documents will be deemed to form the completion documents:

- i) The technical documents according to which the WORK was carried out.
- ii) Six (6) sets of construction drawings showing therein the modification and correction made during the course of execution and signed by the ENGINEER-IN-CHARGE.
- iii) COMPLETION CERTIFICATE for 'embedded' and 'covered' up work.
- iv) Certificates of final levels as set out for various works.
- v) Certificates of tests performed for various WORKS.
- vi) Material appropriation, Statement for the materials issued by the EMPLOYER for the WORK and list of surplus materials returned to the EMPLOYER's store duly supported by necessary documents.

95 Final decision and final certificate:

95.1 Upon expiry of the period of liability and subject to the ENGINEER-IN-CHARGE being satisfied that the WORKS have been duly maintained by the CONTRACTOR during monsoon or such period as hereinbefore provided in Clause 80 & 81 and that the CONTRACTOR has in all respect duly made-up any subsidence and performed all his obligations under the CONTRACT, the ENGINEER-IN- CHARGE shall (without prejudice to the rights of the EMPLOYER to retain the provisions of relevant Clause hereof) otherwise give a certificate herein referred to as the FINAL CERTIFICATE to that effect and the CONTRACTOR shall not be considered to have fulfilled the whole of his obligations under CONTRACT until FINAL CERTIFICATE shall have been given by the ENGINEER-IN- CHARGE notwithstanding any previous entry upon the WORK and taking possession, working or using of the same or any part thereof by the EMPLOYER.

96 Certificate and payments on evidence of completion:

96.1 Except the FINAL CERTIFICATE, no other certificates or payments against a certificate or on general account shall be taken to be an admission by the EMPLOYER of the due performance of the CONTRACT or any part thereof or of occupancy or validity of any claim by the CONTRACTOR.

97 Deductions from the contract price:

97.1 All costs, damages or expenses which EMPLOYER may have paid or incurred, which under the provisions of the CONTRACT, the CONTRACTOR is liable/will be liable, will be claimed by the EMPLOYER. All such claims shall be billed by the EMPLOYER to the CONTRACTOR regularly as and when they fall due. Such claims shall be paid by the CONTRACTOR within 15 (fifteen) days of the receipt of the corresponding bills and if not paid by the CONTRACTOR within the said period, the EMPLOYER may, then, deduct the amount from any moneys due i.e., Contract Performance Security or becoming due to the CONTRACTOR under the CONTRACT or may be recovered by actions of law or



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otherwise, if the CONTRACTOR fails to satisfy the EMPLOYER of such claims.

SECTION-VII Taxes and Insurance

- | | | | |
|-----|----------------------------|-------|--|
| 98 | Taxes, Duties, Octroi etc: | 98.1 | <p>The CONTRACTOR agrees to and does hereby accept full and exclusive liability for the payment of any and all Taxes, Duties, including Excise duty, octroi etc. now or hereafter imposed, increased, modified, all the sales taxes, duties, octrois etc. now in force and hereafter increased, imposed or modified, from time to time in respect of WORKS and materials and all contributions and taxes for unemployment compensation, insurance and old age pensions or annuities now or hereafter imposed by any Central or State Government authorities which are imposed with respect to or covered by the wages, salaries, or other compensations paid to the persons employed by the CONTRACTOR and the CONTRACTOR shall be responsible for the compliance of all SUB-CONTRACTORS, with all applicable Central, State, Municipal and local law and regulation and requirement of any Central, State or local Government agency or authority. CONTRACTOR further agrees to defend, indemnify and hold EMPLOYER harmless from any liability or penalty which may be imposed by the Central, State or Local authorities by reason or any violation by CONTRACTOR or SUB-CONTRACTOR of such laws, suits or proceedings that may be brought against the EMPLOYER arising under, growing out of, or by reason of the work provided for by this CONTRACT, by third parties, or by Central or State Government authority or any administrative sub-division thereof.</p> <p>Tax deductions will be made as per the rules and regulations in force in accordance with acts prevailing from time to time.</p> |
| 99 | Sales tax/turnover tax: | 99.1 | <p>Tenderer should quote all inclusive prices including the liability of Sales Tax/Turnover Tax whether on the works contract as a whole or in respect of bought out components used by the CONTRACTOR in execution of the CONTRACT. EMPLOYER shall not be responsible for any such liability of the CONTRACTOR in respect of this CONTRACT.</p> |
| 100 | Statutory variations | 100.1 | <p>Tenderer should quote prices inclusive of excise-duty and sales tax applicable on finished product. Any statutory variations in Excise Duty and sales tax on finished product during the contractual completion period, shall be to the Employer's account for which the Contractor will furnish documentary evidence(s) in support of their claims to GAIL. However, any increase in the rate of these taxes and duties (E.D. and S.T.) beyond the contractual completion period shall be to Contractor's account and any decrease shall be passed on to GAIL.</p> |
| 101 | Insurance: | 101.1 | <p><u>GENERAL</u></p> <p>CONTRACTOR shall at his own expense arrange secure and maintain insurance with reputable insurance companies to the satisfaction of the EMPLOYER as follows:</p> |



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CONTRACTOR at his cost shall arrange, secure and maintain insurance as may be necessary and to its full value for all such amounts to protect the WORKS in progress from time to time and the interest of EMPLOYER against all risks as detailed herein. The form and the limit of such insurance, as defined here in together with the under works thereof in each case should be as acceptable to the EMPLOYER. However, irrespective of work acceptance the responsibility to maintain adequate insurance coverage at all times during the period of CONTRACT shall be that of CONTRACTOR alone. CONTRACTOR's failure in this regard shall not relieve him of any of his responsibilities and obligations under CONTRACT.

Any loss or damage to the equipment, during ocean transportation, port/custom clearance, inland and port handling, inland transportation, storage, erection and commissioning till such time the WORK is taken over by EMPLOYER, shall be to the account of CONTRACTOR. CONTRACTOR shall be responsible for preferring of all claims and make good for the damage or loss by way of repairs and/or replacement of the parts of the Work damaged or lost. CONTRACTOR shall provide the EMPLOYER with a copy of all insurance policies and documents taken out by him in pursuance of the CONTRACT. Such copies of document shall be submitted to the EMPLOYER immediately upon the CONTRACTOR having taken such insurance coverage. CONTRACTOR shall also inform the EMPLOYER at least 60(Sixty) days in advance regarding the expiry cancellation and/or changes in any of such documents and ensure revalidation/renewal etc., as may be necessary well in time.

Statutory clearances, if any, in respect of foreign supply required for the purpose of replacement of equipment lost in transit and/or during erection, shall be made available by the EMPLOYER. CONTRACTOR shall, however, be responsible for obtaining requisite licences, port clearances and other formalities relating to such import. The risks that are to be covered under the insurance shall include, but not be limited to the loss or damage in handling, transit, theft, pilferage, riot, civil commotion, weather conditions, accidents of all kinds, fire, war risk (during ocean transportation only) etc. The scope of such insurance shall cover the entire value of supplies of equipments, plants and materials to be imported from time to time.

All costs on account of insurance liabilities covered under CONTRACT will be to CONTRACTOR's account and will be included in VALUE OF CONTRACT. However, the EMPLOYER may from time to time, during the currency of the CONTRACT, ask the CONTRACTOR in writing to limit the insurance coverage risk and in such a case, the parties to the CONTRACT will agree for a mutual settlement, for reduction in VALUE OF CONTRACT to the extent of reduced premium amounts.

CONTRACTOR as far as possible shall cover insurance with Indian Insurance Companies, including marine Insurance during ocean transportation.

i) EMPLOYEES STATE INSURANCE ACT:



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The CONTRACTOR agrees to and does hereby accept full and exclusive liability for the compliance with all obligations imposed by the Employee State Insurance Act 1948 and the CONTRACTOR further agrees to defend, indemnify and hold EMPLOYER harmless for any liability or penalty which may be imposed by the Central, State or Local authority by reason of any asserted violation by CONTRACTOR or SUB-CONTRACTOR of the Employees' State Insurance Act, 1948, and also from all claims, suits or proceeding that may be brought against the EMPLOYER arising under, growing out of or by reasons of the work provided for by this CONTRACTOR, by third parties or by Central or State Government authority or any political sub- division thereof.

The CONTRACTOR agrees to fill in with the Employee's State Insurance Corporation, the Declaration Forms, and all forms which may be required in respect of the CONTRACTOR's or SUB- CONTRACTOR's employees, who are employed in the WORK provided for or those covered by ESI from time to time under the Agreement. The CONTRACTOR shall deduct and secure the agreement of the SUB- CONTRACTOR to deduct the employee's contribution as per the first schedule of the Employee's State Insurance Act from wages and affix the Employees Contribution Card at wages payment intervals. The CONTRACTOR shall remit and secure the agreement of SUB-CONTRACTOR to remit to the State Bank of India, Employee's State Insurance Corporation Account, the Employee's contribution as required by the Act. The CONTRACTOR agrees to maintain all cards and Records as required under the Act in respect of employees and payments and the CONTRACTOR shall secure the agreement of the SUB- CONTRACTOR to maintain such records. Any expenses incurred for the contributions, making contributions or maintaining records shall be to the CONTRACTOR's or SUB-CONTRACTOR's account.

The EMPLOYER shall retain such sum as may be necessary from the total VALUE OF CONTRACT until the CONTRACTOR shall furnish satisfactory proof that all contributions as required by the Employees State Insurance Act, 1948, have been paid. This will be pending on the CONTRACTOR when the ESI Act is extended to the place of work.

ii) WORKMEN COMPENSATION AND
EMPLOYER'S LIABILITY INSURANCE:

Insurance shall be effected for all the CONTRACTOR's employees engaged in the performance of this CONTRACT. If any of the work is sublet, the CONTRACTOR shall require the SUB-CONTRACTOR to provide workman's Compensation and employer's liability insurance for the later's employees if such employees are not covered under the CONTRACTOR's Insurance.



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iii) ACCIDENT OR INJURY TO WORKMEN:

The EMPLOYER shall not be liable for or in respect of any damages or compensation payable at law in respect or in consequence of any accident or injury to any workman or other person in the Employment of the CONTRACTOR or any SUB-CONTRACTOR save and except an accident or injury resulting from any act or default of the EMPLOYER, his agents or servants and the CONTRACTOR shall indemnify and keep indemnified the EMPLOYER against all such damages and compensation (save and except and aforesaid) and against all claims, demands, proceeding, costs, charges and expenses, whatsoever in respect or in relation thereto.

iv) TRANSIT INSURANCE

In respect of all items to be transported by the CONTRACTOR to the SITE of WORK, the cost of transit insurance should be borne by the CONTRACTOR and the quoted price shall be inclusive of this cost.

v) COMPREHENSIVE AUTOMOBILE INSURANCE

This insurance shall be in such a form as to protect the Contractor against all claims for injuries, disability, disease and death to members of public including EMPLOYER's men and damage to the property of others arising from the use of motor vehicles during on or off the 'site' operations, irrespective of the Employership of such vehicles.

VI) COMPREHENSIVE GENERAL LIABILITY INSURANCE

- a) This insurance shall protect the Contractor against all claims arising from injuries, disabilities, disease or death of member of public or damage to property of others due to any act or omission on the part of the Contractor, his agents, his employees, his representatives and Sub-Contractor's or from riots, strikes and civil commotion.
- b) Contractor shall take suitable Group Personal Accident Insurance Cover for taking care of injury, damage or any other risks in respect of his Engineers and other Supervisory staff who are not covered under Employees State Insurance Act.
- c) The policy shall cover third party liability. The third party (liability shall cover the loss/ disablement of human life (person not belonging to the Contractor) and also cover the risk of damage 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



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shall be of required statutory value but not less than Rs. 2 lakhs per death, Rs. 1.5 lakhs per full disablement and Rs. 1 lakh per partial disablement and shall nevertheless cover such compensation as may be awarded by Court by Law in India and cover for damage to others equipment/ property as approved by the Purchaser. However, third party risk shall be maximum to Rs. 10(ten) lakhs to death.

- d) The Contractor shall also arrange suitable insurance to cover damage, loss, accidents, risks etc., in respect of all his plant, equipments and machinery, erection tools & tackles and all other temporary attachments brought by him at site to execute the work.
- e) The Contractor shall take out insurance policy in the joint name of EMPLOYER and Contractor from one or more nationalised insurance company from any branch office at Project site.
- f) Any such insurance requirements as are hereby established as the minimum policies and coverages which Contractor must secure and keep in force must be complied with, Contractor shall at all times be free to obtain additional or increased coverages at Contractor's sole expenses.

vii) ANY OTHER INSURANCE REQUIRED UNDER LAW OR REGULATIONS OR BY EMPLOYER:

CONTRACTOR shall also carry and maintain any and all other insurance(s) which he may be required under any law or regulation from time to time without any extra cost to EMPLOYER. He shall also carry and maintain any other insurance which may be required by the EMPLOYER.

102 Damage to Property or to any Person or any Third Party

102.1 i)

CONTRACTOR shall be responsible for making good to the satisfaction of the EMPLOYER any loss or any damage to structures and properties belonging to the EMPLOYER or being executed or procured or being procured by the EMPLOYER or of other agencies within in the premises of all the work of the EMPLOYER, if such loss or damage is due to fault and/or the negligence or willful acts or omission of the CONTRACTOR, his employees, agents, representatives or SUB-CONTRACTORS.

ii)

The CONTRACTOR shall take sufficient care in moving his plants, equipments and materials from one place to another so that they do not cause any damage to any person or to the property of the EMPLOYER or any third party including overhead and underground cables and in the event of any damage resulting to the property of the EMPLOYER or of a third party during the movement of the



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aforesaid plant, equipment or materials the cost of such damages including eventual loss of production, operation or services in any plant or establishment as estimated by the EMPLOYER or ascertained or demanded by the third party shall be borne by the CONTRACTOR. Third party liability risk shall be Rupees One lakh for single accident and limited to Rupees Ten lakhs.

- iii) The CONTRACTOR shall indemnify and keep the EMPLOYER harmless of all claims for damages to property other than EMPLOYER's property arising under or by reason of this agreement, if such claims result from the fault and/or negligence or willful acts or omission of the CONTRACTOR, his employees, agents, representative of SUB-CONTRACTOR.



