

# GENERAL CONDITIONS OF CONTRACT

## 1. SITE CONDITIONS, DRAWINGS, STANDARDS

- 1.1 The contractor shall inspect and examine the site and its surroundings and satisfied themselves as to the nature and scope of the work involved, the nature of site and obtain in general all necessary information as to risks, contingencies and other circumstances which may influence or affect the work. The contractor shall have full knowledge of the site and no extra charges consequent on any misunderstandings or otherwise will be allowed.
- 1.2 The contractor shall satisfy himself about the correctness and applicability of the location plans and detailed drawings before adopting them for erection. All drawings and schedule of quantities shall be made up to date incorporating actual execution particulars.
- 1.3 Work is to be carried out as per the instructions of our site engineer and to the satisfaction of our ultimate customer. It shall be Contractor's responsibility to obtain approval of statutory authorities wherever applicable for conducting these work and any fees or levies payable shall be paid by the contractor. Failure on this account and consequent levies or penalties if any will be recovered from the contractor.

## 2. LABOUR

- 2.1 Contractor shall deploy the required skilled / semiskilled/unskilled/man power to meet the work load at site. The required augmentation/retrenchment of man power shall be done in consultation with our site in charge.
- 2.2 Accommodation and local transport for your Supervisors / workmen will have to be arranged by you without any extra cost to us.
- 2.3 Contractor shall submit to our site in charge the daily attendance report of his workmen.
- 2.4 You shall furnish to our Site Engineer the particulars of all the workmen viz. Name, designation, and permanent address etc. before the start of the work.
- 2.5 The statutory liability on account of ESI, PF etc. are to be borne by the contractor. If any accident on injury is sustained by any worker, the contractor should immediately inform us and concerned insurance labour authorities. All initial incidentals medical expenses shall be met by the contractor and the eligible compensation through insurance company will be made available on and only after the settlement of the claim.
- 2.6 It will be the responsibility of the contractor to get the desired output and quality from his work men by providing adequate supervision. Contractor shall maintain absolute discipline among his

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workmen during and outside working time. Those who are found to be indulging in any malpractice, jeopardizing the working atmosphere at the site shall be terminated immediately.

2.7 Contractor shall see that all the statutory rules and regulations applicable to the place of work including the payment of minimum wages, leave, bonus, overtime, terminal benefits and other statutory requirements are strictly -adhered to.

2.8 All records as required by relevant labour act / regulations shall be settled by the Contractor. In case TELK have to incur expenses towards settlement of any of contractor's liabilities, this cost shall be debited to the Contractor and recovered from his running bills and / or Retention Deposit / Security Deposit / other dues.

2.9 The skilled labour engaged by the Contractor should be properly qualified with adequate previous experience in the specific skilled job. In case our Site Engineer is not satisfied with the workmanship of the particular skilled worker, you shall replace him with suitable alternate man power.

### 3. PRICE & RATES

Firm prices and rates have been quoted as per the schedule in the enquiry. The Contractor shall not petition for revision of rates tendered by him under any circumstances, at any stage either during execution or when final claims are settled.

### 4. GUARANTEE

The Contractor -shall guarantee satisfactory performance of the installations for a period of 12 Months from the date of commissioning for any failure due to bad workmanship on the part of Contractor. The Contractor shall also guarantee for final acceptance of the works by-the ultimate customer.

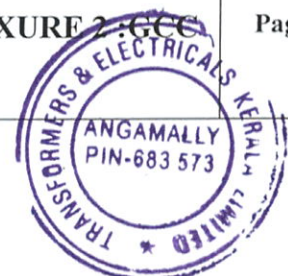
### 5. ACCEPTANCE OF WORK

After completion of work, the contractor shall satisfy and advise us in writing that the work are complete in all respects and ready for inspection. After the joint inspection by the contractor and our Engineer a provisional inspection certificate will be issued and submitted to our ultimate customer for inspection and acceptance. Modifications if any required, will have to be carried out by the Contractor at his own cost. If at the time of actual equipment erection any alterations/ rectifications are required or insisted by our ultimate Customer, the same are to be carried out by the contractor free of cost.

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## 6 PENALTY

In the event of Contractor fails to execute, complete and deliver the works within the time specified in the contract, then Contractor shall pay to us and by way of penalty, 3% (three percent) of the total value of contract, for each week's delay after expiry of the completion period, subject to a ceiling of 10% (Ten percent) of the total value of the contract.

## 7. TOOLS AND CONSUMABLES

Any tools, equipments (crane, forklift, derrick, pipe bending tools, crimping tools, pulley block, consumables etc.) and safety gadgets necessary for executing the contract shall be arranged by the contractor.

## 8. WATER / ELECTRICITY

Electricity at one point will be provided and necessary distribution arrangement shall be made by the Contractor.

