

1. PAYMENT TERMS:

1.1 SCOPE:

This chapter deals with prices to be paid for supply and erection including testing, commissioning of various plants/ equipment's for item of work of for supplies and other amounts payable in accordance with accepted schedules of prices and rates and terms and conditions of payment mentioned herein.

This is a composite works contract. The Total prices for the completed items of work are the actual prices to the contractor as per the terms and conditions of the contract.

1.2 UNIT PRICES:

1.2.1 The Rates quoted by the Tenderer and accepted by the purchaser shall hold good till the completion of the work and no additional individual claim will be admissible on account of fluctuation in market rates etc.

1.2.2 The rate quoted by the Tenderer shall include the cost of materials and erection, testing & commissioning including all incidental charges like, freight transport, loading/unloading handling of materials lifting, descent, insurance, overage of Bankers charges, Indemnity Bond, GST and other taxes and duties etc.

1.2.3 The rate quoted by the Tenderer shall include the cost of materials including all incidental charges mentioned above, in case of specifically directed by Railway for supply only.

1.2.4 The rate quoted by the Tenderers shall include the cost of erection, testing & commissioning including all incidental charges, in case of the materials supplied by the purchaser as indicated in the schedule.

1.3 CLARIFYING NOTES:

Explanatory Notes for various items of work included in the schedule are given in General Explanatory Note of the tender paper. Tenderer should carefully read all the cost of materials and erection, testing & commissioning as clearly explained in the General Explanatory Notes.

1.4 TERMS OF PAYMENT:

Subject to any deduction or recoveries which the purchaser may be entitled to make under the contract, the contractor shall unless otherwise agreed to be entitled to get the payments as per the conditions stipulated in the subsequent clauses.

1.5 ON ACCOUNT PAYMENT:

1.5.1 Items for which Supply and Erection parts are covered under separate Schedules:

a) On account Payment to the extent of 70% of Supply items on the total unit prices of such items included in the schedule only after supply, inspection, testing & acceptance of material complete in all aspect including all parts and accessories necessary for erection of the same. All invoices shall be accompanied by the following. i) Supplier's challan for supply items only. ii) Manufactures certificate for large value items wherever necessary as decided by Railway Engineer duly countersigned, along with Inspection certificate granted by the Sr.DEE/G/KGP or his authorized representative. iii) Certificate of current statutory taxes and duties. iv) Detailed entries made in the measurement book. For supply of materials against schedule of price, the payment will be made only to the extent of materials required by purchaser. On account payment will commence only when schedule assessment is approved by the purchaser. (b) After successful erection, testing & commissioning of material to the satisfaction of railway in terms of contract, payment to the extent of remaining 30% of supply items & 100% of erection price (after adjustment of 70% vide (a) above, if any) will be payable by Railway.

1.5.2 Items for which Supply and Erection parts are covered under single Schedule:

a) On account Payment to the extent of 60% of Schedule items on the total unit prices of such items included in the schedule only after supply, inspection, testing & acceptance of material complete in all aspect including all parts and accessories necessary for erection of the same. All invoices shall be accompanied by the following. i) Supplier's challan for supply items only. ii) Manufactures certificate for large value items wherever necessary as decided by Railway Engineer duly countersigned, along with Inspection certificate granted by the Sr.DEE/G/KGP or his authorized representative. iii) Certificate of current statutory taxes and duties. iv) Detailed entries made in the measurement book. For supply of materials against schedule of price, the payment will be made only to the extent of materials required by purchaser. On account payment will commence only when schedule assessment is approved by the purchaser. (b) After successful erection, testing & commissioning of material to the satisfaction of railway in terms of contract, payment to the extent of remaining 40% of Schedule prices (after adjustment of 60% vide (a) above, if any) will be payable by Railway.

1.5.3 Items for which only Supply part is covered in Schedule:

The contractor shall be eligible for receipt of full 100% payment for such item in accordance with prices included in the schedule only after supply, inspection, testing & acceptance of material complete in all aspect including all parts and accessories necessary for erection of the same. All invoices shall be accompanied by the following. i) Supplier's challan for supply items only. ii) Manufactures certificate for large value items wherever necessary as decided by Railway Engineer duly countersigned, along with Inspection certificate granted by the Sr.DEE/G/KGP or his authorized representative. iii) Certificate of current statutory taxes and duties. iv) Detailed entries made in the measurement book. For supply of materials against schedule of price, the payment will be made only to the extent of materials required by purchaser. On account payment will commence only when schedule assessment is approved by the purchaser.

1.5.4 Items for which only Erection part is covered in Schedule:

The contractor shall be eligible for receipt of full 100% payment for such item in accordance with prices included in the schedule only after successful erection, testing & commissioning of material to the satisfaction of railway in terms of contract in case of erection item.

NOTE: Contractor's supply items/ Railway's supply items will be issued to contractor from purchaser's depot for erection purpose on submission of indemnity Bond on stamp duty. The indemnity bond shall be in the prescribed form. The contractor will safeguard against the theft etc. on material till the complete assets are taken over by Railway.

1.6 FINAL PAYMENT:

Balance payment (after adjustment of on account payment, if any) will be payable by the purchaser through the Final bill after satisfactory completion of the entire contractual work, satisfactory operation and handing over of the assets to the Railway duly tested and commissioned subject to compliance of the following. i. No claim certificate in favour of Railways issued by the contractor. ii. Detailed entries in the measurement book. iii. Supply of one set RTF and three sets of blue print of as erected drawings, pertaining to the work (if required). iv. On supply of catalogue and Operation Manual/Instruction Books wherever applicable.

