



KARNATAKA NEERAVARI NIGAMA LIMITED
(A Government of Karnataka enterprises)

K / W - 2



KARNATAKA NEERAVARI NIGAMA LIMITED
(A Government of Karnataka Enterprises)

TENDER DOCUMENT

Name of the Work: ***As per notification***

Name of the Division **Executive Engineer,
KNNL, No.2 Canal Division
Odderahatti camp,
TQ Gangavati Dist:Koppal**

K/W - 2

KARNATAKA NEERAVARI NIGAMA LIMITED

(GOVERNMENT OF KARNATAKA UNDERTAKING)

Executive Engineer, KNNL, KNNL, No.2 Canal Division Odderahatti Camp

Dist: Koppal

TENDERS FOR THE WORK OF:

TENDER REFERENCE [KNNL/2026-27/IW/WORK INDENT](#)

PERIOD OF SALE OF TENDER DOCUMENT : Please refer e-procurement portal

LAST DATE FOR SALE OF TENDER DOCUMENT : Please refer e-procurement portal

LAST DATE AND TIME FOR
RECEIPT OF TENDERS : Please refer e-procurement portal

TIME AND DATE OF OPENING OF
COVER OF TENDERS¹ : Please refer e-procurement portal

PLACE OF OPENING OF COVER OF TENDERS : [Office of the Executive Engineer, KNNL,](#)
[No.2 Canal Division Odderahatti Camp](#)
[Dist: Koppal](#)

ADDRESS FOR COMMUNICATION : [Office of the Executive Engineer, KNNL,](#)
[No.2 Canal Division Odderahatti Camp](#)
[Dist: Koppal](#)

CONTRACTOR

EXECUTIVE ENGINEER



KARNATAKA NEERAVARI NIGAMA LIMITED
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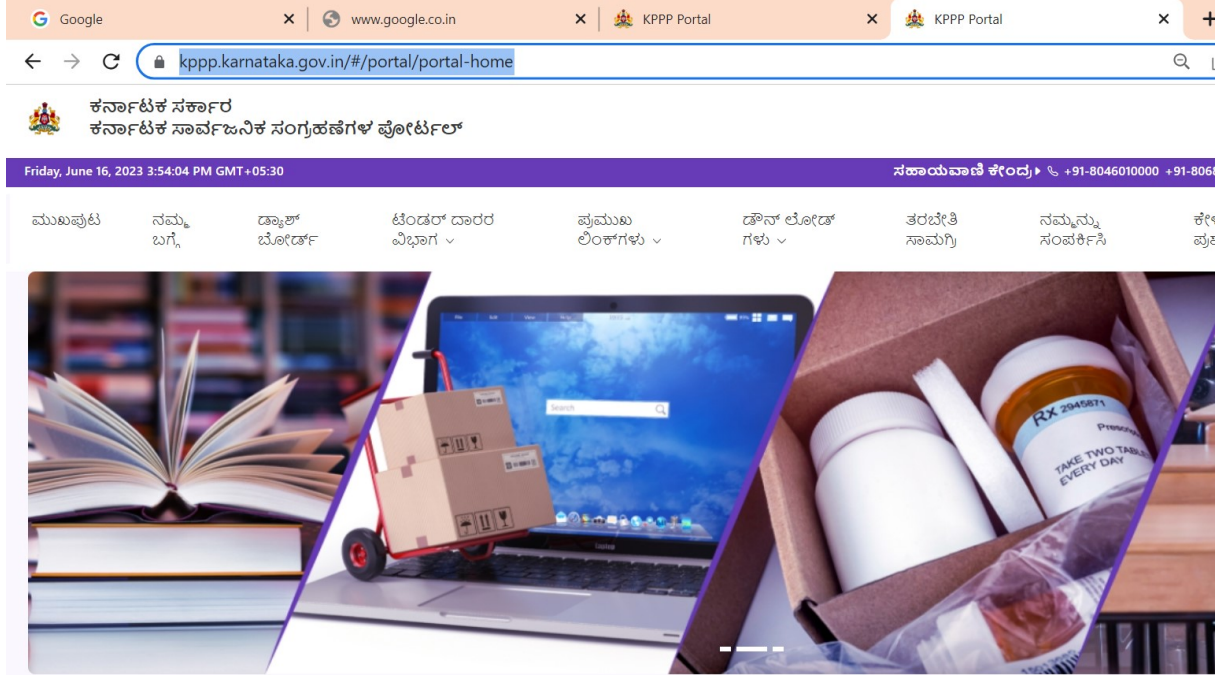
KARNATAKA NEERAVARI NIGAMA LIMITED
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SECTION 1: INVITATION FOR TENDERS (IFT)

Date:IFTNo:[KNNL/2026-27/IW/WORK INDENT-](#)

1. The [Executive Engineer,KNNL, No.2 Canal Division Odderahatti CampDist:Koppal](#)invites tenders from eligible tenderers, for the work detailed in the Table below. *Single Tender Document System procedure as per Rule28 of the KTPP Act shall be followed. The Tenders are required to submit single sealed coverto execute the tendered works. The Tenderers are advised to note the minimum qualification criteria specified in Clause 3 of the Instructions to Tenderers to qualify for award of the contract.*

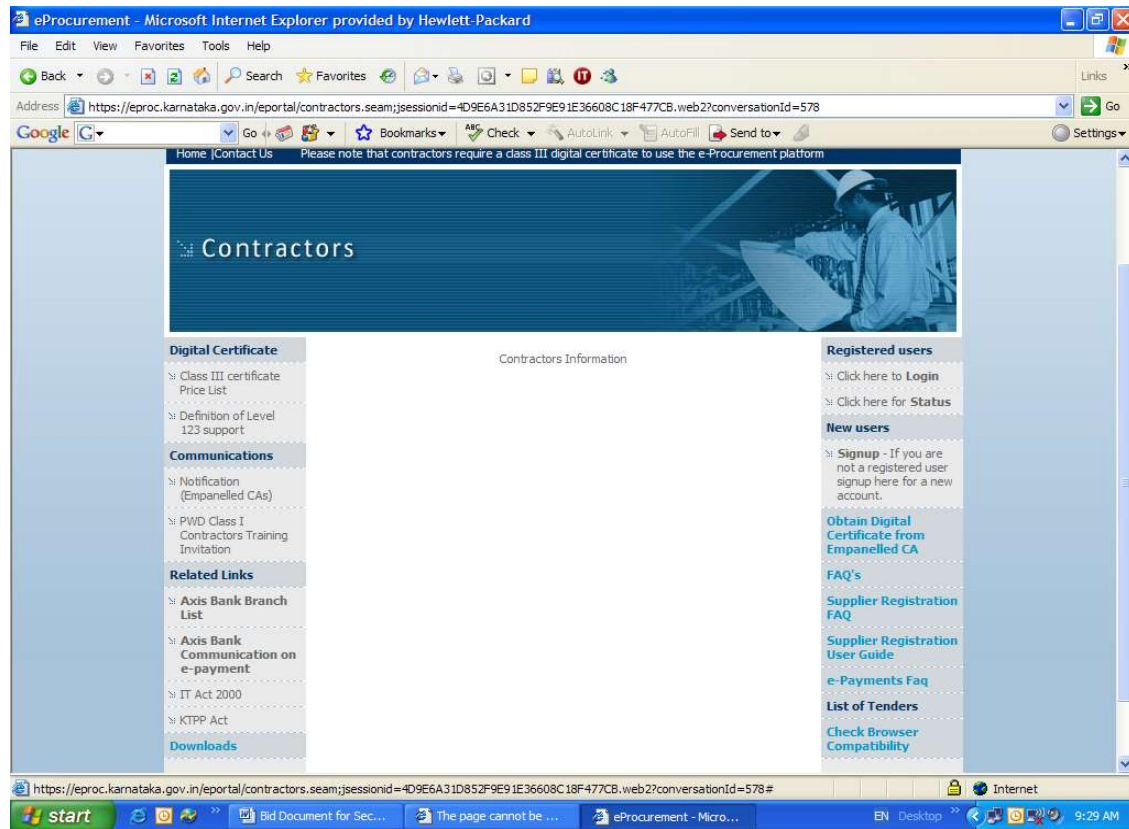
2. Tender documents may be downloaded from Government of Karnataka e-Procurement website <https://kppp.karnataka.gov.in/#/portal/portal-home> under login for Contractors:



After login to Contractors, Please scroll down to the right side bottom to see List of Tenders, Please click there to find the details of NIT and download copy of the tender.The tender can be downloaded in the portal as per prescribed date and time published in the portal. Only Interested Contractors who wish to participate should remit online tender processing fee, after registering in the portal. The tender processing fee /transaction fee is non-refundable.

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3. Tenders must be accompanied by earnest money deposit which will be paid online through e-Procurement portal and shall have validity of 180+45 days beyond the validity of the Tender.

4. Tenders must be electronically submitted (on-line through internet) within the date and time published in e-procurement portal. The bid will be opened after prescribed time and date in the eprocurement portal, in the presence of the Tenderers who wish to attend at the Office of the Executive Engineer,KNNL, No.2 Canal Division Odderahatti Camp- 583235

5. Other details can be seen in the tender documents.

TABLE

Sl No	Name of work	Approximate value of work (Rs. in Lakh)	Earnest Money Deposit (Rs.)	Tender Processing Fee (Rs.)	Period of completion
1	2	3	4	5	6
Notification is enclosed Separately					

Note:



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1. The amount put to tender is based on the current common SR.
2. The amount put to tender consist of the following
 - a) Amount excluding GST = Rs(**The bidder shall quote for this amount**)
 - b) GST Amount = Rs
 - c) Total Amount for Work = **Rs._____** & the financial bid evaluation will be based on 2(a) above.

EXECUTIVE ENGINEER
KNNL, NO.2 CANAL DIVISION
ODDERAHATTI CAMP-2

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A. General

1. Scope of Tender

- 1.1 The **Executive Engineer, KNNL, No.2 Canal Division Odderahatti Camp** invites tenders following Single over tender procedure, from eligible Tenderers, for the work (as defined in these documents and referred to as "the works") detailed in the Table given in the Invitation for Tenders (IFT).

Sl No	Name of work	Approximate value of work (Rs. in Lakh)	Earnest Money Deposit (Rs.)	Tender Processing Fee (Rs.)	Period of completion (Including Monsoon)
1	2	3	4	5	6
Notification is enclosed Separately					

Note:

1. The amount put to tender is based on the current SR of WRD SR .
2. The amount put to tender consist of the following
 - a) Amount excluding GST = Rs(**The bidder shall quote for this amount**)
 - b) GST Amount = Rs
 - c) Total Amount for Work = **the financial bid evaluation will be based on 2(a) above.**
2. Eligible Tenderers
 - 2.1 Tenderers shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Government of India or any State Government of Union of India
 - 2.2 Tenders from Joint ventures are not acceptable.
3. **Qualification of the Tenderer:**
 - 3.1 All Tenderers shall provide the requested information accurately and in sufficient detail in Section 3: Qualification information.

- 3.2 To qualify for award of this contract, each Tenderer in its name should have in the last five years i.e.,

Tenderers who meet the above specified minimum qualifying criteria, will only be qualified, if their available tender capacity is more than the total tender value. The available tender capacity will be calculated as under:

$$\text{Assessed available tender capacity} = (A * N * 2.5 - B) \text{Where}$$

Where,

A = Maximum value of civil engineering works executed in any one year during the last five years (Updated to FY in which the tenders are invited price level) taking into account the completed as well as works in progress.)

N = Number of years prescribed for completion of the works for which Tenders are invited.

B = Value, at FY in which the tenders are invited price level, of existing commitments and ongoing works to be completed during the next 60 Days (period of completion of the works for which Tender are invited)

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NOTE:

- a. The statements showing the value of existing commitments and on-going works as well as the stipulated period of completion remaining for each of the works listed should be countersigned by the Employer in charge, not below the rank of an Executive Engineer or equivalent.
 - b. Financial turnover of previous years indicated in clause 3.2(b)4 above shall be given a weight of 10% per year to bring them to the price level of 2026-27
- 3.2 Even though the Tenderers meet the above criteria, they are subject to be disqualified if they have:
- made misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements; and/or
 - record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.; and/or
 - participated in the previous Tender for the same work and had quoted unreasonably high tender prices and could not furnish rational justification.

5. Cost of Tendering:

- 5.1 The tenderer shall bear all costs associated with the preparation and submission of his tender, and the Employer will in no case be responsible and liable for those costs.

B. Tender documents

7. Content of Tender documents

- 7.1 The set of tender documents shall have all the Sections given in Page 2:
- 7.2 These sets should be completed and returned with the tender

8. Clarification of Tender Documents

- 8.1 A prospective tenderer requiring any clarification of the tender documents may notify the Employer by rising query online or in writing or by cable (hereinafter “cable” includes telex and facsimile) at the Employer’s address indicated in the invitation to tender. The Employer will respond to any request for clarification which he receives.

