

HINDUSTAN SHIPYARD LIMITED : : VISAKHAPATNAM – 530 005.  
ANNEXURE TO OUR TENDER ENQUIRY SBO/718/BLATING/019/2012  
COMMERCIAL TERMS AND GENERAL CONDITIONS

BIDDERS  
CONFIRMATION

1. The Tenderer shall read, understand and satisfy himself about the nature and scope of work as well as supply of materials and other facilities provided by Shipyard as contained in the Technical Specification before submission of the bid. Tenderer is advised to visit the site to acquaint him self with the site conditions, approaches and other relevant information before tendering if so desired.
2. The tenderer shall submit their offer in two parts i.e., Part – I Techno-Commercial Bid and Part II- Price Bid in separate sealed covers and keep the above 2 covers in another cover duly sealed, super scribing the Tender Number and due date on each cover.
3. Tenderer is requested to furnish the full details of his plant and equipment that are going to be employed/set up for the execution of work, copy of latest PF & ESI Registration certificates are to be submitted along with the unpriced techno-commercial bid. Suggestions/deviations, if any, on the tender documents shall be brought out clearly on a separate sheet and furnish ambiguity and misgivings at a later date.
  - 3.1 The quotation shall be valid for a period of 90 days from the date of opening of the price Bid.
4. EARNEST MONEY DEPOSIT :
  - 4.1 The tenderer is required to submit with his tender Earnest Money Deposit of Rs.5,000/-(Rupees five thousand only) by way of crossed “Demand Draft” drawn in favour of M/s. Hindustan Shipyard Ltd., Visakhapatnam from any Nationalised Bank payable at Visakhapatnam. The EMD will be forfeited under the following conditions:
    - 4.1.1 Failure to keep the tender valid up to the date specified and subsequent extensions.

- 4.1.2 Refusal to accept the work and carryout in accordance with the tender specifications in case the work is awarded to the Bidder.
- 4.2 HSL reserves right to ignore offers submitted without EMD by way of Demand Draft as stated above. No correspondence of this will be entertained. Our decision is final and binding to avoid above action. Tenderers are hereby requested to ensure that they submit the DD No. & Date, Amount, Bank and B.G. details on which it is issued are to be clearly superscribed in technical bid along with other details. Tenderers failing to submit DD or B.G. as stated above will not be allowed to participate in the tender opening.
- 4.3 In the event of your tender not accepted by us, the earnest money so deposited by way of DD will be refunded. In respect of the accepted tenderer, the EMD amount of Rs. 5,000/- will be retained with HSL till full and final completion of the rate contract period of three years. This amount will be released after completion of the Rate contract period.
- 4.4 You are requested to submit proof / a certificate obtained from competent authority indicating your line of experience in execution of sub-contract jobs in ship-construction as well as on ship repairs jobs.
5. SUBMISSION OF TENDER :- Indicate the following details in price Bid
- 5.1 Tenderer shall have to quote the lump sum rate with split up details for the total work as specified in the enclosed Technical Specification in their respective price bids only. Tenderers should not indicate their prices in Part-I i.e., Techno commercial Bid.
- 5.2 Tenderers shall keep their prices firm and fixed till complete execution of the contract for a period of three years without any deviation in price except for diesel price increase/decrease. Please convey your specific acceptance on this clause.
- 5.3 However, the contractor has to submit a copy of the format for split up rates along with their technical offer while blocking up the prices, for our scrutiny.

6. SERVICE AND FACILITIES TO BE PROVIDED BY H.S.L FREE OF COST /AS APPLICABLE

6.1 ACCOMMODATION FOR SITE OFFICE & STORES

Minimum area required by the sub-contractor for his site office and stores will be provided by HSL free of cost in the yard subject to availability. Tenderer have to erect temporary sheds only and to provide all other facilities that are required at his cost.

6.2. First Aid will be provided to the Sub-Contractor's workmen by Shipyard at the prevailing rates.

6.3. Paints as per Technical Specification will be supplied at the stores in main yard as per the estimates for each job. Requirements beyond the estimated quantities will be made at cost at actuals landed purchase price plus 5% handling charges.

7. EQUIPMENT & OTHER FACILITIES TO BE ARRANGED BY CONTRACTOR :

7.1. The Sub-Contractor, if the job warrants per Technical Specification shall mobilise welding and gas cutting equipments, grinding, chipping, drilling machines, tools and tackles, jigs and fixtures, slings, turn buckles, hydraulic jacks, rigging equipments, compressors, mobile cranes of required capacity etc., for the execution of the work. The equipment so mobilized/hired by the sub-contractor shall not be removed before the completion of the work and without the written consent of competent authority.

