

# **TENDER SPECIFICATION**

**BHEL: PSSR: SCT: 1466**

**FOR**

Pre-bid tie up on back to back basis for Civil, Structural & Balance of Plant for 1x 700 MW Combined Cycle Power Plant of Andhra Pradesh Power Development Company Limited

**at**

**Nedunoor, Karimnagar Dist, AP**

**TECHNOCOMMERCIAL BID-**

**VOLUME-C -SCC**



**BHARAT HEAVY ELECTRICALS LIMITED**

(A Government of India Undertaking)

Power Sector – Southern Region

690, Anna Salai, Nandanam, Chennai – 600 035.

**BHARAT HEAVY ELECTRICALS LIMITED**  
**(A Government of India Undertaking)**  
**Power Sector, Southern Region**  
**690, Anna Salai, Nandanam, Chennai – 35**

**Tender Specification No. BHEL: PSSR: SCT: 1466**

For

Pre-bid tie up on back to back basis for Civil, Structural & Balance of Plant for 1x700 MW Combined Cycle Power Plant of Andhra Pradesh Power Development Company Limited (APPDCL) at Nedunoor, Karimnagar Dist, AP

One set of Tender documents consisting of **Volume - A to Volume- L** (details as below)

**BOOK SLNO** \_\_\_\_\_

Issued to

M/s

Refer NIT for Last date of submission

Please note this tender document is not transferable

For and on behalf of  
**BHARAT HEAVY ELECTRICALS LIMITED**

**ADDL GENERAL MANAGER / CONTRACTS**

Place: Chennai -35

Date:

**Tender Specification BHEL PSSR SCT 1466 comprise of Volume-A to Volume -L as below:**

<b>Sl no of Volumes</b>	<b>Description</b>	<b>No. of pages (including drawings)</b>	<b>Remarks</b>
BHEL Vol -A	NIT		
BHEL Vol -B	Project information, schedules, QA, Other requirements		
	Scope TP, Exclusions		
	Proposed scope split of Electrical between BHEL & EPC contractor		
	Scope split BHEL & EPC contractor dt 29-06-2011		
	Scope of lifting equipments		
BHEL Vol -C	SCC- BHEL		
BHEL Vol -D	Consolidated GCC- BHEL-PEM		
	APPDCL Volume -1,SECTION A1 TO A4		
BHEL Vol -E	Geo tech investigations		
	Tech requirements for General Civil works		
	Additional civil drgs		
BHEL Vol -F	Scope of Cooling tower		
BHEL Vol -G	Tech requirements for General Electrical works		
BHEL Vol -H	Technical spec for Mechanical packages- Bought out packages		
BHEL Vol -I	NOT APPLICABLE		
BHEL Vol -J	Amendments & clarifications		
BHEL Vol -K	Schedules		
BHEL Vol -L	Price schedule		



# SPECIAL CONDITIONS OF CONTRACT (SCC)

VOLUME-C

BHARAT HEAVY ELECTRICALS  
LIMITED





## Volume- C Chapter-1

<b>CLAUSES THAT ARE MODIFIED IN Sec A1 to A4 in Vol-I of APPDCL</b>		
<b>Sl no</b>	<b>Clause no in Sec A1 to A4 in Vol-I of APPDCL in Vol C of BHEL</b>	<b>Modified as</b>
01	CI 7.2 – Sec A2 Page 018	<p><b>Bid Security</b> Bids must be accompanied by a bid security for an amount of Rs. 12 Cr or equivalent in the form of a bank guarantee (format enclosed as <b>Annexure to SCC-3</b>) issued and confirmed by scheduled banks in India.</p>
02	CI 12.5- Sec A2 Page 24	<p><b>Pre Bid Meeting</b> A pre bid meeting will be held as per NIT. Clarifications from bidders should reach BHEL, PSSR Chennai two days prior to the pre bid meeting. No extension shall be given on account of clarifications sought after the pre bid meeting date. Clarifications can be sent by E-mail to the following address:</p> <p>Addl General Manager/Contracts Bharat Heavy Electricals Ltd Power Sector – Southern Region New No 690 (Old No 474), Anna Salai Nandanam, Chennai 600035</p> <p>Ph No 28286762 Fax 044-24335920</p> <p>Email : <a href="mailto:tkk@bhelpssr.co.in">tkk@bhelpssr.co.in</a>, Copy to: <a href="mailto:skumar@bhelpem.co.in">skumar@bhelpem.co.in</a> , <a href="mailto:lkrawal@bhel.in">lkrawal@bhel.in</a></p>
03	CI 14.0 Sec A2 Page 25	<p><b>Price</b> Price quoted is Firm and Lumpsum price for scope of work.</p>
04	CI 18.2 Sec A2 Page 26	<p><b>Validity of Bid:</b> The bid should be kept valid for acceptance for a period of 180 calendar days from the last date of submission of the bid or upto 45 days after receipt of firm order from customer to BHEL whichever is later. Bids validity for a shorter period runs the risk of rejection. However, the prices of spares can be kept valid for a period of 270 calendar days from the last date of submission of bid or upto 45 days after receipt of firm order from customer to BHEL whichever is later.</p>

05	CI 19.2 Sec B4 Page 26	<b>Pre Qualification Criteria:</b> Refer to NIT for PQR.
06	CI 19.3.1 Sec A2 Page 28	<b>Opening of Price Bid</b> Price bids of acceptable bidders as per PQR will be opened in “in Camera”. There shall not be any intimation to the bidders either on the date of opening or on any other details thereof to any of the bidders. Unopened price bid, bid security for the unsuccessful bidders will be returned on completion of contract agreement between BHEL and the successful bidder.
07	CI 24.0 Sec A2 Page 29	Deleted
08	CI 28.0 Sec A2 Page 30	<b>Insurance :</b> The total insurance liabilities for the scope under this tender will be with the prime bidder as detailed out in clause title Insurance in Section A4 of spec. Bid price shall include all the costs in pursuance of fulfilling all the insurance liabilities under the contract.
09	CI 31.0 Sec A2 Page 30	<b>Address for Correspondence and Communication:</b> All correspondence and communications shall be addressed to the following:  Addl General Manager/Contracts Bharat Heavy Electricals Ltd Power Sector – Southern Region New No 690 (Old No 474) Anna Salai Nandanam, Chennai 600035  Ph No 28286762 Fax 044-24335920  Email : <a href="mailto:tkk@bhelpssr.co.in">tkk@bhelpssr.co.in</a> , <a href="mailto:vrn@bhelpssr.co.in">vrn@bhelpssr.co.in</a> & <a href="mailto:arup@bhelpssr.co.in">arup@bhelpssr.co.in</a>
10	CI 1.1.4 Sec A3 Page 56	<b>Performance Bank Guarantee:</b> The total performance bank guarantee to be provided in favour of BHEL-PSSR-Chennai shall be as indicated under this clause. In case of consortium, the Prime Bidder and Consortium Partner, each shall furnish 15% of their contract prices as PBG for respective scope of work.