8.2 Pre-tender meeting: Not Applicable

9. Amendment of Tender documents

- 9.1 Before the deadline for submission of tenders, the Employer may modify the tender documents by issuing addenda.
- 9.2 Any addendum thus issued shall be part of the tender documents and shall be published on line in e-Procurement portal.
- 9.3 To give prospective Tenderers reasonable time in which to take an addendum into account in preparing their tenders, the Employer shall extend as necessary the deadline for submission of tenders, in accordance with Sub-Clause 16.2 below.



C. Preparation of Tenders

10. Documents comprising the Tender

10.1 The tender submitted by the Tenderer shall be

- (a) **Earnest Money Deposit & tender Processing fee; on line payment through e-Procurement platform.**
- (b) **Qualification Information as per formats 1 to 10 uploaded separately and to comply the task created in the e-Procurement Portal under General terms and Conditions and Technical parameters and Documents required from Tenderer.**

© The Tender (in the format indicated in Section 4)

- (d) **Priced Bill of Quantities (Section 9); online through e-procurement portal, no hardcopy of commercials should be attached or disclosed.**

And any other materials required to be completed and submitted by Tenderers in accordance with these instructions. The documents listed under Sections 3, 4, 6 and 9 shall be filled in without exception.

11. Tender prices

- 11.1 The contract shall be for the whole works as described in Sub-Clause 1.1, based on the priced Bill of Quantities submitted by the Tenderer.
- 11.2 The Tenderer shall quote percentage in fill in rates and prices and line item total (both in figures and words) for all items of the Works described in the Bill of Quantities along with total tender price (both in figures and words). **Items for which no rate or price is entered by the Tenderer will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the Bill of Quantities.** Corrections, if any, shall be made by crossing out, initialing, dating and rewriting. (Refer special conditions of contract)
- 11.3 All duties, taxes, and other levies payable by the contractor under the contract, or for any other cause, shall be included in the rates, prices and total Tender Price submitted by the Tenderer. (Refer special conditions of contract)
- 11.4 The rates and prices quoted by the Tenderer shall be subject to adjustment during the performance of the Contract in accordance with the provisions of Clause of the Conditions of Contract

12. Tender validity

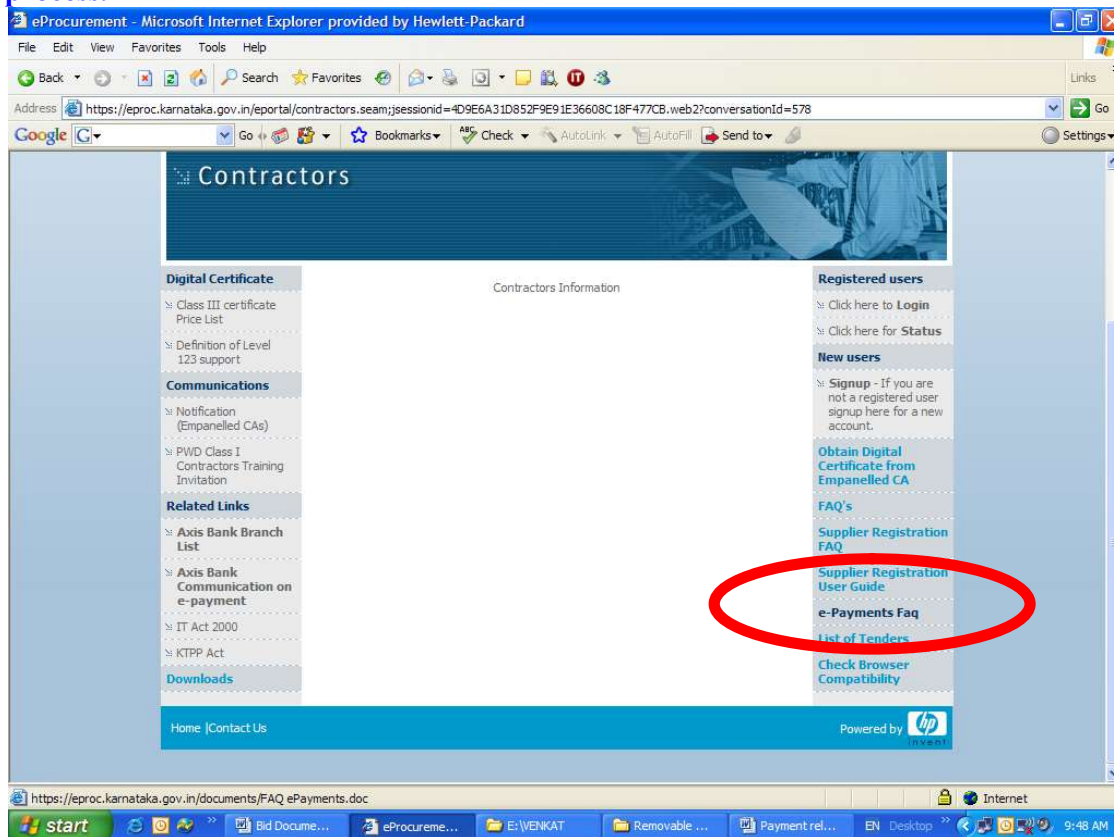
- 12.1 Tenders shall remain valid for a period not less than **one hundred eighty days + 45** after the deadline date for tender submission specified in Clause 16. A tender valid for a shorter period shall be rejected by the Employer as non-responsive.
- 12.2 In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the Tenderers may extend the period of validity for a specified additional period.

The request and the Tenderers' responses shall be made in writing or by cable. A Tenderer may refuse the request without forfeiting his earnest money deposit. A Tenderer agreeing to the request will not be required or permitted to modify his tender, but will be required to extend the validity of his earnest money deposit for a period of the extension, and in compliance with Clause 13 in all respects.

13. Earnest money deposit

13.1 Earnest Money Deposit/ Bid security

For details on e-Payment services refer to e-procurement portal for more details on the process.



The Bidders shall deposit EMD of Rs...../- through any e-payment mode only in single transaction.(Refer special conditions of contract)

- 13.2 Instruments having fixed validity issued as earnest money deposit for the tender shall be valid for 180+45 days beyond the validity of the tender.
- 13.3 Any tender not accompanied by an acceptable earnest money deposit and not secured as indicated in Sub-Clauses 13.1 above shall be rejected by the Employer as non-responsive.



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- 13.4 The earnest money deposit of unsuccessful Tenderers will be returned when the Tenderer has **signed the Agreement** and furnished the required Performance Security
- 13.5 The earnest money deposit of the successful Tenderer will be discharged when the Tenderer has **signed the Agreement** and furnished the required Performance Security
- 13.6 The earnest money deposit may be forfeited:
- (a) if the Tenderer withdraws the Tender after tender opening during the period of tender validity;
 - (b) If the tenderer does not accept the correction of the tender price, pursuant to clause 24 or
 - (c) in the case of a successful Tenderer, if the Tenderer fails within the specified time limit to
 - (i) Sign the Agreement; or
 - (ii) Furnish the required Security deposit

14. Format and signing of Tender

Tenderer shall submit the Bid electronically before the submission date and time published in eprocurement portal.

D. Submission of Tenders

15. Sealing and marking of tenders

Tenderer shall submit the Bid electronically before the submission date and time published .

16. Deadline for submission of the Tenders

16.1 Tenders must be submitted on line in the eProcurement portal by the Employer before the notified date and time.

16.2 The Employer may extend the deadline for submission of tenders by issuing an amendment in accordance with Clause 9, in which case all rights and obligations of the Employer and the Tenderers previously subject to the original deadline will then be subject to the new deadline.

17. Late Tenders

17.1 In online eprocurementsystem,tenderershall not be able to submit the bid after the bid submission time and date as the icon or the task in the eprocurement portal will not be available.

18. Modification and Withdrawal of Tenders.

18.1 Tender has all the time to modify and correct or upload any relevant document in the portal till Bid submission date and time, as published in the eprocurement portal.

18.2 The Tenderer may withdraw his tender before the notified last date and time of tender submission

E. Tender opening and evaluation

19. Opening of Bid of all Tenders and evaluation to determine qualified Tenderers:

19.1 The Employer will open the Singlebid(electronic document)of all the Tenders received in the presence of the Tenderers or their representatives who choose to attend at as per e portalon the date and the place specified in Clause 16. In the event of the specified date of Tender opening being declared a holiday for the Employer, the Tenders will be opened at the appointed time and location on the next working day.

19.2 The Employer will evaluate and determine whether each tender (a) meets the eligibility criteria defined in ITT Clause 2; (b) is accompanied by the required earnest money deposit as per stipulations in ITT Clause and (c) meets the minimum qualification criteria stipulated in ITT Clause 3. The Employer will draw out a list of qualified Tenderers.

19.3 Not applicable

19.4 Not applicable

19.5 The Tenderers' names, the Tender prices, the total amount of each Tender, any discounts, Tender modifications and withdrawals, and such other details as the Employer may consider appropriate, will be announced by the Employer at the opening.

20.4 The Employer shall prepare minutes of the bid Tender opening, including the information disclosed to those present in accordance with Sub-Clause 20.3.

21. Process to be confidential

21.1 Information relating to the examination, clarification, evaluation, and comparison of Tenders and recommendations for the award of a contract shall not be disclosed to Tenderers or any other persons not officially concerned with such process until the award to the successful Tenderer has been announced. Any effort by a Tenderer to influence the Employer's processing of Tenders or award decisions may result in the rejection of his Tender.

22 Clarification of Tenders

22.1 To assist in the examination, evaluation, and comparison of Tenders, the Employer may, at his discretion, ask any Tenderer for clarification of his Tender, including breakdowns of unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the Tender shall be sought, offered, or permitted.

22.2 Subject to sub-clause 22.1, no Tenderer shall contact the Employer on any matter relating to its Tender from the time of the Tender opening to the time the contract is awarded. If the Tenderer wishes to bring additional information to the notice of the Employer, it should do so in writing. **Tenderer also can submit on line clarification through e-Procurement portal through queryoption.**

If they have any clarification related to e-Procurement contact e-Procurement Help desk from 9 AM to 9 PM. (Monday to Saturday)

Ph. No – 080 –25501227

22.3 Any effort by the Tenderer to influence the Employer in the Employer's Tender evaluation, Tender comparison or contract award decisions may result in the rejection of the Tenderers' Tender.



23. Examination of Tenders and determination of responsiveness

- 23.1 Prior to the detailed evaluation of Tenders, the Employer will determine whether each Tender; (a) has been properly signed; and; (b) is substantially responsive to the requirements of the Tender documents.
- 23.2 A substantially responsive Tender is one which conforms to all the terms, conditions, and specifications of the Tender documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality, or performance of the Works; (b) which limits in any substantial way, inconsistent with the Tender documents, the Employer's rights or the Tenderer's obligations under the Contract; or (c) whose rectification would affect unfairly the competitive position of other Tenderers presenting substantially responsive Tenders.
- 23.3 If a Tender is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the nonconforming deviation or reservation.

24. Correction of Errors-Deleted

25. Evaluation and comparison of Tenders

- 25.1 The Employer will evaluate and compare only the Tenders determined to be substantially responsive in accordance with Clause 23.
- 25.2 In evaluating the Tenders, the Employer will determine for each Tender the evaluated Tender Price by adjusting the Tender Price as follows:
(a) Not applicable in case of 'e' procurement.
(b) Making appropriate adjustments to reflect discounts or other price modifications offered in accordance with Sub Clause 18.5.
- 25.3 The Employer reserves the right to accept or reject any variation, deviation, or alternative offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirements of the Tender documents or otherwise result in unsolicited benefits for the Employer shall not be taken into account in Tender evaluation.
- 25.4 The estimated effect of the price adjustment conditions under Clause 41 of the Conditions of Contract, during the implementation of the Contract, will not be taken into account in tender Evaluation
- 25.5 If the tender of the successful tenderer is seriously unbalanced in relation to the Employer's estimate of the cost of the work to be performed under the contract, the Employer may require the Tenderer to produce detailed price analyses for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analyses, the Employer may require that the amount of the performance security set forth in Clause 29 be increased at the expense of the successful Tenderer to a level sufficient to protect the Employer against financial loss in the event of default of the successful under the contract.

F. Award of Contract

26. Awardcriteria

- 26.1 Subject to Clause 27, the Employer will award the Contract to the Tenderer whose Tender has been determined to be substantially responsive to the Tender documents and who has offered the lowest evaluated Tender Price, provided that such Tenderer has been determined to be (a) eligible in accordance with the provisions of Clause 2, and (b) qualified in accordance with the provisions of Clause 3.

