

Measurement and Payment Terms

1.0 Measurement

1.1 Quantities in Bill(s) of Quantities Annexed to Contract:

The quantities set out in the accepted Bill(s) of Quantities with items of works quantified are the estimated quantities of the works and they shall not be taken as the actual and correct quantities of the work to be executed by the Contractor in fulfillment of his obligations under the contract.

1.2(i) Measurement of Works by Railway:

The Contractor shall be paid for the works at the rates in the accepted Bill(s) of Quantities and for extra works at rates determined under Clause 39 of GCC April 2022 of these Conditions on the measurements taken by the Engineer or the Engineer's representative in accordance with the rules prescribed for the purpose by the Railway. The quantities for items the unit of which in the accepted Bill(s) of Quantities is 100 or 1000 shall be calculated to the nearest whole number, any fraction below half being dropped and half and above being taken as one; for items the unit of which in the accepted Bill(s) of Quantities is single, the quantities shall be calculated to two places of decimals. Such measurements will be taken of the work in progress from time to time and at such intervals as in the opinion of the Engineer shall be proper having regard to the progress of works. The date and time on which 'on account' or 'final' 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 Engineer or the Engineer's representative) recorded in the official measurements book as an acknowledgement of his acceptance of the accuracy of the measurements. Failing the Contractor's attendance, the work may be measured up in his absence and such measurements shall, notwithstanding such absence, be binding upon the Contractor whether or not he shall have signed the measurement books provided always that any objection made by him to 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 measurements or Classification on any ground within seven days of the date of such measurements. Any re-measurement 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.
- (b) 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.

1.2(ii) Measurement of Works by Contractor's Authorized Representative (in case the contract provides for the same):


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- (a) The Contractor shall be paid for the works at the rates in the accepted Bill(s) of Quantities and for extra works at rates determined under Clause 39 of GCC April 2022 of these Conditions on the measurements taken by the Contractor's authorized Engineer in accordance with the rules prescribed for the purpose by the Railway. The quantities for items the unit of which in the accepted Bill(s) of Quantities is 100 or 1000 shall be calculated to the nearest whole number, any fraction below half being dropped and half and above being taken as one; for items the unit of which in the accepted Bill(s) of Quantities is single, the quantities shall be calculated to two places of decimals. Such measurements will be taken of the work in progress from time to time. The date and time on which 'on account' or 'final' measurements are to be made shall be communicated to the Engineer.

The date and time of test checks shall be communicated to the Contractor who shall be present at the site and shall witness the test checks, failing the Contractor's attendance the test checks may be conducted in his absence and such test checks shall not withstanding such absence be binding upon Contractor provided always that any objection made by Contractor to test check shall be duly investigated and considered in the manner set out below:

- (i) It shall be open to the Contractor to take specific objection to test checks of any recorded measurement within 7 days of date of such test checks. Any re-test check done by the concerned Railway's authority in the presence of the Contractor or in his absence after due notice given to him in consequent 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.

(b) **Incorrect measurement, actions to be taken:**

If in case during test check or otherwise, it is detected by the Engineer that agency has claimed any exaggerated measurement or has claimed any false measurement for the works which have not been executed; amounting to variation of 5% or more of claimed gross bill amount, action shall be taken as following:

- (i) On first occasion of noticing exaggerated/ false measurement, Engineer shall recover liquidated damages equal to 10% of claimed gross bill value.
- (ii) On any next occasion of noticing any exaggerated/false measurement, railway shall recover liquidated damages equal to 15% of claimed gross bill value. In addition the facility of recording of measurements by Contractor as well as release of provisional payment shall be withdrawn. Once withdrawn, measurements shall be done by railway as per clause 1.2(i) above.

1.3 **"On-Account" Payments"**

The Contractor shall be entitled to be paid from time to time by way of "On-Account" payment only for such works as in the opinion of the Engineer he has executed in terms of the contract. All payments due on the Engineer's/Engineer's Representative's certificates of

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measurements or Engineer's certified "Contractor's authorized Engineer's measurements" shall be subject to any deductions which may be made under these presents and shall further be subject to, unless otherwise required by Clause 16 of GCC April 2022 these Conditions, a retention of six percent by way of Security Deposits, until the amount of Security Deposit by way of such retentions shall amount to 5% of the total value of the contract provided always that the Engineer may by any certificate make any correction or modification in any previous certificate which shall have been issued by him and that the Engineer may withhold any certificate, if the works or any part thereof are not being carried out to his satisfaction.

1.4 **Rounding off Amounts**

The total amount due on each certificate shall be rounded off to the nearest rupee, i.e. sum less than 50 paise shall be omitted and sums of 50 paise and more upto ₹1 will be reckoned as ₹ 1.

