

1.2.0 **CONDITIONS OF PRICES AND PAYMENT TERMS.**

1.2.1 **Scope**

This Chapter deals with prices to be paid for Supply and Erection including Testing and Commissioning of various plants/equipments for items or work or for supplies and other amounts payable in accordance with the accepted schedules of prices and rates and terms and conditions of payment mentioned herein.

- 1.2.1.1 This is a Composite works contract. The total prices for the completed items of work are the actual prices to be paid to the contractor as per the terms and conditions of the contract.

1.2.2 **Unit Price**

- 1.2.2.1 The price in percentage quoted by the Tenderer and accepted by the Purchaser shall hold good till the completion of the work and no additional individual claims will be admissible on account of fluctuation in market rates etc.

- 1.2.2.2. The price in percentage quoted by the Tenderer shall include the cost of materials and erection, testing and commissioning including all incidental charges like freight transport, loading/unloading, handling of materials lifting, descent, insurance coverage of bankers charges, Indemnity Bond Stamp, GST and other taxes and duties etc levied from time to time.

- 1.2.2.3 The price in percentage quoted by the tenderer shall include the cost of materials including all incidental charges mentioned in Para 1.2.2.2 above in case of specifically directed by Railway for supply only.

- 1.2.2.4 The price in percentage quoted by the tenderer shall include the cost of erection, testing and commissioning including all incidental charges in case of the materials supplied by the purchaser as indicated in the schedule.

1.2.3 **Explanatory Notes**

Explanatory Notes for various items of work, included in the schedule are given in Part- I of the tender papers. Tenderers should carefully read and include all the cost of materials for erection, testing and commissioning as clearly explained in the explanatory notes.

1.2.4 **Terms Of Payment**

Subject to any deduction on recoveries which the purchaser may be entitled to make under the contract the contractor shall unless otherwise agree to be entitled to get the payments subject to conditions stipulated in the subsequent clauses.

- 1.2.5 **Completion Period** : 12 (Twelve) Months.

1.2.6 **On Account Payment**

- a) On account Payment to the extent of 85% of Supply items on the total unit prices of such items included in the schedule only after supply, inspection, testing & acceptance of material. All invoices shall be accompanied by the following.
- i) Supplier's challan for supply items only.
  - ii) Manufacturer's certificate for large value items wherever necessary as decided by Railway Engineer duly countersigned, along with Inspection certificate granted by the Sr. DEE/TRD/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 of material to the satisfaction of railway in terms of contract, payment to the extent of 100% of supply & erection price (after adjustment of 85% vide (a) above, if any) will be payable by Railway.
- (c) The item under Erection Schedule will be paid 100% of the executed portion of work.

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

#### 1.2.7 **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.

NOTE: All the mugging in casted foundation should be done before releasing Final payment.

#### 1.2.8 **Payment For Spare And For Additional Supplies**

Not applicable.

#### 1.2.9 **Payment Of Price Variation**

Not Applicable.

Price variation Clause (PVC) in works contract is applicable as per GCC-April 2022, item 46A. In order to simplify and enhance the pace of the works, it has been decided to the Price Variation Clause (PVC) shall be applicable only in tender having advertised value above Rs.2 Crores.

#### 1.2.10 **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.

#### 1.2.11 **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.

### 1.2.12 **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.

#### 1.2.13.1 **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 notwithstanding 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 what so ever 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.

#### 1.2.13.2 **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.