7.2. Staging if required for the works shall be arranged by the Sub-contractor.

7.3. Collection and transportation of free supply items from main yard stores to work spot is the sub-contractor's responsibility

8. STORES & PRESERVATION OF MATERIALS :

The entire material supplied by shipyard is the property of HSL and the sub-contractor shall account for the same and return the scrap generated if any along with excess materials to shipyard. The responsibility for storage, preservation and maintenance of materials at site whether of HSL's supply or otherwise rests with the sub-contractor. In the event of loss of materials the respective value with landing costs as decided by HSL will be recovered from the contractors.

9. LABOUR LAWS :

The Sub-contractor has to follow and adhere to all the labour laws with respect of safety, health, wages working hours, leave and other welfare measures as specified and in force under the Central Labour (Regulation & Abolition) Rules, 1971 Factories Act 1947; Workmen compensation Act, etc., as amended upto date in respect of manpower employed or hired by him for execution. He shall render monthly returns relating to muster payment of wages and P.F. contribution, etc., to Engineer-in-charge of work, failure to comply with above will attract all penal provisions as per respective acts.

10. SECURITY MEASURES :

The Sub-contractor shall follow all security rules framed by HSL from time to time regarding movement of materials, issue of tokens/identity cards, controls of entry of personnel, shifts timings discipline and all similar matters.

11. The Sub-contractor is liable for termination, if the Sub-contractor offers or gives or agree to give to any reasons any gift or consideration of any kind as an inducement or reward for doing or for bearing to do for or having done or for borne to do any act in relation to the obtaining or execution of this contract.

12. The sub-contractor shall get himself registered under the EPF act for the purpose of admitting eligible workmen employed by him to the benefit of PF and furnish a copy of registration certificate of PF contribution of his employees along with his bills.

13. The sub-contractor shall submit within a week of receipt of the order a schedule clearly indicating the progress from the commencement to completion of the work within the time frame for the approval of Engineer-in-charge for the work. The work shall be commenced immediately on the notice from the Engineer-in-charge and ensure completion of work as directed by him. HSL reserves the right to cancel the contract in part or whole on the failure of the sub-contractor to complete the work to meet HSL's schedule of the ship construction or on failure to maintain the quality of work as specified on the Technical specification.

14. HOUSE KEEPING :

The sub-contractor shall keep the surrounding clean and Tidy, if he fails to do so, the shipyard shall have the right to get it done at the cost of and risk of the contractor.

15. The Sub-contractor shall take insurance cover at his cost for his workmen and the equipment and shall produce relevant documents on demand to HSL officials. However builders risk is not in their scope.

16. The sub-contractor shall keep technically qualified and experienced Engineer/supervisors/skilled workmen through out the work to take instructions and carry out the job correctly.

17. PARALLEL CONTRACT :

Shipyard reserves the right to issue parallel contracts during the currency of the contract and also reserve the right to get the work entrusted and done outside his contract, irrespective of the value of the work, when the work is to be done on emergency basis or when shipyard consider such a course necessary.

17.1. SPLIT/PARALLEL ORDER :

HSL reserves the right to split the total quantity/work on more than one contractor, if necessary. Tenderers should specifically confirm their acceptance for this clause.

18. EXTENSION OF TIME FOR DELIVERY :

Request for extension of time may, however, be considered in exceptional cases of delay arising as a direct result of the following :

18.1. Force Majeure conditions which include any Government control, intervention or requirement, war, riot, civil commotion fire accidents, strikes/lock outs, epidemics etc.

18.2 Delay in supply of HSL scope of materials affecting the progress of work. However, intimation in writing immediately of the happenings of any such occurrence of causes mentioned above and cessation there of shall be given by the sub-contractor for extension of date of completion of work.

19. LIQUIDATED DAMAGES:

The work shall be completed in all respects and shall be handed over with in the schedule period as advised by the department. In case the sub-contractor fails to complete the work with in the stipulated period, liquidated damages shall be levied at the rate of 0.5% per week or part thereof of the order value subject to a maximum of 10%, provided the delay is attributable to the sub-contractors.

20. PAYMENT TERMS :

Upon completion of work, 90% payment will be made within 30 days from the date of submission of bill in triplicate accompanied by work completion certificate and copies of PF & ESI clearance certificates. The balance 10% amount will be retained as Security Deposit. The SD will be released after 12 months from the actual date of sailing of the particular vessel from yard for which the work was done.