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SECTION-VIII Labour Laws

- 103 Labour laws:**
- 103.1 i) No labour below the age of 18 (eighteen) years shall be employed on the WORK.
- ii) The CONTRACTOR shall not pay less than what is provided under law to labourers engaged by him on the WORK.
- iii) The CONTRACTOR shall at his expense comply with all labour laws and keep the EMPLOYER indemnified in respect thereof.
- iv) The CONTRACTOR shall pay equal wages for men and women in accordance with applicable labour laws.
- v) If the CONTRACTOR is covered under the Contract labour (Regulation and Abolition) Act, he shall obtain a licence from licensing authority (i.e. office of the labour commissioner) by payment of necessary prescribed fee and the deposit, if any, before starting the WORK under the CONTRACT. Such fee/deposit shall be borne by the CONTRACTOR.
- vi) The CONTRACTOR shall employ labour in sufficient numbers either directly or through SUB- CONTRACTOR's to maintain the required rate of progress and of quality to ensure workmanship of the degree specified in the CONTRACT and to the satisfaction of the ENGINEER-IN-CHARGE.
- vii) The CONTRACTOR shall furnish to the ENGINEER-IN-CHARGE the distribution return of the number and description, by trades of the work people employed on the works. The CONTRACTOR shall also submit on the 4th and 19th of every month to the ENGINEER-IN-CHARGE a true statement showing in respect of the second half of the preceding month and the first half of the current month (1) the accidents that occurred during the said fortnight showing the circumstances under which they happened and the extent of damage and injury caused by them and (2) the number of female workers who have been allowed Maternity Benefit as provided in the Maternity Benefit Act 1961 on Rules made thereunder and the amount paid to them.
- viii) The CONTRACTOR shall comply with the provisions of the payment of Wage Act 1936, Employee Provident Fund Act 1952, Minimum Wages Act 1948. Employers Liability Act 1938. Workmen's Compensation Act 1923, Industrial Disputes Act 1947, the Maternity Benefit Act 1961 and Contract Labour Regulation and Abolition Act 1970, Employment of Children Act 1938 or any modifications thereof or any other law relating thereto and rules made thereunder from time to time.



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- ix) The ENGINEER-IN-CHARGE shall on a report having been made by an Inspecting Officer as defined in Contract Labour (Regulation and Abolition) Act 1970 have the power to deduct from the money due to the CONTRACTOR any sum required or estimated to be required for making good the loss suffered by a worker or workers by reason of non- fulfillment of the Conditions of the Contract for the benefit of workers, non-payment of wages or of deductions made from his or their wages which are not justified by the terms of the Contract or non-observance of the said regulations.
- x) The CONTRACTOR shall indemnify the EMPLOYER against any payments to be made under and for the observance of the provisions of the aforesaid Acts without prejudice to his right to obtain indemnity from his SUB-CONTRACTOR's. In the event of the CONTRACTOR committing a default or breach of any of the provisions of the aforesaid Acts as amended from time to time, of furnishing any information or submitting or filling and Form/ Register/ Slip under the provisions of these Acts which is materially incorrect then on the report of the inspecting Officers, the CONTRACTOR shall without prejudice to any other liability pay to the EMPLOYER a sum not exceeding Rs.50.00 as Liquidated Damages for every default, breach or furnishing, making, submitting, filling materially incorrect statement as may be fixed by the ENGINEER-IN- CHARGE and in the event of the CONTRACTOR's default continuing in this respect, the Liquidated Damages may be enhanced to Rs.50.00 per day for each day of default subject to a maximum of one percent of the estimated cost of the WORK put to tender. The ENGINEER-IN-CHARGE shall deduct such amount from bills or Contract Performance Security of the CONTRACTOR and credit the same to the Welfare Fund constitute under these acts. The decision of the ENGINEER-IN-CHARGE in this respect shall be final and binding.

104 Implementation of apprentices act, 1961:

- 104.1 The CONTRACTOR shall comply with the provisions of the Apprentices Act, 1961 and the Rules and Orders issued thereunder from time to time. If he fails to do so, his failure will be a breach of the CONTRACT and the ENGINEER-IN-CHARGE may, at his discretion, cancel the CONTRACT. The CONTRACTOR shall also be liable for any pecuniary liability arising on account of any violation by him of the provisions, of the Act.

105 Contractor to indemnify the employer:

- 105.1 i) The CONTRACTOR shall indemnify the EMPLOYER and every member, office and employee of the EMPLOYER, also the ENGINEER-IN-CHARGE and his staff against all actions, proceedings, claims, demands, costs and expenses whatsoever arising out of or in connection with the matters referred to in Clause 102.0 and elsewhere and all actions, proceedings, claims, demands, costs and



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expenses which may be made against the EMPLOYER for or in respect of or arising out of any failure by the CONTRACTOR in the performance of his obligations under the CONTRACT DOCUMENT. The EMPLOYER shall not be liable for or in respect of or arising out of any failure by the CONTRACTOR in the performance of his obligations under the CONTRACT DOCUMENT. The EMPLOYER shall not be liable for or in respect of any demand or compensation payable by law in respect or in consequence of any accident or injury to any workmen or other person. In the employment of the CONTRACTOR or his SUB-CONTRACTOR the CONTRACTOR shall indemnify and keep indemnified the EMPLOYER against all such damages and compensations and against all claims, damages, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto.

ii) PAYMENT OF CLAIMS AND DAMAGES:

Should the EMPLOYER have to pay any money in respect of such claims or demands as aforesaid the amount so paid and the costs incurred by the EMPLOYER shall be charged to and paid by the CONTRACTOR and the CONTRACTOR shall not be at liberty to dispute or question the right of the EMPLOYER to make such payments notwithstanding the same, may have been made without the consent or authority or in law or otherwise to the contrary.

- iii) In every case in which by virtue of the provisions of Section 12, Sub-section (i) of workmen's compensation Act, 1923 or other applicable provision of Workmen Compensation Act or any other Act, the EMPLOYER is obliged to pay compensation to a workman employed by the CONTRACTOR in execution of the WORK, the EMPLOYER will recover from the CONTRACTOR the amount of the compensation so paid, and without prejudice to the rights of EMPLOYER under Section 12, Sub- section (2) of the said act, EMPLOYER shall be at liberty to recover such amount or any part thereof by deducting it from the Contract Performance Security or from any sum due to the CONTRACTOR whether under this CONTRACT or otherwise. The EMPLOYER shall not be bound to contest any claim made under Section 12, Sub-section (i) of the said act, except on the written request of the CONTRACTOR and upon his giving to the EMPLOYER full security for all costs for which the EMPLOYER might become liable in consequence of contesting such claim.

106 Health and sanitary arrangements for workers:

- 106.1 In respect of all labour directly or indirectly employed in the WORKS for the performance of the CONTRACTOR's part of this agreement, the CONTRACTOR shall comply with or cause to be complied with all the rules and regulations of the local sanitary and other authorities or as framed by the EMPLOYER from time to time for the protection of health and sanitary arrangements for all



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workers.

- 106.2 The CONTRACTOR shall provide in the labour colony all amenities such as electricity, water and other sanitary and health arrangements. The CONTRACTOR shall also provide necessary surface transportation to the place of work and back to the colony for their personnel accommodated in the labour colony.

SECTION-IX Applicable Laws and Settlement of Disputes

107 Arbitration:

- 107.1 Unless otherwise specified, the matters where decision of the Engineer-in-Charge is deemed to be final and binding as provided in the Agreement and the issues/disputes which cannot be mutually resolved within a reasonable time, all disputes shall be referred to arbitration by Sole Arbitrator.

The Employer [GAIL (India) Ltd.] shall suggest a panel of three independent and distinguished persons to the bidder/contractor/supplier/buyer (as the case may be) to select any one among them to act as the Sole Arbitrator.

In the event of failure of the other parties to select the Sole Arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of the sole arbitrator by the other party shall stand forfeited and the EMPLOYER (GAIL) shall have discretion to proceed with the appointment of the Sole Arbitrator. The decision of Employer on the appointment of the sole arbitrator shall be final and binding on the parties.

The award of sole arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the sole arbitrator, the cost of arbitration proceedings shall be shared equally by the parties. The Arbitration proceedings shall be in English language and venue shall be New Delhi, India.

Subject to the above, the provisions of (Indian) Arbitration & Conciliation ACT 1996 and the Rules framed there under shall be applicable. All matter relating to this contract are subject to the exclusive jurisdiction of the court situated in the state of Delhi.

Bidders/suppliers/contractors may please note that the Arbitration & Conciliation Act 1996 was enacted by the Indian Parliament and is based on United Nations Commission on International Trade Law (UNCITRAL model law), which were prepared after extensive consultation with Arbitral Institutions and centers of International Commercial Arbitration. The United Nations General Assembly vide resolution 31/98 adopted the UNCITRAL Arbitration rules on 15 December 1976.

- 107.2 FOR THE SETTLEMENT OF DISPUTES BETWEEN GOVERNMENT DEPARTMENT AND ANOTHER AND ONE GOVERNMENT DEPARTMENT AND PUBLIC ENTERPRISE



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AND ONE PUBLIC ENTERPRISE AND ANOTHER THE ARBITRATION SHALL BE AS FOLLOWS:

"In the event of any dispute or difference between the parties hereto, such dispute or difference shall be resolved amicably by mutual consultation or through the good offices of empowered agencies of the Government. If such resolution is not possible, then, the unresolved dispute or difference shall be referred to arbitration of an arbitrator to be nominated by Secretary, Department of Legal Affairs ("Law Secretary") in terms of the Office Memorandum No.55/3/1/75-CF, dated the 19th December 1975 issued by the Cabinet Secretariat (Department of Cabinet Affairs), as modified from time to time. The Arbitration Act 1940 (10 of 1940) shall not be applicable to the arbitration under this clause. The award of the Arbitrator shall be binding upon parties to the dispute. Provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to Law Secretary whose decision shall bind the parties finally and conclusively.

108 Jurisdiction:

The CONTRACT shall be governed by and constructed according to the laws in force in INDIA. The CONTRACTOR hereby submits to the jurisdiction of the Courts situated at DELHI for the purposes of disputes, actions and proceedings arising out of the CONTRACT, the courts at DELHI only will have the jurisdiction to hear and decide such disputed, actions and proceedings.

SECTION-X Safety Codes

109 General:

109.1 CONTRACTOR shall adhere to safe construction practice and guard against hazardous, and unsafe working conditions and shall comply with EMPLOYER's safety rules as set forth herein. Prior to start of construction, CONTRACTOR will be furnished copies of EMPLOYER's "Safety Code" for information and guidance, if it has been prepared.

110 Safety regulations:

- 110.1 i) In respect of all labour, directly employed in the WORK for the performance of CONTRACTOR's part of this agreement, the CONTRACTOR shall at his own expense arrange for all the safety provisions as per safety codes of C.P.W.D., Indian Standards Institution. The Electricity Act, The Mines Act and such other acts as applicable.
- ii) The CONTRACTOR shall observe and abide by all fire and safety regulations of the EMPLOYER. Before starting construction work CONTRACTOR shall consult with EMPLOYER's safety Engineers or ENGINEER-IN-CHARGE and must make good to the satisfaction of the EMPLOYER any loss or damage due to fire to any portion of the work done or to be done under this agreement or to any of the EMPLOYER's existing property.

111 First aid and industrial

111.0 i) CONTRACTOR shall maintain first aid facilities for



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injuries:

its employees and those of its SUB-CONTRACTOR.

ii) CONTRACTOR shall make outside arrangements for ambulance service and for the treatment of industrial injuries. Names of those providing these services shall be furnished to EMPLOYER prior to start of construction and their telephone numbers shall be prominently posted in CONTRACTOR's field office.

iii) All critical industrial injuries shall be reported promptly to EMPLOYER, and a copy of CONTRACTOR's report covering each personal injury requiring the attention of a physician shall be furnished to the EMPLOYER.

112 General rules:

112.0 Smoking within the battery area, tank farm or dock limits is strictly prohibited. Violators of the no smoking rules shall be discharged immediately.

113 Contractor's barricades:

113.0

i) CONTRACTOR shall erect and maintain barricades required in connection with his operation to guard or protect:-

a) Excavations

b) Hoisting Areas.

c) Areas adjudged hazardous by CONTRACTOR's or EMPLOYER's inspectors.

d) EMPLOYER's existing property subject to damage by CONTRACTOR's Operations.

e) Rail Road unloading spots.

ii) CONTRACTOR's employees and those of his SUB- CONTRACTOR's shall become acquainted with EMPLOYER's barricading practice and shall respect the provisions thereof.

iii) Barricades and hazardous areas adjacent to, but not located in normal routes of travel shall be marked by red flasher lanterns at nights.

114 Scaffolding:

114.1

i) Suitable scaffolding should be provided for workmen for all works that cannot safely be done from the ground or from solid construction except such short period work as can be done safely from ladders. When a ladder is used an extra Mazdoor shall be engaged for holding the ladder and if the ladder is used for carrying material as well, suitable footholds and handholds shall be provided on the ladder and the ladder shall be given an inclination not steeper than 1 in 4 (1 horizontal and 4 vertical).

ii) Scaffolding or staging more than 4 metres above the ground or floor, swing suspended from an overhead support or erected with stationary support shall have a



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guard rail properly attached, bolted, braced and otherwise retarded at least one metre high above the floor or platform of such scaffolding or staging and extending along the entire length of the outside and ends thereof with only such openings as may be necessary for the delivery of materials. Such scaffolding or staging shall be so fastened as to prevent it from swaying from the building or structure.

iii) Working platform, gangway and stairway should be so constructed that they should not sag unduly or unequally and if the height of platform of the gangway or the stairway is more than 4 metres above the ground level or floor level, they should be closely boarded, should have adequate width and should be suitably fastened as in ii) above.

iv) Every opening in the floor of a building or in a working platform shall be provided with suitable means to prevent the fall of persons or materials by providing suitable fencing of railing whose minimum heights shall be 1 metre.

v) Safe-means of access shall be provided to all working platforms and other working places, every ladder shall be securely fixed. No portable single ladder shall be over 9 metres in length while the width between side rails in rung ladder shall in no case be less than 30 cms for ladder upto and including 3 metres in length. For longer ladder this width should be increased 5mm for each additional foot of length. Uniform steps spacing shall not exceed 30 cms. Adequate precautions shall be taken to prevent danger from electrical equipment. No materials on any of the sites or work shall be so stacked or placed to cause danger or inconvenience to any person or public. The CONTRACTOR shall also provide all necessary fencing and lights to protect the workers and staff from accidents, and shall be bound to bear the expenses of defense of every suit, action or other proceeding of law that may be brought by any person for injury sustained owing to neglect of the above precautions and pay any damages and costs which may be awarded in any such suit or action or proceeding to any such person or which may with the consent of the CONTRACTOR be paid to compromise any claim by any such person.

115 Excavation and trenching: 115.1 All trenches 1.2 metres or more in depth, shall at all times be supplied with at least one ladder for each 50 metres length or fraction thereof.

