

To

1. The CGM/P&D, MM, Commercial & HRA DHBVN Hisar.
2. The CGM Operations DHBVN Hisar & Delhi.
3. The CGM/Finance, Accounts & F&A/MM DHBVN Hisar.
4. The Controller of Stores, DHBVN Hisar.
5. The GM/Construction DHBVN Faridabad & Hisar.
6. All GMs/Operations in DHBVN.
7. The GM M&P DHBVN Gurgaon.
8. The GM/P&D, MM, Commercial, IT, Admn. & HRA DHBVN Hisar.
9. All DGMs Operations in DHBVN
10. The DGM/Legal, T&M & Vigilance, DHBVN, Hisar.
11. The C. C.O. DHBVN. Hisar
12. The PAG/Audit, Haryana Chandigarh.

Memo No: Ch.6/Procurement/CGM/F&A(P&D)

Dated 22.11.10

Subject: Procedure for quoting of bids against turnkey works.

As per existing practice/procedure, the tenderers while quoting their rates against turnkey works are required to quote the Unit Sale Price (Including all taxes, levies, freight & Insurance, E.D. etc) and unit erection charges through Schedule of Price. The estimated total quantity of each unit required for the completion of the work is intimated by the Nigam in tender documents (Schedule of Price). Further the tenderer is also required to quote the lump-sum price for the entire scope of work through Schedule-I to the Tender documents. In Schedule-I, the total price for supply of equipments/material as well as erection charges is shown separately for 33 KV Sub Station, 33 KV Lines, 11KV Lines and Civil Works besides total bid price for each tender/package.

2. In accordance with the provisions of clause-25.2 of Instructions to the Bidders (ITB), the price quoted for various schedules should be consistent with each other. In case of any inconsistency in the price quoted in the specified price schedule, the lowest price is considered for the purpose of evaluation and award of the contract and all arithmetical errors are rectified on the basis of the unit price (in figures or in words) whichever is more beneficial to the Nigam. The existing procedure carries following deficiencies:-

- a) It has been observed that the tenderers intentionally or unintentionally are quoting inconsistency prices of various units which results into lots of calculations and scrutiny of the price schedule submitted by the bidders for

comparison of each item repeated in different price schedules, packages or tenders submitted/opened on the same day. It has also been observed that even the status of bidder is changed after such evaluation.

- b) Further under the existing system the bidders can quote and are quoting the units price higher for those items which are consumed on the first stage and/or are likely to increase at the time of execution of the work and lesser rates for the items which are to be consumed on the last stage of the execution of the work and/or there is no chance of increase in the quantity. This results into financial aid to the contractor and loss to the Nigam. It has also been observed that with a view to get released maximum of the payment in the first stage and also to avoid the payment of WCT, the erection charges are quoted very nominal and are loaded in the cost of material/equipment.
- c) Though the bidders are instructed vide clause-12.1 of the ITB that the price quoted for each item in the Bid form and schedule of prices should be reasonable for each item in the judgment of the Employer (Nigam); under no circumstance, a manifestly unbalanced Bid will be considered and the Nigam reserves the right to delete any item from the scope of contractor, whole or partially if the rates quoted are found unfair for that item, it is impractical to enforce the clause because it is not possible to evaluate the bid after deleting the items rates of which are found unreasonable. It is pertinent to mention that each tenderer quotes rates in different way for different items and not for the same item/unit and deletion of units/items can result into status of turnkey works besides creating other related problems. Further the clause in question is not mandatory.
- d) It has also been observed that at the time of execution of the works some additional equipments/material is required as per site conditions. In case such equipment/material is not included in the original BOM, there is no procedure to make the payment of additional material/equipment and the same results into delay in completion of the work.

3. The Board of Directors at their 136th meeting held on 27.10.10 considered the proposal placed before them to curb the above problems and has decided as under:-

- a) The tenderer while quoting bid for turnkey works shall quote the total price for the equipments/material plus erection charges through Schedule-I to the bid documents. The estimates unit rates and erection charges as ascertained by the employer (Nigam) shall be mentioned in the price schedule to the bid

documents. The rates as admissible to the contractor shall be the proportionate to the estimated rate and shall be calculated as under:-

$$\text{Unit Rate/Erection Charges Allowable} = \frac{\text{Estimated Unit Rate/Erection charges} * \text{Total Quoted Price}}{\text{Total Estimated Price}}$$

- b) In case any additional equipment/material not incorporated in the original BOM is required for completion of the works as per site conditions payment of the same shall be regulated as per above formula and the estimated unit rates/erection charges shall be taken as per the rate list applicable/applied while preparing the original BOM after having approval of WTDs.
- c) The revised instructions shall be applicable on the tenders to be floated after issue of the revised instructions.

This issues with the approval of the Board of Directors as per advice issued by the Company Secretary vide CS/Advice/BOD/3192 dated 12.11.10.

DA/Nil

CGM/F&A (P&D)
DHBVN Hisar

CC to:

1. SPS to the Managing Director, DHBVN, Hisar for kind information of MD.
2. PS to the Director/Operations for kind information of Director/Operations.
3. PS to the Director/Projects for kind information of Director/ Projects.
4. Company Secretary DHBVN Hisar w.r.t. his advice CS/Advice/BOD/3192 dated 12.11.10.

1.

The following amendments are issued/ Inserted in DHBVN Procurement Manual

Sub regulation No. 6.11 & 6.12 inserted in DHBVN Procurement Manual with approval of BOD in their meeting held on 27.2.2007 and circulated by CGM/F&A(MM) memo No. 2789-2834 dt. 30.3.2007.

Regulation No.6.11:

Placement of order on Govt. Owned Companies like. Centre for development of advance computing (CDAC), National Informatics Centre (NIC), Tele Communication Consultants India Limited (NCIL) etc. on Single Tender Basis shall be approved by the Whole Time Directors of the Nigam and the MOU on the terms and conditions approved by the W.T.D. will be signed by the concerned Head of Department of the Purchase / P&D Wing.

Regulation No.6.12:

An order on Non Govt. Organization Registered not for profit with the Central/State Govt. wishing to provide effective, efficient and useful services to the Nigam can be allotted on Single Quotation Basis on the following terms and conditions:-

- I. The allotment shall be approved by the W.T.D's.
- II. The MOU will be signed by the concerned H.O.D. on the approved terms and conditions.
- III. The reasonability of the rates and prudence of the NGO shall be evaluated before seeking approval of the WTD by the concerned HOD.
- IV. The track record/credential of NGO should be solid and well known.
- V. The work assigned to the NGO shall be reviewed periodically by the concerned HOD i.e. on quarterly/half yearly basis.
- VI. The WTD may make negotiation with the service provider to have reasonable rates.

2.

The sub regulation No. 22(a) of Schedule 'B' of DHBVN Procurement Manual is amended after approval of BOD in their meeting held on 19.10.2007 and circulated by CGM/F&A(MM) memo No. 1965-1988 dt. 21.11.2007.

Sr. No.	Existing Clause (Sub Regulation No. 22(a))	Amended Clause (Sub Regulation No. 22(a))
1	“The tenderer, after submitting its tenders, it is permitted to submit alterations / modifications to its tender so long such alterations /modifications are received duly sealed and marked like original tender, upto the date and time of receipt of tender. Any amendment / modification received after the prescribed date & time of receipt of tender are not to be considered and any withdrawal of the offer shall not be permitted. However, the firm may modify their offer before opening of bid, but the Nigam will consider the lowest one”.	“The firm /Bidder may revise their price bid which will be submitted duly sealed / marked like original tender upto the permitted date and time but before opening of the price bid. The Nigam will consider the <u>latest bid</u> at the time of opening of the price bid and same will be incorporated in the merit-cum-comparative statement”.

3. **The Sub regulation No. 14.9 inserted in DHBVN Procurement Manual after approval of BOD in their meeting held on 23.11.07 and circulated by CGM/F&A(MM) memo No. 2098-2117 dt. 12.12.2007.**

“The Bank Guarantee submitted by the tenderer/supplier/contractor as security/performance security will be verified from the issuing Bank Branch, before acceptance by the concerned office of the Nigam and **the payment to the suppliers/contractors is to be released after receipt of the verification of the Bank Guarantee by the concerned Bank.**”

4.

The amendment of the warranty period in the existing sub regulation No. 11.2 of “Warranty” in Schedule-D of Procurement Manual with approval of BOD in their meeting held on 27.3.08 and circulated by CGM/F&A(MM) memo No. 846-896/CGM/F&A(MM) on dt. 29.4.08.