21. ALLOTMENT OF WORK:

The work will be allotted by Painting Department depending on the necessity and urgency, and work load on the contractor.

22. SERVICE OF CRANES :

Service of Cranes (EOT / Mobile cranes) along with the operator will be provided for heavy lifts on prior request subject to availability.

23. HSL reserves the right to cancel the present tender at any time without assigning reasons thereof.

24. Bidders are requested to submit along with Techno- commercial part, a statement showing the subject works, viz. works carried out by them with HSL or any other organization together with supporting documents. HSL reserves the right to ignore such offers if not complying with their requirement.

25. Bidders should confirm their total acceptance to carry out the subject works in accordance with the technical specifications and commercial terms and conditions attached to the tender enquiry without any deviation. For this purpose, tenderers are requested to confirm the compliance with the above by duly signing on each page of the tender document. As a token of their acceptance without which the offers will be ignored.

26. SUB-LETTING :

The sub-contractor shall not sublet, transfer or assign the Contract or any part thereof without express written permission of Shipyard. In the event of contravening these conditions, shipyard shall be entitled to place the sub-contractor elsewhere on sub-contractors risk. The sub-contractor will be liable for any loss or damage which the shipyard may sustain in consequence or arising out of such replacing the contractor.

Sub-contracting, if restored for any portion of the work shall be subject to HSL's consent only.

27. ARBITRATION :

All disputes between the parties shall be referred to the sole Arbitrator "The Chairman & Managing Director, M/s. Hindustan Shipyard Limited" or a person appointed by him.

28. The enforcement of terms of contract as well as the transaction entered into by the sub-contractor shall be deemed to have taken place with in the jurisdiction of Visakhapatnam where the Shipyard is situated and any course of action arising in the due performance or breach of the contractor by either of the parties here to shall be deemed to arisen with in the due jurisdiction of Visakhapatnam not with standing the resident or business of the sub-contractor.

29. The basic classification fees is included in HSL scope. However, charges individual visit of surveyor to inspect sub-contractors works shall have to be borne by the sub-contractor.

30. All remarks/recommendations made by HSL's Q.A. Department, owners and surveyors are to be carried out without extra cost.

31. TAXES & DUTIES :

**The quoted rates shall be inclusive of all the taxes and duties as applicable**

32. REQUISITION & ACCOUNT OF MATERIAL :

32.1. The materials/consumables required shall be planned by you well in advance and the requisition of material required shall be raised in writing at least 7 days in advance.

32.2. After completion of each work, the sub-contractor shall render the full account of materials/consumables received by them, used by them and utilized by them. Balance material, if any, shall be returned before raising the bill.

32.3. If the account of the materials/consumables received by the sub-contractor is not properly rendered and balance material is not returned, the cost of the same will be recovered from the bills of the sub-contractor.

33. VALIDITY OF RATE CONTRACT:

The Rate Contract rates finalized/established through this tender are valid for a period of THREE years from 01-04-2012. This can be further extended with mutual consent.

34. Rate adjustment for Diesel price increase/decrease: The consumption of diesel for blasting 10 Sq. M area was worked out as 20 litres. The difference of rate in diesel cost as on the date of work (say R2) and the basic rate as on the date of order (say R1) considered for adjustment for blasting items only as per the following formula. This clause is applicable for blasting items only.

$$\text{Diesel price Adjustment amount} = (R2 - R1) \times \text{Blasted Area} \times 20 \text{ L} / 10 \text{ M}^2$$

This amount will be added/deducted from the work done bills. Hence the Tenderers are to keep in mind the diesel price as on 01-04-2012 while quoting the rates of blasting items.

35. **ASSIGNMENT:** The contractor shall not assign the contract or any part thereof or any benefit or interest therein or there under without the written consent of the Employer.
36. **APPROPRIATION:** Whenever under the contract any sum of money is recoverable from, and payable by the contractor, HSL shall be entitled to recover such sum by appropriating in part or whole by deducting any sum then due or which at any time thereafter may become due to the contractor in this or any other contract. Should this sum be not sufficient to cover the full amount recoverable the contractor shall pay to HSL on demand the remaining balance due.

Tenderer is requested to clearly confirm his willingness or otherwise and all the above points 1 to 36 points to in writing. If any point is not acceptable, they have to write clearly against the same indicating the reasons and underline the same.