

**Volume 1**

**Section-GCC**

**GENERAL TERMS & CONDITIONS OF**

**CONTRACT**

# GENERAL TERMS & CONDITIONS OF CONTRACT

## 2.01.00 DEFINITION OF TERMS

In these general conditions and specifications, the following expressions shall have the meanings herein assigned to them, unless there is something in the subject or context inconsistent with such meaning.

- 2.01.01 "KSPDCL" shall mean the KARNATAKA SOLAR POWER DEVELOPMENT CORPORATION LIMITED, which has jurisdiction over the area of works, and its successor if any.
- 2.01.02 "Contractor" shall mean the tenderer / bidder whether a firm, registered company, partnership or an individual, whose tender has been accepted by KSPDCL or by the Officer duly authorized on behalf of KSPDCL, and who has entered into agreement with the KSPDCL for due fulfilment of the contract and shall also include legal representatives, successors and assignees of the tenderer.
- 2.01.03 "Plant" shall mean and include any or all plant, machinery, tools or other implements of all description necessary for the execution of the work in safe and workman like manner.
- 2.01.04 "Work or Works" shall mean the work or works set out and described in the Schedule of prices, drawings and specifications and which the Contractor has agreed to execute under the terms of contract. It shall include all items of work, which unless specifically excluded are necessary to execute the works as described,
- 2.01.05 "Contract and Contract Documents" shall mean and include the General conditions of contract, Special Conditions, Specifications, Schedule of Prices, drawings and the stamped agreement.

- 2.01.06 "Specifications" shall mean the specifications annexed and such other specifications and the Schedule of drawings if any, as may be detailed and necessary due to particular nature of works wherever applicable i.e., specifications, and construction practices published by the Rural Electrification Corporation of India shall be applicable.
- 2.01.07 "Site" shall mean and include all the area in which operations in respect of the works are carried out. These terms shall also include material stacking yard and the area where temporary structures are put up for installing any machinery etc.
- 2.01.08 "Month" shall mean a month as reckoned by the English Calendar.
- 2.01.09 Words used in singular shall also include the plural and vice versa where the context so demands.
- 2.02.00 CONTRACTOR TO INFORM HIMSELF FULLY**
- 2.02.01 The Contractor shall be deemed to have carefully examined the contract documents, and to have visited the site and fully acquainted him with the conditions of labour, roads, work, climate, rainfall. Type of soil etc., prevalent in the area. Any information available with the KSPDCL regarding the site conditions will be made available to the Contractor but the KSPDCL will not accept any responsibility for the accuracy thereof or the inference that may be drawn there from.
- 2.02.02 The Contractor shall in writing get necessary clarifications By KSPDCL in respect of the meaning of any of the conditions set forth in the contract documents.
- 2.03.00 AGREEMENT AND PERFORMANCE GUARANTEE**
- 2.03.01 Within a period of 7 days, or such other period as may be mentioned in the letter of award, the tenderer shall furnish the required PERFORMANCE GUARANTEE and shall enter into agreement with the KSPDCL for carrying out the work according to the conditions of contract, on Karnataka Government stamp paper of value Rs.200/- as per the format enclosed.