Sr. No.	Existing Sub Regulation No. 11.2 of DH BVN Procurement Manual	Proposed Sub Regulation No. 11.2 of DHBVN Procurement Manual
1.	<p>In case of Electronic Meters and all transformer with CSP and conventional transformer above 100 KVA the supplier shall be made responsible to replace free of cost, with no transportation or insurance-cost to the Nigam, up to the destination, the whole or any part of the material which in normal and proper use proves defective in quality or workmanship, subject to the condition that the defect is noticed within 66 months from the date the material is received by the consignee or 60 months from the date of installation which ever period may expire earlier. The consignee or any other officer of the Nigam actually using the material will give prompt notice of each such defect to the supplier as well as the Purchasing authority and the Controller of Stores. The replacement shall be effected by the supplier within a reasonable time, but not, in any case, exceeding 45 days. The supplier shall also arrange to remove the defective supply within a reasonable period but not exceeding 45 days from the date of issue of the notice in respect thereof. Upon the firm failing to do so, the damages/ defects may be got rectified by the Nigam and the cost adjusted from the firm’s pending dues and/or security deposit against this or any other contract in force and the balance left be got deposited by the supplier. The Nigam may also withheld the amount equal to cost of defective material.</p> <p>These provisions shall, also equally apply to the replaced material. In case, the material is again found to be defective within warranty period, it shall, also, have to be replaced similarly.</p>	<p>In case of Electronic Meters and all transformer with CSP and conventional transformer above 100 KVA the supplier shall be made responsible to replace free of cost, with no transportation or insurance-cost to the Nigam, up to the destination, the whole or any part of the material which in normal and proper use proves defective in quality or workmanship, subject to the condition that the defect is noticed within 78 months from the date the material is received by the consignee or 72 months from the date of installation which ever period may expire earlier. The consignee or any other officer of the Nigam actually using the material will give prompt notice of each such defect to the supplier as well as the Purchasing authority and the Controller of Stores. The replacement shall be effected by the supplier within a reasonable time, but not, in any case, exceeding 45 days. The supplier shall also arrange to remove the defective supply within a reasonable period but not exceeding 45 days from the date of issue of the notice in respect thereof. Upon the firm failing to do so, the damages/ defects may be got rectified by the Nigam and the cost adjusted from the firm’s pending dues and/or security deposit against this or any other contract in force and the balance left be got deposited by the supplier. The Nigam may also withheld the amount equal to cost of defective material.</p> <p>These provisions shall, also equally apply to the replaced material. In case, the material is again found to be defective within warranty period, it shall, also, have to be replaced similarly.</p>

5. The amendment of Clause No.12 “DRAWINGS” of Schedule-D in DHBVN Rate Contract Manual regarding procedure for submission of drawings type tests certificates and fixation of delivery schedule with approval of BOD in their meeting held on 7.6.08 by Company Secretary/DHBVN, Hisar Advice No.CS/Advice/BOD/2274 dt.13.6.08 circulated by CGM/F&A(MM), DHBVN, Hisar memo No. 1024-1091 dt. 20.06.08 in view of Company Secretary (Memorandum submitted by CGM/MM in BOD.)

Existing Clause of Rate Contract Manual	Amended Clause of Rate Contract Manual
<p>Clause 12-Drawings of Schedule D:</p> <p>a) The supplier will submit, in quadruplicate, to the Purchaser for his approval (within 15 days) immediately on receipt of his offers acceptance from the purchaser detailed dimensional drawings of the equipment to be supplied and other general arrangements of the work to be carried out and such other detailed drawings as may be reasonable necessary. Submission of incomplete drawings or any delay in submission in drawings beyond 15 days shall be towards to suppliers account.</p> <p>b) The drawings will be approved by the purchaser and returned to the supplier within one month from the date of their receipt. Any period beyond one month taken by the purchaser for the approval or otherwise of the contract drawings may be regarded by the supplier as a ground for extension of time for completion of the work.</p>	<p>Clause 12-Drawings of Schedule D:</p> <p>a) Procedure to be followed where specification /design of the item is standardized by National Agency: The bidder shall submit the drawings and relevant type test certificates alongwith tender documents. The Nigam will return the approved drawings to the successful bidder alongwith Rate Contract order. In such case the delivery schedule shall commence from the date of receipt of the purchase order/contract order.</p> <p>b) Procedure to be followed where specification/design of the product is not standardized but prepared for specific use of Nigam:</p> <ol style="list-style-type: none"> 1. The successful bidder shall submit the drawing as per Nigam's specification/ design within 30 days from the date of issue of Rate Contract. 2. The required type test certificates shall be submitted by the successful bidder within 45 days (90 days in case of Power T/F) from the date of issue of Rate Contract. 3. The purchase Department shall approve the drawings within 10 days from the date of receipt of type test certificate along with drawing. 4. In case the firm fails to supply the requisite drawings and type test certificate within the stipulated period as mentioned above the Rate Contract of the firm shall be cancelled, earnest money forfeited and initiate blacklisting Procedure for three years.

6.

Amendment of the Procedure for blacklisting of firm/suppliers/contractors on default Sub Regulation No. 24.1 approved from Board of Directors in their meeting held on 30.07.2009 in DHBVN Procurement Manual 2006, as given below:-

Existing	Proposed
<p>(a) A legal notice shall be served by the purchasing department on the supplier by registered post bringing his defaults to his notice and asking him to complete all pending supplies / or to settle dispute immediately within a period of 15 days from the date of issue of Notice.</p>	<p>(a) A notice shall be served by the purchasing department on the supplier by registered post bringing his defaults to his notice and asking him to complete all pending supplies / or to settle dispute within a period of 15 days from the date of issue of Notice.</p>
<p>b) In case he again defaults, another notice be sent asking to complete all pending work within 7 days from the date of issue of second Notice.</p>	<p>b) In case the firm fails to comply with the notice(s), a show Cause notice of 21 days shall be issued why the firm/supplier/contractor should not be blacklisted. In the Show Cause Notice complete details of the case, default committed by the firm/supplier/contractor and details of notices issued by the Nigam shall be incorporated.</p>
<p>(c) In case the firm fails to comply with the requirement of notice all BGs/EMD/PEMD etc, deposited against any contracts be got encashed. The supplier shall be blacklisted after obtaining approval from the Whole Time Directors.</p>	<p>In case the supplier/firm/contractor fails to comply with the notice issued for blacklist or does not respond to show cause notice or the reply as submitted is not found justified/convincing, the supplier/firm/contractor shall be blacklisted after obtaining approval from the BOD</p>
<p>(d) The period of blacklisting of the defaulting supplier/contractor will be 3 years. The blacklisting of the contractor/supplier should be notified to all Power Utilities in the country and the names of such blacklisted supplier/contractor would also be put on the website of the Nigam.</p>	<p>(d) The period of blacklisting of the defaulting firm/ supplier/contractor will be approved upto 3 years by BOD's and shall be notified to all Power Utilities in the country and the names of such blacklisted supplier/contractor would also be put on the website of the Nigam.</p>

7.

Amendment in Arbitration Clause of DHBVN Procurement Manual 2006 with the approval of the Board of Directors in their meeting held on 31.07.2009.

Existing	Proposed
<p><u>Arbitration:</u> <u>1. Regulation No. 41, Clause No.29 of Schedule D-I, Clause No. 38 of Schedule D-II and Clause No.56 of Schedule D-III in DHBVN Procurement Manual-2006.</u> <u>2. Regulation No. 19 and Clause No. 29 of Schedule D-I in DHBVN Rate Contract Manual.</u> All matter questions, disputes, differences and/or claims arising out of and/or concerning and/or in connection and/or in consequences or relating to the Contract whether or not obligations of either or both parties under the contract be subsisting at the time of such dispute and whether or not the contract has been terminated or purported to be terminated or completed, shall be referred to the arbitration which shall be conducted Three arbitrators, one each to be nominated by the supplier/contractor and the Nigam</p> <p>(Arbitrator to be approved by the M.D. DHBVNL or authority of the Nigam authorized for the purpose by the Nigam) and the third to be named by the president of the institution of the Engineers, India. If either of the parties fails to appoint its arbitrator within thirty (30) days after receipt of a notice from the other party invoking the arbitration clause, the president of the institution of Engineers, India, shall have the power at the request of either of the parties, to appoint the arbitrator. A certified copy of the order of the institution of Engineers (India) making such an appointment will be furnished to each of the parties.</p> <p>The decision of the majority of the arbitrators shall be final and binding upon the parties. The parties to the contract agree that the cost of arbitration shall be as per instructions of the Nigam issued/prevalent on the date of appointment of arbitral tribunal. The arbitrators may, from time to time, with the consent of the parties enlarge the time for making the award. In the event of any of the aforesaid arbitrators dying, neglecting, resigning or being unable to act for any reason, it will be lawful for the party concerned to nominate another arbitrator in place of the out-going arbitrator.</p> <p>The arbitrator shall have full powers to review and/or revise any decision, opinion, direction, certification or valuation of the Engineer in consonance with the Contract, and neither party shall be limited in the proceedings before such arbitrators to the evidence or arguments put before the Engineer for the purpose of obtaining the said decision.</p> <p>The objection that the Arbitrator has to deal with the matters to which the Contract relates in the course of</p>	<p><u>Arbitration:</u> All matter questions, disputes, differences and / or claims arising out of and /or concerning and /or in connection and /or consequences or relating to this contract whether or not obligations of either or both parties under this contract be subsisting at the time of such dispute and whether or not this contract has been terminated or purported to be terminated or completed, shall be referred to the Sole Arbitration of the M.D. DHBVN or an Officer appointed by the M.D. DHBVN as his nominee. The Award of the Arbitration shall be final and binding on the Parties to this contract.</p> <p>The objection that the Arbitrator has to deal with the matters to which the contract relates in the course of his duties or he has expressed his views on any or all of the matters in dispute of difference, shall not be considered as a valid-objection.</p> <p>The Arbitrator may from time to time with the consent of Parties to the Contract enlarge the time for making the Award. The venue of arbitration shall be the place from which the acceptance of offer is issued or such other place as the Arbitrator in his discretion may determine.</p> <p>The parties to the contract agree that cost of arbitration shall the as per the instructions of the Nigam issued / prevalent on the date of appointment of arbitrate tribunal.</p> <p>Subject to aforementioned provisions, the provisions of the Arbitration & Conciliation Act, 1996 and the Rules there under any statutory modifications thereof for the time being in force, shall be deemed to apply to the Arbitration proceedings under this clause.</p>

his duties or he has expressed his views on any or all of the matters in dispute of difference, shall not be considered as a valid-objection.

