

**Model Bidding Document  
under  
Pradhan Mantri Gram Sadak Yojana  
(PMGSY)**

(Generic Version – NRRDA)

**For**

**Construction & Maintenance Works  
(April, 2011)**

**Rural Roads Development Agency  
[State]**

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## EXPLANATORY NOTE

*(These explanatory notes are for the guidance of the Implementing Agency and shall not form the text of the bidding document)*

- This document shall be used in PMGSY project on trial basis and shall be reviewed periodically as required on the basis of the feedback from the states, bidders, contractors and the data on rejection of bids during evaluation of Part I of the bid.
- For procurement of works in PMGSY Rural Roads Project under the World Bank financing in participating states, the modifications mentioned in Annex shall be incorporated in this Model Bidding Document.
- The Document simplifies the preparation of bidding documents for individual contract(s) in a manner that is intended to be used without making any changes in Section 2 – Instructions to Bidders and Section 4 – Part I - General Conditions of Contract.
- Provisions specific to the procurement should be included in Section 2 – Bid Data Sheet, Section 3 – Qualification Information, and Section 4 – Contract Data.
- The forms to be used are provided in the Document. The signing of contract(s) is subject to registration of successful contractor(s) with competent authority(ies). It is encouraged that contractors without registration undertake timely processing of registration with competent authorities. Contracts funded under the World Bank financing shall include in the Bidding Documents the provisions that are stated in the Annex attached to this document.

# **SECTION 1**

**LIST OF IMPORTANT DATES**

**e-PROCUREMENT NOTICE**

**INVITATION FOR BIDS (IFB)**

**SECTION 1**

.....  
*(Name of Authority inviting bids)*

**List of Important Dates of Bids for Construction/Up-gradation of Roads**

**1. Name of Work:** The packages and name of work are given below:

| S. No | District | Package No. | Name of Work | Period of Completion | Estimated Cost ( Rs. Lakh) |             |
|-------|----------|-------------|--------------|----------------------|----------------------------|-------------|
|       |          |             |              |                      | Construction               | Maintenance |
| (1)   | (2)      | (3)         | (4)          | (5)                  | (6)                        | (7)         |
|       |          |             |              |                      |                            |             |

**Maintenance Period is five years after date of completion of construction work.**

**Date of Issue of IFB**

Date... Month...Year...

**Period of availability of Bidding Documents on website [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in)**

**From** Date... Month...Year...  
**To** Date... Month...Year...

**Deadline for Receiving Bids online**

Date... Month...Year...  
 Time ...Hours

**Opening of bids: The bids will be opened online by the authorized officers at the appointed time**

**Time and Date for opening of Part 1 of the bid (The Technical Qualification Part)**

Date... Month...Year...  
 Time ...Hours

**Time and Date for opening of Part 2 of the bid (The Technical-Financial part) of bidders who qualified in Part 1 of the bid.**

Date... Month...Year...  
 Time ...Hours

**Last Date of Bid Validity**

90 Days from the deadline date for submission of bids.

**Officer inviting Bids**

Designation:  
 Address:



## Bharat Nirman through Rural Roads

(Name of Authority inviting Bids)

### **BHARAT NIRMAN UNDER PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)**

#### **e-Procurement Notice**

(Para to be included if funded by the World Bank financing - Refer to Annex)

The \_\_\_\_\_ on behalf of \_\_\_\_\_ invites the item rate bids in electronic tendering system for construction of roads under Pradhan Mantri Gram Sadak Yojana in the districts of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ for \_\_\_\_\_ number of packages with estimated cost totaling to \_\_\_\_\_ Crore including their maintenance for five years from the eligible contractors registered with \_\_\_\_\_<sup>1</sup>.

Date of release of Invitation for Bids through e-procurement: .....  
(dd/mm/yyyy)

**Availability of Bid Documents and mode of submission:** The bid document is available online and should be submitted online in [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in). The bidder would be required to register in the web-site which is free of cost. For submission of the bids, the bidder is required to have Digital Signature Certificate (DSC) from one of the authorized Certifying Authorities. The bidders are required to submit (a) original demand draft towards the cost of bid document and (b) original bid security in approved form and (c) original affidavit regarding correctness of information furnished with bid document as per provisions of Clause 4.4 B (ii) of ITB with ..... (address and details of office where to be submitted), on a date not later than two working days after the opening of technical qualification part of the Bid, either by registered post or by hand, failing which the bids shall be declared non-responsive.

**Last Date/ Time for receipt of bids through e-procurement:** .....  
(dd/mm/yyyy) upto ..... (time)

For further details please log on to [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in)

.....  
.....

(Designation and address of Authority inviting bids)

<sup>1</sup> Non-registered bidders may submit bids, however, the successful bidders must get registered in appropriate class with appropriate authorities before signing the contract

**SECTION 1**

.....  
 (Name of Authority Inviting Bids)

**INVITATION FOR BIDS (IFB)**

(Para to be included if funded by the World Bank financing – Refer to Annex)

1. The \_\_\_\_\_ on behalf of \_\_\_\_\_ invites the item rate bids, in electronic tendering system, for construction of roads under Pradhan Mantri Gram Sadak Yojana for each of the following works including their maintenance for five years from the eligible and approved contractors registered with -----\*

| District | Package No. | Name of Work | Estimated Cost (Rs. Lakh) of |             | Period of Completion | Bid Security (Rs. Lakh) |
|----------|-------------|--------------|------------------------------|-------------|----------------------|-------------------------|
|          |             |              | Construction                 | Maintenance |                      |                         |
| (1)      | (2)         | (3)          | (4)                          | (5)         | (6)                  | (7)                     |
|          |             |              |                              |             |                      |                         |

2. Date of release of Invitation for Bids through e-procurement: ..... (dd/mm/yyyy)
3. **Cost of Bid Form:** Rs ..... per package (non-refundable) only in form of demand draft in favour of .....
4. **Availability of Bid Document and mode of submission:** The bid document is available online and bid should be submitted online on website [www.pmgsytenders.gov.in](http://www.pmgsytenders.gov.in). The bidder would be required to register in the web-site which is free of cost. For submission of bids, the bidder is required to have Digital Signature Certificate (DSC) from one of the authorized Certifying Authorities (CA). "Aspiring bidders who have not obtained the user ID and password for participating in e-tendering in PMGSY may obtain the same from the website: [www. pmgsytenders.gov.in](http://www.pmgsytenders.gov.in) Digital signature is mandatory to participate in the e-tendering. Bidders already possessing the digital signature issued from authorized CAs can use the same in this tender.

\* Non-registered bidders may submit bids, however, the successful bidders must get registered in appropriate class with appropriate authorities before signing the contract

5. **Submission of Original Documents:** The bidders are required to submit (a) original demand draft towards the cost of bid document and (b) original bid security in approved form and (c) original affidavit regarding correctness of information furnished with bid document as per provisions of Clause 4.4 B (ii) of ITB with ..... (*address and details of office where to be submitted*), on a date not later than two working days after the opening of technical qualification part of the Bid, either by registered post or by hand, failing which the bids will be declared non-responsive.
6. **Last Date/ Time for receipt of bids through e-tendering:** ..... (dd/mm/yyyy) upto ..... (time)
7. The site for the work is available.
8. Only online submission of bids is permitted, therefore; bids must be submitted online on website [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in). The technical qualification part of the bids will be opened online at \_\_\_\_\_ (time) on \_\_\_\_\_ (date) by the authorized officers. If the office happens to be closed on the date of opening of the bids as specified, the bids will be opened on the next working day at the same time and venue.
9. The bids for the work shall remain valid for acceptance for a period not less than ninety days after the deadline date for bid submission.
10. Bidders may bid for any one or more of the works mentioned in the Table above. To qualify for a package of contracts made up of this and other contracts for which bids are invited in the same IFB, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.
11. Other details can be seen in the bidding documents. The Employer shall not be held liable for any delays due to system failure beyond its control. Even though the system will attempt to notify the bidders of any bid updates, the Employer shall not be liable for any information not received by the bidder. It is the bidders' responsibility to verify the website for the latest information related to the tender.

Signature and designation  
of the Authority Inviting Bids for and on behalf of  
.....  
.....

## **SECTION 2**

### **INSTRUCTIONS TO BIDDERS**

### **BID DATA SHEET**

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## **SECTION 2 Instructions to Bidders (ITB)**

### *A. General*

#### **1. Scope of Bid**

- 1.1** The Employer as defined in the Bid Data Sheet invites bids in electronic tendering system for the construction of Works and their maintenance for five years, as described in these documents and referred to as “the works”. The name and identification number of the works is provided in the Bid Data Sheet. The bidders may submit bids for any one or more of the works detailed in the table given in the Invitation for Bids. Bid for each work shall be submitted separately.
- 1.2** The successful Bidder will be expected to complete the Works by the Intended Completion Date specified in the Part I - General Conditions of Contract (Contract Data) and do the routine maintenance of road works for five years from the date of completion.
- 1.3** Throughout these documents, the terms “bid” and “tender” and their derivatives (bidder/tenderer, bid/ tender, bidding/ tendering, etc.) are synonymous.

#### **2. Source of Funds**

- 2.1** \* The Employer as defined in the Bid Data Sheet has decided to undertake the works of construction and up-gradation of selected rural roads of the State through funds received under Pradhan Mantri Gram Sadak Yojana [PMGSY]
- 2.2** No payment under this procurement shall be made to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Employer, is prohibited by a decision of the United Nations Security Council, taken under Chapter VII of the Charter of the United Nations.
- 2.3** The Government of the State shall provide funds for the routine maintenance of the roads from its own sources.

*\* Paragraph 2.1 shall be modified for World Bank funded contracts as per Annex.*

### **3. Eligible Bidders**

- 3.1** This Invitation for Bids is open to all bidders as defined in the Bid Data Sheet. Any materials, equipment and services to be used in the performance of the Contract shall have their origin in the eligible sources. The applicant should be a private or an individual legal entity or any combination of them with a formal intent to enter into an agreement or under an existing agreement in the form of a Joint Venture (JV).
- 3.2** In case of a JV, a) all partners to the JV shall be jointly and severally liable; and b) a JV shall nominate a representative who shall have the authority to conduct all business for and on behalf of any and all the partners of the JV during the bidding process, and in the event the JV is awarded the Contract, during contract execution.
- 3.3** Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices in accordance with sub-clause 33.1.
- 3.4** A Bidder shall not have a conflict of interest. All Bidders found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if:
- (a) they have a controlling partner in common; or
  - (b) they receive or have received any direct or indirect subsidy from any of them; or
  - (c) they have the same legal representative for purposes of this bid; or
  - (d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the Bid of another Bidder, or influence the decisions of the Employer regarding this bidding process; or
  - (e) a Bidder participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all Bids in which the party is involved. However, this does not limit the inclusion of the same subcontractor in more than one bid; or
  - (f) a Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid; or a Bidder, or any of its affiliates has been hired (or is proposed to be hired) by the Employer as Engineer for the contract.

#### 4. Qualification of the Bidder

4.1 All bidders shall provide in Section 3, Forms of Bid and Qualification information, a preliminary description of the proposed work method and schedule, including drawings and charts, as necessary.

4.2 All bidders shall include the following information and documents with their bids as stated in Section 3 - Qualification Information, unless otherwise stated in the Bid Data Sheet:

(a) copies of original documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Bid to commit the Bidder;

(b) total monetary value of civil construction works performed for each of the last five years;

(c) experience in works of a similar nature and size for each of the last five years, and details of works in progress or contractually committed with certificates from the concerned officer not below the rank of Executive Engineer or equivalent. A list of clients with their contact details shall also be provided;

(d) evidence of ownership of major items of construction equipment named in Clause 4.4 B (b) (i) of ITB or evidence of arrangement of possessing them on hire/lease/buying as defined therein;

(e) details of the technical personnel proposed to be employed for the Contract having the qualifications defined in Clause 4.4 B (b) (ii) of ITB for the construction.

(f) reports on the financial standing of the Bidder, such as profit and loss statements and auditor's reports for the past three years;

(g) evidence of access to line(s) of credit and availability of other financial resources/ facilities certified by banker (the certificate being not more than 3 months old) up to the percentage (defined in the Bid Data Sheet) of the contract price of works, during the implementation of the works;

(h) authority to seek references from the Bidder's bankers;

(i) information regarding any litigation or arbitration during the last five years in which the Bidder is involved, the parties concerned, the disputed amount, and the matter;

(j) proposals for subcontracting the components of the Works for **construction/up-gradation**, aggregating to not more than 25 percent of the Contract Price (for each, the qualifications and experience of the identified sub-contractor in the relevant field should be annexed; no vertical splitting of work for sub-contracting is acceptable). Proposal for subcontracting of part/ full routine maintenance of roads after completion of construction work;

(k) the proposed methodology and programme of construction including Environment Management Plan, backed with equipment, materials and manpower planning and deployment, duly supported with broad calculations and Quality Management Plan proposed to be adopted, justifying their capability of execution and completion of the work as per technical specifications and within the stipulated period of completion; and

(l) Joint Venture Applicants shall provide a certified copy of the Joint Venture Agreement in demonstration of the partners undertaking joint and several liabilities for the performance of any contract entered into before award of work.

### **4.3 Joint Ventures:**

Bids submitted by a Joint Venture (JV), which shall consist of not more than three firms as partners including the lead partner, shall comply with the following requirements:

- (a) There shall be a Joint Venture Agreement (Refer Annexure I to ITB) or a Letter of Intent to form a Joint Venture, specific for these contract packages between the constituent firms, indicating clearly, amongst other things, the proposed distribution of responsibilities both financial as well as technical for execution of the work amongst them. For the purpose of this clause, the most experienced lead partner will be the one defined. A copy of the Joint Venture agreement in accordance with requirements mentioned in Annexure - I shall be submitted before any award of contract to the successful bidder, could be finalized.
- (b) The bid, and in the case of the successful bidder, the Form of Agreement, etc., shall be signed and / or executed in such a manner as may be required for making it legally binding on all partners . On award of contract, the Form of Agreement and Contract Documents shall be signed by all partners of the Joint Venture to conclude Contract Agreement.
- (c) Lead partner shall be nominated as being partner-in-charge; and this authorization shall be evidenced by submitting a power of attorney signed by the legally authorized signatories of all the partners.
- (d) The partner-in-charge shall be authorized to incur liabilities and to receive instructions for and on behalf of the partners of the Joint Venture, whether jointly or severally, and entire execution of the Contract (including payment) shall be carried out exclusively through the partner-in-charge. A copy of the said authorization shall be furnished in this Bid.
- (e) All partners of the Joint Venture shall be liable jointly and severally for

the execution of the Contract in accordance with the Contract terms, and a relevant statement to this effect shall be included in the authorization mentioned under sub clause (c) above as well as in the Form of Bid and the Form of Agreement (in case of a successful bidder).

- (f) The bid submitted shall include all the relevant information as required under the provisions of Sub-Clause 4.4 of ITB and furnished separately for each partner.
- (g) The Joint Venture Agreement shall be registered to be legally valid and binding on all partners.

**4.4 A** To qualify for award of the Contract, each bidder should have in the last five years (5 years immediately preceding the year, in which the bids are invited, year means financial year);

- (a) Achieved in any one year a minimum financial turnover as mentioned in the Bid Data Sheet (as certified by Chartered Accountant, and at least 50% of which is from Civil Engineering construction works). The estimated cost of the work would not include maintenance cost for 5 years and the turnover will be indexed at the rate of 8% per year.
- (b) satisfactorily completed, as prime contractor, at least similar work equal in value half of the estimated cost of work (excluding maintenance cost for five years) for which the bid is invited.

*(For the States of Jharkhand, Uttarakhand and Meghalaya, separate qualification criteria for turnover and similar work will be specified in the Bid Data Sheet. It is proposed to issue State wise Model Bidding Document)*

**4.4 B (a)** Each bidder must produce:

- (i) A copy of PAN issued by Income Tax Authorities; and
- (ii) An affidavit that the information furnished with the bid document is correct in all respects; and
- iii) Such other certificates as defined in the Bid Data Sheet. Failure to produce the certificates on demand shall make the bid non-responsive.

**(b)** Each bidder must demonstrate:

- (i) availability for construction work, either owned, or on lease or

on hire, of the key equipment stated in the Bid Data Sheet including equipments required for establishing field laboratory to perform mandatory tests, and those stated in the Bid Data Sheet ;

(ii) availability for construction work of technical personnel as stated in the Bid Data Sheet.

(iii) availability of liquid assets and/or credit facilities, net of other contractual commitments and exclusive of any advance payments which may be made under the Contract, of not less than the amount specified in the Bid Data Sheet;

**4.4 C** To qualify for a package of contracts made up of this and other contracts for which bids are invited in the Invitation for Bids, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.