- 2.03.02 **PERFORMANCE GUARANTEE/SECURITY DEPOSIT (for both performance and the works)** The deposit amount of **10%** of the awarded cost shall be submitted by the contractor in the form of **DD or Bank Guarantee** of Scheduled Bank endorsed in favour of the Chief Executive Officer, KSPDCL for the faithful performance of the contract. The Bank Guarantee shall be valid till the expiry of 90 days after the end of warranty period, which is one year from the date of commissioning. The format of the Bank Guarantee for the performance security deposit is enclosed.
- 2.03.03 All expenses incurred for completing and stamping the contract agreement shall be borne by the Contractor. The stamped agreement shall be deposited with the KSPDCL and a copy of the agreement signed by both parties shall be delivered to the Contractor.
- 2.03.04 After the tender has been accepted by KSPDCL or by any Officer duly authorized by the KSPDCL to accept the tender, all orders and instructions to the Contractor, except as herein otherwise provided, will be given by the Engineer on behalf of the KSPDCL.
- 2.04.00 SUBLETTING OF CONTRACT**
- 2.04.01 The Contractor shall not without the previous written consent of the Chief Executive Officer, KSPDCL, assign or sublet his contract or any part thereof.
- 2.04.02 This clause will not prohibit the contractor from adopting the piece work system where labour only is paid according to an agreed rate, the materials and equipment being supplied by the contractor.  
The Contractor shall however remain responsible for the action of his piece rate workers.
- 2.05.00 CONTRACTOR'S REPRESENTATIVE AND LABOUR**
- 2.05.01 The Contractor under intimation to KSPDCL, shall employ at least one competent representative with a minimum qualification of Diploma in Electrical Engineer duly approved by the Chief Executive Officer, KSPDCL, to carryout and supervise the works on behalf of the Contractor. The said representative or any one of such representatives, if there be more than one, shall be present on the site during working hours, and any written orders or instructions given to

such a representative, shall be deemed to have been lawfully given to the Contractor.

- 2.05.02 The Contractor shall at all times employ labour of every description for securing the proper progress of the works, and shall on demand furnish from time to time such returns as may be required of the number and description of unskilled, skilled and supervisory staff actually engaged on the work.
- 2.05.03 The Contractor shall furnish such reports as he may require regarding the progress of the works and the organization in connection with the execution of the work.
- 2.05.04 KSPDCL has the right to object to the employment, or presence of any representative or other persons or labour employed by the Contractor on the grounds of incompetence, negligence, misconduct or being considered undesirable in the interest of work, and on such objection being raised, the Contractor shall be bound to remove or cause to remove such person or persons and provide competent substitutes approved by KSPDCL. The contractor shall not be entitled to any damage or loss that may be caused by such action of KSPDCL.

## **2.06.00 WORKS**

### **2.06.01 General Information**

- 2.06.02 The contractor shall execute the above scope of Works on **TOTAL TURNKEY BASIS** which involves broadly the supply, transportation to works site, assembly, erection, assistance in testing and commissioning of lines and equipment and returning the released materials to the KSPDCL/BESCOM Stores.

### **2.06.03 APPROVAL FROM SEVERAL AUTHORITIES UNDER STATUTORY:**

Approval for the forest clearance, Railway crossings, Electrical Inspectorate, Telecom etc., shall be obtained and the necessary charges for the above are to be paid by the Contractor and the same will be reimbursed to the contractor on actual basis by KSPDCL upon furnishing necessary documentary evidences.

### **2.06.04 RATES FOR EXTRA ITEMS**

Rates for any item / items of work not included in the estimates the same will be

paid at prevailing SR of BESCO OR quoted rates whichever is lower to the contractor for such items the contractor has to obtain approval from KSPDCL to use these materials for completion of work.

2.06.05 The break up of works like Drawing of New 11 KV Overhead lines, etc., will be furnished to the contractor by the Deputy General Manager (F), KSPDCL, after awarding the work.

2.06.06 The whole of the works together with any temporary works associated therewith shall be carried out by the contractor in a satisfactory and workmanship like manner with the materials and workmanship as specified to the entire satisfaction of KSPDCL, and in such a manner as the KSPDCL may direct. The Contractor shall attend to and carryout without any delay all orders and instructions which the Deputy General Manager (F), KSPDCL, may issue from time to time.

2.06.07 The whole of the works shall be executed in strict conformity with the contract documents and such explanatory, detailed or modified drawings and directions as may be furnished from time to time by KSPDCL for the guidance of the Contractor.

## **2.07.00 LOCAL CONDITIONS**

2.07.01 It will be imperative for each contractor bidder to fully inform himself of all local conditions and factors which may have any effect on the execution of the supplies and services covered under these documents and specifications.

2.07.02 It must be understood and agreed that such factors have properly been investigated and considered while submitting the bid. No claim whatsoever including those for financial adjustment to the contract awarded under these specifications and documents shall be entertained by the KSPDCL. Further, no change in the time schedule of the contract or any financial adjustment (s) arising thereof shall be permitted by the KSPDCL, which are based on the lack of such clear information.