Subject to aforementioned provisions, the provisions of the Arbitration and conciliation Act, 1996 and the Rules there under any statutory modifications thereof for the time being in force, shall be deemed to apply to the Arbitration proceedings under the clause.

Where the value of the Contract is Rs. One crore and below, the disputes or differences arising will be referred to the Sole Arbitrator. The Sole Arbitrator to be approved by the M.D. DHBVNL or authority of the Nigam authorized for the purpose by the Nigam.

Notwithstanding any reference to arbitration herein,

- (a) The parties will continue to perform their respective obligations under the Contract unless they otherwise agree; and
- (b) The Purchaser will pay the Supplier any monies due to the Supplier.

1. **The amendment of the warranty period in the existing sub regulation No. 23.2 of “Warranty” in Schedule-D of DHBVN Rate Contract Manual with approval of BOD in their meeting held on 27.3.08 and circulated by CGM/F&A(MM) memo No. 846-896/CGM/F&A(MM) on dt. 29.4.08.**

	Existing Sub Regulation No.23.2 of DHBVN Rate Contract	Proposed Sub Regulation No.23.2 of DHBVN Rate Contract
	<p>In case of Electronic Meters and all transformer with CSP and conventional transformer above 100 KVA the supplier shall be made responsible to replace free of cost, with no transportation or insurance-cost to the Nigam, up to the destination, the whole or any part of the material which in normal and proper use proves defective in quality or workmanship, subject to the condition that the defect is noticed within 66 months from the date the material is received by the consignee or 60 months from the date of installation which ever period may expire earlier. The consignee or any other officer of the Nigam actually using the material will give prompt notice of each such defect to the supplier as well as the Purchasing authority and the Controller of Stores. The replacement shall be effected by the supplier within a reasonable time, but not, in any case, exceeding 45 days. The supplier shall also arrange to remove the defective supply within a reasonable period but not exceeding 45 days from the date of issue of the notice in respect thereof. Upon the firm failing to do so, the damages/defects may be got rectified by the Nigam and the cost adjusted from the firm’s pending dues and/or security deposit against this or any other contract in force and the balance left be got deposited by the supplier. The Nigam may also withheld the amount equal to cost of defective material.</p> <p>These provisions shall, also equally apply to the replaced material. In case, the material is again found to be defective within warranty period, it shall, also, have to be replaced similarly</p>	<p>In case of Electronic Meters and all transformer with CSP and conventional transformer above 100 KVA the supplier shall be made responsible to replace free of cost, with no transportation or insurance-cost to the Nigam, up to the destination, the whole or any part of the material which in normal and proper use proves defective in quality or workmanship, subject to the condition that the defect is noticed within 78 months from the date the material is received by the consignee or 72 months from the date of installation which ever period may expire earlier. The consignee or any other officer of the Nigam actually using the material will give prompt notice of each such defect to the supplier as well as the Purchasing authority and the Controller of Stores. The replacement shall be effected by the supplier within a reasonable time, but not, in any case, exceeding 45 days. The supplier shall also arrange to remove the defective supply within a reasonable period but not exceeding 45 days from the date of issue of the notice in respect thereof. Upon the firm failing to do so, the damages/defects may be got rectified by the Nigam and the cost adjusted from the firm’s pending dues and/or security deposit against this or any other contract in force and the balance left be got deposited by the supplier. The Nigam may also withheld the amount equal to cost of defective material.</p> <p>These provisions shall, also equally apply to the replaced material. In case, the material is again found to be defective within warranty period, it shall, also, have to be replaced similarly</p>

2.

The amendment of Clause No.12 “DRAWINGS” of Schedule-D in DHBVN Rate Contract Manual regarding procedure for submission of drawings type tests certificates and fixation of delivery schedule with approval of BOD in their meeting held on 7.6.08 by Company Secretary/DHBVN, Hisar Advice No.CS/Advice/BOD/2274 dt.13.6.08 circulated by CGM/F&A(MM), DHBVN, Hisar memo No. 1024-1091 dt. 20.06.08 in view of Company Secretary (Memorandum submitted by CGM/MM in BOD.)

Existing Clause of Rate Contract Manual	Amended Clause of Rate Contract Manual
<p>Clause 12-Drawings of Schedule D:</p> <p>c) The supplier will submit, in quadruplicate, to the Purchaser for his approval (within 15 days) immediately on receipt of his offers acceptance from the purchaser detailed dimensional drawings of the equipment to be supplied and other general arrangements of the work to be carried out and such other detailed drawings as may be reasonable necessary. Submission of incomplete drawings or any delay in submission in drawings beyond 15 days shall be towards to suppliers account.</p> <p>d) The drawings will be approved by the purchaser and returned to the supplier within one month from the date of their receipt. Any period beyond one month taken by the purchaser for the approval or otherwise of the contract drawings may be regarded by the supplier as a ground for extension of time for completion of the work.</p>	<p>Clause 12-Drawings of Schedule D:</p> <p>a) Procedure to be followed where specification /design of the item is standardized by National Agency: The bidder shall submit the drawings and relevant type test certificates alongwith tender documents. The Nigam will return the approved drawings to the successful bidder alongwith Rate Contract order. In such case the delivery schedule shall commence from the date of receipt of the purchase order/contract order.</p> <p>b) Procedure to be followed where specification/design of the product is not standardized but prepared for specific use of Nigam:</p> <ol style="list-style-type: none"> 1. The successful bidder shall submit the drawing as per Nigam's specification/ design within 30 days from the date of issue of Rate Contract. 2. The required type test certificates shall be submitted by the successful bidder within 45 days (90 days in case of Power T/F) from the date of issue of Rate Contract. 3. The purchase Department shall approve the drawings within 10 days from the date of receipt of type test certificate along with drawing. 4. In case the firm fails to supply the requisite drawings and type test certificate within the stipulated period as mentioned above the Rate Contract of the firm shall be cancelled, earnest money forfeited and initiate blacklisting Procedure for three years.

Inserted new schedule D-II A “for repairing contracts for Power Transformers” with the approval of the Board of Directors meeting held on 29.01.2009, advice issued by Company secretary Advice No.CS/Advice/BOD/2521 dated 05.02.2009 & circulated by CGM/F&A(MM) Memo No.2452-2501 dt. 06.02.09.

SCHEDULE ‘D-II’ (A)

(Referred to in-
Regulation 7)

DAKSHIN HARYANA BIJLI VITRAN NIGAM

**TERMS AND CONDITIONS FOR REPAIRING CONTRACTS FOR POWER
TRANSFORMER**

In construction of the terms and conditions of the contract, the following words shall have the meaning herein assigned to them, unless the subject or context otherwise requires:

- (a) The “PURCHASER” shall mean the DHBVN or its authorized agent and shall include its Successors in office, and assigns.
- (b) The “SUPPLIER” shall mean M/s _____ and shall include the supplier’s legal representatives, successors, and assigns.
- (c) “MANUFACTURERS: shall mean M/s _____ and shall include their legal representatives, successors, and assigns.
- (d) “MATERIAL” all the materials to be supplied by the supplier under the contract as per clause of material specifications, price etc.
- (e) ‘SPECIFICATION’ shall mean and include the specifications as detailed in the Annexure attached herewith and Drawings attached thereto as well as samples and patterns, (if any).
- (f) The ‘SITE’ shall mean and include the lands and buildings over/under/upon and in which the materials are to be installed and used in accordance with the terms and conditions.
- (g) ‘PLACE OF DELIVERY’ shall mean the place of delivery at which the supplier is responsible to deliver the material at the contract price as specified in the clause “Material- Specification: Price etc.
- (h) ‘COMMERCIAL USE’ shall mean the use to which the material can commercially be put.
- (i) ‘MONTH’ shall mean a calendar month.
- (j) ‘THE TERMS’ F.A.S., F.O.R., F.O.B., C.I.F. and other shipping/ dispatch terms as used herein, shall have meaning in accordance with their uses in India.