Ladder shall be extended from bottom of the trenches to atleast 1 metre above the surface of the ground. The sides of the trenches which are 1.5M in depth shall be stepped back to give suitable slope or securely held by timber bracing, so as to avoid the danger of sides to collapse. The excavated materials shall not be placed within 1.5 metres of the edge of the trench or half of the trench



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width whichever is more. Cutting shall be done from top to bottom. Under no circumstances undermining or under-cutting shall be done.

116 Demolition/general safety: 116.1

- i) Before any demolition work is commenced and also during the progress of the demolition work
 - a) All roads and open areas adjacent to the work site shall either be closed or suitably protected.
 - b) No electric cable or apparatus which is liable to be a source of danger shall remain electrically charged.
 - c) All practical steps shall be taken to prevent danger to persons employed from risk of fire or explosion or flooding. No floor, roof or other part of the building shall be so overloaded with debris or materials as to render it unsafe.
- ii) All necessary personal safety equipment as considered adequate by the ENGINEER-IN-CHARGE, should be kept available for the use of the persons employed on the SITE and maintained in condition suitable for immediate use, and the CONTRACTOR shall take adequate steps to ensure proper use of equipment by those concerned.
 - a) Workers employed on mixing asphaltic materials, cement and lime mortars shall be provided with protective footwear and protective gloves.
 - b) Those engaged in white washing and mixing or stacking or cement bags or any material which are injurious to the eyes be provided with protective goggles.
 - c) Those engaged in welding and cutting works shall be provided with protective face & eye shield, hand gloves, etc.
 - d) Stone breakers shall be provided with protective goggles and protective clothing and seated at sufficiently safe intervals.
 - e) When workers are employed in sewers and manholes, which are in use, the CONTRACTOR shall ensure that the manhole covers are opened and are ventilated atleast for an hour before the workers are allowed to get into the manholes, and the manholes so opened shall be cordoned off with suitable railing and provided with warning signals or board to prevent accident to the public.
 - f) The CONTRACTOR shall not employ men below the age of 18 years and women on the work of painting with products containing lead in any



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form. Wherever men above the age of 18 years are employed on the work of lead painting, the following precautions should be taken.

1) No paint containing lead or lead product shall be used except in the form of paste or readymade paint.

2) Suitable face masks should be supplied for use by the workers when paint is applied in the form of spray or a surface having lead paint dry rubbed and scrapped.

3) Overalls shall be supplied by the CONTRACTOR to the workmen and adequate facilities shall be provided to enable the working painters to wash them during and on cessation of work.

- iii) When the work is done near any place where there is risk of drowning, all necessary safety equipment should be provided and kept ready for use and all necessary steps taken for prompt rescue of any person in danger and adequate provision should be made for prompt first aid treatment of all injuries likely to be sustained during the course of the work.
- iv) Use of hoisting machines and tackles including their attachments, anchorage and supports shall conform to the following standards or conditions:
 - a) These shall be of good mechanical construction, sound materials and adequate strength and free from patent defect and shall be kept in good working order.
 - b) Every rope used in hoisting or lowering materials or as means of suspension shall be of durable quality and adequate strength and free from patent defects.
 - c) Every crane driver or hoisting appliance operator shall be properly qualified and no person under the age of 21 years should be in charge of any hoisting machine including any scaffolding, winch or give signals to the operator.
 - d) In case of every hoisting machine and of every chain ring hook, shackle, swivel, and pulley block used in hoisting or lowering or as means of suspension, the safe working load shall be ascertained by adequate means. Every hoisting machine and all gears referred to above shall be plainly marked with the safe working load of the conditions under which it is



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applicable and the same shall be clearly indicated. No part of any machine or any gear referred to above in this paragraph shall be loaded beyond safe working load except for the purpose of testing.

- e) In case of departmental machine, the safe working load shall be notified by the ENGINEER-IN-CHARGE. As regards CONTRACTOR's machines, the CONTRACTOR shall notify the safe working load of the machine to the ENGINEER-IN-CHARGE whenever he brings any machinery to SITE of WORK and get it verified by the Engineer concerned.
- v) Motors, gears, transmission lines, electric wiring and other dangerous parts of hoisting appliances should be provided with efficient safeguards. Hoisting appliances should be provided with such means as to reduce to minimum the accidental descent of the load, adequate precautions should be taken to reduce the minimum risk of any part or parts of a suspended load becoming accidentally displaced. When workers are employed on electrical installations which are already energised, insulating mats, wearing apparel, such as gloves, sleeves, and boots as may be necessary should be provided. The workers shall not wear any rings, watches and carry keys or other materials which are good conductors of electricity.
- vi) All scaffolds, ladders and other safety devices mentioned or described herein shall be maintained in safe conditions and no scaffolds, ladder or equipment shall be altered or removed while it is in use. Adequate washing facilities should be provided at or near places of work.
- vii) These safety provisions should be brought to the notice of all concerned by displaying on a notice board at a prominent place at the work-spot. The person responsible for compliance of the safety code shall be named therein by the CONTRACTOR.
- viii) 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 Welfare Officer, ENGINEER-IN-CHARGE or safety Engineer of the Administration or their representatives.
- ix) Notwithstanding the above clauses there is nothing in these to exempt the CONTRACTOR for the operations of any other Act or rules in force in the Republic of India. The work throughout including any temporary works shall be carried out in such a manner as not to interfere in any way whatsoever with the traffic on any roads or footpath at the site or in the vicinity thereto or any existing works whether the property of the Administration or of a third party.



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In addition to the above, the CONTRACTOR shall abide by the safety code provision as per C.P.W.D. Safety code and Indian Standard Safety Code from time to time.

- | | |
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| 117 Care in handling inflammable gas: | 117.1 The CONTRACTOR has to ensure all precautionary measures and exercise utmost care in handling the inflammable gas cylinder/inflammable liquids/paints etc. as required under the law and/or as advised by the fire Authorities of the EMPLOYER |
| 118 Temporary combustible structures: | 118.1 Temporary combustible structures will not be built near or around work site. |
| 119 Precautions against fire: | 119.1 The CONTRACTOR will have to provide Fire Extinguishers, Fire Buckets and drums at worksite as recommended by ENGINEER-IN-CHARGE. They will have to ensure all precautionary measures and exercise utmost care in handling the inflammable gas cylinders/ inflammable liquid/ paints etc. as advised by ENGINEER-IN-CHARGE. Temporary combustible structures will not be built near or around the work-site. |
| 120 Explosives: | 120.1 Explosives shall not be stored or used on the WORK or on the SITE by the CONTRACTOR without the permission of the ENGINEER-IN-CHARGE in writing and then only in the manner and to the extent to which such permission is given. When explosives are required for the WORK they will be stored in a special magazine to be provided at the cost of the CONTRACTOR in accordance with the Explosives Rules. The CONTRACTOR shall obtain the necessary licence for the storage and the use of explosives and all operations in which or for which explosives are employed shall be at sole risk and responsibility of the CONTRACTOR and the CONTRACTOR shall indemnify the EMPLOYER against any loss or damage resulting directly or indirectly therefrom. |
| 121 Mines act: | <div>121.1 SAFETY CODE: The CONTRACTOR shall at his own expense arrange for the safety provisions as required by the ENGINEER-IN-CHARGE in respect of all labour directly employed for performance of the WORKS and shall provide all facilities in connection therewith. In case the CONTRACTOR fails to make arrangements and provides necessary facilities as aforesaid, the ENGINEER-IN- CHARGE shall be entitled to do so and recover the costs thereof from the CONTRACTOR.</div> <div>121.2 Failure to comply with Safety Code or the provisions relating to report on accidents and to grant of maternity benefits to female workers shall make the CONTRACTOR liable to pay Company Liquidated Damages an amount not exceeding Rs.50/- for each default or materially incorrect statement. The decision of the ENGINEER-IN-CHARGE in such matters based on reports from the Inspecting Officer or from representatives of ENGINEER-IN-CHARGE shall be final and binding and deductions for recovery of such Liquidated Damages may be made from any</div> |



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amount payable to the CONTRACTOR from all the provisions of the Mines Act, 1952 or any statutory modifications or re-enactment thereof the time being in force and any Rules and Regulations made thereunder in respect of all the persons employed by him under this CONTRACT and shall indemnify the EMPLOYER from and against any claim under the Mines Act or the rules and regulations framed thereunder by or on behalf of any persons employed by him or otherwise.

122 Preservation of place:

122.1 The CONTRACTOR shall take requisite precautions and use his best endeavours to prevent any riotous or unlawful behaviour by or amongst his worker and others employed or the works and for the preservation of peace and protection of the inhabitants and security of property in the neighborhood of the WORK. In the event of the EMPLOYER requiring the maintenance of a Special Police Force at or in the vicinity of the site during the tenure of works, the expenses thereof shall be borne by the CONTRACTOR and if paid by the EMPLOYER shall be recoverable from the CONTRACTOR.

123 Outbreak of infectious diseases:

123.1 The CONTRACTOR shall remove from his camp such labour and their facilities who refuse protective inoculation and vaccination when called upon to do so by the ENGINEER-IN-CHARGE's representative. Should Cholera, Plague or other infectious diseases break out the CONTRACTOR shall burn the huts, beddings, clothes and other belongings or used by the infected parties and promptly erect new huts on healthy sites as required by the ENGINEER-IN-CHARGE failing which within the time specified in the Engineer's requisition, the work may be done by the EMPLOYER and the cost thereof recovered from the CONTRACTOR.

124 Use of intoxicants:

124.1 The unauthorised sale of spirits or other intoxicants, beverages upon the work in any of the buildings, encampments or tenements owned, occupied by or within the control of the CONTRACTOR or any of his employee is forbidden and the CONTRACTOR shall exercise his influence and authority to the utmost extent to secure strict compliance with this condition.

In addition to the above, the CONTRACTOR shall abide by the safety code provision as per C.P.W.D. safety code and Indian Standard Code framed from time to time.

SECTION IV B

**SPECIAL CONDITIONS OF CONTRACT –
WORKS
(SCC- WORKS)
(FOR OPTION 2)**

1. DEFINITIONS

The following articles shall supplement the Instruction to Bidders and General Conditions of Contract. In Case of any conflict between General Conditions of Contract and Special Conditions of Contract, the latter shall prevail to the extent of repugnancy.

1.1 DEFINITIONS:

Effective Date shall mean the date on which Contractor's obligations will commence and that will be date of issuance of Fax of Acceptance.

Delivery shall mean delivery of Coated Pipes at respective Warehouse including . unloading and stacking of coated pipes in respective warehouse.

Warehouse/dump yard/ Storage yard shall mean a place hired / owned by contractor at Owner / Consultant's specified location for the purpose of storing the Coated/ Bare Pipes and delivering the same to Laying contractor.

2. SCOPE OF WORK

The scope of supply shall be as given at Material Requisition (Section-VI) and Price Schedule enclosed with this tender enquiry.

The bids may be submitted for the following OPTION depending upon the bidder's eligibility.

OPTION-II : Coating in India of Bare Pipes issued by GAIL, Transportation of bare pipes to coating plant, coating of bare pipes, transportation of coated pipes to Designated Warehouse / Warehouse and maintenance of Dump yard for three (3) months beyond the contractual completion period or actual completion period, which ever is later.

The bidder is required to quote for all the items and for the entire quantity under Option-II as per his choice. The bids shall be evaluated for the full quantity on L-1 basis under the given option as selected by the Bidder (*the items have been defined as A, B, C & D in the Material Requisition*).

Other requirements in respect of supply shall be as follows :-

- a) The manufacturer shall be required to establish and maintain quality assurance system in accordance with ISO:9001 or equivalent. GAIL/ MECON reserves the right to audit manufacturer's quality system.
- b) GAIL is manufacturing 3LPEcompound-PB48A004 and coating contractor can opt for external coating of pipes available on the prevailing rate at the time of procurement.
GAIL PE-compound can be issued from any place out of the five locations viz. Daman, Silvassa, Dadra, Malanpur (Gwailor) and Ghaziabad. Exact location shall be decided by GAIL at the time of issuing compound material. The transportation of compound material from the place decided by GAIL shall be in the scope of coating contractor.

2.1 Works associated with Receiving & Taking over of Line Pipes

In case bare line pipe supply is of imported origin, the Contractor shall "receive and take-over" the line pipes at Indian Port of entry. Bare line pipes will be delivered to coating contractor on his trailer(s) directly from ship's crane hook. The sufficient number of trailer shall be provided by coating contractor to meet the time limit for

unloading of the ship/(s) as per port authorities requirements. Arrangement and management of intermediate warehouse/(s), if required, for meeting the time limits for unloading of the ship/(s) and preservation & security shall be the responsibility of coating contractor. The consequences for the delay in unloading of the ship and any charges payable to port authorities in delay shall be in the account of coating contractor. The Contractor shall take over the line pipes from the vessel as per commercial conditions indicated else where in the requisition including all handling, unloading / loading as required.

In case bare line pipe supply is of domestic origin, the coating Contractor shall receive and take over the pipes ex-pipe mill(s) on FOT basis. The trailers shall be provided by coating contractor where as crane for loading will be provided by bare line pipe manufacturer. Contractor shall take only defect free pipes from pipe manufacturer. Pipe manufacturer shall repair the defect found at the time of handing over of pipes. The Coating Contractor at no cost to Company shall repair any defect found after taking over.

Handing Over Taking Over (HOTO): While taking over of bare line pipes from bare line pipe manufacturer, both the bare line pipe supplier and coating contractor shall record item(s) and their quantity and length handed over/taken over without any apparent defect. Bare line-pipe contractor shall ensure that the coating contractor while taking over the bare line-pipes shall record at HOTO statement that pipes are received without apparent defect and in case any apparent defect, if noticed during the taking over of bare line-pipes by coating contractor shall be recorded and defect shall be repaired by the bare line-pipe manufacturer as per the requirements of technical specifications in the bid documents and without any additional cost.

Apart from the document requirement specified in the MR, the scope of seller also includes handing over of list of accepted pipes in editable format (MS-Excel) but protecting the details (cells) pertaining to manufacturing and testing of bare line pipe to coating contractor at the time of HOTO. The other documents of IRN and Dispatch Clearance Note (DCN) shall be provided to Coating at the time of HOTO.

2.1.1 Works associated with External coating of Line Pipes

- i) Supply of all coating materials as per specification no. MEC/S/05/21/014, Rev. 0, for carrying out 3-layer polyethylene external coating and specification no. MEC/S/05/21/014 B, Rev. 0, for carrying out internal coating. The bidder's proposed coating raw material supplier(s) shall be manufacturer of the materials meant for the three layer side extruded polyethylene coating and internal epoxy coating of pipes. They must have manufactured and supplied the offered grades of materials within the last seven years reckoned from the bid due date. These manufacturer(s) shall be evaluated at the bid stage and the bidder shall submit necessary letter of authorization and confirmation (as applicable) from such proposed manufacturer(s). Bidder offer shall be unconditional irrespective of the finally qualified raw material manufacturer(s).
- ii) The minimum thickness of finished 3LPE coating shall be 2.0 mm for 6" & 8", 2.5 mm for 18" and 3.0 mm for 30" pipes and the thickness of Internal coating shall be 60 µm – 80 µm.