## **2.08.00 DRAWINGS**

2.08.01 Unless otherwise provided for in the contract, KSPDCL shall furnish to the

Contractor, free of charge copies of drawings, and specifications as may be considered to be reasonably necessary for the execution of the work.

2.08.02 Drawings, specifications and copies thereof furnished by the KSPDCL shall not be used for other works and shall be returned to the KSPDCL on completion of the works. Drawings, specifications or other contract documents shall not be reproduced or caused to be reproduced, without the previous written permission of KSPDCL.

**2.09.00 CONTRACT INCLUDES ALL NECESSARY OPERATIONS**

2.09.01 The contract includes the whole of the works which are described in or implied by the contract documents or which may be inferred to be obviously necessary for the efficiency, stability and completion of the permanent works and the performance of all operations and the supplying of all materials and things described in or implied by the contract documents or which may be deemed necessary for the completion of the works in all respects to the entire satisfaction of KSPDCL, shall be deemed to be included in the contract.

2.09.02 Works shown upon drawings without being mentioned in the specifications or described in the specifications without being shown on the drawings, shall nevertheless be held to be included in this contract in the same manner as if they had been expressly shown upon the drawings and described in the specifications also.

**2.10.00 DISCREPANCY BETWEEN DRAWINGS AND SPECIFICATIONS**

2.10.01 In case of errors, omission and / or disagreement between the written and scaled dimensions on the drawings or between the drawings and specifications, the Contractor shall make a reference to KSPDCL, whose elucidation or decision shall be considered authentic.

**2.11.00 THE CONTRACTOR TO SUPPLY AND BE RESPONSIBLE FOR THE EFFICIENCY OF THE MEANS EMPLOYED**

The Contractor shall supply and bear responsibility for procuring all materials, plant, labour, scaffolding, timbering, machinery, tools and other implements and generally all - means required for the fulfilment of the contract, whether such means be or not be recommended by KSPDCL.

## **2.12.00 WATCH AND WARD**

2.12.01 Except as may be specifically provided, the Contractor shall be responsible for all proper watch & ward of all works comprised in the contract & for the proper provision of necessary temporary Footways & fences etc.

## **2.13.00 SAFETY DEVICES**

2.13.01 The Contractor shall supply at his own cost, such safety devices, like steel or fibber glass helmets, slings, ropes, belts, covering for legs and hands, masks etc. when working underground or in water or when handling cement, or working on steep slopes etc., as the KSPDCL may direct in the interest of safeguarding the workmen from liability to accidents or damages to health and to carryout such measures as the KSPDCL may prescribe in this behalf. The Contractor shall also be responsible for the adequacy of the strength and design of scaffolding, gangways, notice board etc., erected for the execution of the works.

## **2.14.00 LIABILITY FOR ACCIDENTS TO PERSONS**

2.14.01 The Contractor shall be responsible for all accidents to persons employed by him who may arise in the execution of the works, and from whatever cause they may arise during execution and maintenance of works included in the contract and shall arrange for insurance as prescribed in clause **2.43.00** of this section.

2.14.02 The Contractor shall indemnify the KSPDCL against all action, suits, claims, demands, cost of expenses arising in connection with injuries suffered up to the date when the works or plant shall have been taken over under clause herein by persons employed by the Contractor or his sub- Contractor whether under the general law or under the workmen's compensation Act, or any other statute in force on the date of the contract dealing with the question of the liability of employee from injuries suffered by employees and to have taken steps



properly to ensure against any claims there under.