- (k) 'WORK' shall mean and include supply of all the materials, plants and equipment and rendering of other services by the supplier under this contract.
- (l) 'ACT' shall mean the Companies Act 1956 and shall include any statutory amendments, modifications or re-enactment thereof for the time being enforce.
- (m) 'THE NIGAM' shall mean the DAKSHIN HARYANA BIJLI VITRAN NIGAM LIMITED as incorporated under *Companies Act 1956* and shall include its successors and assigns.
- (n) 'MANAGING DIRECTOR' shall mean the *Managing Director* of the NIGAM duly appointed by the Govt.
- (o) 'CONSIGNEE' shall mean the officer to whom the materials is required to be dispatched or the person specified in the purchase order.
- (p) 'CONTRACT' shall mean the Notice Inviting Tender. Instructions for tenderers, Tender Forms, terms and conditions of contract with their annexures and purchase order/ acceptance of offer/Tender.
- (q) 'DRAWING' shall mean the drawing/drawings annexed to the specification (if any) or as approved by the purchaser.
- (r) 'PURCHASE AUTHORITY' shall mean the officer signing the acceptance of tender and shall include any officer who has authority to execute the relevant contract on behalf of the purchaser.
- (s) 'PURCHASE ORDER' shall mean an order of supply of material including the acceptance of the tender.
- (t) 'ANNEXURE' shall mean the Annexure to the terms and conditions.
- (u) 'ACCEPTANCE OF TENDER' shall mean the letter or memorandum communicating to the supplier the acceptance of his offer (Tender) and shall include advance acceptance of his offer.
- (v) 'TEST' shall mean such test as is prescribed by the Indian Standards Institution or by the Nigam and/or considered necessary by the authorized agents of the purchaser, whether conducted/performed or made by him or any other agency acting under his direction.
- (w) 'DELIVERY' shall be deemed to take place on delivery of the material in accordance with the terms and conditions of the Contract after test and inspection by the purchaser or his authorized agent, to the consignee.

(x) D.G.S & D shall mean the Director General of Supplies and Disposals, Government of India.

(y) DS&D shall mean the *Director Supply & Disposal*, Haryana.

2. PARTIES.

The parties to the contract are the supplier and the purchaser, Legal address of the parties to the Contract is under:

Supplier M/s _____

Purchaser: Dakshin Haryana Bijli Vitran Nigam (Hisar)

For all purposes of the contract including the arbitration there under, the address of the supplier mentioned above, shall be the address to which all communications addressed to the supplier shall be sent, unless the supplier has notified a change by a separate letter containing no other communication and sent by a Registered Post (Acknowledgement Due) to the purchaser. The supplier shall be solely responsible for the consequences of an omission to notify the change of address in the manner aforesaid.

3. AUTHORITY OF THE PERSON SIGNING THE CONTRACT ON BEHALF OF THE SUPPLIER.

The person who has signed these Tender papers (including the terms and conditions) has got authority to sign on behalf of the supplier. It is discovered at any time that the person so signing had no authority to do so, the purchaser without prejudice to any other right or remedy available to him may, cancel the contract and make a purchase of the material at the risk and cost of such person and hold such person liable to the purchaser for all costs and damages arising from the cancellation of the contract including any loss which the purchaser may sustain on account of such purchase.

3.1 VALIDITY OF THE CONTRACT:-

This repair contract shall be valid for a period of one year i.e. upto 12 months from the award of work. The period of the contract can however, be extended by another one year on mutual consent of the Nigam and the contractor. All allotment made during the period of this contract, period shall be honoured by the contractor and all damaged transformers delivered (for allotment made during period of the contract) up to **Four months** of expiry of the validity of this contract shall be repaired.

3.2 ALLOTMENT:-

The allotment of damaged transformers shall be made by the purchaser intimating essentially the following information:-

- a) **Make**
- b) Sr. No. & Year of Manufacture as per Name Plate.
- c) Capacity in MVA and Voltage Ratio, Percentage impedance, OLTC detail etc.
- d) Place of availability to carry out preliminary inspection.
- e) Designation of the officer, his telephone No. of office and residence and complete postal address of office, who is to be associated with preliminary inspection of the damaged transformer.

3.3 PRELIMINARY INSPECTION:

In order to ascertain the suitability of Power transformers for repair, every damaged transformer shall be inspected preliminarily by the representative of the contractor at the site/ workshop of the purchaser in the presence of the concerned DHBVN officer. Upon the receipt of intimation, the contractor shall send notice, informing date and time of arrival of his representative at site. Preliminary inspection shall be carried out within two week of intimation from the Nigam.

A transformer shall be considered repairable when the total liability of repair to DHBVN i.e. total cost of repair, replacement of parts/ components, to and fro transportation and new transformer oil etc. giving credit of old transformer oil, serviceable components/ accessories and salvage value of burnt/ damaged components shall be within the declared economical limit. The transformer shall be considered economical for repairs, if the cost of the repair after giving credit is 50% or less of the cost of a new transformer.

The Contractor's representative shall, after preliminary inspection give in writing a report to the Xen, T&S Workshop, Hisar with a copy to the Chief Engineer/MM, DHBVN, Hisar clearly stating whether or not the damaged transformer has been found within economical limit of repair expenditure. In case of a transformer being found un-economical, an explanatory note leading to its being considered un-economical, shall be furnished in the preliminary inspection report.

The transformers which are burnt by fire or having missing core and are expected to be not repairable within the economical limits, barring cases where the expenditure in setting right the core is small, no damaged transformer of this category are required to be inspected.

The transformer requiring minor repairs shall not be sent to the works of the contractor. These are to be repaired at Nigam's site/ Workshop by the Nigam at his end.

Only those transformers which have been declared economically repairable shall be transported to contractor's works. If per chance during detailed inspection at contractor's works, it is found that the transformer is not economically repairable, no payment for the preliminary inspection shall be made to the Contractor and the contractor shall arrange transportation of damaged transformer to its original site at his own risk and cost.

4. RESPONSIBILITY OF THE SUPPLIER FOR EXECUTING THE CONTRACT.

(I) RISK IN MATERIAL

The supplier shall execute the contract in all respects in accordance with these terms and conditions. The material and every constitute part thereof, whether in possession or control of the supplier, his agents or servants or a Carrier or in the joint possession of the supplier, his agents, servants and the purchaser, shall remain in every respect at the risk of supplier until its actual delivery to the consignee at the stipulated place or destination. The supplier shall be responsible for all loss, destruction, damage or deterioration of or to the material from any Cause whatsoever while the material after test and inspection is awaiting dispatch or delivery in course of transit from the supplier to the consignee. The supplier shall alone be entitled and responsible to make claims against the carrier in respect of non delivery, mis-delivery, short delivery, loss destruction, damage or of the deterioration material entrusted to such carrier by the supplier for transmission to the consignee.

(II) CONSIGNEE'S RIGHT OF REJECTION

Notwithstanding any approval which the purchaser may have given in respect of the material, it shall be lawful for the consignee to reject the material or any part thereof on behalf of the purchaser within a reasonable time after actual delivery thereof to him at the place or destination specified in Annexure 'B' if the material or any part or portion thereof is not in all respects in conformity with the terms and conditions of the contract whether on account of any loss, deterioration or damage before despatch or delivery or during transit or otherwise howsoever.

The provision contained in clause 14 (vi) below relating to the removal of material rejected by the purchaser or his authorised agent shall, mutatis mutandis, apply to material rejected by the consignee as herein provided.

(III) SUBLETTING AND ASSIGNMENT:

The supplier shall not save with the previous consent in writing of the purchaser sublet transfer or assign the contract or any part thereof or interest therein or behalf or advantage thereof any manner whatsoever.

5. ASSISTANCE TO SUPPLIER

The supplier shall be solely responsible to procure any raw material, license or permit required for the fulfillment of the contract. Any assistance for the procurement or attempt

to tender assistance in the matter aforesaid, shall not be construed or constitute any promise, undertaking or assurance on the part of the purchaser regarding the procurement of the same to effect any variation in the rights and liabilities of the parties under the contract.

6.1 EARNEST MONEY DEPOSIT:

The firm may deposit earnest money as specified in the NIT. The earnest money shall only be released after the successful completion of allotted work and on receipt of transformer duly repaired along with deposit of performance guarantee worth **Rs. 4 Lac** in the shape of bank guarantee. The consignee should make sure that the firm's / contractors have deposited the requisite security before accepting the repaired transformers from the contractor.

- (i) The earnest money of lowest (L-2) shall be released after submission of Bank Guarantee by the successful bidder i.e. L-1.
- (ii) No. claim of the supplier shall lie against the purchaser either in respect of interest or any depreciation in the value of security deposit.
- (iii) If, the supplier fails or neglects to observe or perform any of his obligations under this contract, it shall be lawful for the purchaser to forfeit either in whole or in part, in his absolute discretion, the security deposit furnished by the supplier.

The forfeiture of security deposit shall be without prejudice to the right of the purchaser to recover any further amount of any liquidated and/or other damages, undue payment or overpayment made to the supplier under this Contract or any other contract.

6.2 SECURITY DEPOSIT:

(I) PERFORMANCE GUARANTEE:

The contractors are required to deposit in the shape of bank guarantee of Rs. 4 Lacs per transformer as performance guarantee which will remain valid for a period of three months after the completion of warranty period. This bank guarantee shall be furnished by the firm at the time of delivery of transformers after repair.

(ii) SECURITY AGAINST SAFE CUSTODY:

The firms shall be required to submit bank guarantee for the safe custody of the transformers above lifting the same from the Nigam's work/site as per schedule given below for different capacity of the transformers.