**4.4 D** Joint Venture firm (having partners limited to three including lead partner) shall be jointly and severally responsible for completion of the project. Joint Venture must fulfill the following minimum qualification requirements.

(i) The lead partner shall meet not less than 50% of qualification criteria given in sub-clause 4.4 A (a) & (b) of ITB above.

(ii) Each of the remaining partners shall meet not less than 25% of all the qualifying criteria given in sub-clause 4.4 A (a) & (b) of ITB above.

(iii) The Joint Venture must also collectively satisfy the requirements of the criteria of Clause 4.4 B and 4.4 C of ITB; for this purpose the relevant figures for each of the partners shall be added together to arrive at the Joint Venture total capacity which shall be 100% or more.

(iv) In the event that the Employer has caused the bidder to disqualify under Clause 4.7 of ITB below, all of the Joint Venture partners will be disqualified.

(v) The available bid capacity of the JV as required under Clause 4.6 of ITB below will be applied for each partner to the extent of his proposed participation in the execution of the work. The total bid capacity available shall be more than estimated contract value.

**4.5** Sub-Contractors' experience and resources shall not be taken into account in determining the bidder's compliance with the qualifying criteria except to the extent stated in sub-clause 4.4 A above.

**4.6** Bidders who meet the minimum qualification criteria will be qualified only if their assessed available bid capacity for construction works is equal to or more than the total bid value. The available bid capacity will be calculated as under:

$$\text{Assessed Available Bid capacity} = (A * N * M - B)$$

where

A =Maximum value of civil engineering works executed in any one year during the last five years (updated to the price level of the financial year in which bids are received at the rate of 8 percent a year) taking into account the completed as well as works in progress.

N =Number of years prescribed for completion of the works for which bids are invited (period up to 6 months to be taken as half-year and more than 6 months as one year).

M =2 [For the States of Jharkhand, Meghalaya and Uttarakhand, the States may decide the value of M, equal to 2.5 or 3]

B =Value, at the current price level, of existing commitments and on-going works to be completed during the period of completion of the works for which bids are invited.

**Note:** *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 Engineer in charge, not below the rank of an Executive Engineer or equivalent.*

**4.7** Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:

- (i) made misleading or false representations in the forms, statements, affidavits and attachments submitted in proof of the qualification requirements; and/or
- (ii) evidence of confirmed record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, or financial failures etc.
- (iii) participated in the previous bidding for the same work and had quoted unreasonably high or low bid prices and could not furnish rational justification for it to the Employer.

**5. One Bid per Bidder**

5.1 Each Bidder shall submit only one Bid for one contract. A Bidder who submits more than one Bid will cause the bids with the Bidder's participation to be disqualified.

**6. Cost of Bidding**

6.1 The Bidder shall bear all costs associated with the preparation and submission of his Bid, and the Employer will, in no case, be responsible or liable for those costs.

**7. Site Visit**

7.1 The Bidder, at his own cost, responsibility and risk, is encouraged to visit, examine and familiarise himself with the Site of Works and its surroundings including source of earth, water, road aggregates etc. and obtain all information that may be necessary for preparing the Bid and entering into a contract for construction of the Works. The costs of visiting the Site shall be at the Bidder's own expense. He may contact the person whose contact details are given in the Bid Data Sheet.

***B. Bidding Documents***

**8. Content of Bidding Documents**

8.1 The set of bidding documents comprises the documents listed below and addenda issued in accordance with Clause 10 of ITB.

1. Invitation for Bids
2. Instructions to Bidders and Bid Data Sheet
3. Qualification Information
4. Conditions of Contract

(Part I General Conditions of Contract, and Contract Data; Part II Special Conditions of Contract)

5. Specifications
6. Drawings
7. Bill of Quantities
8. Form of Bid
9. Form of Acceptance, Form of Agreement, Issue of Notice to Proceed with the Work
10. Forms of Securities

8.2 The bid document is available online on the website <http://www.pmgstenders.gov.in>. The bid document can be downloaded free of cost, however, the bidder is required to submit demand draft towards cost of bid document in favour of the name given in Bid Data Sheet if he submits his bid online.

8.3 The bidder is expected to examine carefully all instructions, conditions of contract, contract data, forms, terms, conditions and specifications, bill of quantities, forms and drawings in the Bid Document. Failure to comply with the requirements of Bid Documents shall be at the bidder's own risk. Pursuant to clause 25 hereof, bids, which are not substantially responsive to the requirements of the Bid Documents, shall be rejected.

## 9. Clarification on Bidding Documents

9.1 The electronic bidding system provides for online clarification. A prospective bidder requiring any clarification may notify online the authority inviting the bid. The authority inviting bid will respond to any request(s) for clarification received earlier than 10 days prior to the deadline for submission of bids. Description of clarification sought and the response of the authority inviting the bid will be uploaded for information of the public or other bidders without identifying the source of request for clarification.

## 10. Amendment of Bidding Documents

10.1 Before the deadline for submission of bids, the Employer may modify the bidding documents by issuing online corrigendum. The corrigendum will appear on the web page of the website [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in) under "Latest Corrigendum" and email notification is also automatically sent to those bidders who have moved this tender to their "My Tenders" area.

10.2 Any addendum thus issued shall be part of the bidding documents and deemed to have been communicated to all the bidders who have moved this tender to their "My Tenders" area. In case of any addendum/corrigendum, the system will automatically send e-mails to all bidders who have downloaded the bidding document.

10.3 To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend, as necessary, the deadline for submission of bids, in accordance with Clause 20.2 of ITB.

### *C. Preparation of Bids*

#### **11. Language of Bid**

All documents relating to the Bid shall be in the language specified in the Bid Data Sheet.

#### **12. Documents Comprising the Bid**

**12.1** The Bid submitted by the Bidder shall be in two parts:

**Part I** This shall be named Technical Qualification Part of Bid and shall comprise of:

- i)** Form of bid for Part I of the bid, as per format given in Section 6 (to be submitted on line)
- ii)** The demand draft for the cost of the bidding documents.; Bid Security in any of the forms as specified in clause 16.2 of ITB;
- iii)** Authorized address and contact details of the Bidder having the following information:
  - Name of Firm
  - Address for communication:
  - Telephone No.(s): Office:
  - Mobile No.:
  - Facsimile (FAX) No.:
  - Electronic Mail Identification (E-mail ID):
- iv)** Qualification information, supporting documents, and undertaking as specified in Clause 4 of ITB.
- v)** Undertaking that the bid shall remain valid for the period specified in Clause 15.1 of ITB.
- vi)** Any other information/documents required to be completed and submitted by bidders, as specified in the Bid Data Sheet, and
- vii)** Acceptance of bidder for adhering to Special Conditions of Contract for ensuring implementation of ECoP Provisions [Refer to Section 4] on signing the contract, if awarded.
- viii)** An Affidavit affirming that information furnished in the bid is correct to the best of knowledge and belief of the bidder.

**Part II.** It shall be named Technical - Financial Part of Bid and shall comprise of:

- i)** Form of Bid for Part II of the bid as specified in Section 6;
- ii)** Priced bill of quantities for items specified in Section 7;

**12.2** The documents and details mentioned in clause 12.1 Part I above shall be submitted online on website [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in). Details and process of online submission of the tender and relevant documents are given in the website mentioned above. The above are to be submitted in the manner as prescribed below:

**(a)** The following details shall be entered on line in the prescribed formats:

- i)** Form of bid for Technical Qualification Part I of the bid, as per format given in Section 6.
- ii)** Form of bid for Technical-Financial Part II of the bid, as per format given in Section 6. The entry of rates for individual items of work shall be made by the bidder on line.

**(b)** Scanned copies of the following documents shall be uploaded on the website [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in) at the appropriate place.

- i)** Demand Draft towards the Cost of Bid Document (Clause 8.2 of ITB)
- ii)** Bid Security in any of the forms specified in ITB (Clause 16 of ITB)
- iii)** Copy of PAN Card issued by Income Tax Authorities (Clause 4.4 of ITB)
- iv)** Contractor Registration certificate (Clause 3 of ITB)
- v)** Evidence of access to line of credit (Clause 4.4 of ITB)
- vi)** Annual Turnover Certificate from chartered Accountant for last five financial years forms with breakup of civil works and total works in each financial year. (Clause 4.4 of ITB)
- vii)** Joint Venture Agreement, in case of Joint Venture. (Clause 3 of ITB)
- viii)** Affidavit regarding correctness of certificates (Clause 4.4 of ITB)
- ix)** Any other documents as specified by the State in the Bid Data Sheet

**(c)** Scanned copies of the Certificates showing details of similar nature of works, work in hand and machineries owned or possessed on hire should be uploaded after converting the same to PDF.

- i)** Similar nature of works executed (Clause 4.4 of ITB)

- ii) Works in hand(Clause 4.4 of ITB)
- iii) Machineries owned/brought on hire(Clause 4.4 of ITB)

**(d) Submission of Original Documents:** The bidders are required to submit (i) original demand draft towards the cost of bid document and (ii) original bid security in approved form and (iii) original affidavit regarding correctness of information furnished with bid document as per provisions of Clause 4.4 B (ii) of ITB with the office specified in the Bid Data Sheet, on a date not later than two working days after the opening of technical qualification part of the Bid, either by registered post or by hand, failing which the bids will be declared non-responsive.

### **13. Bid Prices**

**13.1** The Contract shall be for the whole Works, as described in Clause 1.1 of ITB, based on the priced Bill of Quantities submitted by the Bidder online.

**13.2** The bidders shall make online entries to fill in rates in bill of quantities. Upon numerical entry, the amount in words would automatically appear and upon entry of rates in all the items of work, total bid price would automatically be calculated by the system and would be displayed. The items for which no rate or price is entered by the Bidder 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.

**13.3** All duties, taxes, royalties and other levies payable by the Contractor under the Contract, or for any other cause, shall be included in the rates, prices, and total Bid price submitted by the Bidder.

Note: *“Bidders may like to ascertain availability of excise/custom duty exemption benefits available in India to the contracts financed under World Bank loan/credits. They are solely responsible for obtaining such benefits which they have considered in their bid and in case of failure to receive such benefits for reasons whatsoever, the employer will not compensate the bidder (contractor). Where the bidder has quoted taking into account such benefits, he must give all information required for issue of certificates in terms of such notifications as per form attached to the Qualification Information in the bid. To the extent the employer determines the quantity indicated therein are reasonable keeping in view the bill of quantities, construction programme and methodology, the certificates will be issued within 60 [sixty] days of signing of contract and no subsequent changes will be permitted. No certificate will be issued for items where no quantity/capacity of equipment is indicated in the statement. The bids which do not conform to the above provisions will be treated as non responsive and rejected.*

*Any delay in procurement of the construction equipment /machinery/goods as a result of the above shall not be a cause for granting any extension of time."*

**13.4** The rates and prices quoted by the Bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment.

**14. Currencies of Bid**

**14.1** The unit rates and the prices shall be quoted by the bidder entirely in Indian Rupees.

**15. Bid Validity**

**15.1** Bids shall remain valid for a period of not less than ninety days after the deadline date for bid submission specified in Bid Data Sheet. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.

**15.2** In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the bidders may extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by cable. A bidder may refuse the request without forfeiting his Bid Security. A bidder agreeing to the request will not be required or permitted to modify his bid, but will be required to extend the validity of his bid security for a period of the extension, and in compliance with Clause 16 of ITB in all respects.

**16. Bid Security**

**16.1** The Bidder shall furnish, as part of the Bid, Bid Security, in the amount specified in the Bid Data Sheet. This bid security shall be in favour of the authority mentioned in the Bid Data Sheet and shall be valid for 45 days beyond the validity of the bid

**16.2** At the Bidder's option, the bid security shall be in the form of Fixed Deposit Receipt (FDR) or Demand Draft (DD) of a scheduled commercial bank, issued in favour of the name given in the Bid Data Sheet. The Fixed Deposit Receipt shall be valid for at least six months after the deadline date of receipt of bids. Any other forms of Bid Security acceptable to the Employer are stated in the Bid Data Sheet.

**16.3** Any bid not accompanied by an acceptable Bid Security and not secured as indicated in sub-clause 16.1 and 16.2, shall be rejected by the Employer as non-responsive.

- 16.4** The Bid Security of unsuccessful bidders will be returned as promptly as possible but not later than 30 days after the successful bidder has signed the contract and furnished the performance security.
- 16.5** The Bid Security of the successful Bidder will be discharged when the Bidder has signed the Agreement and furnished the required Performance Security.
- 16.6** The Bid Security may be forfeited:
- a) if the Bidder withdraws the Bid after bid opening (opening of technical qualification part of the bid) during the period of Bid validity;
  - b) in the case of a successful Bidder, if the Bidder fails within the specified time limit to:
    - i. sign the Agreement; and/or
    - ii. furnish the required Performance Security.

**17. Alternative Proposals by Bidders**

- 17.1** Bidders shall submit offers that comply with the requirements of the bidding documents, including the Bill of Quantities and the basic technical design as indicated in the drawings and specifications. Alternatives will not be considered.

*D. Online Submission of Bids*

**18. Bidding through E-Tendering System:**

- 18.1** The bidding under this contract is electronic bid submission through website [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in). Detailed guidelines for viewing bids and submission of online bids are given on the website. The Invitation for Bids under PMGSY is published on this website. Any citizen or prospective bidder can logon to this website and view the Invitation for Bids and can view the details of works for which bids are invited. The perspective bidder can submit bids on line; however, the bidder is required to have enrolment/registration in the website and should have valid Digital Signature Certificate (DSC) in the form of smart card/e-token. The DSC can be obtained from any authorised certifying agencies. The bidder should register in the web site [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in) using the relevant option available. Then the Digital Signature registration has to be done with the e-token, after logging into the site. After this, the bidder can login the site through the secured login by entering the password of the e-token & the user id/ password chosen during

registration.

After getting the bid schedules, the Bidder should go through them carefully and then submit the documents as asked, otherwise, the bid will be rejected.

**18.2** The completed bid comprising of documents indicated in ITB clause 12, should be uploaded on the website given above through e-tendering along with scanned copies of requisite certificates as are mentioned in different sections in the bidding document and scanned copy of bid security in case it is provided in the form of DD/FDR.

**18.3** The bidder shall furnish information as described in the Form of Bid on commissions or gratuities, if any, paid or to be paid to agents relating to the Bid, and to contract execution if the bidder is awarded the contract.

**19. Electronic Submission of Bids:**

**19.1** The bidder shall submit online two separate files. Part I, marked as Part I: Technical Qualification Part and Part II; marked as Part II: Technical-Financial Part. The above files will have markings as given in the Bid Data Sheet.

The contents of the Technical Qualification and Technical Financial bid shall be as specified in clause 12 of the ITB. All the documents are required to be signed digitally by the bidder. After electronic on line bid submission, the system generates a unique bid identification number which is time stamped. This shall be treated as acknowledgement of bid submission.

**20. Deadline for Submission of Bids**

**20.1** Complete Bids in two parts as per clause 19 above must be received by the Employer online not later than the date and time indicated in the Bid Data Sheet. In the event of the specified date for the submission of bids being declared a holiday for the Employer, the Bids will be received up to the specified time on the next working day.

**20.2** The Employer may extend the deadline for submission of bids by issuing an amendment in accordance with Clause 10.3 of ITB, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will then be subject to the new deadline.

**21. Modification/Withdrawal/Late Bids:**

- 21.1** The electronic bidding system would not allow any late submission of bids after due date & time as per server time.
- 21.2** Bidders may modify their bids by uploading their request for modification before the deadline for submission of bids. For this the bidder need not make any additional payment towards the cost of tender document. For bid modification and consequential re-submission, the bidder is not required to withdraw his bid submitted earlier. The last modified bid submitted by the bidder within the bid submission time shall be considered as the bid. For this purpose, modification/withdrawal by other means will not be accepted. In on line system of bid submission, the modification and consequential re-submission of bids is allowed any number of times. The bidders may withdraw his bid by uploading their request before the deadline for submission of bids, however, if the bid is withdrawn, the re-submission of the bid is not allowed.
- 21.3** No bid shall be modified or withdrawn after the deadline of submission of bids.
- 21.4** Withdrawal or modification of a bid between the deadline for submission of bids and the expiration of the original period of bid validity specified in clause 15.1 above or as extended pursuant to Clause 15.2 may result in the forfeiture of the bid security pursuant to Clause 16.

*E. Bid Opening and Evaluation*

**22. Bid Opening**

- 22.1** The Employer inviting bids or its authorized representatives will open the bids online and this could be viewed by the bidders also online. In the event of the specified date for the opening of bids being declared a holiday for the Employer, the bids will be opened at the appointed time on the next working day.
- 22.2** The file containing the Part I of the bid will be opened first.
- 22.3** In all cases, the amount of bid security, cost of bid documents, and validity of the bid shall be scrutinized. Thereafter, the bidders' name and such other details as the Employer may consider appropriate, will be notified as Part I bid opening summary by the authority inviting bids at the on line opening. A separate electronic summary of the opening is generated and kept online.