27. Employer's right to accept any Tender and to reject any or all Tenders

- 27.1 Notwithstanding Clause 26, the Employer reserves the right to accept or reject any Tender, and to cancel the Tender process and reject all Tenders, at any time prior to the award of Contract, without thereby incurring any liability to the affected Tenderer or Tenderers or any obligation to inform the affected Tenderer or Tenderers of the grounds for the Employer's action.

28. Notification of award and signing of Agreement

- 28.1 The Tenderer whose Tender has been accepted will be notified of the award by the Employer prior to expiration of the Tender validity period by cable, telex, e-mail or facsimile confirmed by registered letter. This letter (hereinafter and in the *Conditions of Contract* called the "Letter of Acceptance") will state the sum that the Employer will pay the Contractor in consideration of the execution, completion, and maintenance of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Contract called the "Contract Price").
- 28.2 The notification of award will constitute the formation of the Contract, subject only to the furnishing of Security deposit in accordance with the provisions of Clause 29.
- 28.3 The Agreement will incorporate all agreements between the Employer and the successful Tenderer. It will be kept ready for signature of the successful Tenderer in the office of Employer within 30 days following the notification of award along with the Letter of Acceptance. Within 20 days of receipt, the successful Tenderer will sign the Agreement and deliver it to the Employer.
- 28.4 Upon the furnishing by the successful Tenderer of the Performance Security, the Employer will promptly notify the other Tenderers that their Tenders have been unsuccessful.



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29. Security deposit

29.1 Within 20 days of receipt of the Letter of Acceptance, the successful Tenderer shall deliver to the Employer a Security deposit in any of the forms given below for an amount equivalent to (As per Government circular No FD/456/Exp-12/2022 dated 10.08.2022) (Upto 31/03/2023) 5 % of the Contract Price beyond 31/03/2023, plus additional security for unbalanced tenders in accordance with Clause 25.5 of ITT Clause 44 of the conditions of the Contract.

- Fixed Deposit Receipt/Term Deposit Receipt in favour of Payable at. EE KNNL No2 Canal Division Odderahatti Camp or
- A bank guarantee in the form given in Section 10; or
- Specified Small Savings Instruments pledged to Executive Engineer, KNNL, No2 Canal Division Odderahatti Camp

29.2 If the security deposit is provided by the successful Tenderer in the form of a Bank Guarantee, it shall be issued either by a Nationalized or Scheduled bank.

29.3 The security deposit if furnished in cash or demand draft can, if requested, be converted to interest bearing securities at the cost of the contractor.

29.4 Failure of the successful Tenderer to comply with the requirements of Sub-Clause 29.1 shall constitute sufficient grounds for cancellation of the award and forfeiture of the Earnest money deposit

. 30 Security Deposite

Within 20 days of receipt of the Letter of Acceptance, the successful Tenderer shall deliver to the Employer a Security deposit in any of the forms given below for an amount equivalent to (As per Government circular No FD/456/Exp-12/2022 dated 10.08.2022) (Upto 31/03/2023) 5 % of the Contract Price beyond 31/03/2023, plus additional security for unbalanced tenders in accordance with Clause 25.5 of ITT Clause 44 of the conditions of the Contract.

31. Corrupt or Fraudulent practices

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

- (a) 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;
- (b) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a GOK contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a GOK contract.

31.2 Furthermore, Tenderers shall be aware of the provision stated in sub-clause 50.2 of the Conditions of Contract.

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SECTION 3: QUALIFICATION INFORMATION

The information to be filled in by the Tenderer hereunder will be used for purposes of computing Tender capacity as provided for in Clause 3 of the Instructions to Tenderers. This information will not be incorporated in the Contract.

1.1 Constitution or legal status of Tenderer _____ [Attach copy]

Place of Registration _____ (Attach Copy)

Principal place of business: _____

1.2 Total value of civil engineering construction

works executed and payments received in the last five years 2021-22

(in Rs. Lakhs) 2022-23

2023-24

2024-25

2025-26.....

1.3 **Work performed as Prime Contractor (in the same name) on works of similar nature over during the five years specified in 1.2 above.**

Sl. No	Name of Employer	Description of work	Contract Number	Value of contract (Rs. Lakhs)	Date of issue of work order	Specified period of completion	Actual date of completion	Remarks Explaining reasons for delay in completion of work
1	2	3	4	5	6	7	8	9

1.4 Information on works for which Tenders have been submitted and works which are yet to be completed as on the date of this Tender.

(A) **Existing commitments and on-going works:**

Description of work	Place and State	Contract No and date	Name and address of Employer	Value of contract (Rs. Lakhs)	Stipulated period of completion	Value of works ²¹ remaining to be completed (Rs. Lakhs)	Anticipated date of completion
1	2	3	4	5	6	7	8

(B) **Works for which Tenders already submitted:**

Description of work	Place and State	Name and Address of Employer	Estimated value of works (Rs. In Lakhs)	Stipulated period of completion	Date when Decision is expected	Remarks if any
1	2	3	4	5	6	7

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- 1.5 Reports on the financial standing of the tenderer, such as profit and loss statements and auditor's reports for the last five years;
- 1.6 Qualification and experience of the key technical and management personnel in permanent employment with the tenderer and those that are proposed to be deployed on this contract, if awarded.
- 1.7. Name, address, and telephone, telex, and fax numbers of the Tenderers' bankers who may provide references if contacted by the Employer.
- 1.8 Evidence of access to financial resources to meet the qualification requirement specified in ITT Clause 3.3 (b): Cash in hand, Letter of Credit etc. List them below and attach certificate from the Banker in the suggested format as under:



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BANKER'S CERTIFICATE

This is to certify that M/s. is a reputed company with a good financial standing. If the contract for this work, namely (name of the work) is awarded to the above firm, we shall be able to provide overdraft/credit facilities to the extent of Rs. to meet the working capital requirements for executing the above contract

Signature:

Name of the Bank, Senior Bank Manger

Address:

19 *Attach certificate from Chartard Accountant.*

20 *Items of work for which data is requested should tally with that specified in ITT Clause 3*

21 *Attach Certificates from Engineers –in- Charge*

22 *The item of equipment, required number and capacity should match with those specified in ITT Clause 3.3 (a)*

1.11 Proposals for subcontracting components of works amounting to more than 20% of the contract price .

-----Deleted-----

1.12 Information on litigations in which the Tenderer is involved:

Other Party(ies)	Employer	Details of Disput	Amount involved	Remarks showing present status

1.13 The proposed methodology and program of construction, backed with equipment planning and deployment, duly supported with broad calculations and quality control procedures proposed to be adopted, justifying their capability of execution and completion of the work as per technical specifications within the stipulated period of completion as per milestones.

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**SECTION 4: FORMS OF TENDER, LETTER OF ACCEPTANCE, NOTICE TO PROCEED
WITH THE WORK AND AGREEMENT FORM**

Form of Tender

Description of the Works:

TENDER REFERENCE KNNL/2025-26/IW/WORK INDENT

To The Executive Engineer, KNNL, No2 Canal Division Odderahatti Camp

Address :

GENTLEMEN,

We offer to execute the Works described above in accordance with the Conditions of Contract accompanying this Tender for the Contract Price of _____ [in figures]
(_____) [in letters].²

This Tender and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any tender you receive.

The advance payment required is Rs.....

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".

We hereby confirm that this Tender complies with the Tender validity, Earnest money deposit and Tender processing fee as required by the Tender documents.

Yours faithfully,

Authorized Signature:

Name & Title of Signatory: _____

Name of Tenderer _____

Address: _____

CONTRACTOR

EXECUTIVE ENGINEER



KARNATAKA NEERAVARI NIGAMA LIMITED
(A Government of Karnataka enterprises)

KARNATAKA NEERAVARI NIGAM LIMITED
(A Government of Karnataka enterprises)

Office of The Executive Engineer, No 2 Canal Division Odderahatti Camp Gangavathi Dist: Koppal.
Karnataka State Phone. & Fax No 08533271361

Letter of Acceptance

_____ [date]

To:

_____ [name and address of the Contractor]

Dear Sirs,

This is to notify you that your Tender dated _____ for execution of the
[Name of the contract and identification number, as given in the Instructions to Tenderers] for the
Contract Price of Rupees _____
(_____) [amount in words and figures], as corrected and modified in accordance with the
Instructions to Tenderers is hereby accepted by our Agency.

You are hereby requested to furnish Security deposit plus additional security for unbalanced tenders
in terms of Clause 25.5 of ITT, in the form detailed in Clause 29.1 of ITT for an amount of Rs.—
_____ within 20 days of the receipt of this letter of acceptance valid up to 30 days from the date
of expiry of Defects Liability Period i.e. up to and sign the contract, failing which action as
stated in Para 29.4 of ITT will be taken.

Yours faithfully,

Authorized Signature

Name and Title of Signatory

Name of Agency

CONTRACTOR

EXECUTIVE ENGINEER

KARNATAKA NEERAVARI NIGAM LIMITED

(A Government of Karnataka enterprises)

Office of The Executive Engineer, No 2 Canal Division Odderahatti Camp Gangavathi Dist: Koppal.
Karnataka State Phone. & Fax No 08533271361

Work Order

To _____ (date)

_____ (name and address of the Contractor)

Dear Sirs:

Pursuant to your furnishing the requisite security deposit as stipulated in ITT Clause 29.1 and signing of the contract agreement for the construction of _____ Tender Price of Rs. _____, you are hereby instructed to proceed with the execution of the said works in accordance with the contract documents.

Yours faithfully,

(Signature, name and title of signatory authorized to sign on behalf of Employer)

Office of The
Executive Engineer,
KNNL No 2 Canal Division
Odderahatti Camp Gangavathi
Dist: Koppal. Karnataka State

CONTRACTOR

EXECUTIVE ENGINEER



KARNATAKA NEERAVARI NIGAMA LIMITED

(A Government of Karnataka enterprises)

No. KNNL/EE/No2 //2026-27/Date:

Agreement Form

Agreement

This agreement, made the _____ day of _____ 20_____,
between **Executive Engineer, KNNL, No 2 Canal Division Odderahatti Camp** and
Shri _____ of the one part and

[name and address of contractor]
(hereinafter called "the Contractor") of the other part.

Whereas the Employer is desirous that the Contractor execute of the work

[name and identification
number of Contract] (hereinafter called "the Works") and the Employer has accepted the Tender by
the Contractor for the execution and completion of such Works and the remedying of any defects
therein at a contract price of Rupees.....

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expression shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to, and they shall be deemed to form and be read and construed as part of this Agreement.
2. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy any defects therein in conformity in all aspects with the provisions of the Contract.
3. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying the defects wherein the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
4. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz:
 - i) Letter of Acceptance;
 - ii) Notice to proceed with the works;
 - iii) Contractor's Tender;
 - iv) Contract Data;
 - v) Conditions of contract (including Special Conditions of Contract);
 - vi) Specifications;
 - vii) Drawings;
 - viii) Bill of Quantities; and
 - ix) Any other document listed in the Contract Data as forming part of the contract.

In witness whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

The Common Seal of _____

was hereunto affixed in the presence of:

Signed, Sealed and Delivered by the said _____

in the presence of:

Binding Signature of Employer _____

Binding Signature of Contractor _____

CONTRACTOR

EXECUTIVE ENGINEER

SECTION 5: CONDITIONS OF CONTRACT

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Conditions of Contract

A. General

1. Definitions

1.1 Terms which are defined in the Contract Data are not also defined in the Conditions of Contract but keep their defined meanings. Bold letters are used to identify defined terms.

Bill of Quantities means the priced and completed Bill of Quantities forming part of the Tender.

Compensation events are those defined in Clause 38 hereunder.

The **Completion Date** is the date of completion of the Works as certified by the Employer in accordance with Sub Clause 46.1.

The **Contract** is the contract between the Employer and the Contractor to execute, complete and maintain the Works. It consists of the documents listed in Clause 2.2 below.

The **Contract Data** defines the documents and other information which comprise the Contract.

The **Contractor** is a person or corporate body whose Tender to carry out the Works has been accepted by the Employer.

The **Contractor's Tender** is the completed Tender document submitted by the Contractor to the Employer.

The **Contract price** is the price stated in the Letter of Acceptance and thereafter as adjusted in accordance with the provisions of the Contract.

Days are calendar days; **months** are calendar months.

A **Defect** is any part of the Works not completed in accordance with the Contract.

The **Defects liability period** is the period named in the Contract Data and calculated from the Completion Date.

The **Employer** is the party who will employ the Contractor to carry out the Works.

Equipment is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works.

The **Initial Contract price** is the Contract Price listed in the Employer's Letter of Acceptance.

The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Employer by issuing an extension of time.

Materials are all supplies, including consumables, used by the contractor for incorporation in the Works.

