ADDITIONAL CONDITIONS OF CONTRACT

Following conditions shall also form part of the Contract:

1.0 EPI shall act as main contractor and PARTY shall be Sub-contractor of EPI for execution of "Works".

2.0 PARTY shall submit its offer to EPI for execution and completion of the "Works". In the event of award of project to EPI by client, EPI will associate party for execution and completion of works.

3.0 Scope of Work:

The Scope of Work of the Sub-Contractor shall be "As indicated in N.I.T. of EPI." (hereinafter referred to as "Works") as per Technical specifications, Designs, Drawings, BOQ, Instructions and Terms and Conditions (General & Special) given in Tender Documents of the Client/Client's consultant and its amendments/clarifications etc. received from Client from time to time.

4.0 Commencement and Completion of Project:

The Contractual Completion Period shall be 8 (eight) calendar months from the award of the work.

5.0 Tender Documents:

Following documents shall form the complete set of 'Tender Documents' for this sub-contract: -

1. Notice Inviting Tender of EPI No. MBl/CON/681/074 dtd 13.06.2011
2. Instruction to Tenderers
3. Additional Conditions of Contract
4. Tender Documents of Client i.e. HAL, Aircraft Division, Nashik, for Construction of Civil, Electrical and other Utility Services for Construction of Hangars, Utility Buildings and Allied Facilities for Package-Civil III (Overhaul Complex) in Factory excluding Pre-engineered Building Structure (PEB).

Vol – I Contract Conditions
Vol – II Technical Specifications
Vol - IIA Tender Drawings

Hard copy only available. To be collected from Contracts Divn , EPIL,WRO, Mumbai by the bidder.

5. Schedule of Rates & BOQ, Package – Civil III
6. Addendum to tender conditions
7. General Conditions of Contract
PARTY confirms that they have read and understood and have copies of the 'Tender Documents' and have visited the site and their offer is based on the 'Tender Documents' and caters to all the works, requirements, etc. thereof.

7.0 **Taxes and Duties:**

Labour welfare/Labour Cess deduction as specified in contract document will be borne/paid by EPI for the Project. However, payment of all other taxes, duties, VAT, Cess, levies, Octroi, Entry tax, Royalties, Turnover Tax, Service Tax and other expenses etc. applicable on the party Contract value shall be the responsibility of the PARTY and is to be included in the Sub-Contract price of the PARTY.

8.0 All men, materials, machinery, tools and plants, infrastructure, resources etc., as required for execution of "Works" shall be provided and arranged by PARTY for their portion of work. The amount/rate quoted in their offer by PARTY to EPI includes all charges, all direct and indirect cost of works, materials, labour, plant & equipment, all taxes, duties, levies, royalties, octroi, entry tax, VAT, TOT, service tax etc., all transportation charges including for cartage of issue material, electricity and water charges and for all expenses such as site offices expenses, labour camp, bank guarantee charges, insurance charges, EPF/CPF/Statutory contributions, preparation of all required design & detailed engineering and all required drawings etc., facilities and other expenses whatsoever, incurred on execution, completion and maintenance of the "Works" as per 'Tender Documents' and their own overheads and profit etc. PARTY shall comply with all the requirements laid down as per 'Tender Documents' and shall un-conditionally abide by its offer quoted for execution of "Works" as per terms, conditions, specifications, drawings, documents etc. given in the 'Tender Documents' for the completion, handing over, maintenance period etc. for the project.

9.0 Insurance charges for project insurance (CAR) to be taken by EPI for the project as per contract with Clients shall be borne by EPI. The PARTY shall take insurance cover at its own cost towards Workman Compensation Act for its own workers, employees and for the Plant & Equipment deployed by the PARTY at the project site and shall furnish documentary proof of the same to EPI failing which no payments shall be released to the PARTY against work done. The PARTY shall assist EPI in follow up with insurance company in case of any claim related to PARTY’s scope of work. EPI is not liable to pay any claim of the PARTY if it is not paid by insurance company due to any reasons whatsoever.

10.0 The initial validity period of offer of PARTY shall be three months.

11.0 Earnest Money Deposit submitted by PARTY along with their offer as security to un-conditionally abide by its offer quoted shall be kept valid for a period 150 days. The EMD is liable to be forfeited if the PARTY revokes/withdraws its offer during its validity or extended validity period of offer. In case of revocation/withdrawal of offer by PARTY after signing of this agreement and during its validity or non-start of work within stipulated time and non submission of performance security/any other security etc. if required to be submitted by the PARTY to EPI, EPI shall have the option to forfeit the EMD and get the work executed at the risk & cost of the PARTY. The decision of EPI in this regard shall be final & binding on PARTY.