- 22.4** The Employer will also prepare minutes of the Bid opening, including the information disclosed in accordance with Clause 22.3 of ITB and upload the same for viewing online.
- 22.5** Evaluation of Part I of bids with respect to bid security, qualification information and other information furnished in Part I of the bid in pursuant to Clause 12.1 of ITB, shall be taken up and completed within five working days of the date of bid opening, and a list will be drawn up of the qualified bidders whose Part II of bids will be eligible for opening.
- 22.6** The result of evaluation of Part I of the Bids shall be made public on e-procurement following which there will be a period of 5 working days during which any bidder may submit complaint which shall be considered for resolution before opening of Part II of the bid. Any complaint shall be dealt with in accordance with complaint handling protocol as available on the e-procurement portal, [www.pmgstenders.gov.in](http://www.pmgstenders.gov.in).
- 22.7.** The Employer shall inform, the bidders, who have qualified during evaluation of Part I of bids, of the date, time of online opening of Part II of the bid, if the specified date of opening of financial bid is changed. In the event of the specified date being declared a holiday for the Employer, the bids will be opened at the appointed time and location on the next working day.
- 22.8** Part II of bids of only these bidders will be opened online, who have qualified in Part I of the bid. The bidders' names, the Bid prices, the total amount of each bid, and such other details as the Employer may consider appropriate will be notified online by the Employer at the time of bid opening. Any Bid price, which is not declared and recorded, will not be taken into account in Bid Evaluation
- 22.9** The Employer shall prepare the minutes of the online opening of Part II of Bids and upload the same for viewing online.

**23. Process to be Confidential**

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

**24. Clarification of Bids and Contacting the Employer**

**24.1** No Bidder shall contact the Employer on any matter relating to its bid from the time of the bid opening to the time the contract is awarded. If the bidder wishes to bring additional information to the notice of the Employer, it should do so in writing.

**25. Examination of Bids and Determination of Responsiveness**

**25.1** During the detailed evaluation of Part I of Bids, the Employer will determine whether each Bid (a) meets the eligibility criteria defined in Clauses 3 and 4; (b) has been properly signed; (c) is accompanied by the required securities; and (d) is substantially responsive to the requirements of the bidding documents. During the detailed evaluation of Part II of Bids, the responsiveness of the bids will be further determined with respect to the remaining bid conditions, i.e., priced bill of quantities, technical specifications and drawings.

**25.2** A substantially responsive bid is one which conforms to all the terms, conditions, and specifications of the bidding 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 bidding documents, the Employer's rights or the Bidder's obligations under the Contract; or (c) whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids.

**25.3** If a bid 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.

**26 Evaluation and Comparison of Bids**

**26.1** The Employer will evaluate and compare only the bids determined to be substantially responsive in accordance with Clause 25 of ITB. In evaluating the bids, the Employer will determine for each bid the evaluated bid price by adjusting the bid price through making an appropriate adjustment for any other acceptable variation, deviations or price modifications offered in accordance with sub-clause 22.5.

**26.2** 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 bidding document or otherwise result in unsolicited benefits for the Employer shall not be taken into account.

- 26.3** If the Bid of the successful Bidder is seriously unbalanced in relation to the Engineer's estimate of the cost of work to be performed under the contract, the Employer may require the Bidder 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 30 of ITB be increased at the expense of the successful Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract. The amount of the increased performance security shall be decided at the sole discretion of the Employer, which shall be final, binding and conclusive on the bidder.
- 26.4** If the Bid of the successful Bidder is seriously unbalanced in relation to the Engineer's estimate of the cost of routine maintenance of works to be performed for five years under the contract, the Employer may require the Bidder to produce detailed price analyses for routine maintenance. After its evaluation, the Employer may require that the amount of the performance security set forth in Clause 30 be increased at the expense of the successful Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract. The amount of the increased performance security shall be decided at the sole discretion of the Employer, which shall be final, binding and conclusive on the bidder.
- 26.5** To assist in the examination, evaluation and comparison of bids, the Employer may, at his discretion, ask any bidder for providing clarification of his bid, including breakdown of the unit rates within five days from the clarification seeking date. The request for clarification and the response shall be in writing or by cable but no change in the price or substance of the bid shall be sought, offered, permitted. If clarification is not provided within the stipulated time period, the bid will be declared non-responsive.

#### *F. Award of Contract*

#### **27. Award Criteria**

- 27.1** Subject to Clause 29 of ITB, the Employer will award the Contract to the Bidder whose Bid has been determined:

- i. to be substantially responsive to the bidding documents and who has offered the lowest evaluated Bid price, provided that such Bidder has been determined to be (a) eligible in accordance with the provisions of Clause 3 of ITB, and (b) qualified in accordance with the provisions of Clause 4 of ITB; and
- ii. to be within the available bid capacity adjusted to account for his bid price which is evaluated the lowest.

**28. Employer's Right to accept any Bid and to reject any or all Bids:**

**28.1** The Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders, In case of annulment, all bids submitted and specifically, bid securities, shall be promptly returned to the Bidders

**29. Notification of Award and Signing of Agreement.**

**29.1** The bidder whose Bid has been accepted will be notified of the award by the Employer prior to expiration of the Bid validity period by cable or facsimile confirmed by registered letter. This letter (hereinafter and in the Part I *General Conditions of Contract* called the "Letter of Acceptance") will state the sum that the Employer will pay to the Contractor in consideration of the execution, completion and the routine maintenance of the works for five years, by the Contractor as prescribed by the Contract (hereinafter and in the Contract called the "Contract Price").

**29.2.** The notification of award will constitute the formation of the Contract, subject only to the furnishing of a performance security in accordance with the provisions of Clause 30.

**29.3.** The Contract will incorporate all agreements between the Employer and the successful Bidder. It will be signed by the Employer and the successful Bidder after the performance security is furnished.

**29.4** Upon the furnishing by the successful Bidder of the Performance Security, the Employer will promptly notify the other Bidders that their Bids have been unsuccessful.

**29.5** The website has provision to display the details of award of work. The Employer shall publish on the website the result identifying the bid and the following information: (a) name of each bidder who submitted a bid;

(b) bid prices as announced online during the bid opening of Part II of the bids; (c) name and evaluated prices of each bid; (d) name of bidders whose bids were rejected during evaluation of either Part I or Part II of the bids and the reasons for their rejection; and (e) name of the bidder who has been awarded the work, the price offered and summary scope of the work.

### **30. Performance Security**

**30.1** The successful bidder/contractor shall provide to the Employer a total Performance Security of five percent of the Contract Price covering the time period of completion of construction work plus 5 years for maintenance period plus additional security for unbalanced bids in accordance with clause 26.3 and 26.4 of ITB and Clause 46 Part 1 General Conditions of Contract.

Within 15 days after receipt of Letter of Acceptance but before signing the contract, a Performance Security of two and a half percent of Contract Price plus additional security for unbalanced bids in accordance with clause 26.3 and 26.4 of ITB and Clause 46 Part 1 General Conditions of Contract shall be delivered by the successful bidder to the Employer.

The Employer shall retain remaining two and a half percent of Performance Security from each payment due to the contractor until completion of the whole of the construction works (except advance payment as per Clause 45 of General Conditions of Contract).

**30.2** Performance Security of two and a half percent to be delivered by the successful bidder after the receipt of letter of acceptance shall be either in form of a Bank Guarantee or Fixed Deposit receipts in the name of Employer, from a scheduled commercial bank.

If the Performance Security is in the form of a Bank Guarantee, the period of validity of Bank Guarantee of two and a half percent of Contract Price could be one year initially, however, the bidder/contractor shall get this Bank Guarantee extended in such a way that an amount equal to the requisite performance security is always available with Employer until 45 days after the lapse of Defect Liability Period. If the bidder/contractor fails to maintain above Performance Security, the Employer would recover the same from any dues payable to the Contractor; otherwise it shall be a debt due from the contractor.

**30.3** Failure of successful bidder to comply with the requirement of delivery of Performance Security of two and a half percent of Contract Price plus

additional security for unbalanced bids as per provisions of Clause 30.1 shall constitute a breach of contract, and the Employer may resort to awarding the contract to the next ranked bidder. Such successful bidder who fails to comply with the above requirements is liable to be debarred from participating in bids under PMGSY for a period of one year.

**31. Advances**

**31.1** The Employer will provide Mobilization Advance and Advance against the security of equipment as provided in Part I General Conditions of Contract.

**32. Adjudicator**

**32.1** The Employer proposes that a person mentioned in the Bid Data sheet be appointed as Adjudicator under the contract for a daily fee as mentioned in the Bid Data Sheet plus reimbursable expenses. If the bidders disagree with this proposal, the Bidder should so state in the Bid and propose the name of the Adjudicator. If in the Letter of Acceptance, the Employer has not agreed on this appointment of the Adjudicator, the Adjudicator shall be appointed by Chairman of the Executive Committee of the Indian Roads Congress at the request of either party.

**33. Fraud and Corruption:**

**33.1** The Employer/Financier requires that all parties (including Employer, as well as Bidders/ Suppliers/Contractors) under the contracts financed by the Financier, observe the highest standard of ethics during the procurement and execution of such contracts<sup>1</sup>. In pursuance of this policy, the Employer /Financier:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
  - (i) “corrupt practice” is the offering, giving, receiving to soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party<sup>2</sup>;

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<sup>1</sup>In this context, any action taken by a bidder, supplier, contractor, or a sub-contractor to influence the procurement process or contract execution for undue advantage is improper.

<sup>2</sup>“another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes Financier staff and employees of other organizations taking or reviewing procurement decisions.

- (ii) “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation<sup>3</sup>;
  - (iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party <sup>4</sup>;
  - (iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party<sup>5</sup>;
  - (v) “obstructive practice” is
    - (aa) Deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede the Financier investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
    - (bb) acts intended to materially impede the exercise of the Financier inspection and audit rights provided for under sub-clause 33.1 (e) below.
- (b) will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

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<sup>3</sup> a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

<sup>4</sup> “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

<sup>5</sup> a “party” refers to a participant in the procurement process or contract execution.

- (c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practice during the procurement or the execution of that contract, without the Employer having taken timely and appropriate action satisfactory to the Financier to address such practices when they occur.
- (d) will sanction a firm or an individual, at any time, in accordance with prevailing Financier's sanctions procedure<sup>a</sup> including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time, (i) to be awarded a contract financed by the Financier, and (ii) to be nominated<sup>b</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a contract financed by the Financier; and<sup>33.2</sup> In further pursuance of this policy, Bidders shall permit the Financier to inspect any accounts and records and other documents relating to the Bid submission and contract performance, and to have them audited by the auditors appointed by the Financier.

**33.3** Furthermore, Bidders shall be aware of the provisions stated in Clause 23.2, Clause 52.2 (i) and Clause 61 of the Conditions of Contract.

**33.4** The Employer further requires the bidders/Contractors to strictly observe the laws against fraud and corruption in force in India, namely, Prevention of Corruption Act, 1988.

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*a A firm or an individual may be declared ineligible to be awarded a Bank-financed contract upon completion of the Bank's sanctions proceedings as per its sanctions procedures, including inter alia: (i) temporary suspension in connection with an ongoing sanctions proceeding; (ii) cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks; and (iii) the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption.*

*b A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which either has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that are accounted for in the evaluation of the bidder's pre-qualification application or the bid; or (ii) appointed by the Borrower.*



4.4 B (a) (iii) Other certificates required with the bid are:

4.4. B (b)(i) The key equipments for road works and field testing laboratory Road Works are:  
**For Road Works**

Name of the Equipment      Quantity

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**For field testing Laboratory**

Name of the Equipment      Quantity

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Note: (a) The bidder must produce the following documentary evidence in support of his owning the above equipment:

4.4 B (b)( ii) **The Number of Technical personnel, Qualifications and Experience will be as follows :**

**A. The Technical Personnel for construction are:**

| S. No. | Technical Position | Personnel Qualification | Number | Experience in Road Works |
|--------|--------------------|-------------------------|--------|--------------------------|
|        |                    |                         |        |                          |

**B. For field testing laboratory;**

| S. No. | Position | Qualification | Number | Experience in Rural Works |
|--------|----------|---------------|--------|---------------------------|
|        |          |               |        |                           |

**C. For Routine Maintenance Work**

| S. No. | Position | Qualification | Number | Experience in Rural Works |
|--------|----------|---------------|--------|---------------------------|
|        |          |               |        |                           |

4.4 B (b)(iii)

The minimum amount of liquid assets and/or credit facilities net of other contractual commitments of the successful Bidder shall be \_\_\_\_\_

*[Note: Usually the equivalent of estimated payments flow over 2 months at the average (straight line distribution) construction rate.]*

4.6 M.....[Insert the factor, if necessary]

7.1 The contact person is:  
Designation:  
Address:  
Telephone No.

8.2 The name in favour of which the demand draft towards cost of bid document is to be made:

.....

11.1 Language of the bid is:

12.1 The other documents required are:

Part I (iv) -----  
12.2 (b)(ix) -----

12.2 (d) The office where the original documents are to be submitted:  
.....  
.....  
.....

13.2. Bids must be submitted in **Item Rate Method**

15.1 Bid validity date:\_\_\_\_\_

16.1 The Bid Security amount is Rs\_\_\_\_\_  
In favour of .....  
.....  
.....

16.2 Fixed Deposit Receipt or Demand Draft must be drawn:  
In favour of:\_\_\_\_\_. No other forms  
of bid security are acceptable.

16.2 Other acceptable forms of Bid Security pledged in favour of  
\_\_\_\_\_ are \_\_\_\_\_

19.1 The files will have markings as given below:  
  
Technical Qualification Part of Bid:  
To be opened on ..... (date) at..... (time).  
  
Technical-Financial Part of Bid:  
To be opened on ..... (date) at..... (time).

20.1 The Employer's address for the purpose of Bid submission is  
\_\_\_\_\_  
\_\_\_\_\_ [insert the receiving address  
provided in the Invitation for Bids.]

20.1 The deadline for submission of bids shall be:  
Time \_\_\_\_\_  
Date \_\_\_\_\_

22.1 & 22.8      The date, time and place for opening of the Technical Qualification Part of Bids are:  
PART I Technical Qualification Part of the Bid

Date  
Time  
Place

PART II Technical-Financial Part of the Bid (For qualified bidders as)

Date  
Time  
Place

32.1      Name of Adjudicator :

Address of Adjudicator

Amount per Day Rs. .... plus reimbursable expenses

**Signature of Employer/ Authorised Signatory**

Date

## **Annexure I to ITB**

### **Provisions Required to be Included in the Joint Venture Agreement**

1. If the application is made by a joint venture of two or more firms, the evidence of clear mandate (i.e. in the form of respective Board Resolution duly authenticated by competent authority) by such two or more firms willing to form Joint Venture among themselves for the specified projects should accompany duly recognising their respective authorised signatories signing for and on behalf of the respective Firms for the purpose of forming the Joint Venture.
2. In the event of default by any partner, in the execution of his part of the Contract, the Employer shall be so notified within 30 days by the partner-in-charge, or in the case of the partner-in-charge being the defaulter, by the partner nominated as partner-in-charge of the remaining Joint Venture. The partner-in-charge shall, within 60 days of the said notice, assign the work of the defaulting partner to any other equally competent party acceptable to the Employer to ensure the execution of that part of the Contract, as envisaged at the time of bid. Failure to comply with the above provisions will make the Contractor liable for action by the Employer under the Conditions of Contract. If the Most Experienced i.e. Lead Partner defined as such in the Communication approving the qualification defaults, it shall be construed as default of the Contractor; and the Employer will take action under the Conditions of Contract.
3. Notwithstanding the permission to assigning the responsibilities of the defaulting partner to any other equally competent party acceptable to the Employer as mentioned in Clause 4.3 (e) of ITB all the partners of the Joint Venture will retain the full and undivided responsibility for the performance of their obligations under the Contract and/ or for satisfactory completion of the Works.
4. A certified copy of the power of attorney in favour of the authorized representatives, signed by legally authorized signatories of all the firms of the joint venture shall accompany the application. The JV Agreement shall be signed by the authorized representative of the joint venture. The JV Agreement shall need to be submitted consisting but not limited to the following provisions:
  - a. Name, style and Project(s) specific JV with Head Office address
  - b. Extent (or Equity) of participation of each party in the JV
  - c. Commitment of each party to furnish the Bond money (i.e. Bid Security, Performance Security and security for Mobilisation advance) to the extent of his participation in the JV
  - d. Responsibility of each Partner of JV (in terms of Physical and Financial involvement)

- e.** Working Capital arrangement of JV
- f.** Operation of separate Bank account in the name of JV to be operated by at least one foreign partner and one local partner in case of JV where foreign partners are involved. In case of JV among local partners, both the partners are required to operate.
- g.** Provision for cure in case of non-performance of responsibility by any party of the JV.
- h.** Provision that NEITHER party of the JV shall be allowed to sign, pledge, sell or otherwise dispose all or part of its respective interests in JV to any party including existing partner(s) of the JV. The Employer derives right for any consequent action (including blacklisting) against any or all JV partners in case of any breach in this regard.
- i.** Management Structure of JV with details
- j.** Lead Partner to be identified who shall be empowered by the JV to incur liabilities on behalf of JV
- k.** Parties/firms committing themselves to the Employer for jointly and severally responsible for the intended works.
- l.** The Power of Attorney shall be duly notarized.
- m.** Any other relevant details

## **SECTION 3**

### **QUALIFICATION INFORMATION**

### Notes on Form of Qualification Information

The information to be filled in by bidders in the following pages will be used for purposes of post-qualification as provided for in Clause 4 of the Instructions to Bidders. This information will not be incorporated in the Contract. Attach additional pages as necessary.