Plant is any integral part of the Works which is to have a mechanical, electrical, electronic or chemical or biological function.

The **Site** is the area defined as such in the Contract Data.

Specification means the Specification of the Works included in the Contract and any modification or addition made or approved by the Employer.

The **Start Date** is given in the Contract Data. It is the date when the Contractor shall commence execution of the works. It does not necessarily coincide with any of the Site Possession Dates.

A **Subcontractor** is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract which includes work on the Site.

A **Variation** is an instruction given by the Employer which varies the Works.

The **Works** are what the Contract requires the Contractor to construct, install, and turn over to the Employer, as defined in the Contract Data.



KARNATAKA NEERAVARI NIGAMA LIMITED
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2. Interpretation

- 2.1 In interpreting these Conditions of Contract, singular also means plural, male also means female or neuter, and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Employer will provide instructions clarifying queries about the Conditions of Contract.
- 2.2 The documents forming the Contract shall be interpreted in the following order of priority:
- (1) Agreement
 - (2) Letter of Acceptance, notice to proceed with the works
 - (3) Contractor's Tender
 - (4) Contract Data
 - (5) Conditions of Contract
 - (6) Specifications
 - (7) Drawings
 - (8) Bill of quantities and
 - (9) any other document listed in the Contract Data as forming part of the Contract.

3. Law governing contract

- 3.1 The law governing the Contract is the Laws of India supplanted by the Karnataka Local Acts.

4. Employer's decisions

- 4.1 Except where otherwise specifically stated, the Employer will decide contractual matters between the Employer and the Contractor .

5. Delegation

- 5.1 The Employer may delegate any of his duties and responsibilities to other people after notifying the Contractor and may cancel any delegation after notifying the Contractor.

6. Communications

- 6.1 Communications between parties which are referred to in the conditions are effective only when in writing. A notice shall be effective only when it is delivered (in terms of Indian Contract Act).

7. Sub Contracting-Deleted

8. Other Contractors

- 8.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer.

9. Personnel

- 9.1 The Contractor shall employ the technical personnel (of number and qualifications) as may be stipulated by GOK from time to time during the execution of the work. The technical staff so employed shall be available at site as may be stipulated by the Employer.

- 9.2 If the Employer asks the Contractor to remove a person who is a member of the Contractor's staff or his work force stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.

10. Employer's and Contractor's risks

- 10.1 The Employer carries the risks which this Contract states are Employer's risks, and the Contractor carries the risks which this Contract states are Contractor's risks.

11. Employer's risks

- 11.1 The Employer is responsible for the excepted risks which are:

- (a) rebellion, riot commotion or disorder unless solely restricted to employees of the Contractor or his Sub-Contractors arising from the conduct of the Works; or
- (b) a cause due solely to the design of the Works, other than the Contractor's design; or
- (c) any operation of the forces of nature (in so far as it occurs on the Site) which an experienced contractor:
 - (i) could not have reasonably foreseen; or
 - (ii) could reasonably have foreseen, but against which he could not reasonably have taken at least one of the following measures;
 - (A) prevent loss or damage to physical property from occurring by taking appropriate measures or
 - (B) insure against such loss or damage

12. Contractor's risks

- 12.1 All risks of loss of or damage to physical property and of personal injury and death which arise during and in consequence of the performance of the Contract other than the excepted risks are the responsibility of the Contractor.

13. Insurance:

- 13.1 The Contractor shall prior to commencing the works, effect and thereafter maintain insurances, in the joint names of the Employer and the Contractor, (cover from the first working day after the Start Date to the end of Defects Liability Period), in the amounts stated in the Contract Data :
- (a) for loss of or damage to the Works, Plants and Materials and the Contractor's equipment;
 - (b) for liability of both Parties for loss, damage, death and injury to third parties or their property arising out of the Contractor's performance of the Contract including the Contractor's liability for damage to the Employer's property other than the Works and
 - (c) for liability of both Parties and of any Employer's representative for death and injury to the Contractor's personnel except to the extent that liability arises from the negligence of the Employer, any Employer's representative or their Employees.
- 13.2 Policies and certificates for insurance shall be delivered by the Contractor to the Employer for his approval before the Start Date. All such insurance shall provide for compensation to be payable to rectify the loss or damage incurred. All payments received from insurers relating to loss or damage shall be held jointly by the Parties and used for the repair of the loss or damage or as compensation for loss or damage that is not to be repaired.



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13.3 If the Contractor fails to effect or keep in force any of the insurances referred to in the previous sub-clauses or fails to provide satisfactory evidence, policies or receipts, the Employer may without prejudice to any other right or remedy, effect insurance for the cover relevant to such default and pay the premiums due and recover the same as a deduction from any other monies due to the Contractor. If no payments is due, the payment of the premiums shall be a debt due.

13.4 Alterations to the terms of an insurance shall not be made without the approval of the Employer.

13.5 Both Parties shall comply with any conditions of the insurance policies.

15. Queries about the Contract Data

15.1 The Employer will clarify queries on the Contract Data.

16. Contractor to construct the Works

16.1 The Contractor shall construct the Works in accordance with the Specification and Drawings.

17. The Works to be completed by the Intended Completion Date

17.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the program submitted by the Contractor, as updated with the approval of the Employer, and complete them by the Intended Completion Date.

18. Approval by the Employer:

18.1 The Contractor shall submit Specification and drawings showing the proposed Temporary Works to the Employer, who is to approve them if they comply with the Specifications and Drawings.

18.2 The Contractor shall be responsible for the design of Temporary Works

18.3 The Employer's approval shall not alter the Contractor's responsibility for design of the Temporary Works.

18.4 The Contractor shall obtain approval of third parties to the design of third parties to the design of the temporary Works where required.

18.5 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Employer before their use.

19. Safety

19.1 The Contractor shall be responsible for the safety of all activities on the Site.

20. Discoveries

20. 1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site is the property of the Employer. The Contractor is to notify the Employer of such discoveries and carry out the Employer's instructions for dealing with them.

21. Possession of the Site

- 21.1 The Employer shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date stated in the Contract Data the Employer is deemed to have delayed the start of the relevant activities and this will be Compensation Event.

22. Access to the Site

- 22.1 The Contractor shall allow the Employer and any person authorized by the Employer access to the Site, to any place where work in connection with the Contract is being carried out or is intended to be carried out and to any place where materials or plant are being manufactured / fabricated / assembled for the works.

23. Instructions

- 23.1 The Contractor shall carry out all instructions of the Employer which comply with the applicable laws where the Site is located.

24. Procedure for resolution of Disputes: Refer Clause No 4 of (F) Special Conditions of Contract

B. Time Control – Deleted.

C. Quality Control

25. Identifying defects

- 25.1 The Employer shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Employer may instruct the Contractor to search for a Defect and to uncover and test any work that the Employer considers may have a Defect

Detailed project specific note for quality control and quality assurance plan for all works including civil works shall be inserted and checks for the works shall be accordingly.

26. Tests

- 26.1 If the Employer instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect the test shall be a Compensation Event.

27. Correction of defects

- 27.1 The Employer shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion and is defined in the Contract Data. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.
- 27.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Employer's notice.



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28. Uncorrected defects

28.1 If the Contractor has not corrected a Defect within the time specified in the Employer's notice, the Employer will assess the cost of having the Defect corrected, and the Contractor will pay this amount.

D. Cost Control

29. Bill of Quantities (BOQ)

- 29.1 The BOQ shall contain items for the construction, installation, testing, and commissioning work to be done by the Contractor.
- 29.2 The BOQ is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the BOQ for each item

30. Variations

- 30.1 The Employer shall have power to order the Contractor to do any or all of the following as considered necessary or advisable during the progress of the work by him
- (a) Increase or decrease of any item of work included in the Bill of Quantities (BOQ);
 - (b) Omit any item of work;
 - (c) Change the character or quality or kind of any item of work;
 - (d) Change the levels, lines, positions and dimensions of any part of the work;
 - (e) Execute additional items of work of any kind necessary for the completion of the works; and
 - (f) Change in any specified sequence, methods or timing of construction of any part of the work.
- 30.2 The Contractor shall be bound to carry out the work in accordance with any instructions in this connection, which may be given to him in writing by the Employer and such alteration shall not vitiate or invalidate the contract.
- 30.3 Variations shall not be made by the Contractor without an order in writing by the Employer, provided that no order in writing shall be required for increase or decrease in the quantity of an item appearing in the BOQ so long as the work executed conforms to the approved drawings.
- 30.4 The Contractor shall promptly request in writing the Employer to confirm verbal orders and the officer issuing oral instructions shall confirm within 30 days, failing which the work shall be carried out as though there is no variation. In case variation is approved it shall be accompanied by Bill of Quantities., failing which the contractor shall be responsible for deviation if any. Further, approval of Government has to be obtained for the variation exceeding 5%.

31. Payments for Variations

- 31.1 Payment for increase in the quantities of an item in the BOQ up to 25% of that provided in the Bill of Quantities shall be made at the rates quoted by the Contractor.
- 31.2 For quantities in excess of 125% of the tendered quantity of an item as given in the BOQ, the Contractor shall be paid at the rate entered in or derived from in the Schedule of Rates (applicable for the area of the work and current at the time of award of contract) plus or minus the overall percentage of the original tendered rates over the current Schedule of Rates prevalent at the time of award of contract.
- 31.3 If there is no rate for the additional, substituted or altered item of the work in the BOQ, efforts would be made to derive the rates from those given in the BOQ or the Schedule of Rates (applicable for the area of the work and current at the time of award of contract) and if found feasible the payment would be made at the derived rate for the item plus or minus the overall percentage of the original tendered rates over the current Schedule of Rates prevalent at the time of award of contract
- 31.4 If the rates for additional, substituted or altered item of work cannot be determined either as at 35.1 or 35.2 or 35.3 above, the Contractor shall be requested to submit his quotation for the items supported by analysis of the rate or rates claimed, within 7 days.
- 31.5 If the Contractor's quotation is determined unreasonable, the Employer may order the Variation and make a change to the Contract Price which shall be based on Employer's own forecast of the effects of the Variation on the Contractor's costs.
- 31.6 If the Employer decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.
- 31.7 Under no circumstances the Contractor shall suspend the work on the plea of non-settlement of rates for items falling under this Clause.

32. Submission of bills for payment

- 32.1 The Contractor shall submit to the Employer monthly bills of the value of the work completed less the cumulative amount paid previously.
- 32.2 The Employer shall check the Contractor's bill and determine the value of the work executed which shall comprise of (i) value of the quantities of the items in the BOQ completed and (ii) valuation of Variations and Compensation Events.
- 32.3 The Employer may exclude any item paid in a previous bill or reduce the proportion of any item previously paid in the light of later information.

33. Payments

- 33.1 Payments shall be made to contractor subject to availability of the grants in the Nigama/Grants
- 33.2 Items of the Works for which no rate or price has been entered in will not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.



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34. Compensation events

- 34.1 The following are Compensation events unless they are caused by the Contractor:
- (a) The Employer does not give access to a part of the Site by the Site Possession Date stated in the Contract Data ---- Deleted
 - (b) The Employer orders a delay or does not issue drawings, specifications or instructions required for execution of works on time ---- Deleted.
 - (c) The Employer instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no Defects ---- Deleted.
 - (d) The Employer gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons ---- Deleted
 - (e) The effect on the Contractor of any of the Employer's Risks ---- Deleted
 - (f) The Employer unreasonably delays issuing a Certificate of Completion ---- Deleted
 - (g) Other Compensation Events listed in the Contract Data or mentioned in the Contract ---- Deleted
- 34.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date is extended. The Employer shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended ----- Deleted
- 34.3 As soon as information demonstrating the effect of each Compensation event upon the Contractor's forecast cost has been provided by the Contractor, it is to be assessed by the Employer and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Employer shall adjust the Contract Price based on Employer's own forecast. The Employer will assume that the Contractor will react competently and promptly to the event ---- Deleted
- 34.4 The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor not having given early warning or not having cooperated with the Employer ----- Deleted

35. Tax

- 35.1 The rates quoted by the Contractor shall be deemed to be inclusive taxes that the contractor will have to pay for the performance of this contract except GST . The employer will perform such duties in regard to the deduction of such taxes at source as per applicable law. As per G. O. FD 447: Expenditure: 12/2022 Bangalore dated: 30/07/2022. GST of 18% will be added to the contract amount separately.. **(Special Conditions of Contract Refer additional clauses)**

36. Price Adjustment:DELETED

36.1 Contract price shall be adjusted for increase or decrease in rates and prices of labour, materials, fuels and lubricants in accordance with the following principles and procedures and as per formulae given in the Contract Data.