12.0 In the event of award of work PARTY shall submit to EPI, Bank Guarantee from a
Scheduled Bank towards performance, retention money, security deposit etc. as required by EPI/Client/local authorities as per conditions of the ‘Tender Documents’ (in the prescribed proforma of EPI) in favour of EPI, for PARTY's scope of work.

**Security Deposit** : Security deposit will be 10% of contract sum consisting of two parts as below –

a. **Performance guarantee** – 5% of contract sum
b. **Retention money** – 5% of contract sum

The security deposit will not carry any interest till it is held by HAL.

a. **Performance Guarantee** : The successful tenderer, within 15 days from the date of receipt of Letter of Acceptance, shall have to submit Performance Guarantee @ 5% of contract sum, which may be in any one of the following forms :

i) In the form of a crossed Demand Draft/Bankers Cheque drawn on any Nationalized bank or scheduled Bank, in favour of the Engineering Projects (India) Ltd., payable at Mumbai.

ii) By an unconditional irrevocable Bank Guarantee as per the format included in the tender document, from any Nationalized/schedule bank/is having validity for the total Contract period plus extension period if any plus 90 days. The contractor shall extent the validity of the Bank Guarantee for the corresponding period the contract is extended or the execution of the work is delayed due to whatsoever reasons. The EMD submitted shall be returned duly discharged after submission of above Performance Guarantee. The above Performance Guarantee will be discharged and returned to the contractor along with the final bill. The contractor shall keep the bank guarantee current and valid till submission of the final bill in all respect.

**Retention Money** : Retention money is 5% of contract sum, which shall be deducted @10% from Running Account bills till the amount to the extent of 5% of the Contract sum is reached. For further details please refer Clasue no 26 of VOLUME-I of Contract conditions.

13.0 All the cost of travel, lodging, boarding etc. towards visits by Client, their Consultant etc. to the manufacturing units/works for the inspection of materials, equipment etc. under the scope of work of PARTY shall be borne by the PARTY if applicable under the contract between EPI and Client.

14.0 Payments as and when received by EPI from the Client for PARTY’s scope of work shall be released to PARTY within seven working days of its receipt by EPI as per payment terms of the contract, and after deducting any recoveries. Secured advance if provided as per terms of the contract of EPI with Client and if paid by the Client, shall also be paid to the PARTY on same terms and conditions of contract within seven working days of its receipt from Client after deduction, if any. Recovery/Adjustment of Secured advance including interest charges shall be as per the terms of EPI’s contract with the Client.

The final bill payment to the PARTY shall be released only after receipt of corresponding payment from Client and after PARTY submits Sales Tax clearance/VAT certificates, EPF clearance certificate, all other clearances, approvals,
certificates etc. as per agreement of EPI with the Client for the “Works” and as per statutory requirement.

The PARTY shall have no claim on EPI in case the payments are delayed by the Client due to any reason whatsoever.

15.0 Escalation payable for Bitumen under the main contract with Client for PARTY’s portion of work shall be released to PARTY by EPI proportionately as and when paid by the Client to EPI, Otherwise,) the prices of PARTY shall be firm and fixed till the completion, handing over, maintenance period etc. of the contract. Payment of all extra/substituted/variation items etc. related to party’s scope of work admitted and paid by the Client, if any, shall also be made by EPI to PARTY proportionately. Any claim by PARTY, if not paid by the Client, whatsoever be the reason shall not be admissible against EPI.

16.0 The PARTY shall be fully responsible to complete the “Works” in workmen like manner to the satisfaction of Client and EPI by maintaining high standard of quality and precision as per ‘Tender documents’, Agreements, Terms & Conditions, Specifications, Drawings etc., within contractual completion period and within their quoted rates/amount. All Quality Procedures of EPI/HAL L is to be followed and all records are to be maintained. In case Client reduces or increases scope of work related to PARTY’s portion of work, the same shall be binding on PARTY and the PARTY has to execute the same at rates agreed by party.

17.0 In case PARTY is awarded the “Works” and fails to execute the same as per agreed schedule of progress of work and as per specified quality and/or lags behind in activities required for timely completion of “Works”, as determined by EPI/Client, then EPI shall give 15 days written notice to PARTY to achieve the specified quality and/or to deploy adequate resources to the satisfaction of EPI, for timely completion of “Works”. Upon expiry of the notice period, if PARTY fails to achieve specified quality and/or fails to take action for timely completion of “Works”, then EPI shall have option to withdraw the remaining work partly or in full from PARTY and get the same executed at the risk and cost of the PARTY from alternative agency/agencies besides encashment of the guarantees submitted by the PARTY to EPI. The decision of EPI in this regard shall be final and binding on the PARTY.

