

## **PRICES AND PAYMENT**

### **SCOPE : 1.3.1**

This Chapter deals with prices to be paid for supply and/or erection of various items of work or 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 works contract. The total prices for the completed items of work are the actual prices payable to the Contractor as per the terms and condition of the Contract.

### **SCHEDULE OF PRICES : 1.3.2**

#### **(a) (ii) Rates of SOR Items (Scheduled items)**

The rates of SOR items for this work shall be quoted for each scheduled items as a single firm value, which is either above/par/below the railway par rate **on IREPS site**. The actual payment to be made against any item of each Scheduled items shall be with the tenderer's quoted price.

All Unit prices shall be FIRM irrespective of minor variations in basic quantities and use of alternative types of various components and fittings approved by the purchaser. Minor changes in basic designs shall not affect the unit prices, so long as such changes are mutually agreed to by the Purchaser and the Contractor. All Unit Prices shall be in RUPEES. The prices shall be for materials and erection except for the materials indicated in Annexure-4 for which only erection charges will be payable, and for execution of work in accordance with specifications and approved drawings and designs. The Contractor shall carefully note the items of materials, equipments, fittings and components which will be supplied by the Purchaser.

#### **(b) UNIT PRICES FOR MATERIALS**

The prices indicated for each schedule item are inclusive of the prices of materials (Wherever supply of materials are to be made by the contractor) including all incidental charges for transport, loading/ unloading and handling of materials, commission for arranging dispatch by rail direct from manufacturer's factory and completing all necessary formalities in this respect, such as submission of forwarding notes, collection of railway receipts, all insurance premia, bankers charges for bank guarantee, indemnity bonds inclusive of cost of stamps etc. as also siding or shunting charges, if any, levied by the Railway.

The prices shall include all taxes, duties and levies (including Octroi etc.) applicable on this works contract. Therefore, they should quote their prices taking into account the rate of taxes as leviable in the event of sale through works contract to the Central Government Organization in that state. It is clarified that required forms applicable for this purpose will be supplied to the contractor as applicable in the state where the contract is being executed.

The price shall also include provision for losses and wastages in transit and erection.

### **FOR ERECTION**

The unit prices indicated for each Schedule item of erection items are inclusive of cost of erection and testing to be done by the Contractor to the extent indicated by engineering in charge and also cover all cost of administration of the contractor, insurance premium, banker's charges for guarantees, cost of stamps, cost of storage, loading and unloading and handling of materials, and for any road transport which the Contractor may use for carriage of materials between his depot and depot/s and site of work. The unit prices shall include cost of works and adjustments necessary to be done by the Contractor during or after the tests carried out by the Purchaser

However, if the rates for existing GST or cess on GST for Works Contract is increased or any new tax/cess on Works Contract is imposed by Statute after the date of opening of tender but within the original date of completion/ date of completion extended under clause 17 & 17(A) of GCC and the Contractor thereupon properly pays such taxes/cess, the Contractor shall be reimbursed the amount so paid.

Further, if the rates of existing GST or cess on GST for Works Contract is decreased or any new tax/cess on Works Contract is decreased/removed by Statute after the date of opening of tender, the reduction in tax amount shall be recovered from Contractor's bills/Security Deposit or any other dues of Contractor with the Government of India.

(c) **COPPER FOR COMPONENTS & FITTINGS** - DELETED -

(d) **OTHER PRICE ADJUSTMENTS:-**

(i) No adjustment on account of variation in insurance and freight charges (road or rail) will be permitted.

(ii) Price variation on material: No adjustment of unit prices of fittings, materials, equipments, or components on account of prices, fluctuation on raw materials will be permitted. However reimbursement on account of prices fluctuation on Ferrous, Non-Ferrous, Steel, Zinc required for Structures and small parts Steel, Cement and Erection will be allowed in the manner specified below:-

(e) **PRICE VARIATION CLAUSE (PVC):** Shall be dealt as per clause no 46a of General conditions of contract 2022 or its latest correction slips or any latest general conditions of contract.

(f) **QUANTITIES**

The approximate estimated quantities of various items of work are included in tender Schedule, 1 ,2 and 3 under column quantities.

(g) **EXPLANATORY NOTES**

Explanatory notes for various items of work included in tender document.