On the occurrence of accidents which result in the death of the workmen employed by the Contractor or which result in injury so serious as to be likely to result in the death of any such workmen, the Contractor shall within 24 hours of happening of such accident, intimate in writing to KSPDCL, the fact of such accident. The Contractor shall indemnify KSPDCL against all loss or damages sustained by KSPDCL resulting directly or indirectly from failure to give intimation in the manner aforesaid as a consequence of KSPDCL's failure to give notice under the workmen's compensation act, otherwise to conform to the provision of the said act in regard to such accident. In the event of any claim being made or action brought against the KSPDCL involving the Contractor and arising out of the matter referred to and in respect of which the Contractor is notified thereof and he too shall with the assistance, if so required of the KSPDCL but at the sole expense of the contractor conduct all negotiations for the settlement of the case or any litigation that may arise there from. In such cases, the KSPDCL shall at the expense of the Contractor afford all available assistance for any such purpose.

- 2.14.03 In the event of any accident in respect of which compensation may become payable under workmen's compensation Act, whether by the Contractor or by the KSPDCL as Principal, it shall be lawful for KSPDCL to retain out of money due and payable to the Contractor such sum or sums of money as may be in the opinion of the KSPDCL, be sufficient to meet such liability and any balance left out of money so retained after meeting such liability shall be refunded to the Contractor.

**2.15.00 LIABILITY FOR DAMAGE TO WORKS OR PLANT**

- 2.15.01 The Contractor shall during the progress of the works properly cover up and protect the work and plant leased by KSPDCL from injury by exposure to weather and shall take every reasonable proper and timely precautions against accidents of injury to the same from any cause, and shall be answerable and liable for all accidents or injuries thereto which until or be occasioned by the acts or omissions of the Contractor or his workmen or sub-Contractor from and all

losses and damages to the works or plant arising from such accidents or injuries shall be made good in the most complete and substantial manner by and at the sole cost of the Contractor to the entire satisfaction of KSPDCL.

**2.16.00 LABOUR CONDITIONS**

2.16.01 The Contractor shall comply with the labour laws in force and shall furnish the returns and information as may be specified from time to time.

2.16.02 The Contractor shall as far as possible obtain his requirements of labour from the local area, and through the employment exchanges wherever so required by law. The Contractor shall pay fair and reasonable wages (whether or not such wages are controlled by any law existing at the time) to workmen employed by him for the work.

**2.17.00 MEDICAL FACILITIES FOR LABOUR**

2.17.01 The Contractor shall arrange to build at his own cost proper camp for his labourers and provide such camps with facilities of clean potable treated water and light (where ever possible) and arrange for drainage and proper disposal of sewage.

2.17.02 The Contractor shall also provide at his own cost for the Medical supervision of his workmen against epidemics & arrange for taking anti malaria measures, vaccination against small pox, typhoid, cholera, etc., and examination of persons before employment.

The Contractor shall also at his own cost provide for first aid at the work spot and for medical aid at his main camp to all his employees as directed by the Health Officer and submit reports regarding such conditions in the camps.

**2.18.00 MATERIALS, WORKMANSHIP ETC**

2.18.01 The work shall be executed in a thoroughly standard manner with materials and workmanship of the best quality and strictly in accordance with the BESCOM specifications and drawings or written instructions as may from time to time be furnished to the Contractor and shall be completed in every respect with all materials and workmanship implied and necessary according to the fair interpretation and meaning of the same. Should there be any discrepancy between the drawing and specifications or any difference or dispute as to the dimensions to be worked to or the periodical quantity to be executed or with respect to any subject arising out of this contract, the decision of KSPDCL shall be final and binding on all parties.

**2.18.02 BRAND NAMES:**

The specific reference in these specifications and documents to any material / equipment by brand name, make or catalogue number shall be construed as establishing standards of quality and performance and not as limiting competition. However, contractor may offer other similar material / equipment provided they meet the specified standard, design and performance requirements.

The contractor shall furnish adequate technical information about such alternative material/equipment to enable the KSPDCL to determine its acceptability. The KSPDCL shall be the sole judge on the acceptability or otherwise of such alternative material/equipment

2.18.03 The contractor shall note that standards for workmanship, material and equipment and reference to brand name of catalogue numbers designated by the KSPDCL in its Technical specifications are intended to be descriptive only and not restrictive. The bidder may substitute alternative standards, brand name and or catalogue numbers in its bid, provided that it demonstrates to the KSPDCL's satisfaction that the substitutions are substantially equivalent or superior to those designed in the BESCOM Technical specification.