Upto 8 MVA = **Rs. 8 Lac** each transformer.

10/12.5 MVA = **Rs. 10 Lac** each transformers.

This bank guarantee shall be submitted to the DGM/F&A/MM, DHBVN, Hisar and thereafter Xen, T&S Workshop, Hisar will issue the lifting orders of transformer to the contractor for repairs. This bank guarantee shall be released within 3 month from the receipt of repaired transformers. The repair contract may be deemed to be cancelled, if the contractor does not come forward for the lifting of allotted transformer within 30 days from the placement of order upon him.

6.3 RESPONSIBILITY FOR SAFE CUSTODY OF TRANSFORMER DURING EXECUTION PERIOD OF REPAIR.

The contractor shall be entirely responsible for the safe custody of the transformer, after receipt of damaged transformer in his works till it is handed over back to the Nigam after repair or being found un-economical for repair. **In case power transformer repaired is damaged within warranty period, the contractor shall deposit safe custody Bank Guarantee to the amount already required under sub-para No. 6.2 above after adjustment of performance Guarantee submitted by the firm before lifting of transformer.**

7. LOW RATES:- To curb the tendency to quote low rates and execute the works unsatisfactorily, the quoted rates shall be compared with the estimated cost and shall be dealt with as follow:-

- a) If the quoted rate for a work is below 25% of the estimated rates, it will be rejected.
- b) If the quoted rate is between 10% and 25% below estimated rate, the contractor will remit performance guarantee equal to the difference between estimate Price and quoted price. This will be released after satisfactory completion of the work.

8. (i) DELIVERY:-

The supplier shall deliver the material in accordance with the terms and conditions of the contract at the time/times and at the place/places and in the manner specified in the Annexure 'B' attached thereto. In case the due date of delivery in terms of delivery schedule falls on a holiday or holiday is subsequently declared on that date, the firm shall be required to complete the supply by the first working day falling next to the due date.

Xen T&S, Hisar will place a detailed work order upon the contractor giving details of the expenditure involved on the basis of JVR- cum- Estimate approved by Chief Engineer/MM, DHBVN, Hisar **within 30days from the**

date of lifting of power transformer(s). The delivery period shall be counted from the date of lifting of transformer by the contractor. The transformer shall be returned back duly repaired by the contractor within 90 days from the date of work order as explained above.

(ii) DAMAGES FOR DELAY IN DELIVERY:

The penalty @ ½ % per week or part thereof shall be levied if the delivery of the transformer duly repaired is not made within schedule of delivery (delivery period). In case the transformers are not delivered even up to 10 weeks after the expiry of delivery period, the penalty shall be enhanced @ 1 % per week or part thereof subject to a maximum of 10 % of the total cost of the work order. The Nigam reserves the right to take back the damaged transformer from the contractor at firm's risk and cost if the delivery of the transformer is delayed beyond 4 months of the expiry of the delivery period. In this case the security/earnest money deposited by the firm shall be forfeited.

(iii) PASSING OF A PROPERTY:

Property in the material shall not pass to the **contractee** unless and until the material has been delivered to the consignee, in accordance with the terms and conditions.

(iv) TAKING OVER CERTIFICATES:

The consignee (s) shall issue a taking over certificate after the material has been received at site (s), taken into possession, inspected, counted, measured and the supplier has supplied the copies of tests and inspection-certificate, if any, vide clause-19 "Inspection and Testing".

9. FORCE MAJEURE:

The supplier shall not be liable for any loss or damage due to delay in manufacture or delivery of the material for reason arising out of compliance with regulations, orders or instructions of Central/ State Govt.. Acts of God, acts of Civil and Military authorities, fires, floods, strikes, Lockouts, freight embargoes, war-risk, riots and civil commotion.

Whenever the supplier is not in a position to supply the material within the delivery period and he wants extension in the due date (s) of delivery under this clause, he will request for such extension of the delivery period alongwith all necessary evidence, before the expiry of the scheduled date(s) of delivery. In no case, the delivery period shall be extended under this clause, in case the request is received after the due date of delivery has expired. Extension in the delivery period may be granted only for the period for which the completion of the work is proved by the supplier to have been delayed for circumstances mentioned in this clause.

In all such cases, the Nigam shall have the option to accept any portion of the balance material and cancel the order for the rest, provided, however, if any material had been

manufactured exclusively for the purchaser under this contract prior to the commencement of the force majeure circumstances, it shall be accepted by the purchaser and secondly, the cancellation will be without any liability for damages on the part of the supplier.

The decision of the purchaser in all matters under this clause shall be final and binding on the supplier.

Non-availability of raw material or any other similar cause shall not be considered as a force majeure circumstance.

10 WARRANTY :

The repairer shall be responsible to replace free of cost with no transportation and insurance expenses to the purchaser upto the destination of the material, mentioned above the whole or any part of the material which under normal and proper use and maintenance prove, defective in material or workmanship within **twenty four months** from the date of receipt of power transformer by the consignee. Consignee / purchaser gives prompt written notice of such defects to the supplier. Such replacement shall be effected by the repairer within a reasonable time not exceeding one month of intimation of the defects. In case the damaged transformer is not attended to by the repairer within a period of one month, after the receipt of T/F in Designated _____ (TRW/Sub-Station) the transformer shall be got repaired from other repairers and the cost so incurred will be recovered from the 1st repairer. Supplier's responsibility arising out of supply of material or its use whether in warrantee or otherwise shall not in any case exceed the cost of correcting the defects or replacing the defective parts / material and upon the expiry of the warranty period stipulated above, all such liabilities shall terminate.

The above provision shall equally apply to the material so replaced / repaired by the repairer under this clause also in case the same is again found to be defective then **the guarantee shall be for 12 months or 24 months from the date of original repair whichever is later.**

In case the replacement of defective material is not carried out within one month of our intimation of defects, the repairer shall have to pay interest @ 24% per annum of the value of each complete operation unit i.e. the issue rate of repaired T/F fixed by CE/MM, UHBVNL/DHBVN beginning from the date of its receipt in TRW or date of intimation given by SDO (OP) / SDO (Store) / AEE /TRW whichever is later upto the date of its receipt after replacement / repair.

Besides above the XEN /TRW will not issue further release order. In case any transformer damaged within warranty period is not

repaired/returned by the firm.

The Power transformers damaged within warranty period in the field shall be lifted for repair by the repairing firm after lifting orders from the Xen/T&S Division and deposit of safe custody Bank Guarantee. The first registered intimation regarding damage of transformer within warranty period shall be given by the concerned SDO in-charge of 'OP' Sub Division, with a copy to AEE/XEN/TRW and CE/MM, DHBVN, Hisar UHBVN or SE/Stores & Workshops, UHBVN, Dhulkote clearly intimating the firm, the date of damage of transformer in the field and complete particulars of the transformers.

11 PRICES

The prices of all items are FIRM except that of HV/LV Leg coils and transformer oil. The prices of transformer oil and leg coils will be paid as per IEEMA rates (HCL electrolytic copper wire bar) with base date, 1st day of the previous month of the date of opening of tender, as per formula given below:-

(A) HV/LV Coils

$$PA = Cp + 1.1 \frac{(Y \times Cu) - (E \times CUB)}{Z}$$

Here:

PA = Price of HV & LV leg coils to be paid on payment date.

Cp = Contract rate for HV & LV leg coils on base date _____ (i.e. 1 month prior from the date of tendering).

1.1 = Conversion factor from bare copper conductor to DPC wires and strips.

Cu = Rate of HCL, sale price of electrolytic copper wire bars issued by IEEMA applicable 1 month prior to the date of readiness of the transformer i.e. date of call of first stage inspection or 1 month prior to the schedule delivery period as per contract whichever is less.

CUB = Rate of HCL, sale price of electrolytic copper wire bars published in IEEMA circular for the base date on tender enquiry.

Y = $\frac{100 + \text{rate of E.D. on DPC copper wire}}{100}$ *

* (prevalent one month prior to the date of readiness of transformer i.e. date of call of first stage Inspection or 1 month prior to scheduled delivery period as per contract whichever is less).

$$E = \frac{100 + \text{rate of ED on DPC Copper wire bars on base date}}{100}$$
$$Z = \frac{100 + \text{rate of ED prevalent on base date}}{100}$$

(B) Transformer Oil

The price variation will be paid on either side as per the following formula for transformer oil.

Payable rate for oil = $\frac{\text{Rate fixed by the Nigam}}{\text{Rate of transformer oil as per IEEMA}}$ X $\frac{\text{Rate of transformer oil as per IEEMA as on base date}}{\text{Rate of transformer oil as per IEEMA one month prior to the date of call for final inspection or 1 month prior to scheduled delivery period as per contract whichever is less}}$

Note:- Rate of transformer oil as per IEEMA excluding cost of drum.

a) Excise Duty:

Excise duty and other Govt. levy on the parts used in the repaired transformers which is locally applicable shall be paid extra at actual on production of necessary documents in proof of having paid the said amount. No. E.D., whatsoever, be payable to the units who are exempted from paying excise duty.

b) Central Sales Tax :

Central Sales Tax shall be paid extra at actual as legally applicable on components used in the repair of transformers.