1.7 PAYMENT FOR SPARES & FOR ADDITIONAL SUPPLIES:

The contractor shall be eligible for receipt of full 100% payment for supply of spares & additional supplies ordered on him in accordance with prices included in the schedule. Payment will be made to the contractor after his handing over of the spares to the Railway in good working condition on production of Bank Guarantee, valid for a period of 12 months from the date of supply and on production of certificate of statutory taxes and duties.

1.8 PAYMENT OF PRICE VARIATION:

Price Variation Clause (PVC): Deleted

1.9 PAYMENT OF STATUTORY VARIATION IN TAXES AND DUTIES:

The price in percentage quoted by the tenderer and accepted by the Railway shall be firm. In case of mutual agreement between the tenderer and the Railway any statutory variation of taxes and duties are payable shall be applicable for both upward and downward revision of levies and shall be on clear terms and conditions. Claim against STATUTORY VARIATION in taxes and duties if any, shall only be payable by the Railway along with the final payment subject to claim for reimbursement for additional payment to the contractor are accepted on production of the original requisite documents. However, the purchaser will not be responsible for the payment of duties and taxes made by the tenderer under misapprehension of law.

1.10 POST PAYMENT AUDIT:

It is an agreed terms of the contract that the Railways reserves to its right to carry out a Post-payment audit and or technical examination of the works and the final bill, including all supporting vouchers, abstract, etc, and to make a claim on the contract for the refund of any excess amount paid to him, if as a result of such examination, any over payment to him is discovered to have been made in respect of any work done or alleged to have been done by him under the contract.

1.11 MEASUREMENT:

Payment for the work shall be made in accordance with the specifications, approved designs and drawings and measured in relevant units. The measurement will be made generally in accordance with the Tender schedule in conformity with the explanatory note of the tender schedule, specification and standard engineering practices.

1.12 MEASUREMENT OF WORK:

The contractor shall be paid for the works at the rates, in the accepted schedule of rates and on the measurement taken by the Engineer or the Engineer's representative in accordance with the rules prescribed for the purpose by the Railway.

(i) The quantities of items, the unit for which it is prevalent, accepted schedule of rates, shall be recorded. (ii) Such measurement will be taken of the work in progress from time to time and at such intervals as in The opinion of the Engineer/Engineer's representative shall be proper having regard to the progress of works. The date and time on which the measurements are to be made shall be communicated to the contractor who shall be present at the site and shall sign the results of the measurements (which shall also be signed by the Railways Engineer or the Engineer's representative) recorded in the official measurement book as an acknowledgement or his acceptance of the accuracy of the measurements. (iii) In the event of failure on the part of the contractor to attend, the work may be measured upon in his absence and such measurements shall not withstanding such absence be binding upon the contractor whether or not he shall have signed the measurement book provided always that any objection made by him to any measurement shall be duly investigated and considered in the manner set out below. (a) It shall be open to the contractor to take specific objection to any recorded measurement or Classification on any ground within 3 (three) days from the date of such measurement. Any re-measurement taken by the Engineer or engineer's representative in the presence of the contractor or in his absence, after due notice has been given to him in consequences of the objection made by the contractor, shall be final and binding on the contractor and no claim whatsoever shall thereafter be entertained regarding the accuracy and classification of the measurements. (b) If any objection raised by the contractor is found by the Engineer to be incorrect the contractor shall be liable to pay the actual expenses incurred in the measurement.

1.13 DRAWINGS FOR WORKS:

The Railway Administration reserves the right to modify the plans and drawings as referred to in the special data and specification, as also the estimates and specifications, without assigning any reasons as and when considered necessary by the Railway. The rates quoted for the items of schedule of work quoted by the contractor as accepted by the Railway, will however, hold good irrespective of any changes, modifications alterations, and omissions in the locations of structures and detailed drawings, specifications and/or the manner of executing the works.

1.14 EMPLOYMENT OF GRADUATE ENGINEER/DIPLOMA HOLDERS BY CONTRATOR:

The contractor shall also employ Qualified Graduate Engineer or Qualified Diploma Holder Engineer, based on value of contract, as may be prescribed by the Ministry of Railways through separate instructions from time to time. In case the contractor fails to employ the Engineer, as aforesaid in Para, he shall be liable to pay penalty at the rates, as may be prescribed by the Ministry of Railways through separate instructions from time to time for the default period for the provisions, as contained in Para of qualified engineers required to be deployed by the Contractor for various activities contained in the works contract shall be specified in the tender documents as 'special condition of contract' by the tender inviting authority." {Authority: Railway Board's letter no. 2012/CE-I/CT/O/20, New Delhi, Dated 10.05.2013}.

1.15 INSPECTION AND TESTING:

All materials will be subjected to inspection and test by RITES/authorized railway representative at the Manufacturer's workshop/site before dispatch and no materials shall be dispatched from the Manufacturer's workshop/site until these are inspected and or approved. The materials may also be inspected by the purchaser or his representative or any organization recommended by the purchaser again at the contractor's depot/works site. The purchaser or his representatives or any organization recommended by the purchaser shall have the right to be present during all stages of manufacturing and shall be offered, free of charge all reasonable facilities for inspection and testing so as to satisfy himself/themselves that the materials are in accordance with specifications, approved drawings and designs. Any unreasonable delay in inspection will be a reasonable ground for extension of time for completion of work. Not less than 15 (fifteen) days' notice in writing shall be given by the contractor to the purchaser in order that the purchaser's Engineer may be present if they (i.e. purchaser) so desire, carrying out the inspection and test.