

**STANDARD TERMS AND CONDITIONS OF SUPPLY
(FACILITY & SERVICE SUB CONTRACT)**

INDEX

1. **GENERAL**
2. **QUALITY CERTIFICATION**
3. **QUOTATIONS AND ORDER ACCEPTANCE TERMS**
4. **INSURANCE & FREIGHT DETAILS AND DELIVERY**
5. **GUARANTEE / WARRANTY**
6. **TERMS OF PAYMENT**
7. **INSPECTION AND TESTING ASSISTANCE**
8. **STATUTORY LAWS AND REGULATORY REQUIREMENTS**
9. **MISCELLANEOUS**

SC-1.0 GENERAL

- SC-101 The word '**Purchaser**' refers to MAZAGON DOCK LIMITED, (MDL), a Company registered under the Indian Companies Act 1913 and it includes its successors or assigns.
- SC-102 The word '**Sub-contractor / Supplier / Vendor**' means the person / firm / Company who undertakes to manufacture and or supply and or undertake work of any nature assigned by the Purchaser from time to time and includes its successors or assigns.
- SC-103 The word '**Owner**' means the person or authority with whom Mazagon Dock Limited (Purchaser) has contracted to carry out work in relation to which orders are placed by the Purchaser on the Sub-contractor / Supplier / Vendor under this contract for supply or manufacture of certain items and would include Department of Defence Production & Supplies, Ministry of Defence, Government of India, the Indian Navy, the Coast Guard and any other specified authority.
- SC-104 The Sub-contractor / Supplier / Vendor shall not either wholly or partly sell, transfer, assign or otherwise dispose of the rights, liabilities and obligations under the contract between him and the Purchaser without prior consent of the Purchaser in writing.
- SC-105 The Sub-contractor / Supplier / Vendor shall hold harmless and keep the Purchaser indemnified against all claims arising as a result of infringement of any patent / copy rights on account of manufacture, sale or use of articles covered by the order.
- SC-106 Any letter, facsimile message, e-mail intimation or notice sent to the Sub-contractor / Supplier / Vendor at the last known address mentioned in the offer / order shall be deemed to be valid communication for the purpose of the contract.
- SC-107 All contracts shall be deemed to have been wholly made in Mumbai

and all claims thereunder are payable in Mumbai City and it is the distinct condition of the order that no suit or action for the purpose of enforcing any claim against the Purchaser in respect of the order shall be instituted by the Sub-contractor / Supplier / Vendor in any Court other than that situated in Mumbai City, Maharashtra State, India.

- SC-108 The Sub-contractor / Supplier / Vendor shall unconditionally and free of cost to the Purchaser transfer information on technological developments / innovations / modifications which the Sub-contractor / Supplier / Vendor would evolve in future (within 3 years) in relation to the supplied equipment. If such improvements / modifications are brought in by the Sub-contractor's / Supplier's / Vendor's Design Department in course of manufacture of equipment ordered by the Purchaser, the Sub-contractor / Supplier / Vendor shall incorporate such improved versions in the equipment without any extra cost to the Purchaser.
- SC-109 If the Purchaser be desirous of getting incorporated all post supply modifications / improvements arising out of technological developments to the original equipment supplied by the Sub-contractor / Supplier / Vendor, the Sub-contractor / Supplier / Vendor, shall quote for and carry out all such modifications to the equipment.
- SC-110 All property (such as materials, drawings, documents etc) issued by the Purchaser or any other individual or firm on behalf of the Purchaser in connection with the contract shall remain confidential, being the property of the Purchaser and the Sub-contractor / Supplier / Vendor shall undertake to return all such property so issued and will be responsible for any or all loss thereof and damage thereto resulting from whatever causes and shall reimburse the Purchaser the full amount of loss and damage.
- SC-111 Purchase preference in respect of equipment / product and or services of Central Public Enterprises will be applicable for such / similar equipment / product / services on tender as per extant policy promulgated by Department of Public Enterprises, Government of India.
- SC-112 The Purchaser reserves the right to accept and or reject any or all tenders and or to withdraw the tender in toto without assigning any reason whatsoever.

SC-2.0 Quality Certification

- SC-201 Purchase preference will be considered in case the Sub-contractor / Supplier / Vendor is accredited with ISO 9001:2000 or equivalent International Quality Management System Standards in respect of facilities / services and or items on tender.
- SC-202 The Sub-contractor / Supplier / Vendor shall submit as proof, in Part-I of the bid documents, a copy of ISO 9001: 2000 or equivalent international Quality System Standards certificate valid as of date.

SC-203 The Sub-contractor / Supplier / Vendor shall engage sub-contractors and avail supplies from suppliers with prior approval of Purchaser and such sub-contractors and suppliers shall also be accredited with ISO 9001: 2000 or equivalent International Quality System Standards.