12 PRICE FALL CLAUSE:

i) The prices charged for the various parts / components / labour, supplied under contract

by the firm shall in no way exceed the lowest price at which the firm sales the various parts / components / labour or offer to sell various parts components/labour of identical description to any person/organization including the purchaser or any other department of the central Govt. or any Deptt. of the State Govt. or any Statutory Undertaking of the Central or State Govt. as the case may be during the delivery period till performance of all supply orders placed during the currency of the contracts is completed.

ii) If at any time during the said period the firm reduces the rates of sales prices sells the contract or offer to sell such various parts / components /labour to any person / Organization including the purchaser or any Deptt. of Central Govt. or any Deptt. of the State Govt. or any Statutory Undertaking of the Central or State Govt. as the case may be at price lower than the price chargeable under the contract, shall forthwith notify such reduction / sale or offer to sale to the respective

Nigam (UHBVNL / DHBVN) and the price payable under the contract for the various parts / components / labour supplied after the date of coming into force of such reduction or sale offer to sale, shall stand correspondingly reduced.

- iii) The firm shall furnish the following certificates to the concerned Consignee's alongwith each bill or payment for repair of transformers made against the contract:-

"I / we certify that there has been no reduction in sale price of the various parts / components / labour of description identical to the various parts / components / labour supplied to UHBVNL/DHBVN under the contract herein and such various parts / components / labour have not been offered and sold by me / us to any person / organization including the purchase of any Deptts. of the Central Govt. any Deptts. of the State Govt., any statutory undertaking of the Central or State Govt. as the case may be upto the date of bill / date of completion of supplies against all supply orders placed during the currency of the rate contract at a prices lower than the prices charged to UHBVNL/DHBVN under the contract".

13 DISPOSAL OF TRANSFORMER OIL:-

The old transformer oil shall be drained out by the consignee officer before handing over the damaged transformers to the contractor for repairs. The oil stock register, page no. & item no. vide which old transformer oil is received back from the damaged transformers shall be mentioned on the joint inspection report of respective transformers so that credit on account of transformer oil is allowed in the estimate of repair. However, if by over sight any damaged transformer is sent for repair without draining out the old transformer oil or some oil is left out in the transformer tank the old transformer oil shall be drained out of the damaged transformer, whether useable or not by the contractor and the same shall be returned by the contractor to the concerned consignee, failing which recovery of the cost of the same shall be made at the rate of 10% higher than the prevailing rate of transformer oil.

All repaired transformers shall be filled with fresh transformer oil as detailed in Technical Specifications. The fresh transformer oil shall be filled upto the required level and billed as per quantity mentioned in the name plate / JVR of the transformer or actually poured in the transformer, whichever is lower.

14 TRANSPORTATION CHARGES FOR TRANSFORMERS:-

The transportation of damaged transformers from the Nigam's Store/ site to Contractor's works and transportation of repaired transformers from contractor works to the Nigam's site shall be the responsibility of the contractor. The freight and insurance shall also be the responsibility of the firm who will include these charges in their offer under the heading labour charges.

The un-loading of damaged transformers and loading of the repaired transformers at contractor's works and if required at nearest railway station/ railway siding along with transportation from railway station/ siding to contractor's works and back shall be contractor's responsibility.

The transportation of repaired transformers from the contractor's works shall be done as per Dispatch Instructions issued by the Chief Engineer/MM, DHBVN, Hisar.

15 JOINT INSPECTION:-

Immediately after the receipt of damaged Power transformer, the contractor shall inform Chief Engineer/MM, DHBVN, Hisar through Fax of having received the quantity and capacity of each damaged Power transformer requesting him to arrange joint inspection. **The Chief Engineer/MM will depute Nigam officers immediately on receipt of fax and the JVR should be completed within 10 days positively.**

The joint inspection shall be carried out by the representative of the contracting firm in the presence of officers so deputed by this office. The contractor shall not refuse for joint inspection when the DHBVN team arrives in his works for the purpose. Necessary facilities shall be provided by the contractor during the joint inspection to assess the extent of repair/ replacement involved. In order to avoid delay and un-necessary detention of the inspecting officer, the contractor shall also ensure that their technical representative is always present for joint inspection and preparation of estimate. The joint inspection report shall clearly indicate whether a particular item being provided is for replacement of the defective/damaged or missing components.

After joint inspection by DHBVN for assessment and estimation of repairs, the contractor shall retain at-least one sample of the damaged/ burnt leg coils of each type, duly tagged with the details such as make, type and capacity of transformer, weight of the leg coils and name of the division etc. duly signed by the joint inspecting officer under his seal till the time of inspection and testing by inspecting officer of Chief Engineer/MM, DHBVN, Hisar for the purpose of verification of the technical details of fresh leg coils used by the contractor on the repaired transformers. The remaining old damaged/ burnt leg coils shall, however, be mutilated by the joint inspecting officers at the time of assessment and estimation of repairs and a certificate to this effect shall be recorded by them under their seal.

“Certified that one sample of the burnt/ damaged leg coils of the type as required for replacement in this transformer has been properly tagged with

necessary details and kept with contractor for the purpose of verification by the Inspecting Officers of C.E./MM, DHBVN, Hisar and remaining _____ leg coils bearing Sl. No. _____ Completely mutilated by us.”

16 PREPARATION & SUBMISSION OF ESTIMATE:

For estimation purpose, the weight of new leg coils shall be same as that of the old burnt/damaged leg coils taken out of from the damaged transformer. However, the billing shall be done on the basis of actual weight ascertained at the time of stage inspection. As the design of the transformer under repair is to be kept as per the design of old/burnt leg coils and these coils have soaked oil, therefore, there arises no question that the new coils shall have more weight than that of damaged/ burnt leg coils. However, all individual cases of variation in weight on positive side shall be referred by the contractor to the Chief Engineer/MM, DHBVN, Hisar for decision. In such cases resistance of sample leg coils shall also be measured by inspecting Officers and will be recorded on test results. Justification of the excess weight as compared with weight of old coils shall be furnished by the firm. Such transformers shall not be dispatched till decision is taken. Financial liability on this account shall also be calculated.

Seven copies of the estimate for repairs of each & every transformer shall be prepared and signed by the contractor as well as the representative of the Nigam as token of having consented for the extent of repair involved. Contractor shall also ensure that six copies of the estimate are submitted to chief Engineer/MM, DHBVN, Hisar through Xen/T&S within seven days of joint inspection for being sanctioned. The estimates submitted for repair work will be approved by the CE/ MM, DHBVN, Hisar within 10 days. Three copies of the same will be forwarded to the contractor as a token of giving go ahead for repairs with a copy to Xen/T&S & AEE/TRW concerned.

Out of three copies of the approved estimate received by the contractor, one copy shall be retained by him for this record and one copy shall be attached by him along with the bill after satisfactory repairs and testing. The remaining spare copies of the approved estimates shall be given by the contractor to the inspecting officers along with a copy of joint inspection report at the time of inspection and testing of repaired transformers to facilitate checking and to ensure that the repairs have been strictly as per approved estimate.

17 SALVAGE:

The salvage of the damaged parts other than leg coils, damaged metal parts of the bushing and transformer oil requiring replacement shall, however, be property of the contractor. **The cost of burnt/ damaged leg coils shall be worked out on the basis of rate of scrap on the date of JVR based on scrap rates published in Economics Time and the contractor shall deposit the cost of scrap including Sale Tax prevailing at that time within 7 days in the shape of Demand Draft drawn in favour of DGM/T&S Division, DHBVN, Hisar payable at Hisar. In case contractor fails to deposit the cost of scrap within the stipulated period then penalty on a/c of delay @ ½ of 1% per week or part thereof on the value of scrap shall be levied.**

18 EXTRA WORK:

The contractor, when asked in writing by the Nigam to perform extra work and supply extra material not covered by the specifications and not forming part of the enquiry but essentially required for completing repair of the transformer as specified under technical specifications, shall perform such work and supply such material. Such work and material shall be paid extra at the rates and terms to be mutually agreed upon. However, the contractor shall intimate such work in the first instance i.e. at the time of J.V.R.

19 INSPECTION & TESTING:-

a) Random Checking :

The random checking of coils and core assembly of repaired transformers can be done by an officer deputed by C.E/MM, DHBVN, Hisar before boxing and tanking of transformers to check actual repairs done as per provisions of the estimate and to examine the quality of raw material used and the workmanship etc. The officer carrying out above checking shall give following certificate which shall be produced by the repairer at the time of final inspection and testing by Officers:

“Certified that I have carried out random checking of repair work of transformer of capacity _____ MVA bearing SR. No. _____ of make _____ before boxing of the transformer on dated _____ and I have found that repair has been done according to the provisions of the estimate and the quality of raw material and workmanship is also satisfactory.”

The Engineer of the Nigam reserves to itself the right of having at contractor's expenses any test of reasonable nature carried out at the contractor's premises or at site other than his premises in addition to the tests included in the contract to satisfy himself that the spares supplied and repair work carried out by him comply with the specifications. The contractor shall be required to rectify the defects found in such tests before offering the material for inspection.