**1. Individual Bidders**

| <p><b>1.1</b> Constitution or legal status of Bidder</p> <p>Place of registration: _____</p> <p>Principal place of business: _____</p> <p>Power of attorney of signatory of Bid</p>   | <p><i>[attach copy]</i></p><br><br><p><i>[attach]</i></p>   |                     |                   |                     |                             |                               |                             |  |                           |  |  |  |  |  |  |  |  |  |  |
|---|---|---------------------|-------------------|---------------------|-----------------------------|-------------------------------|-----------------------------|--|---------------------------|--|--|--|--|--|--|--|--|--|--|
| <p><b>1.2</b> Total annual volume of civil engineering construction work executed and payments received in the last five years preceding the year in which bids are invited. (Attach certificate from Chartered Accountant)</p>   | <p><b>(Rs. In lakhs)</b></p> <p>Year- _____</p> <p>Year- _____</p> <p>Year- _____</p> <p>Year- _____</p> <p>Year- _____</p> |                     |                   |                     |                             |                               |                             |  |                           |  |  |  |  |  |  |  |  |  |  |
| <p><b>1.3.1</b> Work performed as prime Contractor (in the same name and style) on construction works of a similar nature and volume over the last five years. Attach certificate from the Engineer-in-charge</p>   |   |                     |                   |                     |                             |                               |                             |  |                           |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 8%;">Project Name</th> <th style="width: 10%;">Name of Employer</th> <th style="width: 12%;">Description of work</th> <th style="width: 8%;">Value of contract</th> <th style="width: 7%;">Contract No.</th> <th style="width: 8%;">Date of Issue of Work Order</th> <th style="width: 8%;">Stipulated Date of Completion</th> <th style="width: 8%;">Actual Date of Completion</th> <th style="width: 14%;">Remarks explaining reasons for Delay, if any</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> |   | Project Name        | Name of Employer  | Description of work | Value of contract           | Contract No.                  | Date of Issue of Work Order | Stipulated Date of Completion                | Actual Date of Completion | Remarks explaining reasons for Delay, if any |  |  |  |  |  |  |  |  |  |
| Project Name  | Name of Employer  | Description of work | Value of contract | Contract No.        | Date of Issue of Work Order | Stipulated Date of Completion | Actual Date of Completion   | Remarks explaining reasons for Delay, if any |                           |  |  |  |  |  |  |  |  |  |  |
|   |   |                     |                   |                     |                             |                               |                             |  |                           |  |  |  |  |  |  |  |  |  |  |

**1.3.2** Information on Bid Capacity (works for which bids have been submitted and works which are yet to be completed) as on the date of this bid.

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

| Description of Work | Place & State | Contract No & Date | Name & Address of Employer | Value of Contract (Rs. In lakhs) | Stipulated period of completion | Value of works remaining to be completed (Rs. Lakhs) * | Anticipated Date of completion |
|---------------------|---------------|--------------------|----------------------------|----------------------------------|---------------------------------|--|--------------------------------|
| (1)                 | (2)           | (3)                | (4)                        | (5)                              | (6)                             | (7)  | (8)                            |
|                     |               |                    |                            |                                  |                                 |  |                                |

\* Enclose certificate(s) from Engineer(s)-in-charge for value of work remaining to be completed.

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

| Description of Work | Place & State | Name & Address of Employer | Estimated Value of Works (Rs. Lakhs) | Stipulated period of completion | Date when decision is expected | Remarks, if any |
|---------------------|---------------|----------------------------|--------------------------------------|---------------------------------|--------------------------------|-----------------|
| (1)                 | (2)           | (3)                        | (4)                                  | (5)                             | (6)                            | (7)             |
|                     |               |                            |                                      |                                 |                                |                 |

**1.4** Availability of Major items of Contractor's Equipment proposed for carrying out the Works. List all information requested below. Refer also to Clause 4.2(d) and Clause 4.4 B (b) of the Instructions to Bidders.

| Item of Equipment | Description, make, and age (Years), and capacity | Condition (new, good, poor) and number available | Owned, leased (from whom?), or to be purchased |
|-------------------|--|--|--|
|                   |  |  |  |

**1.5** Qualifications of technical personnel proposed for the Contract. Refer also to Clause 4.2(e) of the Instructions to Bidders and Clause 9.1 of Part-1 General Conditions of Contract.

| Position | Name | Qualification | Years of experience |              |       |
|----------|------|---------------|---------------------|--------------|-------|
|          |      |               | Road Works          | Bridge Works | Other |
|          |      |               |                     |              |       |

**1.6** Proposed sub-contractors and firms involved in construction. Refer to Clause 7 of Part I General Conditions of Contract.

| Sections of the Works | Value of subcontract | Sub-contractor (name and address) | Experience in similar work |
|-----------------------|----------------------|-----------------------------------|----------------------------|
|                       |                      |                                   |                            |

Note: The capability of the sub-Contractor will also be assessed (on the same lines as for the main Contractor) before according approval to him.

**1.7** Financial reports for the last five years: balance sheets, profit and loss statements, auditors' reports, etc. List below and attach copies.

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**1.8** Evidence of access to financial resources to meet the qualification requirements: cash in hand, lines of credit, etc. List below and attach copies of support documents. (Sample format attached).

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**1.9** Name, address, and telephone and facsimile numbers of banks that may provide references if contacted by the Employer.

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**1.10** Information on current litigation in which the Bidder is involved.

| Name of Other party(s) | Matter of dispute | Litigation where (Court/arbitration) | Amount involved |
|------------------------|-------------------|--------------------------------------|-----------------|
|                        |                   |                                      |                 |

**1.11** Proposed Programme (work method and schedule). Descriptions, drawings, and charts as necessary, to comply with the requirements of the bidding documents.

**2. Joint Ventures**

**3. Additional Requirements**

**SAMPLE FORMAT FOR EVIDENCE OF  
ACCESS TO OR AVAILABILITY OF CREDIT FACILITIES**

**BANK CERTIFICATE\***

This is to certify that M/S ----- is a reputed company with a good financial standing.

If the contract for the work, namely, \_\_\_\_\_ is awarded to the above firm, we shall be able to provide overdraft/credit facilities to the extent of Rs. \_\_\_\_\_ to meet their working capital requirements for executing the above contract.

Signature of Senior Bank Manager \_\_\_\_\_  
Name of the Senior Bank Manager \_\_\_\_\_  
Address of the Bank -----

Stamp of the Bank

Note: Certificate should be on the letter head of the bank.

**\* Change the text as follows for Joint venture:**

*This is to certify that M/s. .... who has formed a JV with M/s. .... and M/s. .... for participating in this bid, is a reputed company with a good financial standing.*

*If the contract for the work, namely ..... [funded by the World Bank] is awarded to the above Joint Venture, we shall be able to provide overdraft/credit facilities to the extent of Rs. .... to M/s. .... to meet the working capital requirements for executing the above contract.*

*[This should be given by each of the JV members in proportion to their financial participation.]*

## **SECTION 4**

### **PART - I GENERAL CONDITIONS OF CONTRACT**

### **PART - II SPECIAL CONDITIONS OF CONTRACT**

*These conditions are subject to the variations and additions  
set out in Part-II Special Conditions of Contract*

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## Part I General 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. Capital initials are used to identify defined terms.

**The Adjudicator** is the person appointed jointly by the Employer and the Contractor to resolve disputes in the first instance, as provided in the Contract Data.

**Bill of Quantities** means the priced and completed Bill of Quantities forming part of the Bid.

**Compensation Events** are those defined in Clause 40 hereunder.

**The Completion Date** is the date of completion of the Works as certified by the Engineer, in accordance with Clause 48.1.

**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 2.3.

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

**The Contractor** is a person or corporate body whose Bid to carry out the Works, including routine maintenance, has been accepted by the Employer.

**The Contractor's Bid** is the completed bidding 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 Certificate** is the certificate issued by the Engineer, after the Defect Liability Period has ended and upon correction of Defects by the Contractor.

**The Defects Liability Period** is five years calculated from the Completion Date.

**Drawings** include calculations and other information provided or approved by the Engineer for the execution of the Contract.

**The Employer** is the party as defined in the Contract Data, who employs the Contractor to carry out the Works, including routine maintenance. The Employer may delegate any or all functions to a person or body nominated by him for specified functions.

**The Engineer** is the person named in the Contract Data (or any other competent person appointed by the Employer and notified to the Contractor, to act in replacement of the Engineer) who is responsible for supervising the execution of the Works and administering the Contract.

**Equipment** is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works, and to undertake routine maintenance as per provisions of the contract.

**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 construction works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Engineer by issuing an extension of time.

**Materials** are all supplies, including consumables, used by the Contractor for incorporation in the Works and works of routine maintenance.

**Plant** is any integral part of the Works that shall have a mechanical, electrical, electronic, chemical, or biological function.

**Routine Maintenance** is the maintenance of roads for five years as specified in the Contract Data.

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

**Site Investigation Reports** are those that were included in the bidding documents and are reports about the surface and subsurface conditions at the Site.

**Specifications** means the Specifications of the Works included in the Contract and any modification or addition made or approved by the Engineer.

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 **Sub-Contractor** is a person or corporate body who has a Contract with the Contractor to carry out a part of the construction work and/or routine maintenance in the Contract, which includes work on the Site.

**Temporary Works** are works designed, constructed, installed, and removed by the Contractor that are needed for construction or installation of the Works.

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

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

## 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 Engineer will provide instructions clarifying queries about these Conditions of Contract.
- 2.2 If sectional completion is specified in the Contract Data, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion Date for the whole of the Works).

**2.3** The documents forming the Contract shall be interpreted in the following order of priority:

- (1) Agreement,
- (2) Letter of Acceptance,
- (3) Notice to Proceed with the Work ,
- (4) Contractor's Bid,
- (5) Contract Data,
- (6) Special Conditions of Contract Part II,
- (7) General Conditions of Contract Part I,
- (8) Specifications,
- (9) Drawings,
- (10) Bill of Quantities, and
- (11) Any other document listed in the Contract Data.

### **3. Language and Law**

**3.1** The language of the Contract and the law governing the Contract are stated in the Contract Data.

### **4. Engineer's Decisions**

**4.1** Except where otherwise specifically stated, the Engineer will decide contractual matters between the Employer and the Contractor in the role representing the Employer. However, if the Engineer is required under the rules and regulations and orders of the Employer to obtain prior approval of some other authorities for specific actions, he will so obtain the approval, before communicating his decision to the Contractor.

**4.2** Except as expressly stated in the Contract, the Engineer shall not have any authority to relieve the Contractor of any of his obligations under the contract.

### **5. Delegation**

**5.1** The Engineer, with the approval of the Employer, may delegate any of his duties and responsibilities to other person(s), except to the Adjudicator, after notifying the Contractor, and may cancel any delegation after notifying the Contractor.

### **6. Communications**

All certificates, notices or instructions to be given to the Contractor by

Employer/ Engineer shall be sent on the address or contact details given by the Contractor in Section 6 - Form of Bid. The address and contact details for communication with the Employer/ Engineer shall be as per the details given in Contract Data. Communications between parties that are referred to in the conditions shall be in writing. The Notice sent by facsimile (fax) or other electronic means shall be effective on confirmation of the transmission. The Notice sent by Registered post or Speed post shall be effective on delivery or at the expiry of the normal delivery period as undertaken by the postal service.

## **7. Subcontracting**

- 7.1** The Contractor may subcontract part of the construction work with the approval of the Employer in writing, up to 25 percent of the contract price and if amount put to bid is Rs.5 Crore and above, also part or full routine maintenance work after completion of construction work but will not assign the Contract. Subcontracting shall not alter the Contractor's obligations.
- 7.2** The Contractor shall not be required to obtain any consent from the Employer for:
- a. the sub-contracting of any part of the Works for which the Sub-Contractor is named in the Contract;
  - b. the provision for labour, or labour component.
  - c. the purchase of Materials which are in accordance with the standards specified in the Contract.
- 7.3** Beyond what has been stated in clauses 7.1 and 7.2, if the Contractor proposes sub-contracting any part of the work during execution of the Works, because of some unforeseen circumstances to enable him to complete the Works as per terms of the Contract, the Employer will consider the following before according approval:
- a) The Contractor shall not sub-contract the whole of the Works.
  - b) The Contractor shall not sub-contract any part of the Work without prior consent of the Employer. Any such consent shall not relieve the Contractor from any liability or obligation under the Contract and he shall be responsible for the acts, defaults and neglects of any his sub-Contractor(s), his agents or workmen as fully as if they were the acts, defaults or neglects of the Contractor, his agents and workmen.
- 7.4** The Engineer should satisfy himself before recommending to the Employer whether
- a) the circumstances warrant such sub-contracting; and

- b) the sub-Contractor so proposed for the Work possesses the experience, qualifications and equipment necessary for the job proposed to be entrusted to him.

## **8. Other Contractors**

- 8.1 The Contractor shall cooperate and share the Site with other Contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors, as referred to in the Contract Data. The Contractor shall also provide facilities and services for them as described in the Schedule. The Employer may modify the Schedule of Other Contractors, and shall notify the Contractor of any such modification.
- 8.2 The Contractor should take up the works in convenient reaches as decided by the Engineer to ensure there is least hindrance to the smooth flow and safety of traffic including movement of vehicles and equipment of other Contractors till the completion of the Works.

## **9. Personnel**

- 9.1 The Contractor shall employ for the construction work and routine maintenance the key personnel including technical personnel named in the Contract Data or other personnel approved by the Engineer. The Engineer will approve any proposed replacement of technical personnel only if their relevant qualifications and abilities are substantially equal to those of the personnel stated in the Contract Data.
- 9.2 The Contractor's personnel shall appropriately be qualified, skilled and experienced in their respective trades or occupations. The Engineer shall have authority to remove, or cause to be removed, any person employed on the site or works, who carries out duties incompetently or negligently and persists in any conduct which is prejudicial to safety, health or the protection of the environment.
- 9.3 If the Engineer asks the Contractor to remove a person who is a member of the Contractor's staff or 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 Works in the Contract.
- 9.4 The Contractor shall not employ any retired Gazetted officer who has worked in the Engineering Department of the State Government and has either not completed two years after the date of retirement or has not obtained State Government's permission to employment with the

Contractor.

**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) in so far as they directly affect the execution of the Works in the Employer's country, the risks of war, invasion, act of foreign enemies, rebellion, revolution, insurrection or military or usurped power, civil war, riot, commotion or disorder (unless restricted to the Contractor's employees) and contamination from any nuclear fuel or nuclear waste or radioactive toxic explosive, or (b) a cause due solely to the design of the Works, other than the Contractor's design.

**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, referred to in clause 11.1, are the responsibility of the Contractor.

**13. Insurance**

**13.1** The Contractor at his cost shall provide, in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of Defects Liability Period, in the amounts and deductibles stated in the Contract Data for the following events which are due to the Contractor's risks:

- a) loss of or damage to the Works, Plant and Materials;
- b) loss of or damage to Equipment;
- c) loss of or damage to property (other than the Works, Plant, Materials, and Equipment) in connection with the Contract; and
- d) Personal injury or death.

**13.2** Insurance policies and certificates for insurance shall be delivered by the Contractor to the Engineer for the Engineer's approval before the Start Date. All such insurance shall provide for compensation to be payable in

the types and proportions of currencies required to rectify the loss or damage incurred.

**13.3** Alterations to the terms of insurance shall not be made without the approval of the Engineer.

**13.4** Both parties shall comply with any conditions of the insurance policies.

**13.6** If the Contractor does not provide any of the policies and certificates required, the Employer may effect the insurance which the Contractor should have provided and recover the premiums the Employer has paid, from payments otherwise due to the Contractor or if no payment is due, the payment of premiums shall be debt due.