(a) The price Adjustment shall apply for the work done from the date of commencement up to the end of original period of completion or extensions granted by the Employer and shall not apply to work carried out beyond the stipulated period of completion for reasons attributable to the Contractor;

(b) Price Adjustment shall be admissible from the date of opening of tenders (original or extended)

(c) The price adjustment shall be determined during each quarter from the formulae given in Contract Data.

(d) Following expressions and meanings are assigned to the work done during the quarter:

R = Total value of work done during the quarter. It will exclude value for works executed under variations for which price adjustment (if any) will be worked out separately based on the terms mutually agreed.

36.2 To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provisions of this or other Clauses in the Contract, the unit rates included in the contract shall be deemed to include amounts to cover the contingency of such other rise or fall in costs

Star Rates Adjustment-DLETED

Contract price shall be adjusted for increase or decrease in rates and prices of bitumen/Cement/Steel in accordance with the principles and procedure and as per formulae given in the contract data.

37. Penalty for Delay: Written Order to Commence Work:

(a) after acceptance of the tender, the Executive Engineer shall issue a written order to the successful tenderer to commence the work. The Contractor shall enter upon or commence any portion of work only with the written authority and instructions of the Executive Engineer. Without such instructions the Contractor shall have no claim to demand for measurements of or payment for, work done by him.

Programme of work

(b) The time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. It shall be reckoned from the date of issue of written orders to commence work. The work shall throughout the stipulated period of the contract be proceeded with, with all due diligence (time being deemed to be the essence of the contract on the part of the Contractor). To ensure good progress during the execution of the work, the contractor shall be bound (in all cases in which the time allowed for any work exceeds one month) to comply with the time schedule according to the programme of execution of the work as agreed upon and enclosed to the contract. In the absence of specific agreed programme the contractor shall be bound to complete.



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1/10 of the work in	¼ of the time
4/10 of the work in	½ of the time
8/10 of the work in	¾ of the time
Full work in	full time

Note: The quantity of the work to be done within a particular time to be specified above when the programme chart is not annexed, shall be fixed and inserted in the blank space kept for the purpose by the officer competent upto the level of Chief Engineer to accept the contract after taking into consideration the circumstances of each case, and the contractor shall abide by the programme of detailed progress laid down by that officer.

The following proportions usually are found suitable in 1/4, 1/2, 3/4 of the time:

- i) Reasonable progress of earthwork that could be achieved will be 1/6, 1/2, 3/4 the respectively of total value of the work to be done.
- (ii) Reasonable progress of masonry work and concreting that could be achieved will be 1/10th, 4/10th, 8/10ths of the total value of the work to be done.

Review of progress and responsibility for delay etc.

(c) (i) The progress of all works costing Rs. 1 lakh and above shall be reviewed by the Executive Engineer with the contractor during the first fortnight of every month. Such a review shall take into account the programme fixed for the previous month, obligations on the part of the KARNATAKA NEERAVARI NIGAM LIMITED regarding necessary approvals/clearances and also the obligations on the part of the Contractor.

Apportionment of responsibility for delay between Contractor and KNNL

(c) (ii) In case the progress achieved falls short by more than 25 percent of the cumulative programme, the reasons for such shortfall shall be examined and a record made thereof apportioning the responsibilities for the delay between the Contractor and the KNNL. This record should be signed in full and dated both by the Executive Engineer and the Contractor.

Shortfall in progress made up subsequently

(c) (iii) To the extent the shortfall is assessed as due to the delay on the part of the contractor, a notice shall be issued to him by the Executive Engineer to make up the shortfall in the succeeding month. If the shortfall is not made up before the progress of the work is reviewed during the second month succeeding the month in which the shortfall was observed, the Contractor shall be liable to pay penalty as indicated in Clause 14 (d) below.

Grant of extension of time:

(c) (iv) If the delay is attributable to reasons beyond the control of the Contractor, requisite extension of time shall be granted by the Executive Engineer in accordance with Clause 14 of Special Conditions of Contract after obtaining the approval of his higher authorities, wherever necessary.

CONTRACTOR

EXECUTIVE ENGINEER

Review of progress by Superintending Engineer/Chief Engineer:

(c) (v) The Superintending Engineer shall review the progress once in every six months all contracts of value more than Rs.5 lakhs and up to Rs. 100 lakhs. In respect of contracts of value Rs.100 lakhs and above the review shall be done by the Chief Engineer once in six months. These reviews are in addition to the monthly reviews required to be done by the Executive Engineer. The results of the review by the higher authorities shall, wherever necessary, be incorporated in the next review by the Executive Engineer.

Settlement of dispute regarding shortfall in progress:

(c) (vi) In case of dispute between the Executive Engineer and the Contractor regarding the responsibility for the shortfall in progress, the matter shall be referred to the Chief Engineer/Managing Director, KNNL who shall thereupon give a decision within one month of the date of receipt of reference. The decision of the Managing Director, shall be final and binding on the Contractor and the Executive Engineer.

Penalty for delay:

Liquidated damages as per Para 15 of MD KNNL ltr No 7224 dtd 30-1-23 to be incorporated

Adjustment of excess/over payments:

(e) Excess/over payments as soon as they are discovered should be adjusted in the next running account bill of the contractor and in case the final bill has already been paid, the excess/over payment made shall be recovered from the Security Deposit of the contractor together with interest at 12 percent or such other percentages as KNNL may decide from time to time, from the date of such excess or over payment to the date of recovery.

38. Advance Payment-Deleted**39. Securities:**

39.1 The Security deposit (including additional security for unbalanced tenders) shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and type of instrument acceptable to the Employer. The Security deposit shall be valid until a date 30 days from the date of expiry of Defects Liability Period and the additional security for unbalanced tenders shall be valid until a date 30 days from the date of issue of the certificate of completion.

40. Cost of Repairs:

40.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.



E. Finishing the Contract

41. Completion

- 41.1 The Contractor shall request the Employer to issue a Certificate of Completion of the Works and the Employer will do so upon deciding that the Work is completed.

42. Taking over

- 42.1 The Employer shall take over the Site and the works after defect liability period.

43. Final account

- 43.1 The Contractor shall supply to the Employer a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Employer shall issue a Defect Liability Certificate and certify any final payment that is due to the Contractor within 90 days of receiving the Contractor's account if it is correct and complete. If it is not, the Employer shall issue within 90 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Employer shall decide on the amount payable to the Contractor and make payment as per the availability of grant...

44. As built drawings and /or Operating and Maintenance Manuals

- 44.1 If “as built” Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates stated in the Contract Data.
- 44.2 If the Contractor does not supply the Drawings by the dates stated in the Contract Data, or they do not receive the Employer’s approval, the Employer shall withhold the amount stated in the Contract Data from payments due to the Contractor.

45. Termination

- 45.1 The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.
- 45.2 Fundamental breaches of Contract include, but shall not be limited to the following:
- (a) the Contractor stops work for 45 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Employer;
 - (b) ~~deleted~~
 - (c) The Contractor becomes bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
 - (d) ~~deleted~~
 - (e) the Employer gives Notice that failure to correct a particular defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Employer;
 - (f) The Contractor does not maintain a security which is required;
 - (g) the Contractor has delayed the completion of works by the number of days for which the maximum amount of liquidated damages can be paid as defined in the Contract data; and

- (h) if the Contractor, in the judgment of the Employer has engaged in corrupt or fraudulent practices in competing for or in the executing the Contract.
For the purpose of this paragraph : “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. “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 Borrower, 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 Borrower of the benefits of free and open competition.”

- 45.3 When either party to the Contract gives notice of a breach of contract to the Employer for a cause other than those listed under Sub Clause 49.2 above, the Employer shall decide whether the breach is fundamental or not.
- 45.4 Notwithstanding the above, the Employer may terminate the Contract for convenience
- 45.5 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

46. Payment upon Termination

- 46.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Employer shall prepare bill for the value of the work done less advance payments received up to the date of the bill, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor the difference shall be a debt payable to the Employer.
- 46.2 If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Employer shall prepare bill for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract, and less taxes due to be deducted at source as per applicable law and make payment accordingly.

47. Property

- 47.1 All materials on the Site, Plant, Equipment, Temporary Works and Works are deemed to be the property of the Employer, if the Contract is terminated because of a Contractor's default.

48. Release from performance

- 48.1 If the Contract is frustrated by any event entirely outside the control of either the Employer or the Contractor the Employer shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which commitment was made



F. Special Conditions of Contract

1. Labour :

The Contractor shall, unless otherwise provided in the Contract, make his own arrangements for the engagement of all staff and labour, local or other, and for their payment, housing, feeding and transport.

The Contractor shall, if required by the Employer, deliver to the Employer a return in detail, in such form and at such intervals as the Employer may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such other information as the Employer may require.

2. Compliance with labour regulations:

During continuance of the contract, the Contractor and his sub contractors shall abide at all times by all existing labour enactments and rules made there under, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority. The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made there under, regulations or notifications including amendments. If the Employer is caused to pay or reimburse, such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/Acts/Rules/regulations including amendments, if any, on the part of the Contractor, Employer shall have the right to deduct any money due to the Contractor including his amount of security deposit. The Employer shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.

The employees of the Contractor and the Sub-Contractor in no case shall be treated as the employees of the Employer at any point of time.

3. Protection of Environment:

The contractor shall take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation. During continuance of the contract, the contractor and his sub-contractors shall abide at all times by all existing enactments on environmental protection and rules made there under, regulations, notifications and bye-laws of the State or Central Government, or local authorities and any other law, bye-law, regulations that may be passed or notification that may be issued in this respect in future by the State or Central Government or the local authority.

4. Arbitration (Clause 24) – Not Applicable

- a. If any dispute or difference of any kind whatsoever was to arise between the Executive Engineer/Superintending Engineer and the contractor regarding the following matters namely,
 - i. The meaning of the specifications, designs, drawings and instructions hereinbefore mentioned;
 - ii. The quality of workmanship or materials used on the work and
 - iii. Any other question, claim, right, matter, thing whatsoever, in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, or orders, or those conditions or failure to execute the same whether arising during the progress of the work, or after the completion, termination or abandonment thereof, the dispute shall, in the first place, be referred to the Chief Engineer who has jurisdiction over the work specified in the contract. The Chief Engineer shall, within a period of sixty days from the date of being requested by the Contractor to do so, give written notice of his decision to the Contractor. If the Contractor is aggrieved by the decision of the Chief Engineer, or if the Chief Engineer fails to give written notice of his decision within the above said period of sixty days, the contractor may appeal to the Managing Director, KNNL, within 60 days from the receipt of written notice of Chief Engineer's decision or from the expiry of first named period of 60 days.
- b. Subject to the Managing Director's decision on appeal and subject to other form of settlement hereafter provided, the Chief Engineer's decision in respect of every dispute or difference so referred shall be final and binding upon the contractor. The said decision shall forthwith be given effect to and contractor shall proceed with the execution of the work with all due diligence.

REMEDY WHEN MANAGING DIRECTOR'S DECISION ON APPEAL IS NOT ACCEPTABLE TO CONTRACTOR

- c. In case the decision of the Managing Director is not acceptable to the contractor, he may approach the Law Courts at__ (*) for settlement of dispute after giving due written notice in this regard to the Managing Director within a period of ninety days from the date of receipt of the written notice of the decision of the Managing Director.

TIME LIMIT FOR NOTICE TO APPROACH LAW COURT BY CONTRACTOR

- d. If the Managing Director has given written notice to the contractor of his decision on his appeal and no written notice to approach the law court has been communicated to him by the contractor within a period of ninety days from receipt of such notice, the said decision shall be final and binding upon the contractor.

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TIME LIMIT FOR NOTICE TO APPROACH LAW COURT BY CONTRACTOR WHEN DECISION IS NOT GIVEN BY MANAGING DIRECTOR.

- e. If the Managing Director fails to give notice of his decision within a period of ninety days from the receipt of the contractor's appeal, the Contractor may within ninety days after the expiry of the above named period of ninety days approach the Law Courts at _ (*) giving due notice to the Managing Director.

(*) In sub clauses (c) and (e) specify the place where the Court under whose jurisdiction the work is situated/is located.

- f. Whether the claim is referred to the Chief Engineer or Managing Director or to the Law Courts, as the case may be, the contractor shall proceed to execute and complete the works with all due diligence pending settlement of the said dispute of differences.

OBLIGATIONS OF THE EXECUTIVE ENGINEER AND CONTRACTOR SHALL REMAIN UNALTERED DURING CONSIDERATIONS OF DISPUTE

- g. The reference of any dispute or difference to the Chief Engineer or Managing Director or the Law Court may proceed notwithstanding that the works shall then be or be alleged to be complete, provided always that the obligations of the Executive Engineer and the contractor shall not be altered by reason of the said dispute or difference being referred to the Chief Engineer or Managing Director or the Law Court during the progress of the works.