Cleaning and surface preparation of pipes, application of 3 layer side extruded polyethylene coating & internal coating on bare line pipes, carrying out inspection and testing, repairing of coating defects, re-testing, any cutting of pipes for the purpose of PQT or regular production testing, carrying out re-bevelling and all associated works after cutting etc. and carrying out all coating works as per specification. Application shall also include coating of pipes of non-standard lengths obtained.

2.1.3 Works associated with Ware House/Storage yards

- i) Bidder(s) shall arrange for land for Ware House near Kochi. adjacent to State highway/National highway and near to ROU, adequate to store pipes as per the requirements stipulated and beyond the octroi limit applicability. Bidder shall enter into lease agreement with the various land owners for usage of land adequate as per the Ware House plan. The area of Ware House and number of layers for pipes shall be chosen so as to ensure safe handling of pipes and free movement of trailers. Bidder shall submit the Ware House location and layout plan for MECON/GAIL'S review/approval prior to actual acquisition of land for the said purpose.
- ii) Bidder(s) shall develop the Ware House area required for stacking/storing of specified quantity of coated / bare pipes. Bidder shall be responsible for maintaining suitable warehouse facilities including preservation, traceability, security and insurance at Kochi. Bidder shall carry out in this regard all civil works within the Ware House required for temporary storage of pipes in all types of soils such as site grading, clearing, cutting, levelling, filling-up, providing temporary internal roads duly compacted for movement of cranes/trailers within the Ware House, providing temporary fencing and gates/barrier, cabins etc. as per the relevant drawings and other requirements indicated in the Contract document. Bidder shall be responsible for temporary land acquisition for Ware House, making approach road as required to the Ware House from the nearest main road including compensation to land owner(s) for the approach road, permission for the approach road, etc.
- iii) In case any tree cutting is involved, the disposal of uprooted trees shall be as per prevailing environment protection law. All internal access roads shall be dressed and consolidated by means of power driven rollers to obtain maximum compaction. Bidder shall also provide adequate drainage within the Ware House. All leveling, dressing and consolidation works shall be carried out as per the instructions of Company Representative. Bidder shall obtain tree cutting permission from concerned authority wherever applicable.
- iv) A typical layout of storage yards sketch no. MEC/05/28/23M3/014/01 is enclosed for reference purpose. Bidder shall develop a detailed development plan of Ware House including approach road and obtain MECON/GAIL'S approval prior to acquisition of land and commencement of Ware House development works. The area of Ware House shall be chosen so as to ensure safe handling of pipes and free movement of trailers.
- v) The Ware House shall be provided with barbed wire fencing.
- vi) The bare/coated pipes within the Ware House may be stacked by placing them on ridges of sand free from stones and covered with a plastic film or on wooden supports provided with suitable cover. Supply of sand and other materials shall be in Bidder's scope. This cover may consist of dry, germ free straw with a plastic film, otherwise foam rubber shall be used. The support shall be spaced in such a manner as to avoid permanent bending of the pipes. Bare pipe stacks shall consist of limited number of layers so that overstressing & deformation of the pipe is avoided. In case of coated pipes, stacks shall consist of limited number of layers so that the pressure exercised by the pipe's own weight does not cause deformation of the line pipe/ damages to coating. Each section shall be separated by means of spacers suitably spaced for this purpose. Calculation for stacking arrangement for bare/coted pipes and number of layers of pipes at storage yards shall be submitted by the coating contractor and approved by MECON/GAIL.

- vii) Bidder shall also be responsible for providing illumination at the Ware House. The illumination shall be 10 to 15 lux minimum and shall be provided with 11 metres flood light poles. The required power for the lighting shall be arranged by the Bidder.
- viii) Bidder shall be responsible for maintenance and management of Storage yards/ Ware House for the time specified elsewhere in the tender document or as advised by MECON/GAIL including providing security guard etc.
- ix) The Storage yards/ Ware House shall be restored to original status before handing over to the land owner. Bidder shall carry out all activities related to restoration. The rates quoted shall include all such aspects.
- x) Bidder shall furnish No Dues/ No Objection certificate from land owner upon handing over the land to its owner after completion of works.
- xi) Handing over of pipes to laying contractor progressively, based on the construction requirement. Inspection of all bare & coated line pipes in presence of company representative while handing over of pipes to laying contractor at Storage yards/ Ware House. Repair of damaged pipes, beveled end defects and damaged coating (including supply of coating materials for repair) noticed at the time of handing over of bare/ coated pipes to laying contractor. All handling, lifting tools etc. required for inspection of coated/ bare line pipes at Ware House shall be carried out by the bidder. Bidder shall load the coated & bare pipes on to the truck/ trailer (arranged by Installation Agency) at the Storage yards/ Ware House during handing over.
- xii) Handing over of all surplus coated & bare pipes to laying contractor at the Storage yards/ Ware House at the end of work.

2.1.4 Materials to be supplied by Bidder

Bidder shall procure and supply in sequence and at appropriate time, all corrosion coating materials, repair materials, all accessories, consumables and utilities required for completion of works. The rates quoted for the execution of the work shall be inclusive of supply of these materials. All materials supplied shall be strictly in accordance with the requirements of relevant applicable Company specifications enclosed.

Materials to be supplied shall include, but not limited to, the following:

- a) All materials and equipment required for repair, re-beveling and / or cutting out defects of bare pipes.
- b) All consumables, equipment required for surface cleaning / preparation etc.
- c) Coating materials and other materials, equipment, consumables as required for coating.
- d) All materials and equipment required for conducting all types of inspection and tests including non-destructive testing of pipes after rebeveling/ grinding.
- e) All materials and equipment required for repairing of defects of coated pipes and thereafter re-testing.
- f) All equipment, tools, tackles, trucks/ trailers, devices required for loading, transportation, hauling, handling, unloading, stacking, and storage of bare/ coated pipes.
- g) Any other items not mentioned above but required for timely completion of work in all respect.

2.1.5 Other Requirements

- i) The coating plant, equipment, machinery and other facilities shall be in good operating condition to meet the job requirement of quality and production. Worn out or improvised plant are not acceptable. The coating plant(s) for the work shall be of size and capacity that shall be suitable for the scale of work, production rate, time schedule specified elsewhere in the tender document.
- ii) Bidder shall, at his own responsibility and cost, provide and prepare all necessary area for the storage of pipes and all other materials for coating yard, stock piling, and other temporary installation. Bidder shall provide servitude agreements as required with the relevant authorities and on work completion to clean, restore and pay settlements and claim for damages.
- iii) It is mandatory for the Bidder to provide all testing instruments/ equipment required for qualification, pre production and regular production testing with adequate inventory to carry out tests required within the coating yard. No outside testing is acceptable for this purpose.
- iv) Bidder shall, at his own responsibility and cost, provide water and power supply and other utilities, obtain permit regarding access roads and other permits required for the execution of works conforming to all the requirements of the governing authorities.
- v) All handling, loading, unloading, stacking/storing shall be done in such a manner as to minimise mechanical damages & corrosion and as per the procedure approved by the Company.
 - a. All handling shall be done with slings or padded hooks.
 - b. Trailers shall be cleaned of debris or any other substance that might damage the pipe.
 - c. Suitable timber and other dunnage shall be used to protect the pipes against the damage during transit.
 - d. Loading shall be done in accordance with API RP 5L1 and procedure approved by the Company.
 - e. Finished pipe to be stored for a significant period of time in the coating yard in a manner to prevent corrosion and damages to the coating.
- vi) A NACE Level-II coating specialist shall be made available during entire duration of coating works.
- vii) Coating wastage generated due to standard cut backs on external coating shall be the property of the Bidder.
- viii) Any other works not listed specifically herein but required to be carried out by the Bidder in order to complete the job in all respects, shall also form a part of Bidder's scope.

3. **DELIVERY SCHEDULE**

Option	Description	Delivery Schedule	Effective Date of Start	Delivery Basis
2	Coating of bare pipes	Delivery within 14 weeks (Delivery to start progressively latest by 6 th week or within 4 weeks from handing over of last bare pipe, whichever is later)	From date of intimation by GAIL/ or its authorized representative of readiness of Bare line pipes for lifting from Manufacturer's works/ designated India sea Port	FOT site (Dump Yard)

4. **PAYMENT TERMS AND MODE OF PAYMENT**

4.1 The terms and mode of payment shall be as per Section IV C hereto.

5. **REPEAT ORDER**

5.1 In partial modification to GCC clause no. 40, Repeat Order shall be applicable upto 20% of the ordered quantity within contractual delivery period or six months from the date of Fax of acceptance, whichever is earlier.

6. **RECOVERY OF CUSTOMS DUTY, EXCISE DUTY AND SALES TAX**

6.1 In case, the statutory variation entitles the Owner to recover the amount (irrespective of Contractual Delivery) such amount will be recovered from any bill of the Contractor, immediately on enforcement of such variation, under intimation to the Contractor.

7. **OWNER'S RIGHTS AND REMEDIES**

7.1 Without prejudice to Owner's right and remedies under Agreement, if CONTRACTOR fails to commence delivery as per agreed schedule and/or in reasonable opinion of the Owner, CONTRACTOR is not in a position to makeup the delay to meet the intended purpose, the Owner may terminate the Contract in full or part at Contractor's default and may get supplies from other sources at Contractor's risk and cost.

8. **DEFECT LIABILITY PERIOD**

(GCC clause no. 80.0)

8.1 In partial modification to GCC CLAUSE 80.0, it may be noted that Defect Liability Period shall be 24 months starting from the date of handing over of the last line pipe to the pipe laying contractor.

9. **PRICE REDUCTION SCHEDULE (PRS)**

In partial modification of provisions of GCC-Works 27.0 and pursuant to clause 3 of SCC, in case of delay in delivery of any equipment / material or delay in completion, total contract price shall be reduced by ½% (half percent) of the total price of undelivered quantity value as per complete week of delay or part thereof of subject to a maximum of 5% (five percent) of total Contract Price.

The Contract/order value shall exclude the taxes & duties for the Purpose Price reduction schedule. The Price reduction schedule indicated at cl. No.27 of GCC shall stand modified the above extent.

10. **REJECTION**

10.1 Any materials/goods covered under scope of supply, which during the process of inspection by appointed third party, Purchaser, Consultant or their representative, at any stage prior to dispatch or at warehouse, is found not conforming to the requirements/specifications of the Purchase Requisition/ Order, shall be liable for immediate rejection.

10.2 Contractor shall be responsible and liable for immediate replacement of such material with acceptable material at no extra cost or impact on the delivery schedule to OWNER.

11. **LIMITATION OF LIABILITY**

(Partial modification to GCC Sub-Clauses 80.3)

11.1 The final payment by the OWNER in pursuance of the Contract terms shall not mean release of the Contractor from all his liabilities under the Contract. The contractor will be liable and committed under this Contract to fulfill all his liabilities and responsibilities, till such time the Owner releases Contract Performance Guarantee.

11.2 Notwithstanding anything contrary contained herein, the aggregate total liability of Contractor under the Contract or otherwise shall be limited to 100% of contract value Plus Cost of Bare Pipes. However, neither party shall be liable to the other party for any indirect and consequential damages, loss of profits or loss of production.

12. **INSURANCE**

12.1 Contractor shall, at his own expense arrange, secure and maintain insurance as may be necessary with reputable insurance companies to the satisfaction of the Employer. Bidder's failure in this regard shall not relieve him of any of this responsibilities and obligations under Contract. The Contractor will insure the Goods for its full replacement value till the coated pipes are handed over to erection contractor.

12.2 Employer will be co-insured in the Policy.

12.3 Any damage or loss or short receipt noted by the Employer on receipt of material at Warehouse or at the time of taking delivery at Warehouse, as the case may be, the Employer might immediately inform the Contractor through e-mail/ fax/ letter. The documentary evidence shall be forwarded to Contractor in due course.

12.4 The Contractor shall take immediate step to lodge claims with its insurer and arrange to make good or immediate replacement of damaged/ lost/ short receipt material without waiting for insurance claim settlement.

12.5 In case the damage is repairable and carried out by the Employer to save time, the Contractor will reimburse the cost of repair, immediately on demand.

13. **INSURANCE FOR FREE ISSUE MATERIAL**

Contractor shall at his own expense arrange, secure and maintain insurance cover of Rs. 55 crores for owner supplied free issue materials during entire tenure of Contractor's custody till the material is handed over back to owner as defined in tender document.

Contractor's quoted price shall be inclusive of all costs on account of insurance liabilities covered under the contract. Contractor to note that the beneficiary of insurance cover shall be GAIL (India) Limited.

14. GOVERNING LAWS

14.1 Laws of India will govern the Agreement and Delhi courts will have exclusive jurisdiction on all matters related to Agreement.

16. BONUS CLAUSE

16.1 The Bonus Clause 27.3 of GCC is not applicable in the tender.

17. VOID

18. INDEPENDENT CONTRACTOR

It is expressly understood and agreed that Contractor is an independent party and that neither the Contractor/ its personnel are servants, agents or employees of Employer/ Consultant nor the Contractor has any kind of interest in other contractors/ sellers.

19. LIEN

Contractor shall ensure that the Scope of Supply supplied under the Agreement shall be free from any claims of title/ liens from any third party. In the event of such claims by any party, Contractor shall at his own cost defend, indemnify and hold harmless Purchaser or its authorised representative from such disputes of title/ liens, costs, consequences etc.

20. PERFORMANCE EVALUATION

20.1 Contractor's Performance will be evaluated from receipt of bid until completion of Works as per format attached herewith as Attachment V.

**21. QUALITY ASSURANCE/ QUALITY CONTROL
(3LPECoating & Internal Coating (For MR Option-II only))**

21.1 Bidder shall include in his offer the Quality Assurance Programme containing the overall quality management and procedures, which is required to be adhered to during the execution of contract. After the award of the contract detailed quality assurance programme shall be prepared by the Bidder for the execution of contract for various works, which will be mutually discussed and agreed to.

21.2. Bidder shall establish document and maintain an effective quality assurance system outlined in recognized codes.

21.3 Quality Assurance System plans/ procedures of the Bidder shall be furnished in the form of a QA manual. This document should cover details of the personnel responsible for the Quality Assurance, plans or procedures to be followed for quality control in respect of Design, Engineering, Procurement, Supply, Inspection, Testing and Commissioning. The quality assurance system should indicate organisational approach of quality control and quality assurance of the construction activities, at all stages of work at manufacture's works and dispatch of materials.