**(h) NEW ITEMS OF WORK**

- i) During the execution of the work, if the Contractor is called upon to carry out any new item of work not included in tender schedules, the Contractor shall execute such works at such prices as may be mutually agreed upon with the Purchaser before commencement and these will be based on the rate analysis as per the current market / prevalent rates of such or similar items available with the Railway Administration in that or nearby areas.
- ii) Provided that if the Contractor commence work or incurs any expenditure in regard thereto before the rates are determined and agreed upon as lastly hereon- to-fore mentioned, then and in such a case the Contractor shall only entitled to be paid in respect of the work carried out or expenditure incurred by him prior to the date of determination of the rates as aforesaid according to the rates as shall be decided by the Purchaser. However, if the contractor is not satisfied with the decision of the Purchaser in this respect, he may appeal to Chief Electrical Engineer/traction within 30 days of getting the decision of the Purchaser, supported by analysis of the rates claimed. The Chief Electrical Engineer/traction's decision after hearing both the parties in the matter would be final and binding on the contractor and the Railway.

**PRICE OF EQUIPMENTS, COMPONENTS & MATERIALS : 1.3.3**

The price for the schedule items will be made with contractors quoted price in the tender on the railway par rates.

**PRICE OF ADDITIONAL SUPPLIES: 1.3.4**

The additional supplies will be taken over from the Contractor as per the conditions for variation in General Conditions Of Contract.

**PAYMENTS AND RECOVERIES: 1.3.5**

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 following payments subject to the conditions stipulated in subsequent paragraphs:

- i) Payment of mobilisation advance.
- ii) Payment for designs.
- iii) Payments for foundations.
- iv) Supply of materials.
- v) Progress payments for supply and erection.
- vi) Payments for new item.
- vii) Reimbursement on account of price variation (para 1.3.2 (d)).
- viii) Payment for commissioning for each sub-work.
- ix) Final settlement.

### **INVOICING PROCEDURE : 1.3.6**

The contractor shall submit his invoice as per the railway format which will be given to the contractor during the processing of his/her bills. The contractor should mention the HSN or SAC code for each of the scheduled item for which he/she is claiming the bill for and corresponding GST being paid for those scheduled items. Contractor shall also mention the complete invoice number which will be used for claiming Income tax returns.

### **PAYMENTS FOR DESIGNS : 1.3.7**

Payments for designs shall be made on the basis of prices included in item 1, Schedule, Section-D. The amount payable shall be based on assessed quantities against items 1(a) and 1(b) of Schedule, Section-D (Assessment 1) (See para 2.5.9). 90% of payment for corresponding TKM drawn will be made on first and part bills and balance 10% payments shall be made after the commissioning of the work of concerned section

### **ADVANCE PAYMENTS FOR FOUNDATIONS : 1.3.8**

- (a) - Deleted -
- (b) - Deleted -

### **'ON ACCOUNT' PAYMENTS : 1.3.9**

As mentioned in 1.3.11

### **RECOVERIES FROM THE CONTRACTOR: 1.3.10**

Following Recoveries will be made from the contractor bill

- i) 5% of the contact value will be recovered as Security deposit. The earnest money paid by the successful contractor will be converted into Security deposit. And the remaining amount will be recovered at 6% of the bill value. –
- ii) LabourCess at 1% of the Bill value will be deducted from each bill
- iii) Conservancy charges will be recovered as per the tables shown below

Sl No	Description	Average No. of labourer/Work- man employed per day.	Conservancy Cess charges to be recovered (Per Month)
I	Railway contractors :		
	a. Engg. Works contractors (Engg. Electrical, Signal, Mechanical etc.,)	1 to 5	Rs. 159/-
		6 to 10	Rs. 312/-
		11 to 25	Rs. 785/-
	b. Genl. Goods handling contractors including contractors awarded by stores deptt.	26 to 50	Rs. 1,143/-
		51 to 100	Rs. 1,534/-
		101 to 200	Rs. 1,926/-
	c. Coal handling ash pit cleaning contractors	201 to 300	Rs. 2,318/-
	d. Railway siding use by the contractors	301 to 750	Rs.2,676/-
		751 to 1500	Rs.5,382/-
	e. Contractors supplying water to engines.	1501 to 3000	Rs.10,768/-
		3000 & over	Rs.21,508/-

- iv) Income tax will be deducted at 2% of the taxable value of each bill and an additional 2% will be deducted as tax deduction at source from each bill.

#### **OTHER RECOVERIES**

- i. The third-party inspection charges will be borne by the contractor. In case the third-party inspection could not be conducted and contractor has requested for Consignee to do the inspection of the quality of the material and the competent authority agrees, then 1% of the supply cost of the material inspected will be deducted from the bill towards inspection charges. In case third party inspection is done for the material, then no deduction will be made.