11	CI 2.0 Sec A3 Page 058	<p><b>Financial Criteria:</b> The prime bidder shall have atleast INR 450 Cr (Rs.Four Hundred and fifty crores only) as average annual turnover in the past three years and having positive net worth. In case of consortium, a minimum average turnover of consortium partner shall be INR 225 Cr (Rs.Two hundred and twentyfive crores only).</p>
12	CI 1.0 Sec A4 Page 64	<p><b>SCC</b> SCC means Special Conditions of Contract hereof.</p>
13	CI 5.1 Sec A4 Page 71	<p>The contract shall be governed by and interpreted in accordance with laws in force in India. The courts of Chennai shall be exclusive jurisdiction in all matters arising under this contract between BHEL and the prime bidder / consortium partner. In case M/s APPDCL is involved, then the courts of Hyderabad shall have exclusive jurisdiction.</p>
14	CI 6.1 & 6.2 Sec A4 Page 71 to 73	<p><b>ARBITRATION :</b> <b>1 ARBITRATION &amp; RECONCILIATION</b> 1.1 In case amicable settlement is not reached in the event of any dispute or difference arising out of the execution of the Contract or the respective rights and liabilities of the parties or in relation to interpretation of any provision by the Contractor in any manner touching upon the Contract, such dispute or difference shall (except as to any matters, the decision of which is specifically provided for therein) be referred to the sole arbitration of the arbitrator appointed by BHEL/In charge(Region).</p> <p>The award of the Arbitrator shall be binding upon the parties to the dispute Subject as aforesaid, the provisions of Arbitration and Reconciliation Act 1996 (India) or statutory modifications or re enactments thereof and the rules made there under and for the time being in force shall apply to the arbitration proceedings under this clause. The venue of the arbitration shall be the place from which the contract is issued or such other place as the Arbitrator at his discretion may determine</p> <p>1.2 In case of Contract with Public Sector Enterprise (PSE) or a Government Department, the following shall be applicable :</p> <p>In the event of any dispute or difference relating to the interpretation and application of the provisions of the Contract, such dispute or difference shall be referred to by either party to the arbitration of one of the arbitrators</p>

		<p>in the department of public enterprises. The award of the arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary or Additional Secretary when so authorized by the Law Secretary, whose decision shall bind the parties hereto finally and conclusively.</p> <p>1.3 The cost of arbitration shall be borne equally by the parties.</p> <p>1.4 Work under the contract shall be continued during the arbitration proceedings.</p>
15	CI 7.1 Sec A4 Page 74	Scope of facilities shall be governed by the Scope / Responsibility Matrix mentioned in BHEL Vol-B that forms part of tender specification.
16	CI 7.3 Sec A4 Page 74	<p><b>Validity of Price</b></p> <p>The validity of the price referred shall be kept valid as referred earlier in clause no18.2 Page 26.(Refer SI no 4 of this table)</p>
17	CI 8.3 (new clause added in Sec A4) Page 79	<p><b>Time Schedule:</b></p> <p>Added to cl 8.1 and 8.2, (refer Sec A2 CI 4.0).</p> <p>A time schedule for the total scope of work shall be submitted in the form of PERT Net work identifying each BOP package along with its requirements from Civil works, covered under the scope and the various civil works under the scope including structural fabrication and erection. This time schedule will be discussed with the successful bidder after the award of contract and the final schedule will be discussed and arrived at within one month from the receipt of award from M/s APPDCL. However, all discussions with respect to time schedule shall conform to CI 8.1 and 8.2 of Section A4 Page 079 of GCC.</p>
18	CI 17.2.3.1 Sec A4 Page 88	<p><b>Technical and Commercial Correspondence Route:</b></p> <p>The correspondence / communication route for Technical and Commercial correspondence will be in principle to BHEL. Further detailing of the same along with contract coordination procedure, covering approval route for drawings and documents, will be discussed with the successful bidder and agreed upon before converting the MoU into a contract.</p>

19	CI 20.3.5 Sec A4 Page 92	Repeat the clause with the word "Adjudicator" replaced by 'Arbitrator'.
20	CI 34.0 Sec A4 Page 111	Insurance as per this clause, as applicable to the scope of work, under the contract between BHEL and the successful bidder (prime bidder).
21	CI 40.2 Sec A4 Page 119	Repeat the clause with the word "Adjudicator" replaced by 'Arbitrator'.
22	CI 10.8 of Appendix II in Sec A4 Page 141	<p><b>Liquidated Damages</b></p> <p>The LD for delay in completion will be levied at 0.5% of contract value for every week or part thereof for each week.</p> <p>Sharing of LD due to delay in timely completion or performance:</p> <p>Each party shall be responsible for the timely completion of their scope of work to meet the contractual schedule with APPDCL and also the project requirement.</p> <p>The LD arising from delayed completion of the contract shall be the responsibility of and shall be paid first by the party responsible for such delays up to a maximum of 10% of the said party's contract price (for the scope of work). In the event that the amount of LD for delay payable to the customer by such party under the contract exceeds such calculated amount then the excess amount of LD for delay shall be shared by the parties in proportion to their respective contract prices for their scope of work.</p>
23	CI 12.0 and Appendix-I of Sec A4 Page 130 to140	<p><b>TERMS OF PAYMENT</b></p> <p>In accordance with the provisions of Clause 12.0 (Terms of Payment), the BHEL shall pay the Contractor in the following manner and at the following times, on the basis of the Price Break down given in the Section of Price Schedules. Payments will be made in the currencies quoted by the Bidder unless otherwise agreed between the parties. However, applicable taxes, duties and levies shall be reimbursed in local currency. Application for payment in respect of part deliveries may be made by the Contractor as work proceeds.</p> <p><b>Terms of Payment</b></p> <p><b>A, A1&amp; A2.- Deleted</b></p> <p><b>AA) All other terms remaining the same, the advance of 10% shall be replaced as below.</b></p> <p>For Supplies (including structural steel but excluding construction</p>