**2.19.00 CONTRACTOR TO INFORM KSPDCL THE ARRANGEMENTS MADE BY HIM FOR THE EXECUTION OF WORK.**

2.19.01 The Contractor shall furnish the KSPDCL a statement in writing of the arrangements he proposes to adopt for the execution of the work and in case KSPDCL considers any alteration in the same desirable, the Contractor shall on notice thereof adopt such alteration.

2.19.02 The Engineer and his authorised assistants or agents shall have at all times full power to inspect the works wherever in progress either on the site, or at the Contractor's premises wherever situated on the premises of any firm or company where work in connection with this contract may be done and the Contractor shall provide all reasonable facilities and safety devices, at his own cost, for enabling such an inspection of works to be carried out, and any tests to be conducted if necessary. The Contractor shall maintain at such work spot a work order book, in which the instructions of the inspecting officers shall be got noted. A copy of such instructions in the said work order shall be promptly sent to the inspecting Officer and another copy of the same to the Engineer-in-charge.

**2.20.00 OPENING OUT OF THE WORKS**

2.20.01 Should the KSPDCL consider it necessary in order to satisfy himself as to the quality of work, the Contractor shall at any time during the execution of the work, pull down or cut into any part of the work and make such openings into and to such an extent through the same as the KSPDCL may direct, and the Contractor shall make good the whole to the satisfaction of the KSPDCL. Should the work prove to be faulty or in any respect not in accordance with the terms of the contract documents, the KSPDCL will be at liberty to order such further removal and remaking by the Contractor at his own cost.

2.20.02 The Contractor shall before covering up any work which may later become inaccessible for inspection and measurements give adequate notice of his intention to the KSPDCL and shall only cover up such portions after they have been inspected and measured up by the Engineer-in-charge. Should the Contractor fail to give such notice, the KSPDCL will be at liberty to get the work opened at the Contractors' risk and cost of inspection and measurement.

**2.21.00 REMOVAL OF IMPERFECT WORK.**

2.21.01 If any work has been executed with unsound, imperfect or unskilled workmanship or with materials of any inferior quality not in accordance with the specifications and drawings, the Contractor shall at his own cost rectify, reform, remove and reconstruct the same either in whole or part as may be directed by KSPDCL, whether or not the value of any such work (or materials) shall have been included in any payment made to the Contractor.

2.21.02 Should the KSPDCL consider in his unfettered discretion that he could accept a work which is not in strict accordance with the contract documents but is structurally sound and would serve the purpose for which it is executed, he may fix a price less than that contracted for, and his decision regarding the acceptance and the reduced price to be paid for, shall be final and binding on the contractor.

**2.22.00 SUSPENSION OF WORK**

2.22.01 The KSPDCL may from time to time by direction in writing without in any way vitiating the contract, direct the Contractor to suspend the works or any part thereof at such time or times and so long as the KSPDCL may deem desirable, and the Contractor shall not after receiving such written notice proceed with the works therein ordered to be suspended until he shall have received a written notice or authority from the KSPDCL to proceed with the works.

2.22.02 Should the works be ordered to be suspended directly or indirectly as a result of the Contractor not complying with any of the provisions of the contract in respect of the quality of the materials, workmanship, progress, mode of execution, the order of execution etc., or in the interest of the safety of the works, or due to

acts of nature, force majeure or war, the Contractors shall not be entitled to claim any compensation for any loss he may be put to. If however, the works be ordered to be suspended for reason for which the Contractor is not responsible directly or indirectly he will be entitled to compensation as may be determined by KSPDCL whose decision in the matter shall be final. In such matters the profits that the Contractor would have earned had the work not been suspended shall not be taken into consideration.

## **2.23.00 ACCESS TO SITE AND WORK ON SITE**

2.23.01 KSPDCL may, if it thinks fit from time to time, enter upon any lands which may be in the possession of the Contractor under this contract for the purpose of executing any works by itself or through its agents or through the other Contractors or workers of KSPDCL at its option, and the Contractor shall in accordance with the directions of the KSPDCL afford all reasonable facilities for the execution of the works including the occupation of lands by structures or otherwise for any contractors or their workmen.