#### **PROGRESS PAYMENTS FOR SUPPLY AND ERECTION GENERAL: 1.3.11**

(a) -deleted-

#### **(b) FOUNDATIONS**

- (i) Payment will be made on casting of foundation blocks, with or without Core holes, to the extent of 90% of the Prices contractors quoted rate and on the casted volume of foundation, as included in the approved cross-section drawings or as installed at site with permission of the Purchaser's representative. For this purpose, the entire section to be equipped with Traction overhead equipment under contract will be divided into convenient Sub-section as may be mutually agreed to. In case the Contractor is unable to cast all the foundation blocks on a particular Sub-section, due to reasons accepted as justified by the purchaser, payments will be made to the extent of work done in the Sub-section. One more supplementary payment may be made in respect of left-over work when the work is completed.
- (ii) On completion of entire work the Contractor shall receive balance 10% payment for bills claimed and full payment against the rest of the said Schedule,

#### **(c) MAST AND PORTALS**

- (i) The part payment for supply alone is subjected to maximum of 75% of material cost.
- (ii) On completion of erection of masts and portals of each agreed sub-section, the Contractor shall receive payments to the extent of 90% of the prices for supply and erection of masts and portals.
- (iii) On completion of erection of SPS and Brackets, the Contractor shall receive payment to the extent of 90% against the said item of Schedule.
- (iv) Balance 10% payment will be done on successful completion of sub-work/sub-section as applicable.

**(d) OTHER ITEMS OF SUPPLY AND/OR ERECTION (SCADA)**

(i) The part payment for supply alone is subjected to maximum of 75% of material cost.

(ii) On completion of erection of other items tender Schedule ,on each agreed sub-section, the Contractor shall receive payments to the extent of 90% of the erection prices included in schedule.

(iii)Balance 10% payment will be done on successful completion of work of sub-work/sub-section as applicable.

(e) Deleted.

(f) Deleted.

**(g) SWITCHING STATION BUILDING**

Deleted

**Note:** Progress payment shall be admissible as per provision in Para 1.3.11. The payment for the schedule for Transporting OHE material under section E shall be done 90% upon each trip.

**PAYMENT FOR ADDITIONAL SUPPLIES and materials supplied by the contractor:  
1.3.12**

(a) Deleted

(b) Deleted.

**TAX: 1.3.13**

(a) All applicable tax, duties & levies (including Octroi etc.) arising out of the transactions between the Contractor and his sub-Contractors/Suppliers for this work will be included in the rates quoted by the Contractor in the relevant schedules.

(b) Wherever the law makes it statutory for the Purchaser to deduct any amount towards applicable tax on works contract, the same will be deducted and remitted to the concerned authority

(c) However, if rates of existing GST or cess on GST for Works Contract is increased or any new tax /cess on Works Contract is imposed by Statute after the date of opening of tender but within the original date of completion/date of completion extended under clause 17 &17A of GCC and the Contractor thereupon properly pays such taxes/cess, the Contractor shall be reimbursed the amount so paid.(d) Further, if rates of existing GST or cess on GST for Works Contract is decreased or any tax/cess on Works Contract is decreased / removed by Statute after the date of opening of tender, the reduction in tax amount shall be recovered from Contractor's bills/Security Deposit or any other dues of Contractor with the Government of India.

**PAYMENTS ON PROVISIONAL ACCEPTANCE OF EACH SUB-WORK :  
1.3.14**

In case the contract has multiple works, on the successful completion of each sub-work 100% payment shall be made, i.e the remaining 10% shall be released after the sub-work completion certificate of that section

**PAYMENTS FOR SURPLUS MATERIALS : 1.3.15**

-Deleted-

#### **FINAL SETTLEMENT : 1.3.16**

On expiry of the guarantee period and issue of the certificate of final acceptance of the entire installations (see para 1.2.50), the security deposit will be refunded or Bank Guarantee released to the Contractor after adjustment of any dues payable by the Contractor.

#### **MEASUREMENTS : 1.3.17**

(a) Payments for field work shall be made in accordance with approved designs and drawings and measured in relevant units except where provided or otherwise. In case the dimensions of the work are more than those shown in approved designs and drawings/as erected drawing, the Contractor will not be entitled to any extra payment unless dimensions were increased on account of physical impossibility of carrying out the work in accordance with approved drawings and designs. In case the dimensions of work are less than those shown in the approved designs and drawings and the work is accepted without being rejected, payment will be made as per work actually done.

(b) The measurements will be made generally in accordance with standard engineering practice and in conformity with the explanatory notes for schedule.

(i) It shall be open to the Contractor and the Railway to take specific objection to any recorded measurement or classification on any ground within seven days of the date of such measurements. Any re-measurements taken by the Engineer or the Engineer's representative in the presence of the Contractor or in his absence after due notice has been given to him in consequence of 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.

(ii) If an 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 measurements.

(c) For all contracts costing more than Rs.5 Crore, Contractor's e-MB is mandatory. For works where measurement of work by contractor is permitted, the provisions of Engineering Code 1316A shall be followed. (As per Railway Board letter no.2017/CE-I/CT/9 dt:31/05/2023)

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