**14. Site Investigation Reports**

**14.1** The Contractor, in preparing the Bid, may rely, at his own risk, on any Site Investigation Reports referred to in the Contract Data, supplemented by any other information available to him, before submitting the bid.

**15. Queries about the Contract Data**

**15.1** The Engineer will clarify queries on the Contract Data.

**16. Contractor to Construct the Works and Undertake Maintenance**

**16.1** The Contractor shall construct, and install and maintain the Works in accordance with the Specifications and Drawings and as per instructions of the Engineer.

**16.2** The Contractor shall construct the works with intermediate technology, i.e., by manual means with medium input of machinery required to ensure the quality of works as per specifications. The Contractor shall deploy the equipment and machinery as given in Contract Data.

**16.3** 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 future by the State or Central Government or the local authority.

Salient features of some of the major laws that are applicable are given below:

The Water (Prevention and Control of Pollution) Act, 1974, This provides for the prevention and control of water pollution and the maintaining and restoring of wholesomeness of water. 'Pollution' means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms.

The Air (Prevention and Control of Pollution) Act, 1981, This provides for prevention, control and abatement of air pollution. 'Air Pollution' means the presence in the atmosphere of any 'air pollutant', which means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment.

The Environment (Protection) Act, 1986, This provides for the protection and improvement of environment and for matters connected therewith, and the prevention of hazards to human beings, other living creatures, plants and property. 'Environment' includes water, air and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organism and property.

The Public Liability Insurance Act, 1991, This provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling hazardous substances and for matters connected herewith or incidental thereto. Hazardous substance means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act 1986, and exceeding such quantity as may be specified by notification by the Central Government.

**17. The Works and Routine Maintenance 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 and Routine Maintenance in accordance with the Programme submitted by the Contractor, as updated with the approval of the Engineer, and complete them by the Intended Completion Date.

**18. Approval by the Engineer**

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

**18.2** The Contractor shall be responsible for design and safety of Temporary Works.

**18.3** The Engineer's approval shall not alter the Contractor's responsibility for design and safety of the Temporary Works.

**18.4** The Contractor shall obtain approval 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 Engineer before their use.

**19. Safety**

**19.1** The Contractor shall be responsible for the safety of all activities on the Site. He shall comply with all applicable safety requirements and take care of safety of all persons entitled to be on the site and the works. He shall use reasonable efforts to keep the site and the works, both during construction and maintenance, clear of unnecessary obstruction so as to avoid danger to these persons and the road users.

**20. Discoveries**

**20.1** Anything of historical or other interest or of significant value unexpectedly discovered on the Site shall be the property of the Employer. The Contractor shall notify the Engineer of such discoveries and carry out

the Engineer's instructions for dealing with them.

**21. Possession of the Site**

**21.1** The Employer shall handover complete or part possession of the site to the Contractor 7 days in advance of construction programme. At the start of the work, the Employer shall handover the possession of at-least 75% of the site free of all encumbrances, the remaining 25 % of the possession as per contractor's construction programme.

**22. Access to the Site**

**22.1** The Contractor shall allow access to the Site and to any place where work in connection with the Contract is being carried out, or is intended to be carried out to the Engineer and any person/persons/agency authorized by:

- a. The Engineer
- b. The Employer
- c. The Ministry of Rural Development, Government of India.
- d. The National Rural Roads Development Agency, New Delhi

**23. Instructions**

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

**23.2** The Contractor shall permit the appointed and/or authorised persons to inspect the Site and/or accounts and records of the Contractor and its subcontractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed, if so required . The Contractor's attention is invited to Clause 61 [Fraud and Corruption], which provides, inter alia, that acts intended to materially impede the exercise of the inspection and audit rights provided for under Sub-Clause 61 (v) (bb) constitute a obstructive practice subject to contract termination.

**24. Disputes**

**24.1** If the Contractor believes that a decision taken by the Engineer was either outside the authority given to the Engineer by the Employer or that the decision was wrongly taken, the decision shall be referred to the Adjudicator within 28 days of notification of the Engineer's decision. Performance under the contract shall continue notwithstanding the reference to the Adjudicator, and payments by the Employer to the

Contractor will not be withheld unless they are the subject matter of dispute. If the Contractor fails to refer the matter to the Adjudicator within the said period, the Employer will stand discharged from all the responsibility including financial claim from the Contractor.

**25. Procedure for Resolution of Disputes**

**25.1** The Adjudicator shall give a decision in writing within 56 days of receipt of a notification of a dispute. The decision shall be a reasoned decision.

**25.2** The Adjudicator shall be paid daily at the rate specified in the Contract Data together with reimbursable expenses to the types specified in the Contract Data and the cost shall be divided equally between the Employer and the Contractor, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to Arbitration within 28 days of the Adjudicator's written decision. Arbitration shall be under the Arbitration and Conciliation Act, 1996. If neither party refers the dispute to Arbitration within the above 28 days, the Adjudicator's decision will be final and binding on both the parties.

**25.3** Should the Adjudicator resign or die or be incapable, or should the Employer and the Contractor jointly agree that the Adjudicator is not fulfilling his functions in accordance with the provisions of the Contract; a new Adjudicator will be jointly appointed by the Employer and the Contractor. In case of disagreement between the Employer and the Contractor, within 30 days of notification of such disagreement, the Adjudicator shall be designated by the appointing authority designated in the Contract Data, at the request of either party within 14 days of receipt of such request.

**25.4** Where the Initial Contract Price as mentioned in the Letter of Acceptance is more than Rs.10 Crore, the Arbitration, invoked in terms of Clause 25.2 shall be conducted in accordance with the following procedure:-

(a) In case of a decision of the Adjudicator in a Dispute or difference arising between the Employer and a Contractor relating to any matter arising out of or connected with this Agreement, such disputes or differences shall be settled in accordance with the Arbitration and Conciliation Act 1996 and the matter will be referred to an Arbitral Tribunal. The Arbitral Tribunal shall consist of three Arbitrators, one each to be appointed by the Employer and the Contractor. The third Arbitrator shall be chosen by the two Arbitrators so appointed by the parties and shall act as presiding Arbitrator. In case of failure of the

two Arbitrators appointed by the parties to reach upon a consensus within a period of 30 days from the appointment of the Arbitrator appointed subsequently, the presiding Arbitrator shall be appointed by the Chairman of the Executive Committee of the Indian Roads Congress.

- (b) If one of the parties fails to appoint its arbitrator in pursuance of sub-clause (a) above within 30 days after receipt of the notice of the appointment of its arbitrator by the other party, then the Chairman of the Executive Committee of Indian Roads Congress shall appoint the arbitrator.
- (c) A certified copy of the order of the Chairman of the Executive Committee of the Indian Roads Congress, making such an appointment shall be furnished to each of the parties.
- (d) The decision of the majority of arbitrators shall be final and binding upon both parties. The cost and expenses of Arbitration proceedings will be paid as determined by the Arbitral Tribunal. However, the expenses incurred by each party in connection with the preparation, presentation, etc. of its proceedings as also the fees and expenses paid to the arbitrator appointed by such party or on its behalf shall be borne by each party itself.

**25.5** Where the Initial Contract Price as mentioned in the Letter of Acceptance is Rs.10 Crore and below, and Arbitration is invoked in terms of Clause 25.2, the matter will be referred to a sole Arbitrator. The Sole Arbitrator would be appointed by agreement between the parties; failing such agreement within 28 days of the reference to arbitration, by the appointing authority, namely the Chairman of the Executive Committee of the Indian Roads Congress.

**25.6** Arbitration proceedings shall be held at a place mentioned in the Contract Data, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

**25.7** Performance under the contract shall continue even after reference to the arbitration and payments due to the contractor by the Employer shall not be withheld, unless they are the subject matter of the arbitration proceedings.

### *B. Time Control*

#### **26. Programme**

**26.1** Within the time stated in the Contract Data, the Contractor shall submit to the Engineer for approval a Programme, including Environment

Management Plan showing the general methods, arrangements, order, and timing for all the activities in the Works, along with monthly cash flow forecasts for the construction of works.

After the completion of the construction works, the programme for the Routine Maintenance Work, showing the general methods, arrangements, order and timing for all the activities involved in the Routine Maintenance will also be submitted by the Contractor to the Engineer for approval. The programme for Routine Maintenance will be submitted in each year for the period of Maintenance.

- 26.2** The Contractor shall submit the list of equipment and machinery being brought to site, the list of key personnel being deployed, the list of machinery/ equipments being placed in field laboratory and the location of field laboratory along with the Programme. The Engineer shall cause these details to be verified at each appropriate stage of the programme.
- 26.3** An update of the Programme shall be a programme showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining Works, including any changes to the sequence of the activities.
- 26.4** The Contractor shall submit to the Engineer for approval an updated Programme at intervals no longer than the period stated in the Contract Data. If the Contractor does not submit an updated Programme within this period, the Engineer may withhold the amount stated in the Contract Data from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Programme has been submitted.
- 26.5** The Engineer's approval of the Programme shall not alter the Contractor's obligations. The Contractor may revise the Programme and submit it to the Engineer again at any time. A revised Programme shall show the effect of Variations and Compensation Events.

**27. Extension of the Intended Completion Date**

- 27.1** The Engineer shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining Works, which would cause the Contractor to incur additional cost.

**27.2** The Engineer shall decide whether and by how much time to extend the Intended Completion Date within 21 days of the Contractor asking the Engineer for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

**27.3** Early Warning: The Contractor is to warn the Engineer at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the contract price or delay the execution of works. The Engineer may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and the Completion Date. The estimate is to be provided by the Contractor as soon as reasonably possible.

**28. Delays Ordered by the Engineer**

**28.1** The Engineer may instruct the Contractor to delay the start or progress of any activity within the Works. Delay/delays totalling more than 30 days will require prior written approval of the Employer.

**29. Management Meetings**

**29.1** The Engineer may require the Contractor to attend a management meeting. The business of a management meeting shall be to review the plans for progress of the Works.

**29.2** The Engineer shall record the business of management meetings and provide copies of the record to those attending the meeting. The responsibility of the parties for actions to be taken shall be decided by the Engineer either at the management meeting or after the management meeting and stated in writing to all those who attended the meeting.

*C. Quality Control*

**30. Identifying Defects**

**30.1** The Engineer 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 Engineer may instruct the Contractor to search for a Defect and to uncover and test any work that the Engineer considers may have a Defect.

**30.2** The Contractor shall permit the Employer's technical person(s) to check the Contractor's work and notify the Engineer and Contractor if any defects that are found.

**31. Tests**

**31.1** For carrying out mandatory tests as prescribed in the specifications, the Contractor shall establish field laboratory at the location decided by Engineer. The field laboratory will have minimum of equipments as specified in the Contract Data. The contractor shall be solely responsible for :

- a. Carrying out the mandatory tests prescribed in the Specifications, and
- b. For the correctness of the test results, whether preformed in his laboratory or elsewhere.

**31.2** If the Engineer instructs the Contractor to carry out a test not specified in the Specification/ Quality Assurance Handbook 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.

**32. Correction of Defects noticed during the Defects Liability Period and Routine Maintenance of Roads for five years.**

**32.1** (a) The Engineer shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion [and defined - Contract Data] and ends after five years. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.

(b) Every time notice of Defect/Defects is given, the Contractor shall correct the notified Defect/Defects within the duration of time specified by the Engineer's notice.

**32.2** (a) The Contractor shall do the routine maintenance of roads, including pavement, road signs, road sides and cross drains including surface drains to the required standards and in the manner as defined in clause 1.1 and keep the entire road surface and structure in Defect free and traffic worthy condition during the entire maintenance period which begins at Completion and ends after five years.

(b) The routine maintenance standards shall meet the following minimum requirements:-

- i) Potholes on the road surface to be repaired soon after these appear or brought to its notice either during the Contractor's monthly inspection or by the Engineer.
- ii) Road shoulders to be maintained in proper condition to make them free from excessive edge drop offs, roughness, scouring or potholes.
- iii) Cleaning of surface drains including reshaping to maintain free flow of water.
- iv) Cleaning of culverts and pits for free flow of water.
- v) Road signs and pavement marking to be maintained in proper condition.
- vi) Any other maintenance operation required to keep the road traffic worthy at all time during the maintenance period.

(c) To fulfil the objectives laid down in sub clauses (a) and (b) above, the Contractor shall undertake detailed inspection of the roads at least once in a month. The Engineer can reduce this frequency in case of emergency or for reasons of deficiency in maintenance and the Contractor shall comply with the Engineer's instructions. The Contractor shall forward to the Engineer the record of inspection and rectification each month. The Contractor shall pay particular attention on those road sections which are likely to be damaged during rainy season.

(d) The Engineer may issue notice to the Contractor to carry out removal of defects or deficiencies, if any, noticed in his inspection, or brought to his notice. The Contractor shall remove the defects and deficiencies within the period specified in the notice and submit to the Engineer a compliance report.

### **33. Uncorrected Defects and Deficiencies**

**33.1** If the Contractor has not corrected a Defect pertaining to the Defect Liability Period under clause 32.1 and deficiencies in maintenance as per clause 32.2 of these Conditions of Contract, to the satisfaction of the Engineer, within the time specified in the Engineer's notice, the Engineer will assess the cost of having the Defect or deficiency corrected, and the Contractor shall pay this amount, on correction of the Defect or deficiency by another agency.

## ***D. Cost Control***

### **34. Bill of Quantities**

**34.1** The Bill of Quantities shall contain items for the construction, installation, testing, and commissioning, maintaining works, and lump sum figures for yearly routine maintenance for each of the five years separately, to be done by the Contractor.

**34.2** The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item for the construction of roads. The payment to the Contractor is performance based for routine maintenance of roads.

**34.3** Changes in the quantities:

(a) If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 per cent provided the change exceeds 1 % of initial contract price, the Engineer shall adjust the rate to allow for the change.

(b) The Engineer shall not adjust rates from changes in quantities if thereby the initial contract price exceeds by more than 15 per cent, except with the prior approval of the Employer.

(c) If requested by the Engineer, the Contractor shall provide the Engineer with a detailed cost breakdown of any rate in the Bill of Quantities.

### **35. Variations**

**35.1** The Engineer shall, having regard to the scope of the Works and the sanctioned estimated cost, have power to order, in writing, Variations within the scope of the Works he considers necessary or advisable during the progress of the Works. Such Variations shall form part of the Contract and the Contractor shall carry them out and include them in updated Programmes produced by the Contractor. Oral orders of the Engineer for Variations, unless followed by written confirmation, shall not be taken into account.

### **36. Payments for Variations**

**36.1** If rates for Variation items are specified in the Bill of Quantities, the Contractor shall carry out such work at the same rate. This shall apply for Variations only up to the limit prescribed in the Contract Data. If the Variation exceeds this limit, the rate shall be derived under the provisions

- of clause 36.3 for quantities (higher or lower) exceeding the deviation limit.
- 36.2** If the rates for Variation are not specified in the Bill of Quantities, the Engineer shall derive the rate from similar items in the Bill of Quantities.
- 36.3** If the rate for Variation item cannot be determined in the manner specified in Clause 36.1 or 36.2, the Contractor shall, within 14 days of the issue of order of Variation work, inform the Engineer the rate which he proposes to claim, supported by analysis of the rates. The Engineer shall assess the quotation and determine the rate based on prevailing market rates within 15 days of the submission of the claim by the Contractor. The decision of the Engineer on the rate so determined shall be final and binding on the Contractor.
- 37. Cash Flow Forecasts**
- 37.1** When the Programme is updated, the Contractor shall provide the Engineer with an updated cash flow forecast.
- 38. Payment Certificates**
- 38.1 The payment to the Contractor will be as follows for construction work:**
- (a) The Contractor shall submit to the Engineer fortnightly/ monthly statements of the value of the work executed less the cumulative amount certified previously supported with detailed measurement of the items of work executed in tabulated form as approved by the Engineer.
  - (b) The Engineer shall check the Contractor's fortnightly/monthly statement within 14 days and certify the amount to be paid to the Contractor.
  - (c) The value of work executed shall be determined, based on measurements by the Engineer.
  - (d) The value of work executed shall comprise the value of the quantities of the items in the Bill of Quantities completed.
  - (e) The value of work executed shall also include the valuation of Variations and Compensation Events.
  - (f) The Engineer may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.
  - (g) The payment of final bill shall be governed by the provisions of clause 50 of GCC.