## **2.24.00 DEVIATIONS, ALTERATIONS ETC., IN THE WORKS**

2.24.01 The Contractor shall not in any way alter any of the work in respect of a design, quantity, material or specification, without the written consent of KSPDCL, but the KSPDCL may from time to time and at any time during the progress of the works direct in writing any deviations, addition, omissions, or alterations, to be made in or to the works or any parts thereof in respect of quantity, design, material, workmanship and or specifications and may direct the Contractor to curtail or omit any of the works or to commence and execute any new or substituted work in such order and manner as he may think fit and any such direction of the KSPDCL and any such deviation alteration, addition and omissions made in pursuance thereof shall not violate the contract or be made the ground for any claim for compensation for alleged loss or profit in respect of omitted works or for extra rate of payment for additional works.

## **2.25.00 CLAIMS FOR EXTRA ITEMS OF WORKS**

- 2.25.01 The Contractor shall not be entitled to any claims for extra work due to any changes or alterations unless the same has been ordered in writing by the Engineer-in-charge.
- 2.25.02 Extra items of work done in pursuance of any written orders of the KSPDCL shall be executed strictly in accordance with the terms of this contract as though they had been originally included in the contract. Such works shall be measured according to the actual quantities executed and **amount shall be paid as per prevailing SR of BESCO OR quoted rates whichever is lower at the time of execution.**
- 2.25.03 In the event of any dispute arising out of the validity of the claims or as to the amount to be paid or allowed in respect thereof the decision of KSPDCL shall be final and binding.
- 2.26.00 MEASUREMENT AND TERMS OF PAYMENTS: The payments will be made at KSPDCL, Bengaluru, with following conditions:**
- Payment :**
- 100% payment will be made after completion of works in all respects.**
- For arranging payments, the contractor shall submit an application /Bill in quadruplicate (4 copies) to the KSPDCL, Bengaluru, in prescribed form only when all the works pertaining to the tender is completed in all respects and is ready for commissioning.
- The Payment will be made against each item wise measurements for different works as per actual quantity at the approved unit prices of P.O contract.
- 2.26.01 The measurement of works done shall be taken and bills preferred after completing all the works as per sanctioned 11 KV feeders.

- 2.26.02 The authorized representatives of the KSPDCL and the Contractor shall jointly take the measurements. The representative of the KSPDCL will give a week's notice to the Contractor of his intention to record the measurement immediately on report of completion of all works on a feeder by the contractor and if the Contractors' representative fails to join the KSPDCL representative, the latter may proceed with the measurements by himself and the Contractor shall have to accept these measurements as correct and binding on him.
- On the basis of the joint measurements, payment will be made to the Contractor by Chief Executive Officer, KSPDCL.
- Payment will be made at the accepted rates for all works done according to the specifications and measurements and after commissioning the same. However where approval of the Inspectorate authorities is required under statute, payment shall be made only after such approval and after the feeder is duly charged.
- 2.26.04 The periodical measurements and payments will not entitle the Contractor to any claim that the works for which payment has been made are accepted as complete in accordance with the specifications, drawings or other contract documents and in no way will curtail the right of the KSPDCL to subsequently direct the removal of imperfect work or pay at a lower reduced rate, or to re-measure the works.
- These periodical payments shall be treated only as advance on account to be adjusted finally after the works are finally measured on completion and the final bill is prepared.
- 2.26.05 The Contractor shall not be entitled to claim any interest upon any arrears or upon any balance, which may be found due to him at any time except as stipulated under clause 2.26.04.
- 2.27.00 RECOVERIES:**
- 2.27.01 Recoveries due from the Contractor up to the end of the month previous to the one in which bill is prepared shall be made from the bills approved for payment every month in the following order of priority and extent.