AGGREGATED CONTRACTOR TO APPROACH CIVIL COURT

- h. It is clearly understood and agreed upon by both the parties that no part of the above clause shall be construed to be an arbitration clause. In the event of any dispute or difference arising between the parties to this contract, upon exhausting the remedies under clauses 29(a) to (g). The only remedy available shall be to approach the jurisdictional Civil court by filing a suit in accordance with law.

5. Others

- (a) 1% of the Tendered amount will be deducted towards “Labour Welfare Fund “.
 - (b) The Tenderer has to produce all the relevant Documents as indicated in the Bid Document in originals during the opening of the Technical Bid “ Mandatorily “ . This is in addition to Uploading all the relevant Documents in the e-procurement portal. If the Originals are not submitted, the Tender will be rejected.
 - (c) All other documents which are required to be submitted are to be uploaded in the e-Procurement Portal in General Documents section, while electronically submitting the bid. If any of the Documents as desired are not submitted the Tender will be rejected.
6. **DEATH OF THE CONTRACTOR:** In case if the death of a contractor, after executing the agreement / commencement of the work, his legal heir, is an eligible registered contractor and is willing, can execute and complete the work, at the accepted tender rates, irrespective of the cost of the work.
7. The intending bidders should note that if any of the land either in part / parts or in whole required for the work is not yet acquired by the Nigama, it shall be the responsibility of the bidder to take possession of such land and start the work by obtaining necessary consent of the land owners before commencement of work at no extra cost to the Nigama and no claim what so ever relating to non-availability of land will be entertained. **Any delay in obtaining consent of the land owners shall not be considered for any additional compensation.**
8. **The land acquisition proposals are to be prepared during survey of Alignment as per latest Land Acquisition Act in the prescribed format by the bidder.**
9. **If KNNL wishes to engage third party consultants for quality control assessment, apart from the KNNL quality control and field tests, the contractor should co-operate with both Quality control authorities and the third party.**
10. **Defect liability period will be 1 Years from the date of completion of the wok.**
11. **Royalty Charges** shall be recovered as per the prevailing rates by the Department of Mines & Geology or further revision if any by the Department at the time of execution & till completion of project.



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12. All the works are to be carried out as per the Standard specification Issued from time to time.

13. Additional Conditions:-

- 1) In the case of death of a contractor after executing / commencement of the work, his legal heir, if an eligible registered contractor and willing can execute and complete the work at the accepted tender rates irrespective of the cost of work.
- 2) AS per GO No LD300 LET 2006 Bangalore dated 18-01-2007 Cess at the rate of 1 % of cost of construction will be deducted from the Bill towards building and other construction workers welfare fund.
- 3) The contractor should employ only registered labours as per Govt. Circular No. PWD/198/BMS/2009/ Dated: 24-06-2009. As per EPF & MP act 1952 in respect of the employees engaged by or through contractors, agencies and contractors shall have provident fund code no. & all the contract employees deployed by them are enrolled as members of provident fund.
- 4) Royalty Charges shall be recovered as per the prevailing rates issued by the department of Mines and Geology from time to time.
- 5) The amount put to tender is **Exclusive of GST** and the tenderer should quote Without GST. However, GST will be paid at Prevailing rate during billing. The increase in GST shall not be paid in extended period of contract for which reasons for delay are attributable to the contractor as determined by the authority while granting the extension of time.
- 6) 1. EMD will be accepted only in the form of electronic cash (not through DD/BG) in a single transaction.

For details on e-payment services refer to e-procurement portal for more details on process.

- 7) The said work is invited is as percentage tender and bidders are requested to quote in percentage only in e-procurement portal.
- 8) If the percentage quoted by the contractor for the work is below ninety percent of the estimated amount put to tender of the department, then the contractor shall furnish an additional performance security in the form of Bank Guarantee for an amount equivalent to the difference between the cost as per quoted percentage and ninety percentage of the estimated amount put to tender. In case of contractor quotation rates above 125% of the estimated rates, then the amount over and above 125% will be held during the progress of work. The additional performance security will be released proportionately to the bill amount till the contractor achieves progress of the entire cost of the work as per the agreement.
- 9) During the time of technical evaluation, if the employer finds that any certification/ information furnished is false, such bidders will be disqualified and barred from participation in the bid.

- 9) The intending bidders are advised to visit the site of work before submitting their tenders.
- 10) If any of the dates mentioned above happened to be a general holiday, the next working day holds good.
- 11) Conditional tenders are liable to be rejected. The officer competent to accept the tender shall have the right to reject any or all the tenders without assigning any reason whatsoever.
- 12) Any Modification/ corrections will be published in the e-portal. The bidders are advised to visit the KNNL web site regularly.
- 13) The intending bidders should note that, if any of lands either in part /parts or in whole required for the work is not acquired by the Nigam, it shall be the responsibility of the bidder to take possession of such land and start the work by consent of the land owners before commencement of work at no extra cost to the Nigam and no claim / delays whatsoever relating to on account of non-availability of land would be entertained.
- 14) They should abide by the directions of Government towards recovery of 1% (or as modification by Government from time to time) cess from the contractors bill under the provision of building and construction work welfare cess act-1996.
- 15) Successful bidders should execute the agreement within 20 days from the date of approval intimated. If the contractor fails to enter into the agreement within the said period, the E M D of the contractor shall be forfeited and action shall be initiated for barring to participate in the tender of KNNL.
- 16) They should abide by the directions of Government towards service tax as applicable by reverse charge mechanism.
- 17) The intending bidder shall upload self-attested letter pad mentioning latest communication address, land phone & mobile Phone.
- 18) Contractor should establish Field Laboratory for testing of Materials.
- 19) Contractor should get approval from Quality control authority for the work.



SECTION 6: CONTRACT DATA

Items marked "N/A" do not apply in this Contract.

The following documents are also part of the Contract:

Clause Reference

- The Schedule of Operating and Maintenance Manuals - NA [48]
- The Methodology and Program of Construction [25]
- Site Investigation Reports - NA [14]
- The Schedule of Key and Critical Equipment to be deployed on the work as per agreed program of construction. [25]

The Employer is :

Name: The Executive Engineer, [1.1]

Address: [KNNL No2 Canal Division Odderahatti Camp](#)

Name of authorized Representative:

The name and identification number of the Contract is

Description of the Works:)

TENDER REFERENCE [KNNL/2026-27/IW/WORK INDENT](#)

[insert name and number as indicated in the Invitation for Tenders]. [1.1]

The Works consist of.

The start date shall be the date of issue of notice to proceed with the work. [1.1]

The Intended Completion Date for the whole of the Works is—.....-
with the following milestones - [17, 26]

Milestone dates:

Physical works to be completed	Period from the date of issue of Notice to proceed with the work
--------------------------------	---

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The Site Possession Date is: [21]

The Service Road site is near [1.1]
and is defined in drawings nos. _____

The Project Completion period ismonths and the Tenderer should maintain work during the defect liability period, which is one years after successful completion of the work.

Insurance requirements are as under: [13]

	Type of Cover	Minimum cover for Insurance
(i)	Works and of Plant and materials	The sum stated in the Agreement plus 20%
(ii)	Loss or damage to equipment	Full replacement cost
(iii)	Loss or damage to property of Third Party	Full replacement cost
(iv)	Personal injury or death insurance (a) for Third Party	
	(b) for Contractor's employees or labour	In accordance with the statutory requirements applicable to Karnataka

Price Adjustment Formula;³⁸ ~~-DELETED~~

Price Adjustment Formula; [40]

R= Value of work as defined in Clause 40.1 of Conditions of Contract.

Adjustment for labour component:

- (i) Price adjustment for increase or decrease in the cost due to labour shall be paid in accordance with the following formula:

$$VL = 0.85 \times PL / 100 \times R \times (Li - Lo) / Lo \text{ Where,}$$

VL = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local labour;

Lo = The average consumer price index³⁹ for industrial workers for⁴⁰ Centre for the quarter preceding the date of opening of tenders as published by the Labour Bureau, Ministry of Labour, Government of India;

Li = The average consumer price index for industrial workers for Centre for the quarter under consideration as published by Labour Bureau, Ministry of Labour, Government of India

PL = Percentage of labour component of the work

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Adjustment for Cement Component:

- (ii) Price adjustment for increase or decrease in the cost of cement component procured by the contractor shall be paid in accordance with the following formula.

$VC = 0.85 \times PC / 100 \times R \times (C_i - C_o) / C_o$, Where,

VC = Increase or decrease in the cost of the work during the quarter under consideration due to changes in the rates for cement;

C_o = The all India average wholesale price index ⁴¹for cement (Ordinary Portland Cement) for the quarter preceding the date of opening of the tenders as published by the Office of Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi;

C_i = The all India average wholesale price index for cement (Ordinary Portland Cement) for the quarter under consideration as published by the Office of Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi

PC = Percentage of cement component of the work

Note: For the application of this clause index of Ordinary Portland Cement⁴² has been chosen to represent Cement Group

Adjustment for steel component:

- (iii) Price adjustment for increase or decrease in the cost of steel procured by the contractor shall be paid in accordance with the following formula.

$VS = 0.85 \times PS / 100 \times R \times (S_i - S_o) / S_o$ where,

VS = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for steel;

S_o = The all India average wholesale price index for steel (M.S.Bars and rods) for the quarter preceding the date of opening of Bids as published by the Office of Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi

S_i = The all India average wholesale price index for steel (M.S. Bars and Rods) for the quarter under consideration as published by the Office of Economic Advisor, Ministry of Commerce and Industry, New Delhi

PS = Percentage of steel component of the work

Note: For the application of this clause, index of M.S.Bars and Rods has been chosen to represent steel group.

Adjustment of Bitumen Component:

- (iv) Price adjustment for increase or decrease in the cost of bitumen shall be paid in accordance with the following formula:

$$VB = 0.85 \times PB/100 \times R \times (Bi - Bo)/Bo, \text{ Where}$$

VB = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rate for bitumen.

Bo = The official retail price of bitumen at the IOC /HPCL/BPL or any other depot at⁴⁴ on the day 30 days prior to the date of opening of Bids.

Bi = The official retail price of bitumen at the IOC/HPCL/BPL or any other depot at for the 15th day of the middle calendar month of the quarter under consideration.

PB = Percentage of bitumen component of the work.

Adjustment of Fuel and Lubricant component:

- (v) Price adjustment for increase or decrease in cost of Fuel and Lubricants shall be paid in accordance with the following formula:

$$VF = 0.85 \times PF /100 \times R \times (Fi - Fo)/ Fo, \text{ Where,}$$

VF = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for Fuel and Lubricants

Fo = The official retail price of High Speed Diesel (HSD) at the IOC/HPCL/BPL or other consumer pump at⁴⁵ on the day 30 days prior to the date of opening of Bids.

Fi = The official retail price of HSD at the IOC/HPCL/BPL or other consumer pump at for the 15th day of the middle calendar month of the quarter under consideration.

PF = Percentage of Fuel and Lubricant component of the work.

Note: For the application of this Clause the price of HSD has been chosen to represent Fuel and Lubricant Group

Adjustment for Plant and Machinery Spares Component:

- (vi) Price adjustment for increase or decrease in the cost of plant and machinery spares procured by the contractor shall be paid in accordance with the following formula:

$$VP = 0.85 \times PP/100 \times R \times (Pi - Po)/Po, \text{ Where}$$

VP = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for plant and machinery spares.

Po = The all India average wholesale price index for Heavy machinery and parts for the quarter preceding the date of opening of bids, as published by the Office of the Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi

Pi = The all India average wholesale price index for Heavy machinery and parts for the quarter under consideration as published by the Office of the Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi

PB = Percentage of Plant and Machinery Spares component of the work.

Note: For the application of this Clause index of Heavy Machinery and Parts has been chosen to represent the Plant and Machinery Spares Group.



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Adjustment for Other materials.:

- (vii) Price adjustment for increase or decrease in the cost of other materials other than cement, steel, bitumen and Fuel and Lubricants⁴⁸, procured by the contractor shall be paid in accordance with the following formula:

$$VM = 0.85 \times PM / 100 \times R \times (Mi - Mo) / Mo, \text{ Where}$$

VM = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for local materials other than cement, steel, bitumen and Fuel and Lubricants.

Mo = The all India average wholesale price index for all commodities for the quarter preceding the date of opening of bids, as published by the Office of the Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi

Mi = The all India average wholesale price index for all commodities for the quarter under consideration as published by the Office of the Economic Advisor, Ministry of Commerce and Industry, Government of India, New Delhi

PM = Percentage of other material component (Other than cement, steel, bitumen and Fuel and Lubricants) of the work.