		<p>materials and mandatory spares)</p> <ol style="list-style-type: none"> <li>1. 10 % pro-rata payment against the submission and approval of all drawings and documents, listed in Master List of Drawings and Documents which shall be submitted by bidder within one month from the date of Lol to BHEL from customer for scope of work under BOP.</li> </ol> <p>For Civil and Structural works (excluding structural steel but including construction materials)</p> <ol style="list-style-type: none"> <li>1. 5 % pro-rata payment against the submission and approval of all drawings and documents, listed in Master List of Drawings and Documents which shall be submitted by bidder within one month from the date of Lol to BHEL from customer for scope of work under Civil and Structural works.</li> <li>2. 5 % payment as per the mobilization of Tools and Plants , the schedule of which shall be submitted by bidder within one month from the date of Lol to BHEL from customer for scope of work under Civil and Structural works..</li> </ol> <p><b>B. Supply of Plant and Equipment (including Structural Steel but excluding construction materials and Mandatory spares).</b></p> <p>In respect of supply of Plant and Equipment (including structural steel but excluding construction materials and Mandatory spares), the following payment shall be made:</p> <p><b>B1 For Ex-works Price component of Plant and Equipment:</b></p> <ol style="list-style-type: none"> <li>(I) Ten Percent (10%) of the total Ex-works price component as pro rata Payment as indicated in <b>AA</b> above on:       <ol style="list-style-type: none"> <li>(i) Acceptance of Notification of Award and Signing of the Contract Agreement.</li> <li>(ii) Submission of unconditional bank guarantee for 5% of the contract value towards Security Deposit as per the format enclosed as <b>Annexure to SCC-1</b></li> </ol> </li> </ol>
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		<p>(iii) Submission of an unconditional Bank Guarantee(s) towards Performance Guarantee(s) in respect of First, Second and Third Contracts (including the contract(s) entered into with the Contractor's assignee, if applicable, in case of foreign contractor), initially valid upto sixty (60) days after the end of Scheduled Defect Liability Period of last equipment covered in the contract. The proforma of Bank Guarantee is enclosed in Appendix – 3 of Section A2 (Refer Vol –I of APPDCL in BHEL Vol-C) – Form of Performance Guarantee.</p> <p>(iv) Deleted</p> <p>(v) Submission of detailed PERT Net work based on the work schedule.</p> <p>(II) Sixty five percent (65%) of Ex-works price component of the Contract price for each identified equipment upon dispatch of equipment from manufacturer's works on pro-rata basis on production of invoices and satisfactory evidence of shipment which shall be original Good Receipt / receipted or Rail Receipt including Material Despatch Clearance Certificate (MDCC) issued by the BHEL representative.</p> <p>(III) Fifteen Percent (15%) of Exworks price component of the contract price for each identified equipment on receipt of equipment at site on prorata basis and physical verification and certification by BHEL for the equipment received and stored at site.</p> <p>(IV) Five percent (5%) of price component of the contract price on completion of PAC of Combined Cycle Module including all associated auxiliaries and ancillary work and by M/s APPDCL issue of completion certificate.</p> <p>(V) Five percent (5%) of price component of the contract price on successful completion of FAC of Combined Cycle Module including all associated auxiliaries and ancillary work under the package and issuance of taking over Certificate by M/s APPDCL.</p>
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Note: The basis for the pro-rata payment at SI Nos (II) and (III) above shall be the Billing Break up to be finalized subsequently based on the following broad guidelines. The billing break up shall be generally on item-rate basis. However, for the items which are generally supplied and billed on weight (tonnage) basis, the billing break up may be considered on weight (tonnage) basis.

**C. Payment Terms for Mandatory Spares and Recommended Spares (when ordered) Ex-works (India) basis.**

The Ex-works price component of spares to be manufactured or fabricated shall be paid as under:

- (i) Seventy five per cent (75%) of Ex-works price component of the spares to be paid on pro-rata basis: upon dispatch to site and against invoices and shipping documents along with Material Despatch Clearance Certificate (MDCC) issued by the BHEL's representative.
- (ii) Twenty five percent (25%) of Ex-works price component of the spares to be paid in prorata basis : on receipt and storage at site and on physical verification and certification by the BHEL for the spares received and stored at site.

**D. Local Transportation**

All Plant and Equipment including Mandatory Spares and Recommended Spares (if ordered)

Hundred percent (100%) Local Transportation charges for the plant and equipment including mandatory spares and also recommended spares (if ordered) shall be paid pro-rata to the Contractor to the value of the equipment / spares received at site and on production of invoices by the Contractor. The aggregate of all such pro-rata payment shall, however, not exceed the total amount identified in the Contract for Local Transportation. However, where item wise local transportation charges have been identified in the Contract, the payment for the same shall be made after receipt of the equipment / spares at site, based on the charges so identified in the

Contract.

**E. Installation Services**

**(a) Erection Portion (of Plant and Equipment excluding Civil Works portion)**

(I) Ten percent (10%) of the total Erection Portion of Installation services component of the Contract Price (excluding civil works portion) will be paid to the Contractor on:

(i) Acceptance of Notification of Award and Signing of Contract Agreement.

(ii) Establishing their office at site preparatory to mobilization of their erection establishment.

(i) Submission of unconditional bank guarantee for 5% of the contract value towards Security Deposit as per the format enclosed as **Annexure to SCC-1**

(iii) Submission of unconditional Bank Guarantees towards Performance Guarantees for both First, Second and Third Contract (including the Contracts entered into with the Contractor's Assignee, if applicable in case of foreign Contractor), initially valid upto sixty (60) days after the end of scheduled Defect Liability Period as specified in the Contract. The proforma of Bank Guarantees is enclosed in Appendix – 3 of Section A2 (Refer Vol –I of APPDCL in BHEL Vol-C) - Form of Performance Guarantee.

(iv) Deleted

(v) Submission of detailed PERT Net work based on the work schedule and as per the mobilization of Tools and Plants, the schedule of which shall be submitted by bidder within one month from the date of Lol to BHEL from customer for scope of works referred.

(II) Eighty per cent (80%) of the Erection portion of Installation Services component will be made on pro-rata basis against progressive erection of the identified equipments on certification by the BHEL

for the quantum of work completed and as certification by the BHEL's field qualities assurance and surveillance representative for the successful completion of quality check points involved in the quantum of work billed.

(III) Five per cent (5%) of total Erection portion of Installation services component of the contract price on completion of PAC of Combined Cycle Module including all associated auxiliaries and ancillary work and issuance of completion certificate by M/s APPDCL

(IV) Five per cent (5%) of total Erection portion of Installation services component of the contract price on successful completion of FAC of Combined Cycle Module including all associated auxiliaries and ancillary work under the package and issuance of final taking over Certificate by the M/s APPDCL.

Note: 1. Deleted

2. The basis for the pro-rata payments at Sl No (II) above shall be the Billing Break up to be finalized subsequently based on the following broad guidelines:

The billing break up shall be on weight (tonnage) basis. However, for the items which are generally supplied, erected and billed on item rate basis, the billing break up may be considered on item rate basis.

**(b) Civil Construction Works price component including construction materials:**

(I) Ten per cent (10%) of the total Civil Construction works price will be paid to the Contractor on :

(ii) Establishing their site office preparatory to mobilization of their establishment for civil construction works and as per the mobilization of Tools and Plants, the schedule of which shall be submitted by bidder within one month from the date of Lol to BHEL from customer for scope of works referred.