21.4 The Contractor shall adhere to the Quality Assurance Plan attached.

22. TEST CERTIFICATES

- Bidder shall be required to submit recent test certificates for the material being used in works from the recognized laboratories. These certificates should indicate all properties of the materials as required in relevant IS Standards or international Standards.

- Bidder shall also submit the test certificates with every batch material supplied, which will be approved by Purchaser. Incase any test is to be carried out the same shall be got done in the approved laboratory at the cost of Bidder.

23

MAKE OF MATERIALS

The raw materials required to be procured by the Bidder for completing supply under this contract shall be procured only from Owner approved vendors. Where the makes of materials are not indicated in the Bidding document, Bidder shall obtain prior approval of Owner/ Purchaser of such items of vendors/sub-vendors before placing order and for this shall furnish complete detail/ information to Owner/ Consultant well in advance. However, seeking such approval shall not be the basis for extension of delivery/ completion schedule.

24

Following international inspection agencies are acceptable for coating plant qualification.

- CEIL
- TUV
- DNV
- Lloyds Register
- Moody International
- Bureau Veritas
- ABS Industrial Verification India Ltd
- AIB – Vincotte

25

CERTIFICATION

The vendor shall be completely responsible for the design, materials, fabrication, coating, testing, inspection, preparation for shipment, loading of the above item strictly in accordance with the Material Requisition and all attachments thereto. All items shall be provided with EN 10204, 3.2 Certification.

26.

THIRD PARTY INSPECTION AGENCIES

Vendor shall appoint anyone of the following TPIA for inspection purpose. Vendor has to proposed minimum 4 names of below listed agencies to be approved by GAIL/ MECON.

- Lloyd Register of Industrial Services
- Technische Ulierwachungs Verein (TUV)
- Det Norske Veritas (DNV)
- AIB - Vincotte
- Bureau Veritas
- SGS
- ABS Industrial Verification India Ltd.
- Velosi Certification Services

Apart from inspection by TPIA, Inspection shall also be performed by GAIL and or its authorised representative / MECON, as set out and specified in the codes and particular documents forming this MR

27.

ARBITRATION

5th para of cl. No.107.1 of GCC , shall be modified as per the following:-
 “provisions of (Indian)Arbitration & Conciliation Act, 1996” shall be replaced by
 “provisions of (Indian)Arbitration & Conciliation Act, 1996 as amended time to time”

28.

POST ORDER CORRESPONDENCE

All post-order correspondence shall be addressed to:

- a) The DGM I/c (Inspection & Expediting)
MECON Limited
15th Floor, SCOPE Minar, Laxmi Nagar,
District Centre, Delhi – 110 092
- b) Deputy Gen. Manager (Projects) GAIL (India) Limited,
GAIL Bhavan,
16, Bhikaiji Cama Place,
R. K. Puram, New Delhi - 110066, India Deputy Gen. Manager (C&P)
- c) DGM (C&P)
GAIL (India) Limited,
GAIL Bhavan,
16, Bhikaiji Cama Place,
R. K. Puram, New Delhi - 110066, India

SECTION IV C
PAYMENT TERMS AND MODE OF PAYMENT
(FOR OPTION – 2)

1. TERMS OF PAYMENT

1.1. **Option – II :** (Taking over bare pipes from pipe supplies on port/ FOT basis, coating, transportation, Dumpsite management etc.)

1.1.1 Indian Bidder :-

a) 90% of cenvatable/ vatable invoice value will be paid progressively against receipt and acceptance of finished pipes at respective Dumpsite by purchaser/ consultant after adjustment against monthly PRS and against submission of invoice in triplicate alongwith

i) Purchase / Consultant's inspection release note.

ii) Packing list duly endorsed by consultant indicating receipt and acceptance of the material at Dumpsite

iii) GR/LR

iv) Proof of customs clearance including payment of customs duty on raw material for imports permitted in the contract and

v) Indemnity bond for the total price of the delivered item including cost of bare pipes, Attachment – II. The bond shall be valid till handing over of last pipe to laying contractor

1.1.1.2 The supplier shall raised invoices on fortnightly basis.

1.1.1.3 The payment to the supplier will be released within a period of 15 days from the date of receipt of the complete invoice duly certified by Purchaser/ consultant as per the terms and conditions of the contract.

1.1.1.4 The balance 10% amount of the invoice value shall be paid progressively within 30 days after delivery of finished line pipe by the supplier to the laying contractor and receipt of final technical document (if any) as specified in the PR.

2. The Invoice shall be made after adjusting the following

2.1 PRS pursuant to GCC – Goods clause 26.0, if applicable

2.2 Indian agents commissioning, if applicable

3.0 Mode of Payment

3.1 Payment will be released through E-payment as detailed in ITB clause 18.

3.2 Foreign Bidders

Through an irrevocable Letter of Credit (L/C) to be established by Purchaser through an Indian Nationalised Bank within 30 days of acceptance of award by the Seller and its furnishing requisite Performance Bank Guarantee. L/C opening charges payable to the L/C opening bank shall be borne by the Purchaser. In case the Seller requires a confirmed L/C, the confirmation charges shall be borne by the Seller. Any other charges not specified herein shall be on Seller's account.

4.0 Deduction at Source

4.1 Purchaser will release the payment to the Seller after effecting deductions as per applicable law in force.

4.2 Purchaser will release payments to the Contractor after offsetting all dues to the Purchaser payable by the Contractor under the Contract.

5. PAYING AUTHORITY:

General Manager (F&A),
GAIL (India) Ltd., GAIL Bhavan,
16, Bhikaiji Cama Place,
R.K. Puram, New Delhi
India.

DOCUMENT NO. : 05/51/23M3(PH-I)/GAIL/012

PROJECT : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT

ATTACHMENT – II

INDEMNITY BOND

PROFORMA OF INDEMNITY BOND FOR SUPPLY OF MATERIALS BY EMPLOYER
(To be executed on non-judicial stamped paper of appropriate value)

WHEREAS GAIL (INDIA) LTD. (hereinafter referred to as GAIL) which expression shall unless repugnant to the context includes their legal representatives, successors and assigns having their registered office at 16, Bhikaiji Cama Place; R.K.Puram New Delhi has entered into a CONTRACT with _____ (hereinafter referred to as the CONTRACTOR which expression shall unless repugnant to the context include their legal representatives, successors and assigns) for _____ on the terms and conditions as set out, inter-alia, in the CONTRACT No..... Dated..... and various documents forming part thereof hereinafter collectively referred to as the "CONTRACT" which expression shall include all amendments, modifications and/or variations thereto.

AND WHEREAS

- i) GAIL has agreed to supply to the CONTRACTOR, equipment, plants and materials (finished, semi-finished and raw) for the purpose of EXECUTION of the said CONTRACT by the CONTRACTOR (the equipment, plants and materials to be supplied by GAIL to the CONTRACTOR, hereinafter for the sake of brevity referred to as the "said materials") and pending execution by the CONTRACTOR of the CONTRACT incorporating the said materials, the said materials shall be under the custody and charge of the CONTRACTOR and shall be kept, stored, altered, worked upon and/or fabricated at the sole risk and expense of the CONTRACTOR.
- ii) As a pre-condition to the supply of the said materials by GAIL to the CONTRACTOR, GAIL has required the CONTRACTOR to furnish to GAIL an Indemnity Bond in the manner and upon terms and conditions hereinafter indicated.

NOW, THEREFORE, in consideration of the premises aforesaid the CONTRACTOR hereby irrevocably and unconditionally undertakes to indemnify and keep indemnified GAIL from and against all loss, damage and destruction (inclusive but not limited to any or all loss or damage or destruction to or of the said materials or any item or part thereof by theft, pilferage, fire, flood, storm, tempest, lightning, explosion, storage, chemical or physical action or reaction, binding, warping, exposure, rusting, faulty workmanship, faulty fabrication, or faulty method or technique of fabrication, strike, riot, civil commotion, or other act or omission or commission whatsoever within or beyond the control of the CONTRACTOR, misuse and misappropriation (inclusive but not limited to the misuse or misappropriation by the CONTRACTOR and the Contractor's servants and/or agents) whatsoever to, or of in the said materials or any part of them thereof from the date that the same or relative part of item thereof was supplied to the CONTRACTOR upto and until the date of return to GAIL of the said materials or relative part of item thereof or completed fabricated works(s) incorporating the said material and undertake to pay to GAIL forthwith on demand in writing without protest or demur the value as specified by GAIL of the said material or item or part thereof, lost, damaged, destroyed, misused and/or misappropriated, as the case may be or, together with GAIL'S costs and expenses (inclusive of but not limited to handling, transportation, cartage, insurance, freight, packing and inspection costs/or expenses upto) and aggregate limit of Rs. _____ (Rupees

_____).

AND THE CONTRACTOR hereby agrees with GAIL that:

- i) This Indemnity/Undertaking shall be a continuing Indemnity/ Undertaking and shall remain valid and irrevocable for all claims of GAIL arising hereunder upto and until the midnight of _____. However, if the CONTRACT for which this Indemnity/Undertaking is given is not completed by this date, the CONTRACTOR hereby agrees to extend the Indemnity/Undertaking till such time as is required to fulfil the CONTRACT.
- ii) This Indemnity/Undertaking shall not be determined by any change in constitution or upon insolvency of the CONTRACTOR but shall be in all respects and for all purposes be binding and operative until payment of all moneys payable to GAIL in terms of hereof.

- iii) The mere statement of allegation made by or on behalf of GAIL in any notice or demand or other writing addressed to the CONTRACTOR as to any of the said material or item or part thereof having been lost , damaged, destroyed, misused or misappropriated while in the custody of the CONTRACTOR and/or prior to completion of the completed fabricated work(s) and delivery to job site thereof incorporating the said materials shall be conclusive of the factum of the said material or item or part thereof having been supplied to the CONTRACTOR and/or the loss, damage, destruction, misuse or misappropriation thereof, as the case may be, while in the custody of the CONTRACTOR and/or prior to the completion of the completed fabricated work(s) and delivery to job site thereof incorporating the said materials without necessity on the part of GAIL to produce any documentary proof or other evidence whatsoever in support of this.
- iv) The amount stated in any notice of demand addressed by GAIL to the CONTRACTOR as to the value of such said materials lost, damaged, destroyed, misused or misappropriated, inclusive relative to the costs and expenses incurred by GAIL in connection therewith shall be conclusive of the value of such said materials and the said cost and expenses as also of the amount liable to be paid to GAIL to produce any voucher, bill or other documentation or evidence whatsoever in support thereof and such amount shall be paid without any demur and on demand and no dispute shall be raised concerning the same.

The undersigned has full power to execute this Indemnity Bond on behalf of the CONTRACTOR under the Power of Attorney dated_____.

(SIGNED BY COMPETENT AUTHORITY)

Place:

Dated:

Official seal of the CONTRACTOR

DOCUMENT NO. : 05/51/23M3(PH-I)/GAIL/012

PROJECT : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT

ATTACHMENT – III

CONTRACT AGREEMENT PERFORMA

PROFORMA FOR CONTRACT AGREEMENT

LOA No. GAIL /

dated -----

Contract Agreement for the work of ----- of GAIL (INDIA) Ltd. made on ----- between (Name and Address)-----, hereinafter called the "CONTRACTOR" (which term shall unless excluded by or repugnant to the subject or context include its successors and permitted assignees) of the one part and GAIL (INDIA) LIMITED hereinafter called the "EMPLOYER" (which term shall, unless excluded by or repugnant to the subject or context include its successors and assignees) of the other part.

WHEREAS

- A. The EMPLOYER being desirous of having provided and executed certain work mentioned, enumerated or referred to in the Tender Documents including Letter Inviting Tender, General Tender Notice, General Conditions of Contract, Special Conditions of Contract, Specifications, Drawings, Plans, Time Schedule of completion of jobs, Schedule of Rates, Agreed Variations, other documents has called for Tender.
- B. The CONTRACTOR has inspected the SITE and surroundings of WORK specified in the Tender Documents and has satisfied himself by careful examination before submitting his tender as to the nature of the surface, strata, soil, sub-soil and ground, the form and nature of site and local conditions, the quantities, nature and magnitude of the work, the availability of labour and materials necessary for the execution of work, the means of access to SITE, the supply of power and water thereto and the accommodation he may require and has made local and independent enquiries and obtained complete information as to the matters and thing referred to, or implied in the tender documents or having any connection therewith and has considered the nature and extent of all probable and possible situations, delays, hindrances or interferences to or with the execution and completion of the work to be carried out under the CONTRACT, and has examined and considered all other matters, conditions and things and probable and possible contingencies, and generally all matters incidental thereto and ancillary thereof affecting the execution and completion of the WORK and which might have influenced him in making his tender.
- C. The Tender Documents including the Notice Letter Inviting Tender, General Conditions of Contract, Special Conditions of Contract, Schedule of Rates, General Obligations, SPECIFICATIONS, DRAWINGS, PLANS, Time Schedule for completion of Jobs, Letter of Acceptance of Tender and any statement of agreed variations with its enclosures copies of which are hereto annexed form part of this CONTRACT though separately set out herein and are included in the expression "CONTRACT" wherever herein used.

AND WHEREAS

The EMPLOYER accepted the Tender of the CONTRACTOR for the provision and the execution of the said WORK at the rates stated in the schedule of quantities of the work and finally approved by EMPLOYER (hereinafter called the "Schedule of Rates") upon the terms and subject to the conditions of CONTRACT.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:-

1. In consideration of the payment to be made to the CONTRACTOR for the WORK to be executed by him, the CONTRACTOR hereby covenants with EMPLOYER that the CONTRACTOR shall and will duly provide, execute and complete the said work and shall do and perform all other acts and things in the CONTRACT mentioned or described or which are to be implied there from or may be reasonably necessary for the completion of the said WORK and at the said times and in the manner and subject to the terms and conditions or stipulations mentioned in the contract.
2. In consideration of the due provision execution and completion of the said WORK, EMPLOYER does hereby agree with the CONTRACTOR that the EMPLOYER will pay to the CONTRACTOR the respective amounts for the WORK actually done by him and approved by the EMPLOYER at the Schedule of Rates and such other sum payable to the CONTRACTOR under provision of CONTRACT, such payment to be made at such time in such manner as provided for in the CONTRACT.

A N D

3. In consideration of the due provision, execution and completion of the said WORK the CONTRACTOR does hereby agree to pay such sums as may be due to the EMPLOYER for the services rendered by the EMPLOYER to the CONTRACTOR, such as power supply, water supply and others as set for in the said CONTRACT and such other sums as may become payable to the EMPLOYER towards the controlled items of consumable materials or towards loss, damage to the EMPLOYER'S equipment, materials construction plant and machinery, such payments to be made at such time and in such manner as is provided in the CONTRACT.