**38.2 The payment to the contractor will be as follows for routine maintenance of the works:**

- (a) The Contractor shall submit to the Engineer a bill every month for the routine maintenance of the roads from the date the maintenance period starts i.e. from completion date as defined in Clause 1.1. It will be supported with a copy of the record of contractor's monthly inspection and other instructions received from the Engineer.
- (b) The payment will be made six-monthly for the monthly bills received during the previous six-months.
- (c) If the bill for a month is not received from the contractor by the 10<sup>th</sup> day of the succeeding month or/ and if the Engineer has not certified that the Contractor has carried out the maintenance work for defects and deficiencies brought to his notice under clause 32.2.(d) within specified period, no payment will become due to the Contractor for that month.
- (d) If the Contractor has failed to carry out the maintenance within the period specified by the Engineer in a given month, no payment of any kind will be due to the Contractor for that month.

**39. Payments**

- 39.1** Payments shall be adjusted for deductions for advance payments, retention, security deposit, other recoveries in terms of the Contract and taxes at source, as applicable under the law. The Employer shall pay the Contractor the amounts certified by the Engineer within 15 days of the date of each certificate.
- 39.2** The Employer may appoint another authority, as specified in the Contract Data (or any other competent person appointed by the Employer and notified to the contractor) to make payment certified by the Engineer.
- 39.3** Items of the Works for which no rate or price has been entered in the Bill of Quantities, will not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.
- 39.4** Payment for the routine maintenance of the roads will be made half-yearly for the satisfactory maintenance of the Works, certified by the Engineer and based on the monthly bills submitted by the Contractor as per Clause 38.2 above.

#### **40. Compensation Events**

**40.1** 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.
- (b) The Engineer orders a delay or does not issue drawings, specifications or instructions required for execution of works on time.
- (c) The Engineer instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no Defects.
- (d) The Engineer unreasonably does not approve for a subcontract to be let.
- (e) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of Letter of Acceptance from the information issued to Bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.
- (f) The Engineer gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.
- (g) If the Engineer fails to provide site for carrying out work free of all encumbrances as provided in the contract.
- (h) The advance payment is delayed.
- (i) The effect on the Contractor of any of the Employer's Risks.
- (j) The Engineer unreasonably delays issuing a Certificate of Completion.
  
- (k) Other Compensation Events listed in the Contract Data or mentioned in the Contract.

**40.2** If a Compensation Event would prevent the work being completed before the Intended Completion Date the Intended Completion Date would be extended. The Engineer shall decide whether and by how much the Intended Completion Date shall be extended.

**40.3** As soon as information demonstrating the effect of each compensation event upon the Contractor's forecast has been provided by the Contractor, it is to be assessed by the Engineer and the intended completion date shall be extended accordingly. If the Contractor's forecast is deemed

unreasonable, the Engineer shall extend intended completion date based on Engineer's own forecast. The Engineer will assume that the Contractor will react competently and promptly to the event.

**40.4** 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 Engineer.

**41. Tax**

**41.1** The rates quoted by the Contractor shall be deemed to be inclusive of the sales and other levies, duties, royalties, cess, toll, taxes of Central and State Governments, local bodies and authorities that the Contractor will have to pay for the performance of this Contract. The Employer will perform such duties in regard to the deduction of such taxes at source as per applicable law.

**42. Currencies**

All payments will be made in Indian Rupees.

**43. Security Deposit/ Retention and Release of Performance Security and Security Deposit/ Retention.**

**43.1** The Employer shall retain security deposit of 5% and performance security of two and a half percent of the amount from each payment due to the Contractor until completion of the whole of the construction Work. No security deposit/ retention shall be retained from the payments for Routine Maintenance of works. In case, the Contractor furnishes bank guarantee for the amount equal to performance security of two and a half percent retained from each payment due to Contractor, the same amount shall be repaid to the contractor subject to condition that the validity of bank guarantee is as per provision of Clause 46.2 of GCC

**43.2** On the satisfactory completion of the whole of the construction work half the total amount retained as security deposit is repaid to the Contractor, one-fourth of the total amount retained as security deposit is repaid to the Contractor at the end of 2nd year after completion of the construction work and balance of the amount retained as security deposit is repaid to the contractor at the end of 3rd year after completion of the construction work subject to condition that the Engineer has certified that all defects notified by the Engineer to the Contractor before the end of period prescribed for repayment have been corrected.

- 43.3** The additional performance security for unbalanced bids as detailed in Clause 26.3 of ITB is repaid to the contractor when the construction work is complete.
- 43.4** The performance security equal to the five percent of the contract price and additional performance security for Routine Maintenance as detailed in Clause 26.4 of ITB is repaid to the Contractor when the period of five years fixed for Routine Maintenance is over and the Engineer has certified that the contractor has satisfactorily carried out the Routine Maintenance of the works.

If the Routine Maintenance part of the contract is not carried out by the Contractor as per this contract, the Employer will be free to carry out Routine Maintenance work and the amount required for this work will be recovered from the amount of Performance Security available with the Employer and/ or from any amounts of the Contractor whatever is due.

- 43.5** If the Contractor so desires then the Security Deposit can be converted into any interest bearing security of scheduled commercial bank in the name of the Employer or National Saving Certificates duly pledged in favour of the Employer for Defect Liability Period.

#### **44. Liquidated Damages**

- 44.1** Both, the Contractor and the Employer have agreed that it is not feasible to precisely estimate the amount of losses due to delay in completion of works and the losses to the public and the economy, therefore, both the parties have agreed that the Contractor shall pay liquidated damages to the Employer and not by way of penalty, at the rate per week or part thereof stated in the Contract Data for the period that the Completion Date is later than the Intended Completion Date. Liquidated damages at the same rates shall be withheld if the Contractor fails to achieve the milestones prescribed in the Contract Data. However, in case the Contractor achieves the next milestone, the amount of the liquidated damages already withheld shall be restored to the Contractor by adjustment in the next payment certificate. The Employer and the contractor have agreed that this is a reasonable agreed amount of liquidated damages and the total amount of liquidated damages shall not exceed 10% of the contract price. The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's other liabilities.

**44.2** If the Intended Completion Date is extended after liquidated damages have been paid, the Engineer shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate.

**45. Advance Payment**

**45.1.** The Employer will make the following advance payment to the Contractor upon his request and against provision by the Contractor of an Unconditional Bank Guarantee in a form and by a Commercial bank acceptable to the Employer in amounts equal to the advance payment:

- a. Mobilization advance up to 5 percent of the contract price excluding the contract price for routine maintenance
- b. Equipment Advance\* up to ninety percent of the cost of the new equipment brought to the site and fifty per cent of depreciated value of old equipment, subject to a maximum of ten percent of the contract price excluding the contract price for routine maintenance

\* This advance is not applicable for equipment already owned or hired / leased by the contractor  
The guarantee shall remain effective until the advance payment has been repaid, but the amount of the guarantee shall be progressively reduced by the amounts repaid by the Contractor. Interest will not be charged on the advance payment. The Bank Guarantee of a joint venture shall be in the name of the joint venture.

**45.2** The Contractor is to use the advance payment only to pay for Equipment, plant and Mobilization expenses required specifically for execution of the Works. The Contractor shall demonstrate that the advance payment has been used in this way by supplying copies of invoices or other documents to the Engineer.

**45.3** The advance payment shall be repaid by deducting proportionate amounts from payments otherwise due to the Contractor for the construction work, following the schedule of completed percentages of the Works on a payment basis. No account shall be taken of the advance payment or its repayment in assessing valuations of work done, Variations, price adjustments, Compensation Events, or Liquidated damages.

**46. Securities**

**46.1** The Performance Security equal to five percent of the Contract Price and additional security for unbalanced bids 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 by a bank acceptable to the Employer and denominated in Indian Rupees. Out of total Performance Security equal to five percent of contract price, half shall be delivered to the Employer no later than the dates specified in the Letter of Acceptance and shall be issued in the form given in Contract Data, however, balance half Performance Security shall be retained at the rate of two and a half percent of each payment due to the Contractor until completion of whole of the construction work.

**46.2** The Performance Security and additional Performance Security for maintenance shall be valid until a date 45 days from the date of issue of certificate of completion of construction work and maintenance work subject to the condition that if the Performance Security is in the form of a Bank Guarantee, the period of validity of Bank Guarantee could be one year initially, however, the Contractor would get this Bank Guarantee extended in such a way that an amount equal to five percent of the contract price is always available with the Employer until 45 days after the lapse of Defect Liability Period. If the contractor fails to maintain above Performance Security, the Employer would recover the same from any dues payable to the Contractor, otherwise it shall be a debt due from the Contractor.

**47. Cost of Repairs**

**47.1** 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 his cost if the loss or damage arises from the Contractor's acts or omissions.

*E. Finishing the Contract*

**48. Completion of Construction and Maintenance**

**48.1** The Contractor shall request the Engineer to issue a certificate of completion of the construction of the works, and the Engineer will do so upon deciding that the works is completed.

**48.2** The Contractor shall request the Engineer to issue the certificate of completion of the Routine Maintenance and the Engineer will do so upon deciding that the Routine Maintenance is completed.

**49. Taking Over**

**49.1** The Employer shall take over the works within seven days of the Engineer issuing a certificate of completion of works. The Contractor shall continue to remain responsible for its routine maintenance during the maintenance period.

**49.2** The Employer shall take over the maintained road within 7 days of the Engineer issuing a certificate of completion of the Routine Maintenance.

**50. Final Account**

**50.1** The Contractor shall supply the Engineer with a detailed account of the total amount that the Contractor considers payable for works under the contract within 21 days of issue of certificate of completion of construction of works. The Engineer shall issue a defect liability certificate and certify any payment that is due to the Contractor for works within 42 days of receiving the Contractor's account if it is correct and complete. If the account is not correct or complete, the Engineer shall issue within 42 days a schedule that states the scope of the corrections or additions that are necessary. If the Account is still unsatisfactory after it has been resubmitted, the Engineer shall decide on the amount payable to the Contractor and issue a payment certificate within 28 days of receiving the Contractor's revised account. The payment of final bill for construction of works will be made within 14 days thereafter.

**50.2** In case the account is not received within 21 days of issue of Certificate of Completion as provided in clause 50.1 above, the Engineer shall proceed to finalise the account and issue a payment certificate within 28 days. The payment of final bill for construction of works will be made within 14 days thereafter.

**50.3** The Contractor shall supply the Engineer with a detailed account of the total amount that the Contractor considers payable under the contract 21 days before the end of the Routine Maintenance Period. The Engineer shall issue a Routine Maintenance Completion Certificate and certify any final payment that is due to the Contractor within 42 days of receiving the Contractor's account if it is correct and complete. If it is not, the Engineer shall issue within 42 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 Engineer shall decide on the amount payable to the Contractor and issue a payment certificate within 28 days of receiving the Contractor's revised account. The payment

of final bills for routine maintenance will be made within 14 days thereafter.

**50.4** In case the account is not received within 21 days of issue of Certificate of Completion as provided in clause 50.3 above, the Engineer shall proceed to finalise the account and issue a payment certificate within 28 days. The payment of final bill for routine maintenance will be made within 14 days thereafter.

## **51. Operating and Maintenance Manuals**

**51.1** 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.

**51.2** If the Contractor does not supply the Drawings and/or manuals by the dates stated in the Contract Data, or they do not receive the Engineer's approval, the Engineer shall withhold the amount stated in the Contract Data from payments due to the Contractor.

## **52. Termination**

**52.1** The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

**52.2** Fundamental breaches of Contract shall include, but shall not be limited to, the following:

- a) the Contractor stops work for 28 days when no stoppage of work is shown on the current Programme and the stoppage has not been authorized by the Engineer;
- b) the Engineer instructs the Contractor to delay the progress of the works and the instructions are not withdrawn within 30 days.
- c) the Employer or Contractor is declared as bankrupt or goes into liquidation other than for approved reconstruction or amalgamation;
- d) a payment certified by the Engineer is not paid by the Employer to the Contractor within 45 days of the date of Engineer's certificate
- e) the Engineer 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 Engineer;
- f) the Contractor does not maintain a Security, which is required;
- g) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as defined in clause 44.1;

- h) the Contractor fails to provide insurance cover as required under clause 13;
  - i) if the Contractor, in the judgement of the Employer, has engaged in the corrupt or fraudulent practices as defined in GCC clause 61 in competing for or in executing the Contract.
  - j) if the Contractor has not completed at least thirty percent of the value of construction Work required to be completed after half of the completion period has elapsed;
  - k) if the Contractor fails to set up a field laboratory with the prescribed equipment, within the period specified in the Contract Data; and
  - l) any other fundamental breaches as specified in the Contract Data.
  - m) if the Contractor fails to deploy machinery and equipment or personnel as specified in the Contract Data at the appropriate time.
  - n) if the Contractor has contravened Clause 7.1 and Clause 9 of GCC.
- 52.3** When either party to the contract gives notice of a breach of contract to the Engineer for a cause other than those listed under sub clause 52.2 above, the Engineer shall decide whether the breach is fundamental or not.
- 52.4** Notwithstanding the above, the Employer may terminate the Contract for convenience.
- 52.5** 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.
- 53. Payment upon Termination**
- 53.1** If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for value of the work done and materials ordered less liquidated damages, if any, less advance payments received up to the date of the issue of the certificate and less the percentage to apply to the value of the work not completed, as indicated in the Contract Data. If the total amount due to the Employer exceeds any payment due to the Contractor, the difference shall be recovered from the security deposit, and performance security. If any amount is still left un-recovered it will be a debt due from the Contractor to the Employer.
- 53.2** If the Contract is terminated at the Employer's convenience, the Engineer shall issue a certificate 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.

**54. Property**

**54.1** All Materials on the Site, Plant, Equipment, Temporary Works, and Works shall be deemed to be the property of the Employer for use for completing balance construction work if the Contract is terminated because of the Contractor's default, till the Works is completed after which it will be transferred to the Contractor and credit, if any, given for its use.

**55. Release from Performance**

**55.1** If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of the Employer or the Contractor, the Engineer 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 a commitment was made.

*F. Other Conditions of Contract*

**56. Labour**

**56.1** 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.

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

**57. Compliance with Labour Regulations**

**57.1 (a)** 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. Salient features of some of the major labour laws that are applicable to construction industry are given in Appendix to Part I General Condition of Contract.

**(b)** Furthermore, 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, the Engineer/Employer shall have the right to deduct any money due to the Contractor including his amount of performance security. The Employer/Engineer 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.

**(c)** The Contractor shall require his employees to obey all applicable laws, including those concerning safety at work.

**(d)** 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.

## **58. Drawings and Photographs of the Works**

**58.1** The Contractor shall do photography/video photography of the site firstly before the start of the work, secondly mid-way in the execution of different stages of work and lastly after the completion of the work. No separate payment will be made to the Contractor for this.

**58.2** The Contractor shall not disclose details of Drawings furnished to him and works on which he is engaged without the prior approval of the Engineer in writing. No photograph of the works or any part thereof or plant employed thereon, except those permitted under clause 58.1, shall be taken or permitted by the Contractor to be taken by any of his employees or any employees of his sub-Contractors without the prior approval of the Engineer in writing. No photographs/ Video photography shall be published or otherwise circulated without the approval of the Engineer in writing.

## **59. The Apprentices Act, 1961**

**59.1** The Contractor shall duly comply with the provisions of the Apprentices Act 1961 (III of 1961), the rules made there under and the orders that may

be issued from time to time under the said Act and the said Rules and on his failure or neglect to do so, he shall be subject to all liabilities and penalties provided by the said Act and said Rules.

**60. Suspension of Financier Loan or Credit (only for works executed under World Bank funding)**

In the event that the Financier suspends the Loan or Credit to the Employer, from which part of the payments to the Contractor are being made:

- (a) The Employer is obliged to notify the Contractor of such suspension within 7 days of having received the Financier's suspension notice.
- (b) If the Contractor has not received sums due to it upon the expiration of the 28 days for payment provided for in Sub-Clause 39.1, the Contractor may immediately issue a 14 day termination notice.

**61. Fraud and Corruption:**

If the Employer/Financier determines that the Contractor has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Employer may, after giving 14 days notice to the Contractor, terminate the Contractor's employment under the Contract and expel him from the Site, and the provisions of Clause 52 shall apply as if such expulsion had been made under Sub-Clause 52.1 and 52.2.

Should any employee of the Contractor be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Works, then that employee shall be removed in accordance with Clause 9.

For the purposes of this Sub-Clause:

- (i) "corrupt practice"<sup>2</sup> is the offering, giving, receiving to soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

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<sup>2</sup>"another party" refers to a public official acting in relation to the procurement process or contract execution. In this context, "public official" includes Financier staff and employees of other organizations taking or reviewing procurement decisions.

- (ii) “fraudulent practice”<sup>3</sup> is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) “collusive practice”<sup>4</sup> is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practice”<sup>5</sup> is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
  - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede the Financier investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
  - (bb) acts intended to materially impede the exercise of the Financier’s inspection and audit rights provided for under GCC Clause 22.1.