(iii) Submission of unconditional bank guarantee for

		<p>5% of the contract value towards Security Deposit as per the format enclosed as <b>Annexure to SCC-1</b></p> <p>(iv) Acceptance of Notification of Award and Signing of contract Agreement.</p> <p>(v) Submission of unconditional Bank Guarantees towards Performance Guarantees for both First, Second and Third Contract (including the Contracts entered into with the Contractor's Assignee, if applicable in case of foreign Contractor), initially valid upto sixty (60) days after the end of scheduled Defect Liability Period as specified in the Contract. The proforma of Bank Guarantees is enclosed in Appendix – 3 of Section A2 (Refer Vol –I of APPDCL in BHEL Vol-C) -Form of Performance Guarantee.</p> <p>(vi) Deleted.</p> <p>(vii) Submission of a detailed PERT Network based on the work schedule</p> <p>(II) Eighty per cent (80%) of the Civil portion of Installation Services component will be made on pro-rata basis against progressive construction and structural works of the identified equipments on certification by the BHEL for the quantum of work completed and as certification by the BHEL's field qualities assurance and surveillance representative for the successful completion of quality check points involved in the quantum of work billed.</p> <p>(III) Five per cent (5%) of total Civil portion of Installation services component of the contract price on completion of PAC of Combined Cycle Module including all associated auxiliaries and ancillary work and issuance of completion certificate by M/s APPDCL</p> <p>(IV) Five per cent (5%) of total civil portion of Installation services component of the contract</p>
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		<p>price on successful completion of FAC of Combined Cycle Module including all associated auxiliaries and ancillary work under the package and issuance of final taking over Certificate by the M/s APPDCL.</p> <p>(V) Recoverable Secured advance against the deed of hypothecation (format enclosed as <b>Annexure to SCC-2</b>) for the materials (Cement &amp; Reinforcement Steel excluding structural steel) shall be paid to the Contractor on the certificate of BHEL. The contractor shall be paid material secured advance up to maximum limit of 75% of cost (exact percent of material secured advance shall be decided by BHEL based on total requirement of Cement and Reinforcement Steel for the complete work and total cost of Civil Construction works as provided in and the same has been brought to site for incorporation in the works and are safeguarded against loss due to any cause whatsoever and stored as per requirement of Technical Specification).</p> <p>Total amount of secured advances against material (ie. Cement &amp; Reinforcement Steel) payable as per the above provision, however, shall not exceed 10% of the cost of total Civil Construction works for cement and 25% of the cost of total Civil Constructions works for Reinforcement Steel.</p> <p>(VI) The material secured advance payment under clause (v) above shall be fully adjusted from the payments due to contractor for the works done against clause (II) above as and when materials are utilized in the same.</p> <p>(VII) On completion of works as per requirement of specification, if any balance materials (i.e. Cement and Reinforcement Steel) are available in the contractor's store after full adjustment of material secured advance from the payments due under clause (II) above, contractor shall be allowed by the BHEL to take out the balance material (Cement &amp; Reinforcement Steel) from</p>
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the plant.

(VIII) The Contractor store shall be opened, for supervision and verification by the BHEL or his authorized representatives, at any time, in case he so desires.

**F. Payment terms for Price Adjustment Amount**

Deleted

**G. Payment Terms for Taxes and Duties**

(i) Deleted.

(ii) Deleted.

(iii) 100% of applicable Taxes and Duties which are payable by the Employer under the Contract shall be reimbursed by the Employer to the Contractor upon receipt of equipment / spares at site and rendition of services, on production of satisfactory documentary evidence by the Contractor.

**BANK GUARANTEE FOR SECURITY DEPOSIT**

B.G. NO.

Date

This deed of Guarantee made this ----- day of -----(month) two thousand ---- by <Name and Address of Bank> hereinafter called the "The Guarantor" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) in favour of M/s Bharat Heavy Electrical Limited ( A Govt. of India Undertaking) a company incorporated under the Companies Act, 1956, having its registered office at BHEL House, Siri Fort, Asiad, New Delhi – 110049 through its unit at Bharat Heavy Electricals Limited, Power Sector Southern Region, 690, Anna Salai, Nandhanam, Chennai-600 035 hereinafter called "The Company" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns)

WHEREAS < Contractor's Name and Address> (hereinafter referred to as the Contractor) have entered into a contract arising out of Letter of Intent no. < LOI REF & Date > (hereinafter referred to as "the contract") for < Name of Work > with the company.

AND WHEREAS the contract inter-alia provides that the contractor shall furnish to the company a sum of Rs.----- (Rupees-----) towards security deposit for due and faithful performance of the contract in the form and manner specified therein.

AND WHEREAS the contractor has approached the Guarantor and in consideration of the arrangement arrived at between the contractor and the Guarantor, the Guarantor has agreed to give the Guarantee as hereinafter mentioned in favour of the company.

The Guarantor do hereby guarantee to the company the due and faithful performance, observance or discharge of the Contract by the contractor and further unconditionally and irrevocably undertake to pay to the Company without demur and merely on a demand, to the extent of Rs.----- (Rupees-----) against any claim by the company on them for any loss, damage, costs, charges and expenses caused to or suffered by the company by reasons of the contractor making any default in the performance, observance or discharge of the terms, conditions, stipulations or undertakings or any of them as contained in the contract.

The decision of the company whether any default has occurred or has been committed by the contractor in the performance, observance or discharge of any of the terms, conditions, stipulations or undertakings or any one of them as contained in the contract and / or as to the extent of loss, damage, costs, charges and expenses caused to or suffered by the company by reason of the contractor making any default in the performance, observance or discharge of any of the terms, conditions, stipulations or undertakings or any one of them shall be conclusive and binding on the Guarantor irrespective of the fact whether the contractor admits or denies the default or questions the correctness of any demand made by the company in any Court, Tribunal or Arbitration proceedings or before any other Authority.

The company shall have the fullest liberty without affecting in any way the liability of the Guarantor under this Guarantee, from time to time to vary any of the terms and conditions of the contract or extend time of performance by the contractor or to postpone for any time and from time to time any of the powers exercisable by it against the contractor and either enforce or forebear from enforcing any of the terms and conditions governing the contract or securities available to the company and the Guarantor shall not be released from its liability under these presents by any exercise by the company of the liberty with reference to the matters aforesaid or by reasons of time being given to the contractor or any other forbearance, act or commission on the part of the company or any indulgence by the company to the contractor or any other matter or thing whatsoever which under the law relating to sureties would, but for this provision have the effect of so releasing the Guarantor from its liability under this guarantee.

The Guarantor further agrees that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the contract and its claim satisfied or discharged and till the company certifies that the terms and conditions of the contract have been fully and properly carried out by the contractor and accordingly discharges this Guarantee, subject however, that the company shall have no claim under this Guarantee after ----- i.e. (the present date of validity of Bank Guarantee unless the date of validity of this Bank Guarantee is further extended from time to time, as the case may be) unless a notice of the claim under this Guarantee has been served on the Guarantor before the expiry of the said period in which case the same shall be enforceable against the Guarantor notwithstanding the fact that the same is enforced after the expiry of the said period.

The Guarantor undertakes not to revoke this Guarantee during the period it is in force except with the previous consent of the Company in writing and agrees that any liquidation or winding up or insolvency or dissolution or any change in the constitution of the contractor or the Guarantor shall not discharge the Guarantor's liability hereunder.

It shall not be necessary for the company to proceed against the contractor before proceeding against the Guarantor and the Guarantee herein contained shall be enforceable against them notwithstanding any security which the Company may have obtained or obtain from the Contractor shall at the time when proceedings are taken against the Guarantor hereunder be outstanding or unrealized.

Notwithstanding anything contained herein before, our liability under the Guarantee is restricted to Rs.----- (Rupees-----). Our guarantee shall remain in force until -----, i.e. (the present date of validity of Bank Guarantee unless the date of validity of this Bank Guarantee is further extended from time to time) unless a claim or demand under this guarantee is made against us on or before ----- we shall be discharged from our liabilities under this Guarantee thereafter.

Any claim or dispute arising under the terms of this documents shall only be enforced or settled in the courts of at Chennai only.

The Guarantor hereby declares that it has power to execute this guarantee and the executant has full powers to do so on behalf of the Guarantor.