It is specifically and distinctly understood and agreed between the EMPLOYER and the CONTRACTOR that the CONTRACTOR shall have no right, title or interest in the SITE made available by the EMPLOYER for execution of the works or in the building, structures or work executed on the said SITE by the CONTRACTOR or in the goods, articles, materials etc., brought on the said SITE (unless the same specifically belongs to the CONTRACTOR) and the CONTRACTOR shall not have or deemed to have any lien whatsoever charge for unpaid bills will not be entitled to assume or retain possession or control of the SITE or structures and the EMPLOYER shall have an absolute and unfettered right to take full possession of SITE and to remove the CONTRACTOR, their servants, agents and materials belonging to the CONTRACTOR and lying on the SITE.

The CONTRACTOR shall be allowed to enter upon the SITE for execution of the WORK only as a licensee simpliciter and shall not have any claim, right, title or interest in the SITE or the structures erected thereon and the EMPLOYER shall be entitled to terminate such license at any time without assigning any reason.

The materials including sand, gravel, stone, loose, earth, rock etc., dug up or excavated from the said SITE shall, unless otherwise expressly agreed under this CONTRACT, exclusively belong to the EMPLOYER and the CONTRACTOR shall have no right to claim over the same and such excavation and materials should be disposed off on account of the EMPLOYER according to the instruction in writing issued from time to time by the ENGINEER-IN-CHARGE.

In Witness whereof the parties have executed these presents in the day and the year first above written.

Signed and Delivered for and on
on behalf of EMPLOYER.

Signed and Delivered for and
on behalf of the CONTRACTORS.

GAIL (INDIA) LIMITED

(NAME OF THE CONTRACTOR)

Date : _____

Date : _____

Place: _____

Place: _____

IN PRESENCE OF TWO WITNESSES

1. _____

1. _____

2. _____

2. _____

DOCUMENT NO. : 05/51/23M3(PH-I)/GAIL/012

PROJECT : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT

ATTACHMENT – IV

INTEGRITY PACT

INTEGRITY PACT

INTRODUCTION:

GAIL as one of its endeavour to maintain and foster most ethical and corruption free business environment, have decided to adopt the Integrity Pact, a tool developed by the Transparency International, to ensure that all activities and transactions between the Company (GAIL) and its Counterparties (Bidders, Contractors, Vendors, Suppliers, Service Providers/Consultants etc.) are handled in a fair and transparent manner, completely free of corruption. Accordingly, an MOU on Integrity Pact has been signed on 23.07.2007 by GAIL with Transparency International India.

Considering the above, the details mentioned at attached Annexure-1 are applicable as stated in Instruction to Bidders of Bid Document in addition to the existing stipulation regarding Corrupt and Fraudulent Practices.

The attached copy of the Integrity Pact at Annexure- 2 shall be included in the Bid submitted by the bidder (to be executed by the bidder for all tenders of value Rs. 1 (One) crore and above). In case a bidder does not sign the Integrity Pact, his bid shall be liable for rejection.

ANNEXURE-1

Bidder is required to sign the Integrity Pact with GAIL as per format & terms and conditions enclosed with tender. In case a bidder does not sign the Integrity Pact, his bid shall be liable for rejection.

I COMMITMENTS AND OBLIGATIONS OF THE "COUNTERPARTY"

- a) The Counterparty, directly or indirectly (through agent, consultant, advisor, etc.), shall not pay any bribe/ influence or give undue/ unlawful benefit to anyone to gain undue advantage in dealing with GAIL.
- b) The Counterparty will not engage in collusion of any kind including price fixation etc. with other Counterparts.
- c) The counterparty will not pass GAIL's confidential information to any third party unless specifically authorized by GAIL in writing.
- d) The Counterparties shall promote and observe best ethical practices within their respective organizations.
- e) The Counterparty shall inform the Independent External Monitor.
 - i) If it received any demand, directly or indirectly, for a bribe/ favour or any illegal gratification/ payment / benefit;
 - ii) If it comes to know of any unethical or illegal payment / benefit;
 - iii) If it makes any payment to any GAIL associate.
- f) The Counterparty shall not make any false or misleading allegations against GAIL or its associates.

II VIOLATIONS & CONSEQUENCES:

- a) If a Counterparty commits a violation of its Commitments and Obligations under the Integrity Pact Programme during bidding process, their entire Earnest Money Deposit/ Bid Security, would be forfeited and in addition, they may be blacklisted from the GAIL business in future.
- b) In case of violation of the Integrity pact by Counterparty after award of the Contract, GAIL shall be entitled to terminate the Contract. GAIL would forfeit the security deposits, encash the bank guarantee (s) and other payments payable to Counterparty in such cases,
- c) Subject to satisfaction of the Independent External Monitor, GAIL may ban/ blacklist/ put on holiday and exclude the Counterparty from future dealings until GAIL is satisfied that the Counterparty shall not commit any such violation in future.
- d) In addition to above, GAIL reserves its right to initiate criminal proceedings against the violating Counterparty, if the allegations by Counterparty are found frivolous, untrue and misleading and may also impose exemplary cost for the same.
- e) The Counterparty will be entitled to claim as determined by the Independent External Monitor, if the above (d) is found incorrect.

INDEPENDENT EXTERNAL MONITORS (IEMS)

The following three Independent External Monitors (IEMS) have been appointed by GAIL, in terms of Integrity Pact(IP) which forms part of GAIL Tenders / Contracts.

- i) Dr. A.K. Kundra,
- ii) Shri S.C. Tripathi
- iii) Shri U. Sundarajan

This panel is authorised to examine / consider all references made to it under this tender. The bidder(s) , in case of any dispute(s) / complaint(s) pertaining to this tender may raise the issue either with the designated tender issuing officer in GAIL or directly with the IEMs on the panel c/o Chief Vigilance Officer, GAIL (India) Limited, GAIL Bhawan, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066.

ANNEXURE-2

INTEGRITY PACT

(To be executed on plain paper and applicable to all tenders of the value of Rs. one crore and above)

Between GAIL (India) Limited, a Government of India Public Sector, (here-in-after referred to as "Principal ").

AND

..... (here-in-after referred to as "The Bidder/Contractor").

(Principal and the Bidder/Contractor are here-in-after are referred to individually as "Party" or collectively as "Parties").

PREAMBLE

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

In order to achieve these goals, the Principal co-operates with the renowned International Non-Governmental Organisation 'Transparency International' (TI). Following TI's national and international experience, the Principal will appoint an Independent External Monitor who will monitor the tender process, the execution of the contract etc. 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 in this regard:-
 - i) No employee of the Principal, either in person or through family members, including relatives, will in connection with the tender for or the execution of a contract, demand or accept a promise for or accept for him/herself or for a third person, any material or immaterial benefit to which he/she is not legally entitled.
 - ii) The Principal shall, during the tender process treat all Bidders with equity. The Principal undertakes and ensures that before and during the tender process shall provide and share 'the same information to all Bidders and will not provide to any Bidder confidential/additional information through which one particular Bidder could take an advantage in relation to the tender process or the contract execution.
 - iii) 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 Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2 - Commitments and Undertakings by the Bidder/Contractor

1. The Bidder / Contractor commits and undertakes to take all measures necessary to prevent malpractices & corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution:
 - i) The Bidder / Contractor undertakes not to, directly or through any other person or firm offer, promise or give or influence to any employee of the Principal associated with the tender process or the execution of the contract or to any other person on their behalf any material or immaterial benefit to which he / she is not legally entitled in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - ii) The Bidder / Contractor undertakes not to enter into any undisclosed agreement or understanding, whether formal or informal with other Bidders. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other action to restrict competitiveness or to introduce cartelisation in the bidding process.
 - iii) The Bidder / Contractor undertakes not to commit any offence under the relevant Anti-corruption Laws of India. Further, the Bidder / Contractor will not use improperly 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 for the purposes of competition or personal gain and will not pass the information so acquired on to others.
 - iv) The Bidder / Contractor will, when presenting his bid undertakes to 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.
2. The Bidder / Contractor will not instigate and allure third persons / parties 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, before the award of contract, has committed a transgression through a violation of any provisions of Section 2 or in any other form so as to put his reliability or credibility as Bidder into question, the Principal shall be entitled to disqualify, put on holiday or blacklist the Bidder including from the future tender process or to terminate the contract, if already signed, on that ground.

1. If the Bidder / Contractor has committed a transgression through a violation of any provisions of Section 2 so as to put his reliability or credibility into question, the Principal shall be entitled to exclude including blacklist and put on holiday the Bidder / Contractor from entering into any GAIL future contract tender processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the Principal taking into consideration the full facts and circumstances of each case particularly taking into account the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder and the amount of the damage. The exclusion may be imposed for a minimum period of 6 months and maximum of three years.
2. A transgression is considered to have occurred if the Principal after due consideration of the available evidence, concludes that no reasonable doubt is possible.
3. The Bidder with its free consent and without any influence agrees and undertakes to respect and uphold the Principal's absolute rights to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.
4. Subject to the full satisfaction of the Principal, the exclusion of the Bidder / Contractor could be revoked - by Principal prematurely if the bidder / contractor can prove that he has restored / recouped the damage caused by him and has installed a suitable corruption prevention system in his organization.

Section 4 - Forfeiture of EMD / Security Deposits

1. If the Principal has disqualified the Bidder from the tender process prior to the award in terms of Section 3, and during the execution of the contract, the Principal shall forfeit earnest money deposit / bid security money, encash the bank guarantee including due payments in addition to blacklisting or putting on holiday the bidder and terminating the contract.
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 equivalent to Earnest Money Deposit / Security Deposit / Performance Bank Guarantee.
3. The bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder / Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of the liquidated damages, the Bidder / Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 - Previous transgression

1. The Bidder swears on oath that no previous transgression has occurred during the last three years with any other Company in any country conforming to the TI approach or including with any other Public Sector Enterprise / Undertaking in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he shall be disqualified from the tender process or the contract, if already awarded, could be liable to be terminated on this ground.

Section 6 - Equal treatment to all Bidders / Contractors / Subcontractors

1. The Bidder / Contractor undertakes to demand from all its sub-contractors, if any, an undertaking and commitment in conformity with this Integrity Pact, and to submit it to the Principal before signing of the contract.
2. The Principal will enter into agreements with similar conditions, as stipulated herein, with all Bidders, Contractors and Subcontractors.
3. The Principal shall disqualify from the tender process all Bidders who do not sign this Pact or violate any of its provisions.

Section 7 - Criminal charges against violating Bidders / Contractors / Sub-contractors

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 Vigilance Office / Department for initiating appropriate action for above.

Section 8 -Independent External Monitor / Monitors

(Three in number depending on the size of the contract)
(To be decided by the Chairperson of the Principal)

1. The Principal appoints competent and credible external independent Monitor for this Pact. 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 any instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairperson of the Board of the Principal.
3. The Contractor 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 request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Sub-contractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder / Contractor / Sub-contractor with confidentiality.
4. 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.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement he will so inform the Management of the Principal and request the Management to discontinue or heal the violation 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. However, the Independent External Monitor shall give an opportunity to the bidder / contractor to present its case before making its recommendations to the Principal.
6. The Monitor will submit a written report to the Chairperson of the Board of the Principal 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 taking corrective measures.
7. Monitor shall be entitled to compensation by the Principal on the same terms & conditions as being extended to/provided to Outside Expert Committee Members of ONGC.
8. If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption laws of India, and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
9. The word 'Monitor' would include both singular and plural.
10. Independent External Monitor shall be required to maintain confidentiality of the information acquired and gathered during their tenure / role as Independent Monitor. Any breach in this regard would be subject to the legal judicial system of India.
11. The Independent External Monitors - shall be responsible to oversee the implementation of Integrity Pact Program to prevent corruption, bribes or any other unethical practices in the GAIL. However, Monitor(s) shall be personally and severally be liable for any action or suit brought by Bidder / Contractor / against the Monitor, in case the findings of Independent Monitor is / are found incorrect or biased or prejudiced.
12. Independent External Monitor(s) shall be required to furnish an Undertaking and shall disclose before taking any assignment that he / she has no interest in the matter or connected with the party (bidder / contractor) in any manner.

Section 9 - Pact Duration

The provisions of this Pact shall come into effect from the date of signing of this Pact by the both parties. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made / lodged by either party 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 the Chairperson of the Principal.

Section 10 - Miscellaneous 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. The Arbitration clause provided in main tender document / contract shall not be applicable for any issue / dispute arising under Integrity Pact.
2. Changes and supplements as well as termination notices, if any, need to be made in writing. Side Agreements have not been made.
3. If the Contractor / Bidder is a partnership concern or a consortium, this agreement must be signed by all partners or consortium members.
4. In case any or several of the provisions of this agreement turn out to be void, the remainder of this pact shall remain valid. The parties to this pact however, shall strive to come to an agreement to their original intentions in such a case.

(Name & Designation)
For the Principal

(Name & Designation)
For the Bidder/Contractor

Place : _____

Witness 1: _____

Date : _____

Witness 2: _____

ATTACHMENT – V

PERFORMANCE EVALUATION

PERFORMANCE EVALUATION

- 1.1 GAIL follows a system of Performance Evaluation of vendors and contractors to monitor and ensure the timely and smooth completion of supplies, execution of contracts, and maintenance of quality standards. The basic objective is to recognize and develop reliable vendors and contractors who consistently meet or exceed expectations and requirements of GAIL with respect to timely receipt of supplies, completion of work and services and the quality specifications, standards. Vendors and contractors whose performance is not found satisfactory will be debarred from future business with GAIL.
- 1.2 All the suppliers and contractors working with GAIL will be evaluated based on the parameters defined in the performance Rating Data Sheet as per enclosed Annexure –I of attachment –II.
- 1.3 The evaluated rating may be falling in any of the following category depending upon the scoring of points in various parameters.:

Very good
Good
Fair
Poor
- 1.4 In case, a vendor/contractor is not able to achieve a minimum scoring of 60% points in the given parameters individually and collectively for all parameters i.e. with poor rating shall be put on “HOLIDAY” for a period of 1 to 3 years depending upon the nature of failure on their part in performance and such vendors and contractors will not be allowed to participate in business with GAIL for the Holiday period.
- 1.5 The vendors and contractors will be blacklisted for submitting forged documents in respect of experience, turnover and any other requirements forming the basis for pre qualifying / eligibility criteria irrespective of their rating in the past. Such vendors & Contractors will be debarred from having business with GAIL in future.