## 9. EXTRA WORK & IDLE LABOUR CHARGES

- 9.1 Minor rectification work will not be considered as extra work.
- 9.2 Re-work of job because of rough handling, bad workmanship and inadequate Preservation etc. shall not be treated as extra work and should be done at your cost.
- 9.3 If it is found that the contractor has done *any* work or portion of the work not in line with the stipulated specifications/drawings/our instructions, the contractor shall rectify the same at his own cost. Cost of consumables/ materials wanted for such reworks will be recovered from your bills.
- 9.4 However in case of "major modification" which are required to be on the equipment, for no fault of the contractor, contractor shall be compensated on the basis of man day rates quoted in the offer/ mutually discussed rate. It is the responsibility of the Contractor to get the prior approval for such "major modification work from us before taking up such works. Contractor shall also get the estimates and the actual time sheets certified by our Engineer and these will be the basis for processing bill for "major modification work".
- 9.5 No idle labour charges or overstay compensation will be paid on any - account.
- 9.6 In case any extra work arises, the Contractor will have to get the man hour sheets signed daily by our Site Engineer without which no claim will be entertained.

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## 10. CANCELLATION OF ORDER

TELK reserves the right to terminate the contract in whole, any individual work or part of the work involved in the contract without assigning any reasons to you under the following conditions.

- 10.1 If, in our opinion, the work of the contractor is not satisfactory with respect to quality, speed of execution etc.
- 10.2 Our customer does not accept you as our sub contractor.
- 10.3 If we decide to close our site activities before completion of work.
- 10.4 In the event of any default to comply with any provision of the work order to breach of conditions of the contract by the contractor. Under the above conditions we reserve the right to appoint a new contractor or get the work done directly at your risk and cost. In that case you will be paid for the work carried out by you as duly certified by our site engineer on unit rate basis and no other compensation will be paid to you on this account.

## 11. STATUTORY REQUIREMENTS

### 11.1 Workmen compensation Insurance

The workers engaged in the work should be covered as per ESI act. The contractor shall furnish to our site engineer the particulars of all the workmen engaged viz name, designation, permanent address, wage rate etc. and do the needful to have all such persons covered and registered under the employees State insurance act. The contractor shall deduct the employees contribution from any wages paid or payable to his employees / worker and pay such employee's contribution along with employer's contribution payable by the contractor forthwith to the ESI Corporation as per ESI/PF act and documentary evidence for having paid by the contractor, such amounts shall be deducted from the contractor's bills at the rates applicable and paid by the company to the ESI authorities. Any damages, interest or liability arising out of the delay in deduction or payment of any contribution shall also be paid by the contractor to the company.

### 11.2 Insurance for materials

The Contractor shall arrange insurance against loss / damage / theft for his tools, tackles and other properties at his own cost and we will not be responsible for any such loss / damage or accident and the contractor will not have any claim with us.

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## 11.3 Safety

Contractor should follow safety rules stipulated for site work. Necessary safety equipments such as safety belt, helmet etc. for your workmen should be arranged by you.

## 11.4 Registration

The Contractor shall familiarize himself with the contract labour (Rules and abolitions) act applicable in the state and the rates there under and should obtain the license for engaging the labour as per the laborers minimum wages as per above act and all requirements of labour laws have to be complied with by the contractor without any liability for TELK. Any claim on this account paid by us will be recovered from you

## 11.5 Electrical contractors license

The Contractor shall possess a valid and competent A-Grade electrical contractor's license issued by the relevant state electricity licensing board for carrying out similar Electrical installation works or shall have a tie up with a contractor having the necessary license and should have sufficient experience in erection.

## 12. GENERAL CONDITIONS

- 12.1 Contractor shall forthwith make good without compensation, any damage, rectification, modification to the works/surrounding equipments noted, before the final completion and acceptance of the whole work.
- 12.2 In respect of observations of local rules, administrative orders, working hours and the like, contractor and his personnel shall co-operate with TELK.
- 12.3 Contractor shall station a responsible qualified and experienced supervisor at site for supervision of his man power and the work shall be carried out in line with the directions / schedules of our site engineer under the direct supervision of your supervisor.
- 12.4 We will not be responsible or liable for any dispute or settlement between the contractor and his workmen or labour department.
- 12.5 Subcontracting of the job in part or as a whole is not allowed.
- 12.6 Considering the urgency of the work or for any other reason some portion of the work indicated in the work schedule may be carried out by us or by some agency appointed by us. In that case the contractor would be paid for the Work carried out by him on unit basis and no other compensation on this account would be paid to the contractor.

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- 12.7 Materials will be issued to you from customer's stores against receipts and you should keep upto date records of the materials stored / used / balanced. Our site engineer or his representative will have the rights to check such records and stock position as and when required by us. Records shall be kept by you as per the direction of our site engineer.
- 12.8 The contractor shall mobilize necessary experienced supervisors and workmen urgently to commence work. The contractor shall deploy adequate man power and increase if found necessary in consultation with site engineer. The work shall be completed as per our delivery requirement.
- 12.9 Any legal disputes arising out of this contract shall be settled within the courts having jurisdiction over Kerala.

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