18.0 The PARTY shall post adequate competent engineers and supervisory staff at site for day-to-day execution and supervision of its works etc. during the entire duration of the contract including maintenance/defect liability period. The minimum number and level of engineers, supervisors and other personnel to be deployed by the PARTY should be as directed by EPI. In case the PARTY fails to deploy adequate number of personnel at site/office, EPI after giving seven days notice shall engage the required personnel solely at the risk and cost of the PARTY and debit the cost of the same to the account of PARTY. EPI shall exercise overall management, monitoring and coordination of project.

19.0 In case the project execution is delayed beyond the contractual scheduled completion period due to reasons attributable to the PARTY, the staff and site office expenses of EPI for extended period shall be paid by the PARTY to EPI at the rate of Rs. 1,00,000/- per month. This shall be in addition to the facilities provided by the PARTY to EPI and the Liquidated Damages/Compensation for delay/Penalties etc. if any, levied by Client”. The decision of EPI in this regards shall be final & binding on the
20.0 The PARTY shall be responsible for timely completion of the “Works” within the contractual completion period. Liquidated Damages/Compensation for delay, if any imposed/deducted from EPI’s bills by Client due to parties performance shall be recovered from PARTY’s bills or other dues.

21.0 The PARTY shall holds EPF Code number, CST-TIN, VAT-TIN/Sales tax on Works contract number, Service tax registration number, PAN (Permanent Account Number of Income Tax) etc. and shall be responsible for depositing EPF subscription and contribution for labour and staff employed by it on the “Works” and Service tax, other taxes, duties and dues etc. as per statutory requirements and documentary evidence of same shall be provided to EPI. The PARTY shall also be responsible for labour welfare and for arranging labour and other licenses/permits/clearances etc. for the project at their own cost. In case EPI has to take labour license or and other licenses, all expenditure towards the same shall also be borne by the PARTY. The PARTY shall comply with all the requirements as per labour laws/acts. All the records in this regard shall be maintained by PARTY as per statutory requirements and rules and shall be produced by the PARTY on demand if required.

22.0 The PARTY shall be responsible for obtaining all approvals from Client with regard to quality of materials & workmanship and measurements etc. for their portion of work. All such approvals shall be in the name and title of EPI. The PARTY shall be responsible for reconciliation of issue material with EPI/Client, if any. Any shortfall in issue materials shall be made good / recovered from PARTY as per terms of EPI’s contract with the Client.

23.0 The PARTY will not deal directly with Client and all the correspondence in matters regarding bills, claims, interpretation of the specifications, conditions and all matters related to the contract with Client, Client’s Consultants, all other agencies including Government and Statutory bodies etc. shall be done through EPI only. PARTY shall prepare and submit expeditiously all bills, claims, details, clarifications, documents, information, etc. as required by EPI/ Client for proper execution and successful completion of the “Works”.

24.0 Issues related to interpretation and claims, if any, related to PARTY’s scope of work, arising out of contract between EPI and Client shall be referred with full justification by PARTY to EPI for settlement with Client including arbitration with Client, if inescapable, and outcome of such a settlement shall be binding on PARTY. EPI at its option may associate the PARTY in the above process of settlement for PARTY’s portion of work. The cost & expenses on arbitration with Client shall be shared by EPI and PARTY in proportion of PARTY’s offer and EPI’s mark up towards its overheads & profits. In case the award/settlement with the Client is in favour of EPI, ninety percent of the award/settlement amount shall be shared between EPI and PARTY in proportion of PARTY’s contract price with EPI and EPI’s mark up towards its overheads & profits. The balance ten percent of the award/settlement amount shall be retained by EPI towards its administrative charges. In case the award/settlement is against EPI, the entire damages/counterclaims imposed, if any, shall be borne by PARTY alone and the PARTY shall have no claim whatsoever against, EPI in such a settlement. Further, EPI shall have no liability towards any claim of the PARTY, which are not paid by the Client.
25.0 If desired by EPI, PARTY shall be available/associate with EPI in meetings/negotiations with EPI/Client for its portion of work. PARTY shall furnish all information and clarifications as and when required by EPI/Client. The PARTY shall abide by any modifications/changes etc. in tender prices, terms & conditions for its portion of work, agreed by it during negotiations with Client/EPI. Each party shall bear its own expenses for these purposes.

26.0 In case of non-approval of PARTY’s association for the Project by the Client and/or by the Corporate office of EPI due to any reasons whatsoever at any stage of the “Works”, the PARTY shall have no claim on EPI.