The following percentages⁴⁹ will govern the price adjustment for the entire contract:⁵⁰

1. Labour – PL	0.0 %
2. Cement – PC	0.0 %
3. Steel – PS	0.0 %
4. Bitumen – PB	0.000%
5. Fuel and Lubricants – PF ⁵¹	0.0 %
6 Plant and Machinery Spares – PP ⁵²	0.0 %
7 Other materials – PM	0.0 %

[40]

Price Adjustment: (STAR rates) -DELETED

Contract price shall be adjusted for increase or decrease in rates and prices of /Steel/Cement/bitumen in accordance with the following principles and procedure and as per formulae given in the contract data. As per the Government Circular No. PWD 159 CRM 2009 Bangalore dated 30-9-2010 (enclosed with this NIT)

- The price adjustment shall apply for the work done from the date of commencement up to the end of original period of completion or extensions granted by the Employer and shall not apply to work carried out beyond the stipulated period of completion for reasons attributable to the contractor.
- Price adjustment shall be admissible from the date of opening of tenders (original or extended).
- The price adjustment shall be determined during each quarter from the formulae AS BELOW
The formula for Computation of STAR rates for Cement, Steel and Bitumen should be as follows:

$$V_c = S \times \left(\frac{M}{M_c} - 1 \right) \times T$$

Mc

Where, Vc = Adjustment to the Contract Price.

S = Basic Price of Cement/Steel/Bitumen at the time of last date of receipt of bids (Original or extended)

Mc = Basic cost index prevailing at the time of last date of receipt of bids. (Original or extended)

M = Current cost index relevant to the period in which the material is delivered to the site for use.

T = Actual quantity of material delivered to the site for use.

The liquidated damages for the whole of the works are

1) liquidated damages /penalty is calculated as 1 % of the estimated cost for the balance work assessed according to the programme, for every day.

Total amount of liquidated damages/penalty to be paid shall not exceed 7.5 percent of the estimated cost of the entire works. [41]

The date by which “as-built” drawings (in scale ...) in 2 sets are required is within 30 days of issue of certificate of completion of Whole or Section of the Work as the case may be. [48]

The amount to be withheld for failing to supply “as built” drawings or supply of Operation and Maintenance Manuals by the date required is **Rs. Nil** [48]

The following events shall also be fundamental breach of the contract: [49.2]

1. The contractor has contravened Sub-clause 7.1 and Clause 9 of CC.

The percentage to apply to the value of the work not completed representing the Employer's additional cost for completing the Works shall be **30 percent**. [50.1]

SECTION 7: SPECIFICATIONS

Uploaded separately

SECTION 8: DRAWINGS

Uploaded separately

SECTION 9: BILL OF QUANTITIES

Uploaded separately



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Note:

- (1) THIS IS PERCENTAGE CONTRACT, HENCE BIDDERS ARE REQUESTED TO QUOTE IN PERCENTAGE ONLY

SECTION 10: FORMAT OF BANK GUARANTEE FOR SECURITY DEPOSIT
(to be furnished on stamp paper of value not less than Rs./-..... ())

To: The Executive Engineer, **KNNL, No2 Canal Division Odderahatti Camp Gangavathi**

WHEREAS _____ [name and address of Contractor] (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated _____ to execute _____ [name of Contract and brief description of Works] (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of Rs. _____ [amount of guarantee] Rupees _____ [in words], and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of _____ [amount of guarantee] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed there under or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until 30 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor _____

Name of Bank _____

Address _____

Date _____

ANNEXURE-A

SCHEDULE OF RAYALTY CHARGES

CONTRACTOR

EXECUTIVE ENGINEER



KARNATAKA NEERAVARI NIGAMA LIMITED
(A Government of Karnataka enterprises)

ಕರ್ನಾಟಕ ಸರ್ಕಾರ

ಸಂಖ್ಯೆ:ಗಭೂಇ/ಡಿಎಬಿ/2024-25

ನಿರ್ದೇಶಕರ ಕಛೇರಿ,

ಗಣಿ ಮತ್ತು ಭೂವಿಜ್ಞಾನ ಇಲಾಖೆ,

ನಂ.49, ಖನಿಜ ಭವನ, ರೇಸ್ ಕೋರ್ಸ್ ರಸ್ತೆ,

ಬೆಂಗಳೂರು-560001. ದಿನಾಂಕ: 01.01.2025

e-mail: dcbdmg@gmail.com

ಸುತ್ತೋಲೆ

ವಿಷಯ: ಕರ್ನಾಟಕ ಉಪ ಖನಿಜ ರಿಯಾಯಿತಿ ತಿದ್ದುಪಡಿ ನಿಯಮಾವಳಿಗಳು 2024

ರನ್ವಯ ದಿನಾಂಕ:01.01.2025 ರಿಂದ ಜಾರಿಗೆ ಬರುವಂತೆ ಉಪ ಖನಿಜಗಳ

ರಾಜಧನ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸುವ ಕುರಿತು.

ಉಲ್ಲೇಖ: ಸರ್ಕಾರದ ಅಧಿಸೂಚನೆ ಸಂಖ್ಯೆ: ಸಿಇ-ಎಂಎಂಎಸ್/ 202/ 2023

ದಿನಾಂಕ:01.01.2025.

ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ, ಉಲ್ಲೇಖಿತ ಸರ್ಕಾರದ ಅಧಿಸೂಚನೆ ಪತ್ರದಲ್ಲಿ, ದಿನಾಂಕ: 01.01.2025 ರಿಂದ ಜಾರಿಗೆ ಬರುವಂತೆ ಕರ್ನಾಟಕ ಉಪ ಖನಿಜ ರಿಯಾಯಿತಿ ತಿದ್ದುಪಡಿ ನಿಯಮಾವಳಿಗಳು 2024 ರನ್ವಯ ಉಪ ಖನಿಜಗಳ ಮೇಲೆ ರಾಜಧನ ದರಗಳನ್ನು ಪರಿಷ್ಕರಿಸಲಾಗಿದೆ. ವಿವರಗಳು ಕೆಳಕಂಡಂತಿರುತ್ತದೆ. ತಿದ್ದುಪಡಿ ಅಧಿಸೂಚನೆ ಪ್ರತಿಯನ್ನು ಮಾಹಿತಿಗಾಗಿ ಈ ಪತ್ರದೊಂದಿಗೆ ಲಗತ್ತಿಸಿದೆ.

ಕ್ರ. ಸಂ.	ಉಪ ಖನಿಜ	ರಾಜಧನ ಪ್ರತಿ ಮೆಟ್ರಿಕ್ ಟನ್ ಗೆ	ಪರಿವರ್ತನ ಕೋಷ್ಟಕ ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ನಂತೆ	ರಾಜಧನ ಪ್ರತಿ ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ
1	ಕಟ್ಟಡ ಕಲ್ಲು Size Stone	ರೂ.80	1 ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ=2.63 ಟನ್	ರೂ.210.40
2	ಲ್ಯಾಟರೈಟ್ ಸ್ಟೋನ್	ರೂ.70	1 ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ=1.80 ಟನ್	ರೂ.126.00
3	ಜಲ್ಲಿ/ಮೆಟಲ್ ಎಲ್ಲಾ ವಿಧವಾದ (ಪುಡಿ ಗ್ರಾನೈಟ್/ ಕ್ವಾಡ್ರೆಟ್)	ರೂ.80	1 ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ=1.80 ಟನ್	ರೂ.144.00
4	ಮರಳು	ರೂ.80	1 ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ=1.72 ಟನ್	ರೂ.137.60
5	ಗ್ರಾವೆಲ್(ಮುರಂ)	ರೂ.50	1 ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ=1.50 ಟನ್	ರೂ.75.00
6	ಮಣ್ಣು (ಕೋ) (ಎಲ್ಲಾ ತರಹದ ಹೆಚ್ಚು ಮತ್ತು ಇಟ್ಟಿಗೆ ತಯಾರಿಕೆಗಾಗಿ)	ರೂ.70	1 ಕ್ಯೂಬಿಕ್ ಮೀಟರ್ ಗೆ=1.50 ಟನ್	ರೂ.105.00

ಕಲ್ಲುಗಳಿಗೆ ಗುತ್ತಿಗೆದಾರರು ಕರ್ನಾಟಕ ಉಪ ಖನಿಜ ರಿಯಾಯಿತಿ ತಿದ್ದುಪಡಿ ನಿಯಮಾವಳಿಗಳು 2023 ರಂತೆ ಸರ್ಕಾರಿ ಜಮೀನುಗಳಲ್ಲಿ ಹರಾಜು ರಹಿತವಾಗಿ ಗುತ್ತಿಗೆ ಹೊಂದಿರುವ ಕಲ್ಲುಗಳಿಗೆ ಗುತ್ತಿಗೆದಾರರಿಗೆ, ನಿಯಮ 3A (a)

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ANNEXURE-B

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub : Deduction of Shrinkage of settlement in earthwork embankment.

Ref : Correspondence ending with the letter No.BRP/IBR/TE-77/TA-4 dated 11th November, 1965 from the Chief Engineer, Irrigation Project, Bangalore.

PREMABLE :

The Chief Engineer, Irrigation Project has reported that there was no uniform practice of standard vouge for deduction for shrinkage or settlement in earth work embankment and that it was discussed in the meeting of Chief Engineers held in 1961 who have made certain recommendations. The recommendations on receipt in Government were examined and Government asked Chief Engineer, Irrigation Project to obtain report in the matter. Then the matter, has been referred to the Director, Karnataka Engineering Research Station, K.R.Sagar for conducting experiments on various types of the embankments and under various conditions in order to take decision on the uniform procedure to be adopted in making deductions for shrinkage or settlement in earthwork embankments. The Director, Karnataka Engineering Research Station has made the following recommendations.

Sl. No.	Type of Embankment	Settlement in percent of height of bank			
		Before Monsoon	After Monsoon	After Second Monsoon	After Third monsoon
1	2	3	4	5	6
1.	Dry unrolled embankment in clay soil including black cotton soils.	25	12.50	6.50	Nil
2.	Dry unrolled embankment in all soils other than clayey soil.	20	10.00	5.00	Nil
3.	Compacted embankments without filed control of placement				
a)	Manual labour or rollers less than six tons.	15	07.50	3.75	Nil
b)	By power rollers of more than six tons.	10	05.00	2.50	Nil
4.	Compacted embankment with field control placement	5	02.50	Nil	Nil

The Matter was further referred to the Board of Chief Engineer for consideration and opinion. The board holds that the recommendations of the Director are based on generalisation and are indication of general trends in different types of soils. However, soil differ from place to place and it is desirable that actual tests are carried out and their averages applied in individual cases. Where it is not possible to carry out the individual experiments the general values may be adopted.

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ORDER NO.PWD/11/GMS/64, BANGALORE DATED 10TH MARCH, 1966.

After considering all aspects of the case and also the opinion furnished by the Board of Chief Engineers Government hereby directs that in respect of all important tan works actual tests are carried out and average applied and where it is not possible to carry out individual experiment the general values given by the Director, K.E.R.S. as noted in preamble may be adopted.

BY ORDER AND IN THE NAME OF THE
GOVERNMENT OF KARNATAKA

M.CHANNAPPA

Deputy Secretary to Government, P.W.D., (Irrn.)

ANNEXURE – C

GOVERNMENT CIRCULAR REGARDING CONTROLLED BLASTING-I

GOVERNMENT OF KARNATAKA

No.ID 40 KBN 98Karnataka Government Secretariat,
M.S.Building,
Bangalore, dated 13.10.1998.

C I R C U L A R

**Sub:-Guidelines for resorting to Controlled Blasting in excavation item
applicable to all Irrigation Projects.**

Controlled blasting for hard rock excavation is normally adopted in situations where human habitation, permanent structures etc. have to be protected during blasting of hard rock.

The Managing Director, Krishna BhagyaJala Nigam Ltd., has requested to communicate guidelines to be followed while resorting to controlled blasting. Since there is a need to prescribe a uniform standard for resorting to controlled blasting applicable for all Irrigation Projects in the State, the Technical Advisory Committee was requested to advise the Irrigation Department in this regard.

This subject was discussed by the Technical Advisory Committee in the meeting held on 15.9.98 by inviting some experts in the field and after detailed discussion the Committee recommended that circular instructions may be issued by the Irrigation Department in this regard which would be applicable for all Irrigation Projects in the State.

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Hence, the following guidelines are issued for resorting to controlled blasting in excavation items in Irrigation Projects based on the advice of the Technical Advisory Committee.