1.5 **On Account Payments not Prejudicial to Final Settlement**

"On-Account" payments made to the Contractor shall be without prejudice to the final making up of the accounts (except where measurements are specifically noted in the Measurement Book as "Final Measurements" and as such have been signed by the Contractor and Engineer/Engineer's Representative) and shall in no respect be considered or used as evidence of any facts stated in or to be inferred from such accounts nor of any particular quantity of work having been executed nor of the manner of its execution being satisfactory.

1.6 **Manner of Payment:** Unless otherwise specified payments to the Contractor will be transferred electronically to his bank account.

2.0 **Price Variation Clause (PVC)** shall be applicable as per General Conditions of Contract April 2022 or latest.

3.0 **Payment Terms**

3.1 Payment of the overhauled engine cost except commissioning charges shall be paid to the contractor after safe arrival of engine at EMU Car Shed, Ghaziabad, its inspection & acceptance of work by Railway. Commissioning charges shall be paid to the contractor after commissioning of the engine successfully on Tower wagon and acceptance of work by Railway. Joint note shall be submitted along with bill each time for payment.

3.2 The successful tenderer shall have to submit the Xerox copy of PAN Card along with the Bill. The bill shall not be processed for payment without the Xerox copy of PAN Card.

3.3 Contractor has to give consent in the prescribed mandate form for receipt of payment through ECS/EFT.

3.4 Contractor to provide the details of Bank A/C in line with RBI guidelines for the same. These details will include Bank Name, Branch name & Address, Account type, Bank A/C No. and bank & Branch code as appearing in MICR cheque issued by the bank.

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- 3.5 Contractor to attach certificate from their bank certifying the correctness of all above mentioned information.

4.0 **Final Payment**

On the Engineer's certificate of completion in respect of the works, adjustment shall be made and the balance of account based on the Engineer or the Engineer's representative's certified measurements or Engineer's certified "contractor's authorized engineer's measurements" of the total quantity of work executed by the Contractor upto the date of completion and on the rates accepted in Bill(s) of Quantities and for extra works on rates determined under Clause 39 of GCC April 2022 of these Conditions shall be paid to the Contractor subject always to any deduction which may be made under these presents and further subject to the Contractor having signed delivered to the Engineer enclosing either a full account in detail of all claims he may have on the Railway in respect of the works or having delivered No Claim Certificate and the Engineer having after the receipt of such account given a certificate in writing that such claims are not covered under excepted matter i.e. Clauses 7(j), 8, 18, 22(5), 39.1, 39.2, 40A, 39, 43(2), 45(i)(a), 55, 55-A(5), 57, 57A, 61(1), 61(2) and 62(1), 63(iv) and 63.2.11 of Standard General Conditions of Contract April 2022 or in any Clause (stated as excepted matter) of the Special Conditions of the Contract, that the whole of the works to be done under the provisions of the Contracts have been completed, that they have been inspected by him since their completion and found to be in good and substantial order, that all properties, works and things, removed, disturbed or injured in consequence of the works have been properly replaced and made good and all expenses and demands incurred by or made upon the Railway for or in the respect of damage or loss by from or in consequence of the works, have been satisfied agreeably and in conformity with the contract.

4.1 **Post payment audit**

It is an agreed term of contract that the Railway reserves to itself the right to carry out a post-payment audit and/ or technical examination of the works and the Final Bill including all supporting vouchers, abstracts etc. and to make a claim on the Contractor for the refund of any excess amount paid to him till the release of security deposit or settlement of claims, whichever is later, if as a result of such examination any over-payment to him is discovered to have been made in respect of any works done or alleged to have been done by him under the contract.

4.2 A **Production of Vouchers etc. by the Contractor**

- (i) For a contract of more than one crore of rupees, the Contractor shall, whenever required, produce or cause to be produced for examination by the Engineer any quotation, invoice, cost or other account, book of accounts, voucher, receipt, letter, memorandum, paper of writing or any copy of or extract from any such document and also furnish information and returns verified in such manner as may be required in any way relating to the execution of this contract or relevant for verifying or ascertaining cost of execution of this contract (the decision of the Engineer on the question of relevancy of any documents, information or return being final and binding in the parties). The Contractor shall similarly produce vouchers etc., if required to prove to the Engineer, that materials supplied by him, are in accordance with the specifications laid down in the contract.

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(ii) If any portion of the work in a contract of value more than one crore of rupees be carried out by a sub-contractor or any subsidiary or allied firm or company (as per Clause 7 of the Standard General Conditions of Contract April 2022), the Engineer shall have power to secure the books of such sub-contract or any subsidiary or allied firm or company, through the Contractor, and such books shall be open to his inspection.

(iii) The obligations imposed by Sub Clause (i) & (ii) above is without prejudice to the obligations of the Contractor under any statute rules or orders binding on the Contractor.

5.0 Taxes (IT, GST & etc.) will be deducted/paid at source as applicable. The contractor shall fulfill all the statutory obligation of taxes towards Government liabilities.