IN WITNESS whereof the ----- (Bank) has hereunto set and subscribed its hand the day, month and year first, above written.

(Name of the Bank)

Signed for and on behalf of the Bank  
(Designation of the Authorized Person Signing the Guarantee)

(Signatory No.-----)

DATED:

SEAL

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Notes :

1. The BG shall be executed on non-judicial stamp papers of adequate value procured in the name of the Bank in the State where the Bank is located.
2. The BG is required to be sent by the executing Bank directly to BHEL at the address where tender is submitted / accepted under sealed cover.

**Hypothecation deed for secured advance**

(Paragraph 4.5.1 (f) works accounts annual)

This indenture made this 5<sup>th</sup> day of August 2006 between .....(here in after called the “Contractor” which expression shall where the context so admits or implies, be deemed to include their executors, administrators, legal heirs and assigns) of the ONE PART and Bharath Heavy Electricals Limited PSSR No: 474, ANNA SALAI, CHENNAI - 35 (A Government of India undertaking) a Company having its registered office at SIRI PORT, NEWDELHI (hereinafter called “The Company” which expression shall where the contest so admits or implies, be deemed to include its successors in office and assigns) of the OTHER PART.

WHEREAS by a work order No..... dated ..... issued by the Company which has been accepted by the Contractor (hereinafter called the said Agreement) the contractor has inter alia agreed to execute and perform ..... (name of work)

AND WHEREAS the contractor has applied to the Company that he may be allowed advance on the security of materials absolutely belonging to him and brought by him to the site of the works the subject of the said agreement for use, in the construction/execution of such of the works as he has undertaken to execute at rates fixed for the finished work (inclusive of the cost of the materials and labour and other charges).And where as the Company has agreed to advance the Contractor a sum of Rs. ....(Rupees ..... only).

On the security of materials, the quantities and other particulars of which are detailed in the Running Account Bill for the said works signed by the Contractors on the Secured Advance Bill No..... and the Company has reserved to itself the option of making any further advance on the security of other materials brought by the Contractor to the site of said works.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the sum of Rs. .... (Rupees..... only). n or before the execution of these presents paid to the Contractor by the Company (the receipt where of the Contractor doth hereby acknowledge) and of such further advance (if any) as may be made to him as aforesaid the Contractor doth hereby covenant and agree with the Company and declare as follows:

- 1.That the sum of Rs. .... (Rupees ..... only) so advanced, by the Company to the Contractor as aforesaid and all or any further sum or sums being advanced as aforesaid shall be employed by the Contractor in or towards the execution of the said works and for no other purpose what so ever.

2. That the materials detailed in the said running bill which have been offered to & accepted by the company as security are absolutely the contractor's own property & free from encumbrances of any kind. The Contractor will not make any application for or receive any advance on the security of the materials, which are not absolutely his own property & free from encumbrances of any kind. The contractor agrees to indemnify & keeps the company indemnified against all claims & proceedings with respect to any materials in respect of which advance has been made to him as aforesaid. If any proceeding is taken or pending against the Contractor intimation and particulars thereof shall be sent to the company forthwith and no such proceeding(s) shall be compromised without taking all effective steps in the defense of such proceedings and if so required by the company engages counsel of their choice at the cost of the contractor.
3. That the materials detailed in the said Running Account Bill and all other materials on the security of which any further advance or advances as may hereafter be made as aforesaid (hereinafter called "THE said materials") shall be used by the contractor solely in the execution of the said works in accordance with the directions of the Company's Officials (hereinafter called the "EXECUTIVES") nominated by the Company from time to time as per the terms of the said agreement. Such directions shall not however relieve the Contractor of his obligation under the agreement.
4. That the contractor shall make at his own cost all necessary and adequate arrangements for the proper watch, safe custody and protections against all risk of the said materials until used in construction as aforesaid and the materials shall remain at the site of the said works in the contractors custody and on his own responsibility and shall at all time be open to inspection by the company's executives or any officials authorized by him. In the event of the said materials or any part thereof being stolen or otherwise lost, destroyed or damaged or becoming deteriorated in a greater degree than is due to reasonable use and wear there of contractor will forth with replace the same at his cost with other materials required by the Company's executive or such official.
5. The Contractor at all time during continuance of the security at his own expense insured and keep insured the said materials in the name of the Company and with an insurance company acceptable to the Company. That the said materials shall not on any account be removed from the site of the works except with the written permission of the company's executive or an official authorized by him in that behalf
6. That the advance shall be repayable in full before or at the time the contractor receives payment from the Company of the Price payable to them for the said works under the terms and provisions of the said

agreement. Provided that if in the opinion of the company any intermediate payment are to be made to the contractor on account of work done, then on the occasion of each such payment, the company will be at liberty, to make recovery from the contractors bill for such payment by deducting there from the value of the said materials than actually used in the construction/execution in respect of which recovery has not been made previously the value for this purpose being determined in respect of each description of materials at the rates at which the amounts of the advance made under these presents were calculated.

7. That if the contractor shall at any time make any default in the performance or observance of the terms and provisions of the said agreement or of these presents the total amount of the advance or advances that may still be owing to the company shall immediately on the happening of such default be repayable by the contractor to the company together with interest there on at 12% per annum from the date or respective dates of such advance or advances to the date of repayment and with all costs, charges, damages and expenses incurred by the company in or for the recovery thereof or the enforcement of this security or otherwise by reasons of the default of the contractor and contractor hereby covenants and agrees with the company to repay and pay the same respectively to them accordingly
8. That the contractor hereby hypothecates and charges by way of all the said materials with the clear intent that the said materials shall remain and form as security for the repayment to the company of the said amount of Rs. .... (Rupees..... only) and any further sum or sums advanced as aforesaid and all costs, charges, damages and expenses payable under these presents PROVIDED ALWAYS on it is hereby AGREED AND DECLARED that notwithstanding any thing in the said agreement and without prejudice to the powers contained therein if and whenever the covenant for payment and repayment herein before contained shall become enforceable and the money owing shall not have been paid or recovered in accordance there with the Company may at any time there after adopt all or any of the following courses as it may deem fit the proper.
  - a. Seize and utilize the said material or any part thereof in the completion of the said work on behalf of the contractor in accordance with the provisions in that behalf contained in the said agreement debiting the contractor with the actual cost of effecting such completion and the amount due in respect of advance under these presents and crediting the contractor with the value of work done as if they had carried it out in accordance with the said

- agreement and at the rates thereby provided, if the balance is against the contractor is to pay the same to the company on demand.
- b. Remove and sell by public auction the seized materials or any part thereof and out of the money arising from these sales retain all sums aforesaid repayable or payable to the company under these presents including cost and expenses incurred in conducting such sale and pay order over the surplus (if any) to the contractor.
  - c. Deduct all or any part of moneys owing to the company out of the security deposit or any sums due to the contractor under the said agreement
9. That except in the event of such default on the part of the contractor as aforesaid interest on the said advance shall not be payable. In the event of default the contractor shall be liable to pay interest at 20% per annum.
10. That in the event of any conflict between the provisions of these presents and that the said agreement the provisions of these presents shall prevail and in the event of any dispute or difference arising over the construction or effect of these presents the settlement of which has not been herein before expressly provided for the same shall be referred to the arbitration by the SDGM (Contracts) of the Company or by a person appointed by him whose decision shall be final and binding on both parties and the provisions of the Indian Arbitration Act for the time being in force shall apply to any such reference. The arbitrator shall give reasons for the award.