- (i) The Chief Engineer should certify and authorise taking up of controlled blasting after considering the ground realities like vicinity of human habitation, actual safe distance and also financial implications of alternatives available such as cost of shifting/compensation to owner of permanent structures of acquisition of structures etc. The Executive Engineer should certify that he has examined all other alternatives and is of the opinion that controlled blasting is more economical and is the safest way of executing the work. The Executive Engineer should furnish a report to the Chief Engineer along with a sketch (to scale) of the number of human habitation, public/private property, cost of these structures etc., while submitting his recommendation to the Superintending Engineer/the Chief Engineer. The financial implication of controlled blasting and alternatives should be explained in the report. Thereafter the Chief Engineer should consider and approve further course of action. The detailed blasting procedure for controlled blasting should be prepared by the
- (ii) Executive Engineer and got approved by the Chief Engineer before implementation and these details should be incorporated under "Detailed Specifications" in the tender schedules also:
- (iii) Before resorting to controlled blasting, it is obligatory on the part of the Executive Engineer to get the authorisation from the concerned Chief Engineer to take up the controlled blasting;
- (iv) Controlled blasting may be proposed, wherever necessary, keeping in view the danger zone of 300 m radial distance from the blasting site to the village limit, human habitation, permanent structures and the like;
- (v) Controlled blasting may also be proposed for a distance of 50 m on either side of the power transmission line. This should be done after necessary clearance from K.E.B. and only if K.E.B. disagrees to disconnect or shift the transmission line for a short period;
- (vi) Field Officers must ensure that the Agencies/contractors, during excavation of canal, should not resort to rig blasting wherever controlled blasting is resorted to;
- (vii) The depth upto which controlled blasting is to be done, shall be decided by the Chief Engineer keeping in view the site specifies like nature of rock, stratification, cross section of the canal etc.

The above guidelines and procedure should be followed strictly while resorting to controlled blasting for excavation items in respect of all the Irrigation Projects in the State.

Sd/-(L.BASAVARAJU)
Secretary to
Government, Irrigation
Department.

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GOVERNMENT CIRCULAR REGARDING CONTROLLED BLASTING-II

GOVERNMENT OF KARNATAKA

No.WRD 58 KBN 2004

Karnataka Government Secretariat,
M.S.Building,
Bangalore, dated 29.07.2004

C I R C U L A R

Sub:- Guidelines for resorting to Controlled Blasting in excavation item applicable to a Irrigation Projects.

Ref: 1) Circular No.ID.40 KBN 90, dated 13.10.98.

2)Letter No.SE/M & E/ SRC / AEE-2 / 03-04 / 1127, dated 10.07.2003 and No 893-94, dated 2.7.2004.

Controlled blasting for hard rock excavation is normally adopted in situations where human habitation, permanent structures etc. have to be protected during blasting of hard rock.

The Managing Director, Krishna BhagyaJala Nigam Ltd., has requested to communicate guidelines to be followed while resorting to controlled blasting. Since there is a need to prescribe a uniform standard for resorting to controlled blasting applicable for all Irrigation Projects in the State, the Technical Advisory Committee was requested to advise the Irrigation Department in this regard.

This subject was discussed by the Technical Advisory Committee in the meeting held on 15.9.98 by inviting some experts in the field and after detailed discussion the Committee recommended that circular instructions may be issued by the Irrigation Department in this regard which would be applicable for all Irrigation Projects in the State.

Now S.R Committee has suggested to modify para (V) of the circular dated 13.10.98 vide ref (2) above.

Hence, the following modified guidelines are issued for resorting to controlled blasting in excavation items in Irrigation Projects based on the advice of the S.R Committee constitutes under the chairmanship of Caption Rajarao, Retired Secretary:-

- (i) The Chief Engineer should certify and authorise taking up of controlled blasting after considering the ground realities like vicinity of human habitation, actual safe distance and also financial implications of alternatives available such as cost of shifting/compensation to owner of permanent structures of acquisition of structures etc. The Executive Engineer should certify that he has examined all other alternatives and is of the opinion that controlled blasting is more economical and is the safest way of executing the work. The Executive Engineer should furnish

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- a report to the Chief Engineer along with a sketch (to scale) of the number of human habitation, public/private property, cost of these structures etc., while submitting his recommendation to the Superintending Engineer/the Chief Engineer. The financial implication of controlled blasting and alternatives should be explained in the
- (ii) report. Thereafter the Chief Engineer should consider and approve further course of action. The detailed blasting procedure for controlled blasting should be prepared by the Executive Engineer and got approved by the Chief Engineer before implementation and these details should be incorporated under "Detailed Specifications" in the tender schedules also:
 - (ii) Before resorting to controlled blasting, it is obligatory on the part of the Executive Engineer to get the authorisation from the concerned Chief Engineer to take up the controlled blasting;
 - (iii) Controlled blasting may be proposed, wherever necessary, keeping in view the danger zone of 300 m radial distance from the blasting site to the village limit, human habitation, permanent structures and the like;
 - (iv) Controlled blasting may also be proposed for a distance of 50 m on either side of the power transmission line. This should be done after necessary clearance from the concerned electricity supply companies and only if these companies disagrees to disconnect or shift the transmission line for a short period;
 - (v) Field Officers must ensure that the Agencies/contractors, comply with the following safety requirements for excavation of canal by controlled/normal blasting techniques.
- a) Trial studies shall be conducted to fix up the drilling and blasting parameters to control ground vibration and fly rock problem within permissible safety limits.
 - b) Number of holes to be blasted at a time shall be limited as per trail study recommendations.
 - c) Safer and effective explosive devices such as electric delay detonator for jack hammer holes, shock tube detonators and trunk line delays for wagon drill holes shall be used to control ground vibrations and fly rocks.
 - d) Blast area shall be covered by chain link wire mesh and sand bags to avoid fly rock.
 - e) Whenever and where control blasting is approved, monitoring and recording of noise levels and vibration levels must be insisted and a record should be kept to confirm that the levels were within the permissible limits.

The above requirements are to be included in the contract specifications for excavation in hard rock.

- (vi) The depth upto which controlled blasting is to be done, shall be decided by the Chief Engineer keeping in view the site specifies like nature of rock, stratification, cross section of the canal etc.

The above guidelines and procedure should be followed scrupulously during controlled blasting for excavation items.

Sd/-
(S.J.CHANNABASAPPA)
Secretary to Government,
Water Resources
Department.

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ANNEXURE-D
PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject : Procurement Reforms – Provision of Price Adjustment clause in the tender documents.
reamble:

In the Country Procurement Assessment Report prepared for the State of Karnataka, the World Bank has made a set of recommendations for Procurement Reforms, One such recommendation in that Price Adjustment should be mandated in respect of all contracts of value more than Rs. 20 lakhs and a completion period of more than 18 months and it should be made applicable from the date of opening tenders.

The State Government has examined the Recommendations. After considering all aspects in the matter, the Government issues following orders.

ORDER NO. FD 59 PRO CELL 2004, BANGALORE
DATED: 26TH NOVEMBER 2004

1. In super-session of all Standing Rules and Instructions, in respect of Price Adjustment clause in tender documents, the following instructions are issued for compliance.
 - a) A price Adjustment clause shall be included in all Works contracts whose estimated cost put to tender is Rs. 100 Lakhs or more the period of completion is 12 months or more. The Price Adjustment clause and the formulae for adjustment shall be as per Annexure-I.
 - b) In works contracts where, Price Adjustment clause is provided, the Price Adjustment shall be admissible from the date of opening of tenders (Original or extended).
 - c) Price Adjustment Clause shall not be included in Goods and Equipment tender documents. However in respect of tender documents for procurement of Electric cable, Transformers, generators, motors, that have raw material component subject to price fluctuations, appropriate Price Adjustment clauses may be incorporated by the Tender Authority in the tender documents, with the specific approval of the concerned Head of the Department of Managing Director of the Public Undertaking / Board.
2. The above instructions will only be applicable prospectively and shall not be applicable for contracts concluded in the past or being concluded presently or for tenders already invited.
3. The above instructions shall apply to all Procurement Entitles as defined in Section 2(d) Chapter I of the Karnataka Transparency in Public Procurements Act, 1999.
4. The above instructions shall be appropriately incorporated in the Standard Tender Documents under preparation.

By Order and in the name of the Governor of Karnataka
(K.P.Pandey)
Additional Chief Secretary and Principal Secretary

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject : Provision for price Adjustment for specified materials for works – Revision Reg.

Read : Govt. Order No. FD 59 PRO CELL 2004, dated:26-11-2004

Preamble :

In Government Order No. FD 59 PRO CELL 2004 dated: 26th November 2004 read above, the following instructions were issued about price adjustment.

- (a) A Price Adjustment clause shall be included in all Works contracts whose estimated cost put to tender is Rs.100 lakhs or more and the period of completion is 12 months or more. The Price Adjustment clause and the formulae for adjustment shall be as per Annexure-1 of the said G.O.
- (b) In works contracts where, Price Adjustment Clause is provided the Price Adjustment shall be admissible from the date of opening of tenders (original or extended).
- (c) Price Adjustment Clause shall not be included in Goods and Equipment tender documents. However in respect of tender documents for procurement of electric cables, transformers, generators, motors, that have raw material component subject to price fluctuations, appropriate Price Adjustment clauses may be incorporated by the Tender Inviting Authority in the tender documents, with the specific approval of the concerned Head of the Department or Managing Director of the Public Undertaking/Board.

The PWD has requested for certain modifications in the above conditions as the Department is facing problem in procurement of agencies for implementation of various works due to rapid fluctuation of rates of construction materials especially cement, steel and bitumen. This has resulted in poor response to the tenders floated by the department and also slowdown or stoppage of on-going works by the agencies. Further, the tender premiums being quoted by the agencies are very high which creates an opinion that the Schedule of Rates or the estimates are defective. Hence, P.W.D has requested to resolve this problem suitably by modifying the existing contract agreement to absorb the fluctuation in the market prices of major construction viz., cement, steel and bitumen.

In the procurement Reforms Standing Committee Meeting held on 2-8-2008, the proposal of PWD for effecting certain changes in the price adjustment clause in the Tender Documents was discussed in detail and considering the frequent fluctuations in the basic rates of construction materials i.e. Cement, Steel, Bitumen, it was recommended by the Committee to modify the Government Order dated: 26.11.2004 referred to above.

The Government has considered the issue in detail and accordingly the following orders are issued.



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Government Order No.FD 3 PCL 2008, Bangalore, dated:21-11-2008.

In the circumstances explained in the preamble, in modification of the Government Order dated: 26-11-2004, it is directed that the following price adjustment methods are applicable hereafter.

- a) For all works costing more than Rs.50 lakhs, if the period of execution is more than 12 months, the price adjustment will be calculated as prescribed in Annexure to G.O. No: FD 59 PRO Cell/ 2004, dt: 26.11.2004.
 - b) If the period of execution is more than 6 months but less than or equal to 12 months for work costing more than Rs.50 lakhs, star rates in respect of specified materials (cement, steel and bitumen) only shall be payable to the contractor based on the all India average wholesale price index for the said materials. The star rates adjustment shall be as per the increase or decrease in the index as applied to the said materials between the last date for receiving bids and the date of execution as per the approved programme of works submitted by the contractor at the time of execution of agreement which shall mandatorily be a part of the agreement.
 - c) If the period of execution is less than or equal to 6 months, for all works irrespective of the cost of the works, price adjustment or star rates shall not be applicable.
 - d) In works contracts where price adjustment clause is provided, the price adjustment shall be admissible from the date of opening of tenders (Original or extended).
 - e) Price adjustment clause shall not be included in Goods and Equipment tender documents. However, in respect of tender documents for procurement of Electric Cables, Transformers, Generators, Motors that have raw material component subject to price fluctuations, appropriate price adjustment clauses may be incorporated by the Tender Inviting Authority in the tender documents, with the specific approval of the concerned Head of the Department or Managing Director of the Public Sector Undertaking/Board.
2. The above mentioned methods of price adjustment clause are subject to the following conditions:
- i) The price adjustment clause or the star rates shall not be admissible if the contract period is extended due to lapse on the part of the contractor.
 - ii) For the cases (a) and (b) above, if the contract period is extended due to no fault of the contractor, the modified programme shall be approved by the competent authority and shall become a part of agreement for which price adjustment/star rates will be applicable.
 - iii) For the purpose of working out price adjustment and star rates, the price index issued from time to time by the Ministry of Commerce and Industry, Government of India should be adopted.

- iv) The formulae for price adjustment shall be as prescribed in Annexure-1 to the G.O. No: FD 59 PRO.Cell/2004 dated: 26.11.2004, which is appended.
- 3. The above instructions will only be applicable prospectively and shall not be applicable for contracts concluded in the past or being concluded presently or for tenders already invited.
- 4. The above instructions shall apply to all Procurement Entities as defined in Section 2(d) Chapter I of the Karnataka Transparency in Public Procurement Act, 1999.
- 5. The above instructions should be appropriately incorporated in the Standard Tender Documents.

(M.R. Sreenivasa Murthy)

To:

The Compiler, Karnataka Gazette for publication in the next issue of the Gazette and to supply 500 copies to Finance Department