1. Penalty, in full, if any to be levied.
2. Expenditure incurred by the KSPDCL on behalf of the Contractor in full.
3. Charges for services such as water supply, power etc., if any. Rendered by the KSPDCL in full.
4. Recoveries of advances on either materials or preliminaries of work if any.
5. Amount towards income tax at applicable rates;
6. Any other sums due by the Contractor to the KSPDCL.
7. Recoveries if any due to KSPDCL
8. Any other statutory deductions. Labour welfare Cess @1%, WCT (Work Contract Tax) at applicable rate (i.e. 4% on production of Composite Tax Certificate issued by commercial tax department or @ 13.5% in absence of the said certificate) which is applicable at time to time.

2.27.02 The extent of recovery to be made from the Contractors' bill may be modified at the discretion of the KSPDCL if the bill under question includes items whose rates are not finalised or the rate for such items is not fully collected.

**2.28.00 DATE OF COMPLETION:**

2.28.01 The scope of works on total turnkey Basis shall be completed in all respects within **30 days** from the date of **LOA** including monsoon period.

The Award of Contract for work will be issued separately and the date of Award of Contract for the purpose of completion period shall be the date of issuing LOA by the KSPDCL.

**2.29.01 PENALTY FOR DELAY IN EXECUTION OF THE WORK.**

a) The penalty shall be ½ % per week of delay or part thereof subject to a maximum of 10 % on the portion of work which is not completed for beneficial use within the time stipulated in clause 2.28.00 above.

**2.30. VOID**

**2.31 VOID**

**2.32.00 TERMINATION OF CONTRACT**

The Corporation shall have the powers:

- a) To recover from the contractor as agreed liquidated damages or by way of penalty clause above and,
- b) To purchase elsewhere after giving due notice to the contractor, on to the

account and at the risk of the contractor such stores not so delivered or others of a similar description without cancelling the Contract in respect of the consignment not yet due for delivery, but the supplier shall not be entitled to any savings on such purchases made against default.

- c) To forfeit the Performance Guarantee.
- d) To blacklist and/or not to consider the contractor's future offers for a specified period.

### **2.33.00 LIQUIDATED DAMAGES:**

If the contractor fails to successfully complete the awarded scope of work within the time fixed under the contract, the contractor shall pay to the owner as liquidated damages and not as penalty a sum specified for each specified period of delay.

Equipment and materials shall 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 materials will be considered as delay until such time the missing parts are also delivered.

Total amount of liquidated damages for delay under the contract will be subject to a maximum of 5% of the Contract price.

### **2.34.00 FORCE MAJEURE**

- a) For the purposes of this contract "Force Majeure" means, an event which could not reasonably have been avoided by a diligent party in the circumstances, which is beyond the reasonable control of a party and which makes a party's as to be reasonably considered impossible in the Circumstances and includes, but is not limited to, war, riots, civil disorder, earthquake, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action, electrical failure, confiscation or any other action by Government agencies.
- b) Force majeure shall not include any event, which is caused by the negligence or intentional action of a party or such party's sub-contractors or agents or employees, or by a failure to observe good industrial practices.

c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

**2.35.00 TERMINATION FOR Convenience**

2.35.10 The KSPDCL may, by written notice sent to the contractor, terminate the contract, in whole or in part at any time for its convenience. The notice of termination shall specify the termination is for the KSPDCL's convenience, the extent to which performance of work under the contract is terminated and the date upon which such termination is effective.

2.35.20 The contractor upon receipt of such notice shall discontinue the work on the date and to the extent specified in the notice, make all reasonable efforts to obtain cancellation of all orders and the sub contracts to the extent they are related to the work terminated and upon terms satisfactory to the KSPDCL stop all further sub-contracting or purchasing activity related to the work terminated and assist the KSPDCL in storage, maintenance and protection, and disposition of the goods acquired under the contract by the KSPDCL.

**2.36.00 EFFECT & JURIDICTION OF CONTRACT**

2.36.10 The laws applicable to the contract shall be the laws in force in India. The courts of Bangalore in Karnataka State shall have exclusive jurisdiction in all matters arising under the contract, including execution of arbitration awards.