6.0 The bill should be submitted in duplicate along with joint inspection note and other documents as per contract agreement.

7.0 Paying Authority

Sr. Divisional Finance Manager/Northern Railway/New Delhi.

8.0 Bill passing officer:- Sr. DEE/EMU/GZB

9.0 Cancellation of Contract

Contract will be liable to be cancelled in condition of non-execution of work by contractor and also in the case work executed is not up to the desired standard/quality.

10.0 Any other instructions related to the work, which is directly linked with safety & quality of the work issued by this office, shall be followed by the contractor.

11.0 "Letter of Credit" as mode of payment in works tenders or service tenders

11.1 For all the tenders having advertised cost of Rs 10 lakh or above, the contractor shall have the option to take payment from Railways through a letter of credit (LC) arrangement.

11.2 This option of taking payment through Le arrangement has to be exercised in IREPS (Indian Railway Electronic Procurement System - the e-application on which tenders are called by Railways) by the tenderer at the time of bidding itself, and the tenderer shall affirm having read over and agreed to the terms and conditions of the LC option.

11.3 The option so exercised, shall be an integral part of the bidder's offer.

11.4 The above option of taking payment through LC arrangement, once exercised by tenderer at the time of bidding, shall be final and no change shall be permitted, thereafter, during execution of contract.

11.5 In case tenderer opts for payment through LC, following shall be the procedure to deal release of payment through LC:

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- (a) The LC shall be a sight LC.
- (b) The contractor shall select his Advising/Negotiating bank for LC. The incidental cost towards issue of LC and its operation thereof shall be borne by the contractor.
- (c) SBI, New Delhi, Main Branch will be the nodal branch for issue of LCs based on online requests received from Railway Accounts Units for tenders opened in financial year 2018-19. SBI branches where the respective Railway Accounts Office has its Account (local SBI branch) will be the issuance/reimbursing branch for LC issued under this arrangement. The Bank shall remain same for this tender till completion of contract. The incidental cost @0.15% per annum of LC value, towards issue of LC and operation thereof shall be borne by the contractor and shall be recovered from his bills.
- (d) The LC shall be opened initially for duration of 180 to 365 days in consultation with contractor. The LC shall be extended time to time as per the progress of the contract, on the request of the contractor. The value of LC to be opened initially as well as extended thereafter shall be finalised by the engineer in consultation with the contractor on the basis of expected progress of work.
- (e) The LC terms and conditions shall inter-alia indemnify and save harmless the Railway from and against all losses, claims and demands of every nature and description brought or recovered against the Railways by reason of any act or omission of the contractor, his agents or employees, in relation to the Letter of Credit (LC). All sums payable/borne by Railways on this account shall be considered as reasonable compensation and paid by contractor.
- (f) The LC terms and conditions shall inter-alia provide that Railways will issue a Document of Authorisation (as per Railway Board Letter No. 2018/CE-IJCT/9 Dated 04.06.2018) after passing the bill for completed work, to enable contractor to claim the authorized amount from their bank.
- (g) The acceptable, agreed upon document for payments to be released under the LC shall be the Document of Authorisation.
- (h) The Document of Authorisation shall be issued by Railway Accounts Office against each bill passed by Railways.
- (i) On issuance of Document of Authorisation, a copy of Document of Authorisation shall be posted on IREPS for download by the contractor. A digitally signed copy of Document of Authorisation shall also be sent by Railway Accounts Office to Railway's bank (Local SBI Branch).
- (j) The contractor shall take print out of the Document of Authorisation available on IREPS and present his claim to his bank (advising Bank) for necessary payments as per LC terms and conditions. The claim shall comprise of copy of Document of Authorisation, Bill of Exchange and Bill.
- (k) The payment against LC shall be subject to verification from Railway's Bank (Local SBI Branch).

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- (l) The contractor's bank (advising bank) shall submit the documents to the Railway's Bank (Local SBI Branch).
 - (m) The railway's bank (issuing bank) shall, after verifying the claim so received w.r.t. the digitally signed Document of Authorisation received from Railway Accounts Office, release the payment to contractor's bank (advising bank) for crediting the same to contractor's account.
 - (n) Any number of bills can be dealt within one LC, provided the sum total of payments to contractor is within the amount for which LC has been opened.
 - (o) The LC shall be closed after the release of final payment including PVC amount, if any, to the contractor.
 - (p) The release of performance guarantee or security deposit shall be dealt directly by railway with the contractor i.e., not through LC.
- 11.6 For opening of LC, executive department shall make a request letter to concerned Accounts Department on a format, as per Railway Board Letter No. 2018/CE-IJCT/9 Dated 04.06.2018.
- 12.0 The contract will be governed by the General Conditions of the Contract April 2022 or latest revised up to date.

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