IN WITNESS WHERE OF the said contractor and Shri \_\_\_\_\_(BHEL executive) on behalf of the Company have hereunto set their respective hands the day and year first above written.

Signed sealed and delivered  
By the said contractor

Signed by

Signature

For and Behalf of  
Bharat Heavy Electricals Ltd.

In the presence of  
Witness

in the presence of  
Witness

Signature  
Name  
Occupation  
Address

Signature  
Name  
Occupation  
Address

**FORMAT FOR BANK GUARANTEE FOR BID SECURITY**  
**(on Rs. 100/- Non-Judicial Stamp Paper)**

Bank Guarantee No. \_  
Date

To  
Addl General Manager/Contracts  
Bharat Heavy Electricals Ltd  
Power Sector – Southern Region  
New No 690 (Old No 474), Anna Salai  
Nandanam, Chennai 600035

Dear Sirs,

In accordance with Invitation for tender under your Tender Document No. BHEL PSSR SCT 1467, M/s..... having its Registered / Head Office at..... (hereafter called the 'Bidder') wish to participate in the said bid for [Name of Contract Package] .....

As an irrevocable bank guarantee against Bid Security for an amount of Rs..... (\*) ( in words) valid for -----days from .....(\*\*)..... required to be submitted by the Bidder as a condition precedent for participation in the said bid which amount is liable to be forfeited on the happening of any contingencies or default of conditions or breach of terms of conditions mentioned in the Bidding Documents.

We, the .....[Name & address of the Bank], having our Head Office at ..... (#) ..... guarantee and undertake to pay immediately and merely on demand by Bharat Heavy Electricals Limited, the said amount of Rs..... (\*).....without any demur, reservation, protest, demand and recourse. Any such demand made by Bharat Heavy Electricals Limited shall be conclusive and binding on us irrespective of any dispute or Objections raised by the Bidder.

This Guarantee shall be irrevocable and shall remain valid upto ..... (@) ..... If any further extension of this guarantee is required, the same shall be extended to such required period (not exceeding one year) on receiving instructions from M/s..... [Bidder Name]..... on whose behalf this guarantee is issued.

In witness whereof the Bank, through its authorised officer, has set its hand and stamp on this.....day of..... 20 .....at .....

Signature of the Issuing Authority with seal

Dated :

For \_\_\_\_\_ Bank

NOTE:

1. (\*) The amount shall be as specified in the Bid Document
2. (\*\*) This shall be the date of opening of bids.
3. (#) Complete mailing address of the Head Office of the Bank to be given
4. (@) This date shall be two hundred and seventy (270) days after the date of opening of the bid.
5. The Stamp Paper of appropriate value shall be purchased in the name of guarantee issuing Bank & in the state.

## CONSORTIUM AGREEMENT

(To be executed on Rs. 50/- Non – Judicial Stamp Paper)

THIS AGREEMENT is made and executed on this \_\_\_\_\_ day of \_\_\_\_\_, by and between (1) M/s \_\_\_\_\_, ( The First Party, i.e, the Bidder) a company incorporated under the Company's Act 1956, having its registered office at \_\_\_\_\_ (herein after called the "Bidder", which expression shall include its' successors, administrators, executors and permitted assigns) and (2) M/s \_\_\_\_\_, (The Second Party, i.e, the associates), a company incorporated under the Company's Act 1956, having its registered office at \_\_\_\_\_ (herein after called the " Associates", which expression shall include its' successors, administrators, executors and permitted assigns).

WHEAEAS the Employer, Bharat Heavy Electricals Ltd, a Government of India Undertaking, proposes to issue / issued an NIT (herein after referred to as the said NIT) inviting bids from the individual Bidders for undertaking the work of \_\_\_\_\_, at \_\_\_\_\_ (herein after referred to as the said works).

WHEREAS the said NIT enables submission of a bid by a Consortium subject to fulfillment of the stipulations specified in the said NIT.

AND WHEREAS M/s \_\_\_\_\_ ( The First Party, i.e, the Bidder) will submit its proposal in response to the aforesaid invitation to bid by the Employer for \_\_\_\_\_ as detailed in the Bid doc. no. < TENDER REF----->

AND WHEREAS M/s \_\_\_\_\_ (The First Party, i.e the Bidder) itself is meeting all the qualifying requirements except the qualifying requirements of \_\_\_\_\_ (as detailed in the NIT) and in order to fully meet the qualifying requirements of NIT, this tie-up agreement is being entered into with M/s \_\_\_\_\_ (The Second Party, the Associates), who fully meet the balance part of the said works (\_\_\_\_\_).

WHEREAS the First Party and the Second Party are contractors engaged in the business of carrying out various items of works. WHEREAS the two parties have agreed to constitute themselves into a consortium for the purpose of carrying out the said works, and that the consortium will be continued till the completion of the works in all respects.

WHEREAS the parties have agreed to certain terms and conditions in this regard:

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS :

1. First and Second parties hereby constitute themselves into a Consortium for the purpose of bidding and undertaking the said works pursuant to the said NIT as hereinafter stated.
2. The First Party will be the leader (Lead Partner) and will be responsible for the entire works.

3. The First Party shall undertake the following part(s) of work detailed in the NIT namely \_\_\_\_\_
4. The Second Party shall undertake the following part(s) of work detailed in the said NIT namely \_\_\_\_\_
5. The parties hereby declare and confirm that each of them will fulfill the required minimum qualifying requirements as prescribed in the said NIT for the works agreed to be undertaken by them as stated here-in-above.
6. It is also agreed between the parties hereto that all of them shall be individually and severally responsible for the completion of the said works as per the schedule. Further, if the Employer/Owner sustains any loss or damage on account of any breach of the Contracts, we the, Consortium partners individually and severally undertake to promptly indemnify and pay such losses / damages caused to the Employer/Owner on its written demand without any demur, reservation, contest or protest in any manner whatsoever.
7. The parties hereby agree and undertake that they shall provide adequate finances, suitable Tools, Plants, Tractors, Trailers, other transportation equipment, other Tools & Plants, Measuring & Monitoring Equipments (MMEs), Men and Machinery etc. for the proper and effective execution of the works to be undertaken by them as specified here-in-above.
8. It is agreed interse between the parties hereto that all the consequences liabilities etc., arising out of any default in the due execution of the said works shall be borne by the party in default, that is by party in whose area of works default has occurred, provided however, so far as M/s Bharat Heavy Electricals Limited is concerned, all the parties shall be liable jointly and severally.

IN WITNESS HEREOF the parties above named have signed this agreement on the day month and year first above written at \_\_\_\_\_(Place) .

WITNESS

For

1. NAME

(FIRST PARTY)

2. OFFICIAL ADDRESS

WITNESS

For

1. NAME

(SECOND PARTY)

2. OFFICIAL ADDRESS

[The successful bidder shall have to execute the “JOINT DEED OF UNDERTAKING” in the format to be made available by BHEL at the time of awarding].