27.0 Income tax shall be deducted as per income tax act as applicable.

28.0 The PARTY shall plan and execute the “Works” in his scope of work in such a manner that the other works, connected with the “Works” of the PARTY, but not included in PARTY’s scope of work, do not get affected/delayed.

29.0 The PARTY shall deploy sufficient plant & equipment of the required capacity and in good working condition for completion of the works in stipulated time with required quality. The equipment should either be owned by the PARTY or hired/leased. The deployment of equipment by PARTY shall be as decided by EPI and the same shall not be less than the minimum deployment stipulated by the Client, if any, for execution of “Works” and as per schedule agreed with EPI. The PARTY shall make arrangement for regular maintenance including preventive and breakdown maintenance and maintain stock of essential spares at site/near to site so as to ensure minimum breakdown time of equipment. The equipment once brought to site shall not be allowed to be removed without the consent of EPI. In case the PARTY fails to deploy sufficient equipment to the satisfaction of EPI or in case of prolonged breakdown of equipment, EPI at its sole discretion shall arrange the required equipment and debit all the related costs including ten percent overheads of EPI and shall recover the same from the due payments of PARTY, including from its bank guarantees available with EPI.

30.0 PARTY shall ensure compliance with all Central, State and Local Laws, Rules, Regulations etc. as applicable or may be applicable during the course of execution, maintenance etc. of the “Works” and shall indemnify EPI against any claim or damages whatsoever on such accounts. The PARTY shall keep EPI indemnified at all times against infringement of any Patent or Intellectual Property rights.

31.0 EPI is an ISO-9001 and ISO-14001 Company. The conditions of the ISO as applicable should be followed by the PARTY for implementation & maintaining the established procedures of EPI for this purpose. Following documents have been provided by EPI to PARTY & PARTY confirms receipt of the same:

   a. Quality & Environmental policy
   b. Objectives & Targets.
   c. Operational control procedures - Noise.
   d. Operational control Procedures - wastage.

32.0 The work executed by PARTY shall be subject to audit and quality control checks from Quality Control Division & Technical Audit of EPI, Client, Inspecting Agencies of the Client and Chief Technical Examiner of Central Vigilance Commission, Govt. of
India. In the eventuality of any defect/ sub standard works as brought out in the report or noticed otherwise at any time during execution, maintenance period etc., the same shall be made good by the PARTY without any cost to EPI. In case PARTY fails to rectify the defect/sub-standard work within the time period stipulated by EPI, EPI shall get it rectified at the risk and cost of PARTY and shall recover the amount from the dues of the PARTY.

33.0 In case of award of the contract to EPI, the terms and conditions of this agreement shall remain valid till such time the contractual obligations and responsibilities of the “Parties” are fulfilled. A separate work order shall be placed by EPI on PARTY after receipt of award of work by EPI from Client. The contract documents of the contract signed between EPI and Client shall form part of the Work Order to be placed by EPI on PARTY upon award of “Works” by client to EPI.

34.0 EPI has agreed to associate PARTY on the basis of details regarding experience profile, financial standing, credentials, fulfillment of statutory obligations, etc. of PARTY submitted by PARTY to EPI. In case, at a later stage it is found that the PARTY has submitted incorrect, false details and credentials resulting in apprehensions on the capabilities of PARTY with regard to quality & timely completion of works, financial capabilities etc, EPI can terminate the order solely at its option. In this eventuality the PARTY shall be liable for the losses suffered by EPI and further PARTY shall have no claim on EPI, whatsoever.

35.0 The “Parties” shall make efforts to settle disputes, if any, amicably. Only if amicable settlement is not possible, the same shall be referred to the sole arbitration of the Chairman & Managing Director (CMD) of EPI or the person appointed by the CMD, EPI and the decision of the arbitrator shall be final and binding on the “Parties”. Arbitration will be according to “Conciliation & Arbitration” clause, which is enclosed at Annexure–I.

36.0 All other terms and conditions shall be as per the Tender documents of Client and the same shall be applicable between EPI and the PARTY on mutatis mutandis basis. However, if EPI is granted some concession or exempted from certain obligations by Client, by virtue of EPI being a Public Sector Company, the same concessions / exemptions shall not be applicable to the PARTY. The decision of EPI in this regard including interpretation of terms & conditions shall be final & binding on PARTY.

37.0 This agreement shall be governed by the Indian Laws for the time being in force and only the Courts in court in Mumbai. alone shall have the exclusive jurisdiction to entertain and decide any matter arising out of the agreement/contract.