- b) The contractors shall give a call for stage inspection after the fabrication of HV/ LV coils and other repair work required to the tank and accessories of the transformer before boxing up the coils in writing. The stage inspection shall be carried out by the officers deputed by the Nigam for the purpose and they will record in their report, the detailed parameters of the coils manufactured by the contractor and compare these details with the details given in the JVR. Where-ever any considerable variation is noticed by them, suitable comments may be added by them. This inspection in all probability shall be carried out within 15 days from the date of receipt of such call from the contractor.

c) **Final Inspection & Testing:**

The contractor shall give 15 days notice to the Nigam for the final inspection and testing of the transformer as per tests included in the Technical Specifications so that it may depute its officers for inspection and testing in time. While giving such call the contractor shall supply a list mentioning actual weight on the leg coils and transformer oil used in the repair work and results of internal testing. A copy of the stage inspection report shall be produced to the team of officers deputed for final inspection by the contractor. The inspecting officer should verify the particulars submitted by the contractor with the stage inspection report before the commencement of testing of the transformer. The inspecting officer shall conduct all the tests, required to be carried out, as contained in the Technical Specifications and covered under ISS-2026/1997 and may amendment thereof. The results of the above testing shall be recorded in the test results sheet which is required to be sent to the office of the Chief Engineer/MM, DHBVN, Hisar in original for verification and approval of test results and issue of dispatch authorization to the firm. The team of inspecting officers is also required to offer suitable comments and recommendations in their report to facilitate C.E/MM for release of dispatch authorization. Having found the test results and other parameters of the transformer under repair with the contractor within the permissible

limits, the Chief Engineer/MM, DHBVN, Hisar shall issue the dispatch authorization for the dispatch of transformer.

- d) Inspection: Inspection of material before dispatch shall be carried out by third party such as Nuclear power corp./ERDA or Nigam's own officers etc. In case of false inspection call, the expenditure incurred for inspection will be debited to the firm's account. In addition to the above, a penalty of Rs. 20,000/- shall be imposed on the firm for false inspection call.

20 VAT/CENTRAL SALE TAX

The Purchaser shall pay Central Sale Tax /Value Added Tax at the prescribed rates (if applicable) on the production of the following Certificates by the supplier/repairer in triplicate:

- (i) Certified that the transaction in which the sales tax /Value Added Tax has been claimed
has been/will be included in the return submitted/to be submitted to the Taxation authorities for the assessment of Central Sales Tax and amount claimed from the Dakshin Haryana Bijli Vitran Nigam has been/shall be paid to the Sales Tax authorities.
- (ii) Certified that the goods on which the Sales Tax /Value Added Tax has been charged in Bill No. _____ dt. _____ for Rs. _____ have not been exempted under the Central Sales Tax Act 1956/ Haryana VAT Act 2003 or the rules made thereunder and the charges on account of Sales Tax on these goods are correct under the provision of the relevant Act or the Rules made thereunder.
- (iii) Certified that we shall always indemnify the Dakshin Haryana Bijli Vitran Nigam in case
it is found at a later stage, that wrong or incorrect payment had been recovered on account of Sales Tax paid/to be paid by us.
- (iv) Certified that we are registered as a dealer under the Central / State Sales Tax/VAT and our registration No. is _____.

Provided that in respect of the item at Sr. _____ and _____ of clause Sub-section (I)(a)(III) of Haryana General Sales Tax Act 1973.

21 DOCUMENTATION/SUBMISSION OF BILLS:-

The bills shall be pre-receipted and submitted to the AEE/TRW with complete documents. The incomplete bills not accompanied by any of the documents listed in the check list shall not be accepted by AEE/incharge and shall be returned on the spot with the remarks pointing out the missing documents. The check list of the documents is attached

Annexure-F. The bill shall be entertained only if all the documents are furnished by the firm. The AEE shall process the bills and forward the same to respective Xen/TRW.

The contractor shall record the following certificate on the invoice/ challan while dispatching the transformer to the consignee:

“Certified that the consignment sent through this invoice has been inspected and tested by the representative of the Chief Engineer/MM, DHBVN, Hisar on _____ in accordance with the condition of the repair contract. The test results have been found to be within the values specified in the relevant ISS/ contract. A true copy of the test results is enclosed.”

The Bill shall be prepared after updating the prices of leg coils and transformer oil in terms of price variation clause included in the contract. Any change due to price variation in the total expenditure shall be payable irrespective of prevailing economical limit of repair. The price variation shall be paid only up to the currency of the contract.

22 TERMS OF PAYMENT:

Subject to any deductions which the purchaser may be authorised to make under this contract, the payment for the material shall be made as under:-

One hundred percent payment shall be made on 30th day from the date of receipt of material by the consignee or submission of documents i.e. bills/invoices in triplicate, receipted challan, joint verification report, state/final inspection report, test certificates etc. whichever is later.

Further a rebate of 0.35 percent per week or part thereof shall be availed of by the Nigam if payment is made earlier than the period specified above. The rebate will be calculated on the payable amount.

All payments shall be made by the purchaser or his authorised agent to the supplier in rupees in India.

23 RESPONSIBILITY FOR SAFE CUSTODY OF TRANSFORMERS DURING EXECUTION PERIOD OF REPAIRERS.

The contractor shall be entirely responsible for safe custody of transformers from the date of damage transformers **are lifted from site/received** at their works from the consignee's during the period of repairs, testing and upto the time of delivery after repairs.

24 HANDING OVER THE DISMANTLED TRANSFORMERS

The transformers shall be lifted by the contractor/repairer firm after **completing all the formalities in the presence of Nigam officers/representative.**

25 VERIFICATION OF DOCUMENTS REGARDING PURCHASE OF TRANSFORMER OIL

The Nigam has the option to verify at any stage of the documents so as to verify that the repairer had actually purchased the new transformer oil confirming to IS-335, latest amendments as per the quantity actually required by the repairer for repair / manufacture of new transformers. The firm will furnish copy of test certificates from the supplier of transformer oil.

26 A transformer is to be declared uneconomical for repair if the total estimate of repair of the T/F exceeds 50% of the cost of the new T/F.

27 QUANTITY:-

The purchaser reserves the right to give order for repair of damaged Powertransformers to each qualifying firm.

The quantity of no. of transformers allotted / ordered on a firm can be increased / decreased by the respective Nigam even during the pendency of the contract without assigning any reasons.

28 NEGLIGENCE:

If the supplier shall neglect to execute the work with due diligence and expedition or shall refuse or neglect to comply with any reasonable orders given in writing by the purchaser or is authorised agent in connection with this contract or shall contravene this provision of the contract, the purchaser may give 15 days notice in writing to the supplier to make good the failure, neglect or contravention complained of and should the Supplier fail to comply with the notice within the above said time from the date of service thereof (in case of failure, neglect or contravention capable of being made good, within that time or otherwise within such time as may be reasonable necessary for making it good, then in such case, the purchaser shall be at liberty to take the work wholly or in part out of Supplier's hand and recontract at a reasonable price with any other person (s). in such event, it shall be lawful for the purchaser to retain any balance which may otherwise be due by him to the Supplier on any account, and apply the same towards the execution of the whole of balance of the work so recontracted, as aforesaid, if no such balance is due by him to the supplier or if due, is not sufficient to cover the amount thus recoverable from the supplier, it shall be lawful for the purchase to recover the whole

or the balance of the amount from the supplier by action at law or otherwise. The remedy under this clause will be in addition to and without prejudice to right available to the purchaser under other clause of these terms and conditions.

29 DESPATCH OF MATERIAL AND DESPATCH INSTRUCTIONS:

The supplier shall be responsible to obtain complete Despatch instructions from the purchaser before the despatch of each consignment.

The supplier sufficiently pack at his own cost the material for transit so as to ensure this being free from loss or damage on arrival without opening the packages while in transit at their destination. All containers in which the material is supplied shall be non returnable.

30 TERMINATION OF CONTRACT FOR DEFAULT

30.1 The purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, terminate the contract in whole or in part:

- (a) If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the Purchaser; or
- (b) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser.
- (c) If the supplier, in the judgement of the purchaser has engaged in corrupt or fraudulent practices in competing for or in executing the contract (The definition of corrupt or fraudulent practices defined under clause-26).

30.2 In the event the purchaser terminates the contract in whole or in part. Performance

Security(Cash/Bank Guarantee) submitted by the firm/supplier shall be forfeited.

31 SET-OFF:

Any sum of money due and payable to the supplier under the contract (including Security deposit returnable to the supplier) may be appropriated by the purchaser and set-off against any claim of the purchaser for the payment of a sum of money arising out of or under this contract or any other contract entered into by the supplier with the purchaser.