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<sup>3</sup>a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

<sup>4</sup>“parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

<sup>5</sup> a “party” refers to a participant in the procurement process or contract execution.

## Contract Data

Except where otherwise indicated, the Employer prior to issuance of the bidding documents should fill in all Contract Data. Schedules and reports to be provided by the Employer should be annexed.

Clause Reference

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

The following documents are also part of the Contract:

.....  
.....  
.....

The Borrower is Government of India/ ..... [Cl.1.1]  
*[name of Borrower and statement of relationship with the Employer,  
If different from the Borrower]*

The Financier means..... [Cl. 1.1]

1. The Employer is [Cl.1.1]  
Designation:  
Address:  
Name of authorized Representative  
Telephone No.(s): Office:  
Mobile No.:  
Facsimile (FAX) No.:  
Electronic Mail Identification (E-mail ID):

2. The Engineer is [Cl.1.1]  
Designation:  
Address:  
Telephone No.(s): Office:  
Mobile No.:  
Facsimile (FAX) No.:  
Electronic Mail Identification (E-mail ID):

3. The Adjudicator appointed jointly by the Employer and the Contractor is:  
[Cl.1.1]  
\*Name:  
\*Address:  
(\* )

4. The Site is located at km .....to km. .... [Cl.1.1]
5. The Start Date shall be \_\_\_\_\_ days after the date of issue of the Notice to proceed with the work. [Cl.1.1]
6. (a) The Intended Completion Date for the whole of the Works is \_\_\_\_\_ months after start of work. [Cl.1.1, 17&27]  
(b) The Intended Completion Date for routine maintenance is 60 months after completion of work.
7. (a) The name and identification number of the Contract is : [Cl.1.1]  
(b) The Works consist of \_\_\_\_\_ [Cl.1.1]  
\_\_\_\_\_. The works shall, inter-alia, include the following, as specified or as directed.

**(A) Road Works**

Site clearance; setting-out and layout; widening of existing carriageway and strengthening including camber corrections; construction of new road bituminous pavements remodeling/construction of junctions, intersections, supplying and placing of drainage channels, flumes, guard posts and other related items; construction/extension of cross drainage works, bridge, approaches and other related items; road markings, road signs and kilometer/hectometer stones; protective works for roads/bridges; planting of trees along the roads; all aspects of quality assurance of various components of the works; rectification of the Defects in the completed works during the Defects Liability Period; submission of "As-built" drawings and any other related documents; and other item of work as may be required to be carried out for completing the works in accordance with the Drawings and provisions of the contract to ensure safety.

**(B) C.D. Works including bridges**

Site clearance; setting out, provision of foundations, piers, abutments and bearings; pre-stressed/reinforced cement concrete superstructure; wearing coat, hand railings, expansion joints, approach slabs, drainage spouts/down-take pipes, provision of suitably designed protective works; providing wing/return walls; provision of road markings, road signs etc.; all aspects of quality assurance; clearing the Site and handing over the works on completion; rectification of the Defects during the Defects Liability Period and submission of "As-built" drawings and other related

documents; and other items of work as may be required to be carried out for completing the works in accordance with the Drawings and the provisions of the contract and to ensure safety.

**(C) Routine Maintenance**

Routine Maintenance during five years after the completion date is defined as follows:

Maintenance operations during the period of 5 years shall be based on Chapter 11 of Rural Roads Manual (IRC: SP:20:2002). Its specific provisions are:-

- (i) **Clause 11.2, *ibid***, explains the various types of distress/defects of pavements. For example, cracks, raveling, rutting, pot holes etc.
- (ii) **Clause 11.3, *ibid***, defines different maintenance activities. For example, fog seal, bituminous surface treatment, etc.
- (iii) **Clause 11.4, *ibid***, suggests planning of routine maintenance.
- (iv) **Clause 11.5 and Clause 11.6 (a), *ibid***, define preventive and corrective maintenance, and classify activities of routine maintenance and repairs.
- (v) **Clause 11.7, *ibid***, discusses in detail the assessment of defects and maintenance measures for sealed roads, roads with rigid / RCCP and Roads with special pavement.

**(Note:** The periodical renewal is not part of routine maintenance).

**(vi)** The periodicity of routine maintenance activities shall be as follows:

| S. No. | Name of Item/ Activity   | Frequency of operation in one year  |
|--------|--|---|
| 1      | Restoration of rain cuts and dressing of berms as per clause 1902 of the Specifications. | Once generally after rains (In case of areas having rainfall more than 1500 mm per year, as and when required). |
| 2      | Making up of shoulders as per clause 1903 of the Specifications                          | As and when required.   |

|    |   |   |
|----|---|---|
| 3  | Maintenance of Bituminous surface road and/ or gravel road and/or WBM road including filling pot holes and patch repairs etc as per clause 1904, 1905 and 1906 of the Specifications. | As and when required.   |
| 4  | Maintenance of drains as per clause 1907 of the Specifications  | Twice (In case of hill roads as and when required).   |
| 5  | Maintenance of culverts and causeways as per clause 1908 and 1909 of the Specifications   | Twice (In case of hill roads as and when required).   |
| 6  | Maintenance of road signs as per clause 1910 of the Specifications  | Maintenance as and when required. Repainting once in every two years.   |
| 7  | Maintenance of guard rails and parapet rails as per clause 1911 of the Specifications   | Maintenance as and when required. Repainting once in a year.  |
| 8  | Maintenance of 200 m and Kilo Meter stones as per clause 1912 of the Specifications   | Maintenance as and when required. Repainting once in a year.  |
| 9  | White washing guard stones  | Twice   |
| 10 | Re-fixing displaced guard stones  | Once  |
| 11 | Cutting of branches of trees, shrubs and trimming of grass and weeds etc as per clause 1914 of the Specifications   | Once generally after rains (In case of areas having rainfall more than 1500 mm per year, as and when required). |
| 12 | White washing parapets of C.D. Works  | Once  |

(vii) **Appendix 11.3, *ibid***, covers the special problems of Road Maintenance in Heavy Rainfall / Snow fall areas.

(viii) **Appendix 11.4, *ibid***, explains the nature of duties in maintenance of shoulders, drainage structures and causeways.

8. Section completion is [Cl.2.2]

9. The following documents also form part of the Contract : [Cl.2.3(11)]

---

10. (a) The law which applies to the Contract is the law of Union of India. [Cl.3.1]

(b) The language of the Contract documents is \_\_\_\_\_. [Cl.3.1]

11. The Schedule of Other Contractors is attached. [Cl. 8.1]

12. The Arbitration proceedings shall be held at \_\_\_\_\_. [Cl.25.6]

13. Fees and types of reimbursable expenses to be paid to the Adjudicator [Cl.25]

\_\_\_\_\_

\_\_\_\_\_

14. Appointing Authority for the Adjudicator is ..... [Cl.25]

.....

15. A. The Technical Personnel for construction work are [Cl. 9.1]

| S. No. | Technical Personnel | Function |
|--------|---------------------|----------|
|        |                     |          |

For field testing laboratory

| S. No. | Technical Personnel | Function |
|--------|---------------------|----------|
|        |                     |          |

B. For routine maintenance

| S. No. | Technical Personnel | Function |
|--------|---------------------|----------|
|        |                     |          |

16. (a) Amount and deductible for insurance are: [Cl. 13.1]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

16 (b) Amount and deductible for insurance are: [Cl. 13.3 (a)]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

17. Site investigation report [Cl.14.1]

18. The key equipments/ machinery for construction of works shall be:  
[Cl. 16.2]

| S. No. | Name of Equipment | Quantity |
|--------|-------------------|----------|
|        |                   |          |
|        |                   |          |
|        |                   |          |
|        |                   |          |

19. (a) Competent authorities are: [Cl. 24.1]

Superintending Engineer \_\_\_\_\_ with powers up to \_\_\_\_\_  
Chief Engineer \_\_\_\_\_ with powers up to \_\_\_\_\_

20. (a) The period for submission of the programme for approval of Engineer shall be \_\_\_\_ days from the issue of Letter of Acceptance. [Cl.26.1]

(b) The updated programme shall be submitted at interval of \_\_\_\_ days. [Cl. 26.3]

(c) The amount to be withheld for late submission of an updated programme shall be Rs. \_\_\_\_\_ lakhs. [Cl. 26.3]

21. The key equipments for field laboratory shall be: [Cl. 31.1a]

| S. No. | Name of Equipment | Quantity |
|--------|-------------------|----------|
|        |                   |          |
|        |                   |          |
|        |                   |          |
|        |                   |          |

22. The percentage of Variation of items of work for which there shall be no increase in rates shall be \_\_\_\_\_ [Cl 36.1]

23. The authorized person to make payments is \_\_\_\_\_ [Cl.39.2]

Other exceptional events for compensation are:..... [Cl.40.1]

24. (a) Milestones to be achieved during the contract period

- (1) 1/8<sup>th</sup> of the value of entire contract work up to 1/4<sup>th</sup> of the period allowed for completion of construction
- (2) 3/8<sup>th</sup> of the value of entire contract work up to 1/2 of the period allowed for completion of construction
- (3) 3/4<sup>th</sup> of the value of entire contract work up to 3/4<sup>th</sup> of the period allowed for completion of construction

(b) Amount of liquidated damages for delay in completion of works For Whole of work  
1 percent of the Initial Contract Price, rounded off to the nearest thousand, per week.

(c) Maximum limit of liquidated damages for delay in completion of work. 10 per cent of the Initial Contract Price rounded off to the nearest thousand.  
[Cl.44.1]

25. The standard form of Performance Security acceptable to the Employer Shall be an unconditional Bank Guarantee of the type as presented in the Bidding Documents. [Cl. 46.1]

26. The amount of the advance payments are [Cl. 45]

| Nature of Advance | Amount   | Conditions to be fulfilled   |
|-------------------|--|--|
| a. Mobilization   | 5% of Contract Price   | Submission of unconditional Bank Guarantee                             |
| b. Equipment      | 90% for new and 50% of depreciated value for old equipment, subject to a | Equipment brought at site subject to Engineer Certificate and required |

|  |                                      |  |
|--|--------------------------------------|--|
|  | maximum of 10% of the Contract Price | for the Works and Submission of unconditional Bank Guarantee |
|--|--------------------------------------|--|

27. (a) The Schedule of Operating and Maintenance Manuals\_\_\_\_\_. [Cl.51.1]

(b) The date by which “as-built” drawings (in scale as directed) in 2 sets are required is within 28 days of issue of certificate of completion of whole or section of the work, as the case may be. [Cl.51.1]

28. The amount to be withheld for failing to supply “as-built” drawings by the date required is Rs. \_\_\_\_\_ Lakhs. [Cl.51.2]

29. (a) The period for setting up a field laboratory with the prescribed equipment is \_\_\_\_\_days from the date of notice to start work [Cl.52.2 (k)]

(b) The following events shall also be fundamental breach of contract: [Cl.52.2 ]

.....  
 .....

30. The percentage to apply to the value of the work not completed representing the Employer’s additional cost for completing the Works shall be \_\_\_ percent. [Cl.53.1]

## Appendix to Part I General Conditions of Contract

### SALIENT FEATURES OF SOME MAJOR LABOUR LAWS APPLICABLE TO ESTABLISHMENTS ENGAGED IN BUILDING AND OTHER CONSTRUCTION WORK.

a) **Workmen Compensation Act, 1923:** - The Act provides for compensation in case of injury by accident arising out of and during the course of employment.

b) **Payment of Gratuity Act, 1972:** - Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if an employee has completed the prescribed minimum years (say, five years) of service or more or on death the rate of prescribed minimum days' (say, 15 days) wages for every completed year of service. The Act is applicable to all establishments employing the prescribed minimum number (say, 10) or more employees.

c) **Employees P.F. and Miscellaneous Provision Act, 1952:** The Act provides for monthly contributions by the employer plus workers at the rate prescribed (say, 10% or 8.33%). The benefits payable under the Act are:

- i. Pension or family pension on retirement or death as the case may be.
- ii. Deposit linked insurance on the death in harness of the worker.
- iii. Payment of P.F. accumulation on retirement/death etc.

d) **Maternity Benefit Act, 1961:** - The Act provides for leave and some other benefits to women employees in case of confinement or miscarriage etc.

e) **Contract Labour (Regulation & Abolition) Act, 1970:** - The Act provides for certain welfare measures to be provided by the contractor to contract labour and in case the contractor fails to provide, the same are required to be provided, by the principal employer by Law. The principal Employer is required to take Certificate of Registration and the contractor is required to take license from the designated Officer. The Act is applicable to the establishments or contractor of principal employer if they employ prescribed minimum (say 20) or more contract labour.

f) **Minimum Wages Act, 1948:** - The employer is to pay not less than the Minimum Wages fixed by appropriate Government as per provisions of the

Act if the employment is a scheduled employment. Construction of buildings, roads, runways are scheduled employment.

g) **Payment of Wages Act, 1936:** - It lays down as to by what date the wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.

h) **Equal Remuneration Act, 1979:** - The Act provides for payment of equal wages for work of equal nature to male and female workers and for not making discrimination against female employees in the matters of transfers, training and promotions etc.

i) **Payment of Bonus Act, 1965:** - The Act is applicable to all establishments employing prescribed minimum (say, 20) or more workmen. The Act provides for payments of annual bonus within the prescribed range of percentage of wages to employees drawing up to the prescribed amount of wages, calculated in the prescribed manner. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. States may have different number of employment size.

j) **Industrial Disputes Act, 1947:** - The Act lays down the machinery and procedure for resolution of industrial disputes, in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.

k) **Industrial Employment (Standing Orders) Act, 1946:** - It is applicable to all establishments employing prescribed minimum (say, 100, or 50). The Act provides for laying down rules governing the conditions of employment by the employer on matters provided in the Act and get these certified by the designated Authority.

l) **Trade Unions Act, 1926:** - The Act lays down the procedure for registration of trade unions of workmen and Employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.

m) **Child Labour (Prohibition & Regulation) Act, 1986:** - The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulations of employment of children in all other occupations and processes. Employment of child labour is prohibited in building and construction industry.

n) **Inter-State Migrant Workmen's (Regulation of Employment & Conditions of Service) Act, 1979:** - The Act is applicable to an establishment which employs prescribed minimum (say, five) or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as Housing, Medical-Aid, Travelling expenses from home up to the establishment and back etc.

o) **The Building and Other Construction workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Cess Act of 1996:** - All the establishments who carry on any building or other construction work and employs the prescribed minimum (say, 10) or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be notified by the Government. The employer of the establishment is required to provide safety measures at the building or construction work and other welfare measures, such as canteens, first-aid facilities, ambulance, housing accommodations for workers near the work place etc. The employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government and deposit cess with the concerned authority.

p) **Factories Act, 1948:** - The Act lays down the procedure for approval of plans before setting up a factory, health and safety provisions, welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing the prescribed minimum (say, 10) persons or more with aid of power or another prescribed minimum (say, 20) or more persons without the aid of power engaged in manufacturing process.

Note: These features are given for reference only. The Contractor is to be responsible for compliance of all labour laws and regulations in terms of Clause 57 of the Part I: GCC.

## **Part - II Special Conditions of Contract**

These conditions vary and add to the Conditions of Contract set out in Part I  
General Special Conditions

[Text on ECoP Provisions to be Introduced]

## **SECTION 5**

### **SPECIFICATIONS**

## Specifications

- A.** The specifications for the Works under this contract shall be as per publication entitled "Ministry of Rural Development (MORD)", Specifications for Rural Roads published by the IRC (August 2004) along with specifications for all-weather rural roads, including cross drainage works, and surface and sub-surface drainage system given in "Rural Roads Manual" a publication of the Indian Roads Congress (IRC: SP: 20:2002), Guidelines for the Design and Construction of Cement Concrete Pavements for Rural Roads (IRC-SP-62-2004) and Guidelines for the Design and Construction of Flexible Pavement for low volume Rural Roads (IRC-SP 72 (2007) and other relevant publications of NRRDA/MORD, as amended or revised till the date of issue of the Notice Inviting Tender
- B.** For items only partly or briefly covered in the Rural Roads Manual and Specifications for Rural Road (MORD), the MORTH Specifications for Road and Bridge Works (4th revision) shall be followed as supplement, as amended or revised till the date of issue of the Notice Inviting Tender.

## Drawings

**Note:** The design, drawings, standards and guidelines of the Rural Roads Manual (IRC: SP: 20-2002) and other relevant IRC Standards are to be followed for all-weather rural roads.