**MEMORANDUM OF UNDERSTANDING**

**THIS Memorandum of Understanding (“MOU”) entered in to this.....day of (month) (year) at Chennai.**

**BETWEEN**

**BHARAT HEAVY ELECTRICALS LIMITED ( BHEL), a Government of India** undertaking registered under the Companies Act, 1956, having its registered office at BHEL House, Siri Fort, New Delhi – 110 049, INDIA (hereinafter referred to as “BHEL”, which expression shall, unless repugnant or contrary to the context, be deemed to include its successors and permitted assigns) on one part.

**AND**

(Name of the successful Bidder), an existing Company under the Companies Act, 1956, having its registered Office at India (Address)

(hereinafter referred to as , **Single Agency for Civil Structural and Balance of Plant (SA –CSBOP)** which expression shall, unless repugnant or contrary to the context, be deemed to include its successors and permitted assigns) of the other part.

Each BHEL & SA-CSBOP hereinafter referred to individually as “a Party” and collectively as “the Parties”

WHEREAS, APPDCL a state government organization of Andhra Pradesh and having its registered office at Room No. 222, Vidyut Soudha, Khairatabad, Hyderabad - 500 082, Andhra Pradesh, India (hereinafter referred to as APPDCL or “Customer”) has invited tender for design, engineering, , manufacture, supply, erection & commissioning including civil works, reliability runs, completion of facilities and conducting performance guarantee tests and handing over of a 700MW combined cycle plant to be installed at Nedunoor, Karimnagar Dist; Andhra Pradesh (hereinafter referred to as “Project”)

**1.0 PURPOSE OF THE MOU:**

- a) To form a pre-bid tie up for the sole purpose of preparing and submitting a competitive tender (“Tender”) to APPDCL for the said project and if such Tender is accepted by APPDCL, to perform the resulting customer contract in accordance with its terms and conditions agreed with APPDCL.
- b) To determine their rights and obligations of the Parties, both internally amongst themselves as well as with respect to APPDCL, as the basis for the PRE-BID TIE UP for preparation of ‘Tender’ by BHEL and for the subsequent Customer Contract and the resulting Detailed Agreement / Purchase Order to SA-CSBOP for their scope of work.

**2.0 PRINCIPLES OF COOPERATION:**

- 2.1 BHEL & SA-CSBOP will work on mutually agreed basis for the above Project within the framework of this MOU and subsequent Detailed Agreement / Purchase Order, except that such Party may provide supplies of equipment / products /

services customarily provided by such Party to third parties which may in turn provide them to the project.

- 2.2 BHEL will submit the bid to APPDCL in their name. BHEL will also act as the project Manager. As between the Parties each party shall be solely and exclusively responsible for its Scope of Work Scope matrix is attached. However, both the Parties shall perform their respective scope of Work in an integrated manner and as if it were a contract placed directly by APPDCL on BHEL and SA-CSBOP for their respective Scope of work under the Contract.
- 2.3 SA-CSBOP will submit List of vendors and their Quality plans to BHEL for approval.
- 2.4 APPDCL specifications shall be binding to both the parties and arrangement of BHEL with SA-CSBOP will be on **back to back basis** vis-à-vis APPDCL bidding documents / contract except the terms and conditions in Special Conditions of contract which shall be specifically binding on SA-CSBOP.
- 2.5 Nothing contained in this MOU shall constitute or be deemed to constitute a partnership between the parties and neither of the parties shall have any authority or power (and shall not represent themselves as having such authority or power) to contract in the name of or to undertake liability or obligations on behalf of the other party save in so far as expressly agreed / provided in this MOU. The parties hereto shall not assign their rights and obligations arising out of or in connection with the MOU to any other company, firm or person without the written consent of the other party.

### 3.0 SCOPE OF WORK

The parties shall share the design, engineering, manufacture, supply, transportation, storage, erection and commissioning, insurance and other related services as per the broad scope detailed below and indicated in the Scope Matrix / Responsibility Matrix.

BHEL's Role : Supply & Erection of all BHEL manufactured items / equipments including Gas Turbine Generators, HRSG and Steam Turbine Generator, Booster Compressors and related auxiliary and accessories.

SA-CSBOP's Role : Design, Engineering, Supply, Erection of Balance of Plant (BOP) and Civil Works as detailed in Scope Matrix / Responsibility Matrix including design and engineering of total Civil works. The loading details pertaining to BHEL manufactured equipments shall be provided by BHEL.

Both parties shall quote their best prices in order to be competitive for winning the order. SA-CSBOP will work out prices for their portion, which will be incorporated in the composite bid after mutual discussion and agreement, if required. In the event of award of work, BHEL will allocate the pre-agreed price to SA-CSBOP for their portion

along with corresponding scope for execution. In case any price negotiation is necessary, BHEL shall consult SA-CSBOP for price reduction for their scope of work. IN the event of any price reduction during final price negotiation with M/s ADDCPL, SA-CSBOP will agree for proportionate reduction in price for their portion of work.

SA-CSBOP shall submit bid for their portion to BHEL. BHEL shall prepare consolidated bid incorporating SA-CSBOP supply and services proposal for onward submission to APPDCL.

#### 4.0 CONFIDENTIALITY

Each Party undertakes to treat as confidential any information which it obtains from the other Party in connection with the bid / contract, to use such information solely for the purpose of the Proposal and any resulting contract/s and to disclose such information only to the extent necessary in connection with bid / contract. Each party shall not divulge or part with any such information to any other person which may affect the chances winning the contract and such acts shall be treated as Breach of Trust and shall be dealt with relevant provisions of the Bid Document and legal provisions.

#### 5.0 TERMS OF PAYMENT

5.1 The price mutually agreed for the scope of work pertaining to SA-CSBOP covering Design, Engineering, Manufacturing, Supply, Delivery at Site, Erection, Testing, Commissioning including civil works and reliability run along with Taxes and Duties, will be appended to the MoU as Annexure. The price indicated at Annexure is subject to clause 3.0 and shall remain FIRM till complete execution of the Contract.

5.2 The terms of payment for the scope of work of SA-CSBOP shall be in conformity with the terms of payment contained in the M/s APPDCL bid documents except those specifically included in the Special Conditions of Contract

6.0 The Special conditions of contract shall form a part of this MoU.

#### 7.0 **PRICE:**

The prices quoted by SA-CSBOP is a lumpsum price for the total scope under the SA-CSBOP. The prices shall remain FIRM till the completion of contract including the extended periods, if any. No compensation shall be admissible for Changes due to sizing criteria of equipments / buildings, quantities of steel, cement or any other material in civil and structural and in BOP works during detailed engineering.

8.0 The SA-CSBOP further agrees to furnish a Bid bond in the form of Bank guarantee or Security Deposit to the extent of 1 % (one percent) of the value of works covered by the MoU within 30 (Thirty days ) of signing the MoU..

9.0 BHEL shall release all payments to SA-CSBOP within 10 days of receipt of payment from the customer against the bill / invoice submitted by SA-CSBOP to BHEL for its scope of work and admissible as per the Purchase Order. The period of 10 days agreed herein is understood to be the maximum and BHEL specifically undertakes to put in its best efforts to release the payment immediately after receipt of payment from the Customer without any delay.