32 SUPPLIER'S DEFAULT LIABILITY:

In the event of breach of any these terms and conditions by the repairer firm, the purchaser/contractee can terminate the contract without Notice to the repairer at any stage and the repairer shall have no claim whatsoever on the contractee on this account. But the repairer shall be liable to pay penalty to the contractee, **the penalty @ ½ % per week or part thereof shall be levied if the delivery of the transformer duly repaired is not made within schedule of delivery (delivery period). In case the transformers are not delivered even up to 10 weeks after the expiry of delivery period, the penalty shall be enhanced @ 1 % per week or part thereof subject to a maximum of 10 % of the total cost of the work order. The Nigam reserves the right to take back the damaged transformer from the contractor at his cost and risk if the delivery of the transformer is delayed beyond 4 months of the expiry of the delivery period. In this case the security/earnest money deposited by the firm shall be forfeited.**

33. RESPONSIBILITY OF THE CONTRACTOR FOR COMPLETING THE ALLOTTED WORK:

The contractor shall be entirely responsible for the execution of this contract in accordance with the terms and conditions, technical specifications and price schedule etc. The contractor shall not be relieved of any part of his obligation of meeting of the requirements of the specifications or of the responsibility of the correctness of the contractor's drawing/ proposals and test certificates even if these are approved by the Nigam.

34. NUMBER OF TRANSFORMERS TO BE CONTRACTED FOR:

No guarantee can be given as to the No. of transformers which will be ordered/ delivered during the period of the contract upon any of the firm. But the Nigam undertakes to offer No. of transformers which shall be determined upon consideration of the tender for placing the contract simultaneously or at any time during the period with one or more contractors as the Nigam may think fit and of getting executed from any source to meet with the emergency in case he is satisfied that the contractor is not in a position to execute specific quantity of transformers allotted to him within the period in which works are required to be completed.

35 LAWS GOVERNING THE CONTRACT

- (i) This contract shall be governed by the Laws of India for the time being in force.
- (ii) Irrespective of the place of delivery place of performance or place of payment under the contract, the contract shall be deemed to have been

made at the place from which the acceptance of tender has been issued.

- (iii) Jurisdiction of courts: The courts of the place from where the acceptance of tender has been issued shall alone have exclusive jurisdiction to decide any dispute arising out of or in respect of the contract.

36 CORRUPT OR FRAUDULENT PRACTICES

The Nigam requires that Tenderers/ Suppliers/ Contractors observe the highest standard of ethics during the procurement and execution of Nigam contracts. In pursuance of this policy, the Nigam:-

- (a) defines, for the purposes of this provision, the terms set forth as follows:
- (i) “corrupt practice” means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution: and
 - (ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Nigam, and includes collusive practice among Tenderers (prior to or after tender submission) designed to establish tender prices at artificial, non-competitive levels and to deprive the Nigam of the benefits of free and open competition;
- (b) will reject a proposal for award if it determines that the Tenderer recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
- (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Nigam contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Nigam contract.

37 PATENT RIGHTS

The supplier shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark or industrial design rights arising from use of the Goods or any part thereof in India.

In the event of any claim asserted by a third party of infringement of copyright, patent, trademark or industrial design rights arising from the use of the Goods or any part thereof in the Purchaser’s country, the supplier shall act

expeditiously to extinguish such claim. If the supplier fails to comply and the Purchaser is required to pay compensation to a third party resulting from such infringement, the supplier shall be responsible for the compensation including all expenses, court costs and lawyer fees. The Purchaser will give notice to the supplier of such claim, if it is made, without delay.

38 SETTLEMENT OF DISPUTES

If any dispute or difference of any kind whatsoever will arise between the Purchaser and the Supplier in connection with or arising out of the Contract, the parties will make every effort to resolve amicably such dispute or difference by mutual consultation.

If, after thirty (30) days the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of the matter may be commenced unless such notice is given.

39 ARBITRATION

All matter questions, disputes, differences and/or claims arising out of and/or concerning and/or in connection and/or in consequences or relating to the Contract whether or not obligations of either or both parties under the contract be subsisting at the time of such dispute and whether or not the contract has been terminated or purported to be terminated or completed, shall be referred to the arbitration which shall be conducted by three arbitrators, one each to be nominated by the supplier/contractor and the Nigam (**arbitrator to be approved by the M.D. DHBVN or authority of the Nigam authorised for the purpose by the Nigam**) and the third to be named by the president of the institution of the Engineers, India. If either of the parties fails to appoint its arbitrator within **thirty (30) days** after receipt of a notice from the other party invoking the arbitration clause, the president of the institution of Engineers, India, shall have the power at the request of either of the parties, to appoint the arbitrator. A certified copy of the order of the institution of Engineers (India) making such an appointment will be furnished to each of the parties.

The decision of the majority of the arbitrators shall be final and binding upon the parties. The parties to the contract agree that the cost of arbitration shall be as per instructions

of the Nigam issued/prevalent on the date of appointment of arbitral tribunal. The arbitrators may, from time to time, with the consent of the parties enlarge the time for making the award. In the event of any of the aforesaid arbitrators dying, neglecting, resigning or being unable to act for any reason, it will be lawful for the party concerned to nominate another arbitrator in place of the outgoing arbitrator.

The arbitrator shall have full powers to review and/or revise any decision, opinion, direction, certification or valuation of the Engineer in consonance with the Contract, and neither party shall be limited in the proceedings before such arbitrators to the evidence or arguments put before the Engineer for the purpose of obtaining the said decision.

The objection that the Arbitrator has to deal with the matters to which the Contract relates in the course of his duties or he has expressed his views on any or all of the matters in dispute of difference, shall not be considered as a valid-objection.

Subject to aforementioned provisions, the provisions of the Arbitration and conciliation Act, 1996 and the Rules thereunder any statutory modifications thereof for the time being inforce, shall be deemed to apply to the Arbitration proceedings under the clause.

Where the value of the Contract is Rs. One Crore and below, the disputes or differences arising will be referred to the Sole Arbitrator. The Sole Arbitrator should be appointed by agreement between the parties; failing such agreement, by the appointing authority namely the Institution of Engineers (India).

Notwithstanding any reference to arbitration herein,

- (a) The parties will continue to perform their respective obligations under the Contract unless they otherwise agree; and
- (b) The Purchaser will pay the Supplier any monies due to the Supplier.

40 BLACKLISTING OF THE FIRMS:

As the purchase order becomes a valid contract between the purchaser and supplier on the date of its issue, no further changes in the terms and conditions thereof are permissible and any request received in this regard from the supplier should be summarily rejected, making it clear to supply the goods strictly in accordance with the terms and conditions of the contract. It should be noted that such a liability can be enforced on the supplier only if the purchase order does not contain any term or condition contrary to what had been quoted in the supplier's tender. Once this is ensured, any attempt by the supplier to back out of his commitment should be taken a serious and his earnest money deposited be forfeited forthwith, without prejudice to any further legal remedies open to the Nigam under the relevant laws. Where necessary, the case of supplier illegally backing out of the commitment, should also be put up to the Whole Time Directors for consideration and to decide for black-listing of the firm and damages, if any, to be recovered.

Place :
the Supplier
Date :

Signature of

Annexure-F

CHECK LIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH THE BILLS BY THE REPAIRING FIRMS

The following documents are required to be submitted alongwith the bills for repair of damaged distribution transformers.

1. Bills in triplicate duly pre-receipted.
2. One copy of the receipted challan for the transformers delivered after repairs.
3. Bank Guarantee in original for the amount specified in the contract to be submitted as security for performance of the contract valid for a period of 3 months after completion of the contract including warranty period. The non-judicial stamp paper for bank guarantee should be purchased in the name of guarantor bank.
4. Warranty deed on non-judicial stamp paper of Rs. 3/- duly executed strictly as per wording provided in the contract.
5. Photocopy of Joint Inspection Report at the workshop premises prepared at the time handing over of T/Fs.
6. Copies of the sanctioned estimates.
7. Photocopy of the final inspection report carried out by the Inspecting Officer.
8. Photocopy of the stage inspection report.
9. List of weight of HV/LV Leg coils and quantity of T/F oil used in each transformer as per JVR & Stage Inspection duly verified by the Inspection Officer as required in the contract.
10. Certificate of the firm as required in the contract.
11. Certificate of the firm that HV/LV leg **coils** as fitted in the transformers are being manufactured at their premises. This certificate is required, if E.D. is payable separately.
12. Certificate to the effect that test certificates of individual transformer have been supplied to the concerned consignee of XEN/TRW/UHBVN/DHBVN.
13. Photocopy of the Test Certificate showing the transformer oil used by the party is as per latest ISS-335 duly verified by the Inspecting Officer.

14. Photocopy of invoices showing that transformer oil has been purchased from the reputed suppliers who have got ISI, Certification mark alongwith a certificate of the Inspecting Officer that the transformer oil used by the party has been verified to be purchased from reputed firms who has ISI certification mark.
15. Photocopy of invoices showing purchase of all other raw material used in the repair of T/Fs has been purchased from the suppliers who have got ISI certification (where applicable) or from reputed suppliers.
16. Copy of letter of the firm vide which the intimation was sent for stage inspection.
17. Copy of letter of the firm vide which the intimation was sent for final inspection.
18. The bill supported with the above document must be submitted to AEE/TRW concerned from where the transformers were lifted.
19. All photocopies attached with the bills should be got attested from any AE/AEE/XEN/TRW or Gazetted Officer/Oath Commissioner or the signatory of the invoices of the firm himself.
20. Proof of deposit of cost of scrap.

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CE/MM, DHBVN,