**2.37.00 COMPLETION CERTIFICATE**

2.37.01 As and when the whole work is completed to the satisfaction of the Engineer in accordance with the conditions of this contract, the KSPDCL shall issue a Completion certificate and the KSPDCL shall then take over the work included in the completion certificate.

2.38 VOID

**2.39.00 GUARANTEE OF WORKS**

2.39.01 For a period of twelve months from the date of issue of the completion certificate herein above mentioned, the Contractor shall be liable for the works or any portion thereof found to be defective from causes arising from faulty materials or workmanship or other causes for which in the judgment of the KSPDCL the Contractor is responsible.

He shall make good any damages arising there from, notwithstanding the fact that the final certificate may have been issued and the security deposit refunded.

**2.40.00 DEATH, BANKRUPTCY ETC.**

2.40.01 If the Contractor dies or commits any act of bankruptcy or being a firm commences to be wound up except for reconstruction purposes or carries on its business under a receiver the executors, successors or other representatives in law, liquidator or any person in whom the contract may become vested, shall forthwith give notice thereof in writing to the KSPDCL and shall take all reasonable steps to prevent stoppage of works for one month during which period he shall have the option of carrying out this contract or providing such guarantee as the Engineer may require but not exceeding the value of the work for the time being remaining unexecuted.

In the event of stoppage of works, the period of option shall be fourteen days only. Provided that should the above action be not exercised the contract may be terminated by the Engineer and the retention moneys be forfeited to the KSPDCL, except in case of termination caused by the death of the Contractor.

**2.41.00 PENALTY FOR OFFERING ILLEGAL GRATIFICATION TO KSPDCL EMPLOYEES**

2.41.01 If the Contractor or any of his servants or agents, directly or indirectly gives promises or offers any bribe, gratuity, gift, loan, prerequisite, reward or advantage, pecuniary or otherwise, to any officer or person in the employment of the KSPDCL or in any other way directly or indirectly tries to influence the action of such an employee, in any way relating to his office or employment, the contract shall be liable to be rescinded. In the event of the contract being rescinded, the security deposit of the Contractor shall stand forfeited to the KSPDCL and further the work remaining unexecuted shall be carried out at the cost and risk of the Contractor. Such Contractors will be black listed and will not be permitted to participate in any future tenders of the KSPDCL.

**2.42.00 BREACH ON THE PART OF THE KSPDCL NOT TO EFFECT THE**

**CONTRACT**

2.42.01 Breach or non observance of any of the conditions or terms of the contract by the KSPDCL, shall not entitle the Contractor to rescind the contract, but he shall only be entitled to claim damages for loss incurred by him in accordance with law.

**2.43.00 INSURANCE :**

The Contractor shall at his cost arrange to secure and maintain insurance cover against the following statutory obligations:

## 1. Workmen's Compensation Insurance:

This insurance is to protect against all claims applicable under workmen's compensation act 1948 & to cover the Contractor against claims for injury, disability, disease or death of its or its Sub Contractor's employees. The liabilities shall not be less than that shown below.

Workmen's Compensation: As per Statutory Provision

Employees Compensation: As per Statutory Provision

## b) Comprehensive General Liability Insurance:

This insurance is to protect against all claims arising from injuries, disability, disease or death of members of Public or damage to property of them due to any act or omission on the part of the Contractor, its agents, its employees or sub Contractors or from riots, strikes and civil commotion, etc.

The above Insurances are only illustrative and it will be the responsibility of the Contractor to maintain all necessary Insurance coverage to the extent in both time and amount to take care of all its liabilities, either direct or indirect, in pursuance of the contract.

2.44.00 The supply firm shall arrange for the transit insurance of the goods with their own underwriters and include the same in the price quoted by them.

2.44.10 The policy will be taken out in the name of the supplier and the supplier shall pursue claims with the insurers themselves, in case of shortage/breakage/damages or other claims. The supplier shall however arrange for immediate replacement of materials received short/damaged/broken etc., without waiting for settlement of their insurance claims.

**Sd/-  
Chief Executive Officer,  
KSPDCL.**