**The guidelines will not be part of the contract. These should be excluded from the bidding document.**

### **List of Drawings :-**

1. Key Map
2. Road Alignment including cross sections (Chapter 1 of Rural Roads Manual Clause 1.1 to 1.11 with appendix and Chapter 2 of Rural Roads Manual Clause 2.1 to 2.16).
3. Pavement Drawings (Pavement design criteria under chapter 5 of Rural Roads Manual Clause 5.1 to 5.8)
4. Surface and sub surface drains with full details (Chapter 6 of Rural Roads Manual Clause 6.1 to 6.6)
5. Culverts and minor Bridges (Chapter 7 of Rural Roads Manual Clause 7.1 to 7.10 with appendix)
6. Drawings for any other Road structure.
7. Drawings to be followed for actual execution of work should bear the stamp "Good for construction".
8. Any revision of working drawings should be indicated by pre-fixing R1, R2..... etc. after original reference number. Reasons for each revision should be clearly noted in the drawing.
9. Complete set of drawings should be issued along with other bid documents so as to form part of the agreement.

## **SECTION 6**

### **FORM OF BID FOR PART I OF THE BID**

### Technical Qualification Part I of Bid

The Bidder Shall fill in and load this form for Part I of Bid separately from the form for Part II of the Bid

To [Name of Employer] .....

Address [insert address] .....

.....  
Identification Number of Works .....

Description of Works .....

Dear.....

1. Having read the Bidding Documents , Requirements for submission of documents in ITB Clause 12, and acceptance of provisions for Fraud and Corruption in the Bidding Document, we submit in attachment all documents required in the Bidding Document together with all the Affidavits regarding the correctness of information/ documents for the above stated bid.
2. We confirm that the Bid fully complies will all the requirements including the Bid Validity and Bid Security as required and specified by the bidding documents.
3. **We certify that the information furnished in our bid is correct to the best of our knowledge and belief.**

Authorised Signatory .....

Name and Title of Signator.....

Name of Bidder .....

Address .....

.....

## Form of Bid for Part II of the Bid

### Technical - Financial Part II of Bid

The Bidder Shall fill in and load this form for Part II of Bid separately from the form for Part I of the Bid

To [Name of Employer] .....

Address [insert address] .....

.....  
Identification Number of Works .....

Description of Works .....

Dear.....

1. With full understanding that Part II of our bid will be opened only if we qualify on the basis of evaluation in Part I of the Bid, we offer to execute the works described above, remedy any defects therein, and carry out the routine maintenance in conformity with the Conditions of Contract, Specifications, Drawings and Bills of Quantities accompanying in Part II of the Bid for the Total Contract Price of Rs.....(in figures) Rupees.....  
.....(in words)
2. We accept the appointment of.....as the Adjudicator  
OR  
We do not accept the appointment of.....as the Adjudicator and propose instead that.....be appointed as Adjudicator whose daily fees/reimbursable and biographical data are attached.
3. This Bid 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 bid you receive.
4. We certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in bribery. We undertake that in competing for (and, if the award is made to us, in executing) the above contract, we will strictly abide by the provisions of Fraud and Corruption in the General

Conditions of contract and laws against Fraud and Corruption in force in India namely "Prevention of Corruption Act 1988".

5. We undertake to commence the works on receiving the Notice to Proceed with the work in accordance with the Contract Conditions.
6. Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid and to contract execution if we are awarded the Contract, are listed below:

| Name/ Address of Agent | Amount | Purpose |
|------------------------|--------|---------|
| .....                  | .....  | .....   |
| .....                  | .....  | .....   |

(if none, state "none")

Signature of Authorised Signatory .....

Name and Title of Signatory.....

Name of Bidder .....

Address .....

.....

Telephone No. ....

Mobile No.....

Fax No.....

Email ID .....

**FORMAT FOR THE AFFIDAVIT**

*(NOTE: This affidavit should be on a non-judicial stamp paper of Rs.10/- and shall be attested by Magistrate/ Sub-Judge/ Notary Public)*

I, ..... *(name of the authorised representative of the bidder)* son/daughter of ..... resident of ..... *(full address)*, aforesaid solemnly affirm and state as under:

1. I hereby certify that all the information furnished with the bid submitted online in response to notice inviting bid number ..... date ..... issued by ..... *(authority inviting bids)* for ..... *(name and identification of work)* are true and correct.

2. \*I hereby certify that I have been authorised by ..... *(the bidder)* to sign on their behalf, the bid mentioned in paragraph 1 above.

Deponent

Place: .....

Date: .....

*\* not applicable if the bidder is an individual and is signing the bid on his own behalf.*

## **SECTION 7**

### **BILL OF QUANTITIES**

## **Bill of Quantities Preamble**

1. The Bill of Quantities shall be read in conjunction with the Instructions to Bidders, Conditions of Contract, Specifications and Drawings.
  
- 2.1 For the construction of works, the quantities given in the Bill of Quantities are estimated, and are given to provide a common basis for bidding. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the Contractor and verified by the Engineer and valued at the rates and prices tendered in the Bill of Quantities in the case of item rate tenders.
  
- 2.2 For the routine maintenance of roads, there is lump sum provision for each year of maintenance. The payments will be based on satisfactory performance of routine maintenance activities.
  
3. The rates and prices tendered in the priced Bill of Quantities shall, except in so far as it is otherwise provided under the Contract, include all constructional plant, labour, supervision, materials, erection, maintenance, insurance, profit, taxes and duties, together with all general risks, liabilities and obligations set out in the Contract.

**Bill of Quantities for Item Rate Bids**

| Description of item (with brief specifications and reference to book of specifications)   | Quantity  | Unit | Scheduled Rate | Scheduled Amount | Bidder's Rate |            | Bidder's Amount |
|---|---|------|----------------|------------------|---------------|------------|-----------------|
|   |   |      |                |                  | (In figures)  | (In words) |                 |
|   |   |      |                |                  |               |            |                 |
| <b>Routine Maintenance after completion of construction works</b><br>For 1 <sup>st</sup> year<br>For 2 <sup>nd</sup> year<br>For 3 <sup>rd</sup> Year<br>For 4 <sup>th</sup> Year<br>For 5 <sup>th</sup> Year | <b>Lump-sum Amount for each year Per Km. (Amounts only)</b> |      |                |                  |               |            |                 |

**Total Bid Price (in figures)** -----

**(in words)** -----

**Signature** \_\_\_\_\_

**Notes:**

- (1) The item for which no rate or price has been entered in will not be paid for by the Employer when executed and shall be deemed to be covered by the other rates and prices in the Bill of Quantities (Refer: ITB Clause 13.2 and Part I General Condition of Contract Clause 39.3).
- (2) Unit rates and prices shall be quoted by the bidder in Indian rupees [ITB Clause 14.1].
- (3) Where there is a discrepancy between the rate in figures and words, the rates in words will govern. [ITB Clause 26.1(a)]
- (4) Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by quantity, the unit rate quoted shall govern. [ITB Clause 26.1 (b)]

## **SECTION 8**

### **STANDARD FORMS -**

- **LETTER OF ACCEPTANCE**
- **ISSUE OF NOTICE TO PROCEED WITH THE WORK**
- **FORM OF AGREEMENT**
- **PERFORMANCE BANK GUARANTEE**

## Standard Forms Letter of Acceptance

**Notes on Standard Form of Letter of Acceptance:**

The Letter of Acceptance will be basis for formation of the Contract as described in Clauses 29 and 30 of the Instructions to Bidders. This Standard Form of Letter of Acceptance should be filled in and sent to the successful Bidder only after evaluation of bids has been completed and approval of the competent authority has been obtained

[Letterhead paper of the Employer]

[Date]

To: \_\_\_\_\_ [Name of the Contractor]

\_\_\_\_\_ [Address of the Contractor]

This is to notify you that the Employer, namely,  
\_\_\_\_\_ has accepted your Bid dated  
\_\_\_\_\_ for execution of the \_\_\_\_\_

[name of the Contract and identification number, as given in the Contract Data] and  
routine maintenance of the works for five years for the Contract Price of Rupees

\_\_\_\_\_ [amount in figures  
and words] as corrected and modified\* in accordance with the Instructions to  
Bidders is hereby accepted by our Agency.

You are hereby requested to furnish Performance Security, (and additional security for unbalanced bids in terms of ITB Clause 26,) [where applicable] in the form detailed in Cl. 30 of ITB for an amount of Rs. — — — — — within 15 days of the receipt of this letter of acceptance valid up to 45 days from the date of expiry of Defects Liability Period i.e. up to ..... and sign the contract, if the Performance Security is in the form of a Bank Guarantee, the period of validity of Bank Guarantee could be one year initially, however, the contractor would get this Bank Guarantee extended in such a way that an amount equal to

requisite performance security is always available with the Employer until 45 days after the lapse of Defect Liability Period. Failing which action as stated in Cl. 30.3 of ITB will be taken

Yours faithfully,

Signature of Authorized Signatory: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Agency: \_\_\_\_\_

Attachment:

\* Delete "corrected and" or "and modified" if only one of these action applies. Delete "as corrected and modified in accordance with the Instruction to Bidders" if corrections or modifications have not been effected.

**Issue of Notice to proceed with the work**  
(Letter head of the Employer)

----- (Date)

To

----- (Name and address of the Contractor)

-----

-----

Dear Sirs:

Pursuant to your furnishing the requisite performance security as stipulated in ITB Clause 30 and signing of the contract for the construction of -----, 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)

## Standard Form of Agreement

### Notes on Standard Form of Agreement

The Agreement should incorporate any corrections or modifications to the Bid resulting from corrections of errors (Instructions to Bidders, Clause 26).

### *Standard Form: Agreement*

#### **Agreement**

This agreement, made the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_,  
between \_\_\_\_\_ [name and  
address of Employer](hereinafter called "the Employer") 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  
\_\_\_\_\_  
[name and identification number of  
Contract] (hereinafter called "the Works") and thereafter undertake routine  
maintenance for five years; and the Employer has accepted the Bid by the  
Contractor for the execution and completion of such Works and the remedying  
of any defects and routine maintenance therein at a cost of  
Rupees\_\_\_\_\_.

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expressions 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 and undertaking routine maintenance for five years.

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 and undertaking routine maintenance for five years, 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 Bid;
  - iv) Contract Data;
  - v) Special Conditions of Contract;
  - vi) General Conditions of Contract;
  - vii) Specifications;
  - viii) Drawings;
  - ix) Bill of Quantities; and
  - x) 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 \_\_\_\_\_

**PERFORMANCE BANK GUARANTEE**

To: \_\_\_\_\_ [name of Employer]  
\_\_\_\_\_ [address of Employer]

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 \_\_\_\_\_ [amount of guarantee] <sup>1</sup> \_\_\_\_\_ [in words], such sum being payable in Indian Rupees 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]<sup>1</sup> 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 thereunder 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 ..... (i.e.) 45 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor \_\_\_\_\_  
Name of Bank \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_

---

*1 An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract and denominated in Indian Rupees.*

**PERFORMANCE BANK GUARANTEE (for unbalanced items)**

To: \_\_\_\_\_ [name of Employer]  
\_\_\_\_\_ [address of Employer]

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 \_\_\_\_\_ [amount of guarantee] <sup>1</sup> \_\_\_\_\_ [in words], such sum being payable in Indian Rupees 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] <sup>1</sup> 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 thereunder 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 ..... (i.e.) 45 days from the date of issue of the certificate of completion of works.

Signature and seal of the guarantor \_\_\_\_\_

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

---

<sup>1</sup> An amount shall be inserted by the Guarantor, representing additional security for unbalanced Bids, if any and denominated in Indian Rupees.

**BANK GUARANTEE FOR ADVANCE PAYMENT**

To: \_\_\_\_\_ [name of Employer]  
\_\_\_\_\_ [address of Employer]  
\_\_\_\_\_ [name of Contract]

Gentlemen:

In accordance with the provisions of the Conditions of Contract, subclause 51.1 ("Advance Payment") of the above-mentioned Contract, \_\_\_\_\_ [name and address of Contractor] (hereinafter called "the Contractor") shall deposit with \_\_\_\_\_ [name of Employer] a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of \_\_\_\_\_ [amount of guarantee]<sup>1</sup> \_\_\_\_\_ [in words].

We, the \_\_\_\_\_ [bank or financial institution], as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to \_\_\_\_\_ [name of Employer] on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding \_\_\_\_\_ [amount of guarantee]<sup>1</sup> \_\_\_\_\_ [in words].

We further agree that no change or addition to or other modification of the terms of the Contract or of Works to be performed thereunder or of any of the Contract documents which may be made between \_\_\_\_\_ [name of Employer] 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 remain valid and in full effect from the date of the advance payment under the Contract until \_\_\_\_\_ [name of Employer] receives full repayment of the same amount from the Contractor.

Yours truly,

Signature and seal: \_\_\_\_\_  
Name of Bank/Financial Institution: \_\_\_\_\_  
Address: \_\_\_\_\_  
Date: \_\_\_\_\_

---

<sup>1</sup> An amount shall be inserted by the bank representing the amount of the Advance Payment, and denominated in Indian Rupees.

## **Modifications for Use of Model Bidding Document Under World Bank Financing**

Cover Page: Introduce the following text under the upper Heading  
“For Use in Bank Financed Contracts”

Explanatory Note: Replace the first Paragraph with:

“The Model Bidding Document for Pradhan Mantri Gram Sadak Yojana (PMGSY) is applicable for National Competitive Bidding for Works construction contracts funded with World Bank financing under the PMGSY program.”

e-procurement Notice and Invitation for Bids: Introduce the following text at the beginning of the paragraph:

“The Government of India has received a loan/credit from the International Bank for Reconstruction and Development/International Development Association towards the cost of Rural Roads Project (Pradhan Mantri Gram Sadak Yojana) and intends to apply a part of the funds to cover eligible payments under the contracts for construction of works as detailed in the Table below. Bidding is open to all bidders from eligible source countries as defined in the bidding document.

Section 2 - Introduction to Bidders (ITB)

Paragraph 2.1 Replace Paragraph 2.1 with the following text

“ The Government of India has received a Loan/Credit (Loan/Credit No... ..) from International Bank for Reconstruction and Development/ International Development Association (hereinafter interchangeably called “the Bank”) towards the cost of Rural Roads Project (PMGSY) and intends to apply a part of the funds to cover eligible payments under the contract for the works. Payment by the Bank will be made only at the request of the Borrower and upon approval of the Bank in accordance with the Loan/Credit Agreement and will be subject in all respects to the terms and conditions of that Agreement. Except as the Bank may specifically otherwise agree, no party other than the Borrower shall derive any rights from the Loan/Credit Agreement or have any rights to the credit proceeds”.

Replace para 2.2 with the following:

“2.2 Payments by the Bank will be made only at the request of the Borrower and upon approval by the Bank in accordance with the terms and conditions of the financing agreement between the Borrower and the Bank (hereinafter called the Loan Agreement), and will be subject in all respects to the terms and conditions of that Loan Agreement. No party other than the Borrower shall derive any rights from the Loan Agreement or have any claim to the funds.”

Paragraph 3.1: Add at the end a reference to the ‘Attachment to Annex’

Paragraph 3.1: Add the following at the end of paragraph 3.1:

.....“Government owned enterprises may only participate if they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the implementing agency, Borrower or sub-borrower”.

Section 4 - Part 1 (General Conditions of Contract)

Clause 23.2: Replace the text with the following:

“ The Contractor shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or accounts and records of the Contractor and its subcontractors relating to the performance of the Contract, and to have the accounts and records audited by auditors appointed by the Bank, if so required by the Bank. The Contractor’s attention is invited to Clause61 (Fraud and Corruption), which provides, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause.....constitute a prohibited practice subject to contract termination ( as well as determination of ineligibility under the Procurement Guidelines).

Section 4- Contract Data:

Introduce the following text below the text on the Borrower:

The Financier is : International Bank for Reconstruction and Development [IBRD} /International Development Association [IDA] and Loan / Credit refers to.....

## **Eligible Countries**

### **Eligibility for the Provision of Goods, Works and Services in Bank-Financed Procurement**

1. In accordance with Para 1.8 of the Guidelines: Procurement under IBRD Loans and IDA Credits, dated May 2004, the Bank permits firms and individuals from all countries to offer goods, works and services for Bank-financed projects. As an exception, firms of a Country or goods manufactured in a Country may be excluded if:

Para 1.8 (a) (i): as a matter of law or official regulation, the Borrower's Country prohibits commercial relations with that Country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of the Goods or Works required, or

Para 1.8 (a) (ii): by an Act of Compliance with a Decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's Country prohibits any import of goods from that Country or any payments to persons or entities in that Country.

2. For the information of borrowers and bidders, at the present time firms, goods and services from the following countries are excluded from this bidding:

(a) With reference to paragraph 1.8 (a) (i) of the Guidelines:

*[insert list of countries prohibited under official regulations of the country]*

(b) With reference to paragraph 1.8 (a) (ii) of the Guidelines:

*[insert list of countries which are barred under UN Security Council Chapter VII]*