GAIL (India) Limited
PERFORMANCE RATING DATA SHEET

(FOR PROJECTS/CONSULTANCY JOBS)

- (i) Project/Work Centre :
- (ii) Order/Contract No. & Date :
- (iii) Brief description of Items :
Works/Assignment
- (iv) Order/Contract value (Rs.) :
- (v) Name of Vendor/Contractor/ :
Consultant
- (vi) Contracted delivery/ :
Completion Schedule
- (vii) Actual delivery/ :
Completion date

Performance Parameter	Delivery/Completion Performance	Quality Performance	Reliability Performance	Total
Maximum Marks	40	40	20	100
Marks Allocated (*)				

Remarks (if any)

PERFORMANCE RATING (**):

Note:

(*) Allocation of marks would be as per enclosed instructions

(**) performance rating shall be classified as under :

Sl. No.	Range (Marks)	Rating
1.	60 & below	POOR
2.	61-75	FAIR
3.	76-90	GOOD
4.	MORE THAN 90	VERY GOOD

Signature of Authorised signatory with name & designation

INSTRUCTIONS FOR ALLOCATION OF MARKS

Marks are to be allocated as under :

1.1 DELIVERY/COMPLETION PERFORMANCE :

40 MARKS

Delivery Period / completion Schedule	Delay in weeks	Marks
a) Up to 3 months	Before CDD	40
	Delay upto 4 weeks	35
	Delay upto 8 weeks	30
	Delay upto 10 weeks	25
	Delay upto 12 weeks	20
	Delay upto 16 weeks	15
	More than 16 weeks	0
b) Above 3 months	Before CDD	40
	Delay upto 4 weeks	35
	Delay upto 8 weeks	30
	Delay upto 10 weeks	25
	Delay upto 16 weeks	20
	Delay upto 20 weeks	15
	Delay upto 24 weeks	10
	More than 24 weeks	0

1.2 QUALITY PERFORMANCE

40 MARKS

For Normal Cases: No Defects/No Deviation/No failure :

40 marks

i)	Rejection/Defects	Marks to be allocated on pro-rata basis for acceptable quantity as compared to total quantity for normal cases	10 Marks
ii)	When quality failure endangers the system integration and safety of the system.	Failure of severe nature - Moderate nature - low severe nature	0 marks 5 marks 10-25 marks
iii)	Number of deviations	1. No. deviation 2. No. of deviations ≤ 2 3. No. of deviations > 2	5 Marks 2 marks 0 marks

1.3 RELIABILITY PERFORMANCE

20 MARKS

A. FOR WORKS / CONTRACTS

i)	Submission of order acceptance, agreement, PBG, Drawings and other documents within time	4 marks
ii)	Mobilization of resources as per Contract and in time	4 marks
iii)	Liquidation of Check-list points	4 marks
iv)	Compliance to statutory and HS & E requirements Or Reliability of Estimates/Design/Drawing etc. in case of Consultancy jobs	4 marks
v)	Timely submission of estimates and other documents for Extra, Substituted & AHR items	4 marks

B. FOR SUPPLIES

i)	Submission of order acceptance, PBG , Drawing and other documents within time	5 marks
ii)	Attending complaints and requests for after Sales service/warranty repairs and/or query/advice (upto the evaluation period)	5 marks
iii)	Response to various correspondence and conformance to standards like ISO	5 marks
iv)	Submission of all required documents including Test Certificates at the time of supply	5 marks

PERFORMANCE RATING DATA SHEET

(FOR O & M)

- (i) Project/Work Centre :
- (ii) Order/Contract No. & Date :
- (iii) Brief description of Items :
Works/Assignment
- (iv) Order/Contract value (Rs.) :
- (v) Name of Vendor/Contractor/ :
Consultant
- (vi) Contracted delivery/ :
Completion Schedule
- (vii) Actual delivery/ :
Completion date

Performance Parameter	Delivery/Completion Performance	Quality Performance	Reliability Performance	Total
Maximum Marks	40	40	20	100
Marks Allocated (*)				

Remarks (if any)

PERFORMANCE RATING (**):

Note:

(*) Allocation of marks would be as per enclosed instructions

(**) performance rating shall be classified as under :

Sl. No.	Range (Marks)	Rating
1.	60 & below	POOR
2.	61-75	FAIR
3.	76-90	GOOD
4.	MORE THAN 90	VERY GOOD

Signature of Authorised signatory with name & designation

INSTRUCTIONS FOR ALLOCATION OF MARKS

Marks are to be allocated as under :

1.2 DELIVERY/COMPLETION PERFORMANCE :

40 MARKS

Delivery Period / completion Schedule	Delay in weeks	Marks
a) Up to 3 months	Before CDD	40
	Delay upto 4 weeks	35
	Delay upto 8 weeks	30
	Delay upto 10 weeks	25
	Delay upto 12 weeks	20
	Delay upto 16 weeks	15
	More than 16 weeks	0
b) Above 3 months	Before CDD	40
	Delay upto 4 weeks	35
	Delay upto 8 weeks	30
	Delay upto 10 weeks	25
	Delay upto 16 weeks	20
	Delay upto 20 weeks	15
	Delay upto 24 weeks	10
	More than 24 weeks	0

1.2 QUALITY PERFORMANCE

40 MARKS

For Normal Cases: No Defects/No Deviation/No failure :

40 marks

i)	Rejection/Defects	Marks to be allocated on pro-rata basis for acceptable quantity as compared to total quantity for normal cases	10 Marks
ii)	When quality failure endangers the system integration and safety of the system.	Failure of severe nature - Moderate nature - low severe nature	0 marks 5 marks 10-25 marks
iii)	Number of deviations	4. No. deviation 5. No. of deviations <=2 6. No. of deviations >2	5 Marks 2 marks 0 marks

1.3 RELIABILITY PERFORMANCE

20 MARKS

C. FOR WORKS / CONTRACTS

i)	Submission of order acceptance, agreement, PBG, Drawings and other documents within time	4 marks
ii)	Mobilization of resources as per Contact and in time	4 marks
iii)	Liquidation of Check-list points	4 marks
iv)	Compliance to statutory and HS & E requirements Or Reliability of Estimates/Design/Drawing etc. in case of Consultancy jobs	4 marks
v)	Timely submission of estimates and other documents for Extra, Substituted & AHR items	4 marks

D. FOR SUPPLIES

i)	Submission of order acceptance, PBG , Drawing and other documents within time	5 marks
ii)	Attending complaints and requests for after Sales service/warranty repairs and/or query/advice (upto the evaluation period)	5 marks
iii)	Response to various correspondence and conformance to standards like ISO	5 marks
iv)	Submission of all required documents including Test Certificates at the time of supply	5 marks

ATTACHMENT – VI

PACKING AND MARKING & SHIPPING

**PACKING, MARKING, SHIPPING AND DOCUMENTATION
SPECIFICATIONS FOR INDIGENOUS MATERIALS**

1.0 General

- 1.1 This specification forms an integral part of the relevant PURCHASE ORDER, in addition to the specifications, drawings and instructions explicitly listed in the PURCHASE ORDER.
- 1.2 Seller shall strictly comply with all applicable prescriptions in the specifications. Lack of relevant information and/or documents shall not absolve the SELLER of his responsibilities and any loss arising out of non-compliance shall be to supplier's account.

2.0 Project

Name of PURCHASER, Project location and some other relevant information are as per Bid document/Annexure.

3.0 Packing

- 3.1 The packing specifications incorporated herein are supplementary to the internal and external packing methods and standards as per current rules of IRCA goods tariff Part-I. All packing shall be done in such a manner so as to reduce volume as much as possible. Fragile articles should be packed with special packing materials depending on the type of materials.
- 3.2 Items shipped in bundles must be securely tied with steel wire or strapping. Steel reinforcing rods, bars, pipes, structural materials, etc. shall be bundled in uniform lengths and the weight shall be within the breaking strength of the securing wire or strapping.
- 3.3 All delicate surfaces on equipment/materials should be carefully protected and painted with protective paint/compound and wrapped to prevent rusting and damage.
- 3.4 All mechanical and electrical equipment and other heavy articles shall be securely fastened to the case bottom and shall be blocked and braced to avoid any displacement/shifting during transit.
- 3.5 Attachments and spare parts of equipment and all small pieces shall be packed separately in wooden cases with adequate protection inside the case and wherever possible should be sent along with main equipment. Each item shall be suitably tagged with identification of main equipment, item denomination and reference number of respective assembly drawing. Each item of steel structure and equipments shall be identified with two erection markings with minimum lettering height of 15 mm. Such marking will be followed by connection numbers in indelible ink/paint. A copy of the packing list shall accompany the material in each package.
- 3.6 All protrusions shall be suitably protected by providing a cover comprising of tightly bolted wooden discs on the flanges.
- 3.7 Wherever required, equipments/materials/instruments shall be enveloped in polyethylene bags containing silicagel or similar dehydrating compound.
- 3.8 All pipes shall be packed as under:
- a) Upto 50mm NB in Wooden cases/crates.
 - b) Above 50mm NB and upto 100mm NB in Bundles and the bundles should be strapped at minimum three places.
 - c) Above 100mm NB in loose.
- Individual cases/bundles must contain the pipes of same size and length. Ends should be capped.
- 3.9 Pipes with threaded or flanged ends shall be protected with suitable caps/covers before packing.

- 3.10 Detailed packing list in waterproof envelope shall be inserted in the package together with equipment/material. One copy of the detailed packing list shall be fastened outside the package in waterproof envelope and covered by metal cover.
- 3.11 The Seller shall be held liable for all damages or breakages to the goods due to the defective or insufficient packing as well as for corrosion due to insufficient protection.
- 3.12 Packaged equipment or material showing damage, defects or shortages resulting from improper packaging material or packing procedures or having concealed damage or shortages, at the time of unpacking shall be to the seller's account.

4.0 Marking

4.1 Each package shall be marked on three sides with proper paints/indelible waterproof ink as follows:

PURCHASER

PROJECT

DESTINATION

Purchase Order No.....

Net Wt..... Kgs Gross Wt..... Kgs.

Dimensions.....X.....X.....CM.

Package No. (Sl. No. of total packages).....

Seller's Name.....

- 4.2 Additional marking such as 'HANDLE WITH CARE', 'THIS SIDE UP', 'FRAGILE' or any other additional indications for protection and safe handling shall be added depending on the type of material.
- 4.3 Specific marking with paint for 'SLINGING and 'CENTRE OF GRAVITY' should be provided for all heavy lifts weighing 5 Tons and above.
- 4.4 In case of bundles/bags or other packages, wherever marking cannot be stencilled, the same shall be embossed on metal or similar tag and wired securely at two convenient points.

5.0 Shipment

- 5.1 Despatch of materials shall be made in accordance with the relevant terms of the Purchase Order. Any change in mode of transport shall be resorted to only after prior approval in writing. Seller shall ensure despatch of equipments/materials immediately after they are inspected and released. All consignments shall be booked in the name of Purchaser and not under self-basis.

5.2 Despatch by Road

- (a) The Seller shall be responsible for despatch of materials on DOOR-DELIVERY basis through a reliable Bank-Approved transport company unless otherwise the transport company is named by PURCHASER.
- (b) The SELLER shall ensure with Transport Company the delivery of materials within a reasonable transit period. SELLER shall also obtain from transporter, particulars of Lorry Number, Transporter's Challan Number, destination of lorry (if transshipment is involved), Transporter's Agent at destination, if any, etc. and intimate same to GAIL EIC (respective Project Site).

5.3 Despatch by Rail

- 5.3.1 The SELLER shall be responsible for:

- (a) Despatch by the shortest possible route. The Seller shall as far as possible, despatch the materials by the fastest goods train like QTS, Super Express Goods, etc. wherever such facilities exist.
- (b) Correct classification of goods and freight charges.
- (c) Obtaining clean Railway Receipts without any qualifying remarks.
Should there be any restriction for movement by a particular route, the Railway authorities should be requested to move goods by the next alternative route, subject to prior consent of GAIL.

5.3.2 As "SMALLS"

When the materials that are ready do not make up a wagonload by weight/volume or for minimum freight payable for a wagon the despatch should be affected as "smalls".

SELLER should obtain from the Railway, the particulars of wagon in which the "Smalls" have been loaded, station at which sealed, train Number and date/time of movement and transmit the same to the Resident / Visiting Inspector, EIC (concerned Site) for monitoring their movement.

5.3.3 As Wagon Loads

Consignments, though of lesser weight, but otherwise constituting a "wagon load" by volume should be despatched as "wagon load" paying the freight applicable to a minimum wagon load or at the smalls rate, whichever is advantageous, as per Rule-164 of IRCA Goods Tariff Part-I (Vol.I)

When consignments call for full wagon(s), indents should be placed with the Railway Station concerned after predetermining accurately the type and number of wagons required. In case of covered wagons, it should be ensured that the same are watertight. If a particular type of wagon is in short supply, request should be made to the Railway Authorities to supply the next suitable type of wagon. Suitable packing in the wagon shall be done, wherever necessary, to ensure maximum safety of the material in transit.

When ODC packages are involved, the SELLER shall apply to the Railway Authorities with loading sketches showing overall dimensions and the wagon proposed to be utilised sufficiently in advance for obtaining movement sanction and to establish firm transportability. Copies of all such correspondence together with loading sketches should be sent to GAIL. ODC packages shall be loaded, packed and lashed strictly in accordance with the Railway Regulations. Should there be any delay/difficulty in obtaining the required wagon(s), the SELLER shall inform EIC, GAIL immediately giving details of the required number of wagons, type, carrying capacity, etc. and indent number so that the matter may be taken up with the Railway Authorities concerned.

After despatch, SELLER shall obtain from the Railway Authorities, particulars of the wagon/train number, date of movement and destination junction for the particular train and furnish the same to GAIL for follow-up action on movement, as may be necessary.

After despatch of the equipment from despatching station, if movement of the wagon is held-up due to improper/loose lashing resulting in shifting of the load and consignment is required to be readjusted/refixed the vendor shall be responsible to arrange for the same as per Railway requirements. Similarly, in case some infringement in dimensions of the loaded consignment is detected by Railway Authorities after its movement from despatching station and if it is required to be corrected either by adjustment of the load or by cutting a few protrusions the same shall be arranged by vendor at their cost.

5.4 Shipment by Air

Wherever SELLER is instructed by PURCHASER to airfreight any material, the SELLER shall take prompt action for the same. Immediately after air shipment is effected, the Seller shall

intimate by Fax / E-mail, the details of airway bill number and date, flight number, number of packages etc. to EIC, GAIL (respective Project Site).

5.5 Destination

The consignments should be despatched as indicated in bid document/Purchase Order.