10.0 SA CSBOP shall, reimburse liquidated damages recovered by APPDCL from BHEL to the extent of SA-CSBOP liability in this regard, within 15 days of receipt of invoice from BHEL. Otherwise, BHEL shall be at liberty to recover any dues towards liquidated damages from the bills of SA-CSBOP.

**11.0 INSURANCE:**

SA-CSBOP is obliged to effect insurance coverage in line with the tender specification in due time for its scope of work including, but not limited to, third liability, transit, erection insurance etc till reliability run of the equipment and completion of facilities..

**12.0 TAXES & DUTIES:**

Both the parties shall include in the prices for their respective Scope of work all taxes, duties, fees or other levies imposed or levied thereon by the Central or State Governments or local authorities or statutory authorities as per the stipulation of bidding documents of APPDCL.

**13.0 SHARING OF LIQUIDATED DAMAGES (LDs) DUE TO DELAY OR PERFORMANCE:**

Each party shall be responsible for the timely completion of their scope of work to meet the contractual schedule with APPDCL and also the Project requirements.

The LDs arising from delayed completion of the contract shall be the responsibility of and shall be paid first by the Party responsible for such delay up to a maximum of 10% of the said Party's Contract Price (for its Scope of work). In the event that the amount of LDs for Delay payable to the Customer by such Party under the Contract exceeds such calculated amount, then such excess amount of LDs for delay shall be shared by the Parties in proportion, to their respective contract prices.

Each Party shall be responsible for performance of the equipment supplied by it as per APPDCL's specification / contract. SA-CSBOP will engineer / size the equipment (BOP) and will demonstrate the performance on respective equipment / system. In case of any LDs arising from failure to meet the performance of respective equipments as guaranteed, the same shall be borne by the Party responsible for supply of such equipment, which has failed to meet the performance guarantee. The basis for determining responsibility/ rate of LD between the Parties for shortfall in performance of such equipments will be discussed and stated in the Detailed Agreement/ Purchase Order to SA-CSBOP.

Other liabilities and penalties shall be borne between the parties and the modalities for the same shall be set forth in the Detailed Agreement between the Parties / Purchase Order on SA-CSBOP with mutual acceptance.

**14.0 NOTICE:**

All notices pursuant to this agreement shall except as otherwise provided be made in writing and delivered by hand or sent by prepaid post or facsimile numbers set out below, or such other address or facsimile numbers as either party may from time to time notify to the other in accordance herewith.

BHARAT HEAVY ELECTRICALS LIMITED,  
Power Sector- Southern Region,  
690, Anna Salai, Nandhanam,  
Chennai-600 035

Tel:044 24330209 Fax: 044 24335920

Attn: Mr.T.K.Kasinathan, AGM / Contracts

**15.0 DISPUTE RESOLUTION:**

All differences or disputes between the Parties shall be amicably resolved by mutual discussions and by reference of the disputed issues for resolution to the Higher Management of the Parties, failing which by arbitration pursuant to the Arbitration & Conciliation Act 1996, in accordance with the rules there under, as per Tender Specification / contract

**16.0 APPLICABLE LAW:**

The agreement shall be governed by and construed in accordance with the substantive law in India.

**19. SECURITIES:**

If guarantees or bonds are to be provided to M/s APPDCL, the following shall be applicable as agreed between the parties:

BHEL, shall separately on its own expenses, provide the overall bank guarantees and SA-CSBOP shall at its own expense, provide to BHEL counter bank guarantees from a nationalized bank pertaining to its scope of work on back to back basis.

**TERMS OF AGREEMENT:**

The present Memorandum of Understanding shall remain in force until superseded by a Detailed Agreement / Purchase Order on SA-CSBOP. Both parties hereby confirm their consent to an approval of the above terms and conditions evidenced by signing this Memorandum.

**IN WITNESS WHEREOF** the Parties hereto have caused this MOU to be signed by the respective authorized representatives as of the date, month and year herein above written.

For BHARAT HEAVY ELECTRICALS LIMITED

Name

Signature

WITNESSES:

1.

2.

For (Successful Bidder)

Name

Signature

WITNESSES:

1

2.

**BIDDER'S DECLARATION for MEMORANDUM OF UNDERSTANDING**

(THIS DECLARATION CERTIFICATE IN THEIR LETTER HEAD WITH DULY SIGNED AND ENCLOSED IN THE BIDDER'S TECHNICAL OFFER).

I / WE \_\_\_\_\_

DECLARE THAT WE AGREE TO EXECUTE MOU WITH BHEL IN THE ENCLOSED FORMAT WITHOUT ANY FURTHER CONDITIONS IF WE BECOME SUCCESSFUL BIDDER IN THE SUBJECT TENDER (BHEL PSSR SCT 1466) FOR PRE-BID TIE UP ON BACK TO BACK BASIS FOR CIVIL, STRUCTURAL & BALANCE OF PLANT FOR 1X700 MW COMBINED CYCLE POWER PLANT OF ANDHRA PRADESH POWER DEVELOPMENT COMPANY LIMITED (APPDCL) AT NEDUNOOR, KARIMNAGAR DIST, Andhra Pradesh

FOR AND BEHALF OF

M/S \_\_\_\_\_

(SIGNATURE WITH OFFICIAL SEAL)

**Note: This declaration should be signed by the prime bidder in case of consortium bid**

**Form to be filled in their letter head by vendors for registering for  
e- payment**

BHEL : PSSR : CHENNAI

DETAILS OF CONTRACTOR/SUPPLIER FOR E- REMITTANCE OF PAYMENTS  
BY BHEL/PSSR

- 1 NAME & ADDRESS OF THE CONTRACTOR/SUPPLIER
- 2 BANK A/C NO
- 3 TYPE OF A/C (CC / CURRENT)
- 4 NAME OF THE BANK
- 5 NAME OF THE BRANCH
- 6 BRANCH CODE
- 7 BANKER'S ADDRESS ( BRANCH)
- 8 MICR NO
- 9 IFSC CODE

NOTE : THE ABOVE DETAILS ARE TO BE FURNISHED IN THEIR LETTER HEAD BY  
THE CONTRACTOR /SUPPLIER ,DULY ATTESTED BY THEIR BANKERS

**NO DEVIATION CERTIFICATE**

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

-----  
To,

(Write Name & Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub : **No Deviation Certificate**

Ref : 1) NIT/Tender Specification No: .....,  
2) All other pertinent issues till date

We hereby confirm that we have not changed/ modified/materially altered any of the tender documents as downloaded from the website/ issued by BHEL and in case of such observance at any stage, it shall be treated as null and void.

We also hereby confirm that we have neither set any Terms and Conditions and nor have we taken any deviation from the Tender conditions together with other references applicable for the above referred NIT/Tender Specification.

We further confirm our unqualified acceptance to all Terms and Conditions, unqualified compliance to Tender Conditions, Integrity Pact (if applicable).

We confirm to have submitted offer in accordance with tender instructions and as per aforesaid references.

Thanking you,

Yours faithfully,

(Signature, date & seal of authorized  
Representative of the bidder)