38.0 The party shall provide and maintain facilities as per Annexure-II for exclusive use of EPI. These facilities and vehicles shall be the property of the PARTY at the end of contract.

39.0 The party shall establish Q.C field laboratory at his own cost and provide all types of testing equipment/machines/manpower to carry out the field test as per tender specifications for smooth execution of works of the complete scope of EPI’s work. All testing equipment, machineries etc. shall be brand new. Party shall be responsible for running and maintenance of field lab & provide necessary manpower, functioning of the Q.C. lab shall be under the control of EPI.

However, all the tests other than the field test which are to be done as per tender
document and specifications will be arranged by the respective party and all expenses etc. shall be borne by the respective party and nothing will be paid/reimbursed to party by EPI.

40.0 **Cement**: Cement shall be procured by EPIL directly and issued to sub-contractor and the same shall be recovered from sub-contractor @ Rs.268-00/bag of cement of 50 kg. Unless otherwise indicated, cement used shall be Ordinary Portland Cement 43 Grade conforming to IS 8112 of approved make. Use of any other grade of cement incase of extreme emergency shall be with the specific approval from the Consultant and Engineer-in-Charge.

**Storage**: Cement bags shall be stored in dry waterproof sheds to protect the cement from dampness and to minimize warehouse deteriorations. Where cement has been stored and for any reason the stored cement shows signs of deterioration or contamination, it may be tested before use for its strength, setting time, etc., cement which has fully or partially set shall not be used.

Storage of cement at the site of work shall be at the contractor’s expense and risk. In the event of any damage occurring to cement due to faulty storage in contractor’s sheds or on account of negligence on his part, such damage shall be the liability of the contractor. The storage shall be planned considering optimum utilization as per planned progress and shall not allow storage of cement for longer period than the specified.

**Precautions in Storage**: Cement bags shall not be piled against the wall. A** space of 60 cm all round shall be left between the walls and the piles, bags shall be piled off the floor on wooden planks. Bags shall be kept close together in the pile to reduce circulation of air as much as possible and shall not be piled more than 10 bags high to avoid lumping under pressure. The width of pile shall not be more than about 3 m. For extra safety during the monsoon, or when it is expected to store the cement for an unusually long period, the pile shall be completely enclosed by a waterproof membrane such as polythene, tarpaulin etc. Each consignment of cement shall be stacked separately to permit easy access for inspection and facilitate removal. Cement shall be used in the order in which it is received.

41.0 **Reinforcement Steel**: The EPI at its discretion issue the Reinforcement Steel (TMT bars) in each lot on the basis of actual weighment. It should be clearly understood that irrespective of the METHODOLOGY adopted for issuing the material, the Contractor shall have no claim whatsoever, on account of the time and cost involved in issue, accounting, stacking, transporting, loading and unloading, reconciliation etc. of EPIL issue material.

Unloading of Reinforcement Steel at site will be the responsibility of the Party. Reinforcement Steel (TMT bars) to be issued by EPI shall be collected/delivered in such condition and in such length/weight/size as are available/received from manufacturers. Reinforcement steel shall be stored and stacked in such a manner so as to facilitate easy identification, removal etc. The Party shall take proper care to prevent direct contact between the steel and the ground for which he shall provide at his own cost drainage and packages as per direction of the Engineer-in-Charge. The party shall maintain a proper store account for all the EPIL issue material and shall give a copy of the monthly statement of such accounts to EPIL.
Consumption reconciliation shall be done at every alternate months. CPWD specification shall be followed for permissible variation and recovery rates for quantities beyond permissible variation shall be as per prevailing market rate.

The party shall solely be responsible for the safety, quality and quantity of the material after it is issued by EPIL.

41.0 **Batching Plant**: The Sub-contractor shall for the purpose of making concrete for the works has to set up a centralized batching plant with computerized control of capacity of approx. 30 cum. Per hour, at a location approved by the Consultant/Employer. The Contractor shall have to make arrangements for any development or access to the said location or from the said location to the site of works entirely at his own cost. Such land made available by the Employer will be free of rent.

42.0 **Laboratory for Testing**: The sub-contractor shall for the purpose of testing the materials establish a field laboratory.

**FALL CAUSEE:**

The Bidder undertakes that he has not executed/is not executing the similar nature of work at a price lower than that offered in the present bid in respect of any other Defence Public Sector Undertakings, IAF, Ministry of Defence and if it is found at any stage that the similar nature of work Tendered by the Bidder to any other Defence Public Sector Undertakings, IAF, Ministry of Defence at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Principal employer, if the contract has already been concluded.