5.6 Advance Information

Immediately after a shipment is made, SELLER shall send advance information as to the particulars of materials, value, Purchase Order Number, date of despatch, railway receipt number, wagon number/goods consignment note number, truck number, name of transport company and their destination office/associate's address etc./Airway Bill Number and flight details by way of Fax / E-Mail to Resident / Visiting Inspector, EIC, GAIL (respective Project Site).

5.7 Transmission of Despatch Documents

Seller shall, within 48 hours of the despatch of the material depending upon the payment terms of the Purchase Order, either negotiate through PURCHASER's Bankers or forward direct by Registered Post, the railway receipt/consignment note/Airway Bill to the Purchaser at project site accompanied by the original invoices, packing lists and challans.

The SELLER shall be responsible for any delay in clearance of the consignment at destination and consequent wharfage/demurrage, if any, due to delay in transmittal of the Railway Receipt, Consignment Note/Air Way Bill. Copies of such despatch advise together with 2 copies of invoices and packing lists shall be simultaneously distributed to PURCHASER's (HO & Site)/ Purchaser's agency etc.

6.0 Transit Risk Insurance

All equipments/ materials will be insured for transit risk by PURCHASER unless otherwise specified. The Insurance cover will be provided from Dumpsite - to - Dumpsite.

7.0 Despatch through Approved Transporters

All materials must be despatched through PURCHASER approved transporters, list of which may be obtained from the PURCHASER's nearest branch/regional office.

PACKING, MARKING, SHIPPING AND DOCUMENTATION SPECIFICATIONS FOR IMPORTED MATERIAL

1. PACKING

- 1.1. Packing shall be strong and sturdy such that it can withstand loading/unloading, pushing and crane lifting etc. All packaging shall be done in such a manner as to reduce volume and weight as much as possible without jeopardizing the safety of the material. All packing materials shall be new and unless otherwise specified, shall be of packer's standard for export shipments.
- 1.2. Fragile articles should have special packing materials depending on type of materials.
- 1.3. All soft and delicate surfaces on equipment/material should be carefully protected / painted with suitable coating and wrapped to prevent rusting and damage.
- 1.4. All mechanical and electrical equipment and other heavy articles should be securely fastened to the bottom of the case, to avoid damage.
- 1.5. All packages requiring handling by crane should have sufficient space at appropriate place to put sling of suitable dia (strength). Irons/steels angle should be provided at the place where sling markings are made to avoid damage to package/equipments while lifting.
- 1.6. All threaded fittings and pipes should be greased and provided with plastic caps.
- 1.7. Attachments and spare parts of equipments and all small pieces shall be packed separately in wooden cases with adequate protection inside the case and sent along with main equipment. Each item shall be tagged so as to identify it with the main equipment and part number and reference number shall be indicated.
- 1.8. All protrusions shall be suitably protected and openings shall be blocked by wooden/steel covers as may be required.
- 1.9. Wherever required equipments/materials shall be packed in polythene bags and silica gel or similar dehydrating compound shall be put inside the bags to protect them.
- 1.10. Detailed case wise packing list in water proof envelope shall be inserted in each package together with equipment/material. One copy of 'Detailed Packing List' shall be fastened outside of the package in waterproof envelope and covered by metal cover. In case of bigger dia pipes and large equipments, documents contained in the envelope shall be fastened inside a shell connection with an identifying arrow sign 'Documents' applied with indelible paint.

2. MARKING

- 2.1. Each package shall be marked on three sides with proper paints/indelible waterproof ink as follows:

Purchaser: GAIL (India) Ltd.
Karanpur-Moradabad-Kashipur Pipeline Project

Destination:

Purchase Order No.....
Net Wt.Kgs.Gross Wt. Kgs
DimensionsXXCM
Package No. (S. No. of total packages)
Seller's Name

- 2.2. Letters, figures, marks etc., used for marking shall be stencil printed. Handwriting should be avoided as far as possible. Size of letters shall be optimum for each package dimension.
- 2.3. In case of bundles or other packages wherever marking can not be stencilled the same shall be embossed on metal or similar tag and wired securely at minimum two convenient points and both ends shall be suitably protected/covered. In case of loose pipes sticker of above markings should be pasted on inner wall corner of each pipe on both sides.

3. SHIPMENT

3.1. BY SEA

FOR FOB CONTRACTS

Shipping arrangements will be made by the Shipping Co-ordination Officer, Chartering Division, Ministry of Surface Transport, New Delhi through their forwarding Agents/Nominees as indicated to whom adequate notice of not less than six weeks about the readiness of the cargo for shipment, should be given by the Seller for finalizing the shipping arrangements.

i) For Consignment from UK/Continent Ports:

M/s Panalpina World Transport PH: + 4640 – 23771 - 133
Panalpina Welttransport GmbH, FAX: + 4640 – 23771-342 or 341
Spalding str-64, D20097
Hamburg, Germany

ii) For consignment from USA, Atlantic, Gulf & West Ports:

M/s. OPT OVERSEAS PROJECT TRANSPORT INC.
46, SELLERS STREET, KEARNY PH: + 1 201 998 7771
NEW JERSEY 07032, USA
FAX: +1 201 998 7833

iii) For Consignment from Japanese Ports: PH: + 81 3 3262 2391
The Embassy of India, Tokyo, Japan FAX: + 81 3 3234 4866

iv) Black Sea Ports of Bulgaria & Romania:

The Secretary, Indo-Soviet Shipping Service CABLE: SHIPINDIA, MUMBAI
C/o The Shipping Corporation of India Limited FOR SOVINSHIP
'Shipping House' 245, Madam Cama Road
MUMBAI – 400 021. PH: +912222026666/ 22026785

v) Polish Ports:

The Secretary, Indo-Polish Shipping Service CABLE: SHIPINDIA,
MUMBAI FOR INDOPOL
C/o Shipping Corporation of India Limited
'Shipping House' 245, Madam Cama Road
MUMBAI – 400 021.

vi) For Consignment from other Areas:

The Shipping Corporation of India Limited CABLE: SHIPINDIA, MUMBAI
'Shipping House', 245, Madam Cama Road
MUMBAI – 400 021.

3.2. FOR CFR/CIF CONTRACTS

The seller shall arrange shipment of stores by vessels belonging to the members of the Conference Lines. If seller finds that space on the Conference Line Vessels is, not available in any specific shipment, he should inform the Shipping Co-ordination Officer, Ministry of Surface Transport, 1, Sansad Marg, New Delhi – 110 001 (India) (CABLE: TRANSHART: NEW DELHI; FAX NO. +91-11-23718614/23352726) at the address given below.

3.3. Project Manager, KMKPL Pipeline Project GAIL (India) Limited 16, Bhikaiji Cama Place, New Delhi - 110066 INDIA

Tel.: +91-11- 26172580

Fax: +91-11-26185941

- 3.4. All shipment of materials shall be made by First class direct vessels. All shipments shall be under deck unless carriage on deck is unavoidable.

- 3.5. BY AIR

Wherever the shipments are to be effected by Air, the same shall be dispatched through Air India. If there is no connection available, Project Division of TE should be informed at address given at clause 3.3 above.

4. SHIPPING DOCUMENTATION

- 4.1. All documents shall be in English Language.

- 4.2. DOCUMENTS REQUIRED BEFORE SHIPMENT

Proforma Packing Lists and sketches of Over Dimensioned Cargo should be forwarded to Project Division at address given at clause 3.3 above in triplicate.

- 4.3. DOCUMENTS REQUIRED AFTER SHIPMENT

The supplier shall air mail the shipping documents stated herein below after the shipment has been made so that the same are received at least two weeks prior to the arrival of vessel at destination Port. Copies to Port Office must be sent immediately through International Courier.

The supplier shall be fully responsible for any delay and/or demurrage that may become payable at destination Port on account of delay in transmittal of following shipping documents.

- i Commercial Invoice
- ii Bill of Lading
- iii Inspection Release Note
- iv Packing List
- v Freight Memo
- vi Certificate of Origin
- vii Test Certificates (NDT reports, MTC, etc. as per MR)
- viii Certificate of Measurement and Weight

One set each of the above documents is to be sent by first class courier to Project Manager of owner at the address given at clause 3.3 above and to Engineer-in- Charge (Respective Project Sites) and Purchaser.

In case of air shipments, two sets of non-negotiable documents consisting of Commercial Invoice (ink signed), Packing list, Certificate of Origin, Technical Literature shall be handed over to Airlines with the instructions that the same should be handed over along with cargo arrival notice and copy of Airway Bill to Destination Airport Notify party.

- 4.4. BILL OF LADING

Bill of lading shall be 'Clean on Board'. Ocean Bill of Lading be made in favour of (Purchaser) or order of the bank (and not order of the shipper) and the notify column should indicate GAIL (India) Limited at its address given at clause 3.3 above.

- 4.5. PACKING LIST

Packing list must show, apart from other particulars actual contents in each case, net and gross weights and dimensions and the total number of packages. In case of pipes and plates in bundles, number of pipes/plates with individual length/size in each bundle must be indicated.

5. SHIPPING ADVICE

- 5.1. Within 48 hours after shipment, the supplier shall send shipping advice by way of Cable/ Fax to Project Division of owner at clause 3.3 above under a copy each to Engineer-in-

Charge at respective project sites and Purchaser at the address given below in clause 6.0, giving particulars of the shipment, vessel's name/Airlines, Flight No. & Date on which materials actually left (and not tentative flight No. and Date), Port of Shipment, Bill of Lading No. & Date, contents in brief, Purchase Order Number, total FOB and Freight Values, number of Packages and total gross weight, ETD & ETA of vessel. In case of Air shipment through consolidation services, information must contain both Master Air Way no. & House Airway Bill no.

- 5.2. In case of free replacement/supply of components/parts, the supplier shall advise by Cable/Fax above dispatch particulars along with specific statement 'Free Supply' 'Value for customs purposes only'.

6. ADDRESSES

A. Project/ Consignee:

6.1. Officer-in-Charge
GAIL (India) Limited, Noida

6.2. Officer-in-Charge
GAIL (India) Limited, Noida

B. Consignee (for sea port/ airport of entry):

HOD (C&P)
GAIL (India) Limited
Priyadarshini Building,
Eastern Express Highway,
Mumbai 400022
Tel: 022-24045456/57

6.3. Bankers:
State Bank of India
CAG Branch, 11-12 Floor
Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi 110001

7. SHORT SHIPMENTS

- 7.1. Seller should thoroughly check all items in the packing before effecting shipment. If any item(s) are found short packed in sound boxes on examination at project site, Seller shall be responsible to supply short packed items free of charge on receipt of advice from Purchaser. Seller shall also be responsible to bear the import duty levied by Indian Customs on such short packed items.

DOCUMENT NO. : 05/51/23M3(PH-I)/GAIL/012

PROJECT : KOCHI KOOTTANAD BANGALORE MANGALORE PIPELINE PROJECT

SPECIAL PACKAGING REQUIREMENTS

All raw/solid wood packaging material used for packaging shall be appropriately treated and marked as per ISPM-15 (International Standards of Phyto-sanitary measures 15) OR shall be accompanied by a Phytosanitary Certificate with the treatment endorsed.

The treatment of raw/solid wood packaging material prior to export shall include either Methyl Bromide (MB) @ 48 g/m³ for 16 hrs at 21° C and above or any equivalent thereof or heat treatment (HT) at 56° C for 30 min (core temperature of wood) or Kiln Drying (KD) or Chemical Pressure Impregnation (CPI) or any other treatments provided that these meet the HT specifications of the ISPM-15.

However, the above conditions shall not be applicable to wood packaging material wholly made of processed wood products such as ply wood, particle board, oriental strand board of veneer that have been created using glue, heat and pressure or combination thereof. The above conditions shall also not be applicable to wood packaging material such as veneer peeler cores, wood wool & shavings and thin wood pieces (less than 6mm thickness) unless they are found to be harboring any pests.

ATTACHMENT – VII

**Enterprise's Information with respect to the
Micro, Small and Medium Enterprises Development Act,
2006**

**Enterprise's Information with respect to the
Micro, Small and Medium Enterprises Development Act, 2006
(APPLICABLE FOR INDIAN BIDDERS ONLY)**

Bidder may be aware that a new Act "Micro, Small and Medium Enterprises Development Act 2006" ('MSMED') has come into force from 2 October 2006, which has repeated the provisions of the old Act regarding Small Scale Industrial undertakings.

As per the MSMED Act, enterprises engaged in the manufacture/production of goods or rendering/providing of services are to be classified into Micro, Small and Medium enterprises based on the investment in plant and machinery/equipment.

The term enterprises stated in the above paragraph includes Proprietorship, Hindu undivided family, Association of persons, Cooperative Society, Partnership firms, undertaking or any other legal entity.

For the ready reference the definition of Micro, Small and Medium enterprises is given below:

Classification of enterprises engaged in:

- a) **manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act 1951 as**

Nature of enterprise	Investment in plant & machinery (#)
Micro	Does not exceed INR 25 Lac
Small	More than INR 25 Lac but does not exceed INR 5 Crores
Medium	More than INR 5 Crore but does not exceed INR 10 Crores

- b) **providing or rendering services**

Nature of Enterprise	Investment in equipment
Micro	Does not exceed INR 10 Lac
Small	More than INR 10 Lac but does not exceed INR 2 Crores
Medium	More than INR 2 Crore but does not exceed INR 5 Crores

(#) *In calculating the investment in plant & machinery, the cost of pollution control, research and development, industrial safety devices and such other items as may be specified will be excluded*

- (I) Based on the investment criterion mentioned above, Bidder to confirm whether their enterprise is a Micro/Small/Medium enterprise as follows:

"We (Bidder) confirm that we are a micro /small / medium enterprise under the MSMED Act 2006." (Please strike off whichever status is not applicable)

Please note that if Bidder do not provide the above confirmation in Bid Document then it will be presumed that they do not qualify as a micro or small enterprise under the MSMED Act 2006.

- (II) Further, with respect to micro and small enterprises, the MSMED Act defines the term 'supplier' as an enterprise which has filed a memorandum with the authority specified by the respective State Government.

If the Bidder is a micro / small enterprise and have **filed** a memorandum with the specified authority, then Bidder to confirm the following:

**"We (Bidder) are a supplier within the definition of section 2(n) of the MSMED Act _____
(Yes/No)."**

If the response to the above is 'Yes", Bidder to provide Purchaser a copy of the **Entrepreneurs Memorandum (EM)** filed with the authority specified by the respective State Government.

If the confirmation is not furnished in Bid Document, it will be presumed that the Bidder is not a supplier under the MSMED Act. Further if Bidder do not provide the evidence in terms of the EM, Bidder will not be considered as a supplier.

(SIGNATURE & STAMP OF THE BIDDER)

SECTION - V

PRICE SCHEDULE

ATTACHED SEPERATELY