SC-204 In the event the Sub-contractor / Supplier / Vendor is not being ISO 9001:2000 accredited firm, the fact shall clearly be stated and the Quality Assurance / Quality Control organisation of the company be described in detail. Pursuant to scrutiny of such statement / documentation, the Purchaser may decide to accept the offer with pre-conditions specified for acceptance or reject the bid submitted.

SC-3.0 Quotations and Order Acceptance Terms :

SC-301 Tenderer shall pay special attention to the following points. Failure to comply with these may disqualify the tenderer in to.

- a. Tender number and due date to be superscribed on all the envelopes.
- b. Tender to be submitted on or before the due date and time.
- c. Offer to be as per specifications and complying with tender conditions.
- d. The envelopes to be sealed properly.

SC-302 Unless otherwise stated, the offers shall be in 'Two Bid System' only, in two separately sealed envelopes :-

- a. PART-I - 'Techno-Commercial Bid' and marked thus. In addition, Part-I shall include -
 - i. Proforma Price Schedule blanking the prices and indicating 'Quoted / Not Quoted' (as applicable against each item on tender).
 - ii. Duties / Taxes, Octroi, freight charges, insurance and or any other Statutory levies payable, specifying incidence clearly / separately against each head.
 - iii. The cost incidence against each head clearly indicating for Door Delivery or F. O. R. or Ex-works alongwith charges for packing and forwarding.
 - iv. Compliance Statement clearly highlighting deviations / exceptions, if any, to Technical Specifications / Standard Terms and Conditions of Supply, Specific Tender Conditions. Non-specifying of deviations against any or all clauses would be construed as compliance to any / all conditions of tender. Any deviations to STACS, having financial implications, would be considered suitably for loading the quoted price. (STACS Acceptance Format is placed at Annexure 2).
 - v. Earnest Money Deposit, value as specified in the Tender, shall be submitted by way of Demand Draft drawn in favour of Mazagon Dock Limited or value of Bid Bond as stipulated in the tender, to be provided

by the bidder / supplier as per format provided by the Purchaser. (Format placed at Annexure 3).

- vi. Copy of ISO 9001: 2000 or equivalent Quality Management System Standards certificate valid as of date.
- vii. Delivery Schedule.

- b. PART-II - 'Price Bid' - Quotes to be written in figures and words duly authenticated / signed by the authorised person and marked thus.

- SC-303
- a. Both these sealed envelopes-Part I and Part II, shall be put in a third envelope duly superscribing the Tender number and Due Date and sealed properly and deposited in the Tender Box kept at Commercial Sub - contract Section, 4th Floor, Service Block, North Yard by 14.30 hrs. / as specified in the tender inquiry.
 - b. Outstation Bidder / Tenderer shall forward their offers addressed to Deputy General Manager (Shipbuilding Commercial - Sub - contract) OR Deputy General Manager (Commercial - East Yard) OR Additional General Manager (Offshore Commercial), OR Chief Manager (Shiprepair Commercial), Mazagon Dock Limited, Dockyard Road, Mumbai 400 010, either by courier service or by speed post so as to reach 48 hours in advance of the due date of tender or by hand delivery before due date and time of tender closing. Purchaser shall not be responsible for any postal / courier delay and it is attributable solely to the tenderer.
 - c. Offer in "Two Bid System" received by fax / e-mail and or offers received beyond due date and time of tender is liable to be rejected.

- SC-304
- a. The offer shall be valid for acceptance for 90 days from the date of Tender closing and the prices shall remain firm and fixed until execution of the entire contract.
 - b. Purchaser reserves the right to consider placement of Purchase Order in part or in full against the tendered quantity.

- SC-305
- The Purchaser would consider providing facilities like - compressed air, crange facility for handling heavy loads for lowering onto the ship and water intended for use by the Sub-contractor / Supplier / Vendor for execution of contract for working within the Purchaser's premises at no extra cost to the Sub-contractor / Supplier / Vendor. Industrial gases, electrical power, office space / RU store facility may be provided only if possible and available, and only on CHARGEABLE BASIS, if so desired by the Sub-contractor / Supplier / Vendor.

- SC-306
- The Purchaser would provide on demand the requisite material to

be supplied as per the Contract. On completion / execution of the contract a reconciliation statement detailing quantity of material issued, quantity used for the contract and quantity returned to Stores will have to be submitted alongwith certified Invoice/s before payment/s are effected. Any excess consumption of material on account of wastage / damage, re - work not attributable to Purchaser will be suitably recovered from the Sub-contractor / Supplier / Vendor.

SC-307 The Sub-contractor / Supplier / Vendor shall inform the Purchaser in advance in case he is unable to participate in the tender for whatsoever reason. Failure to comply with this will be viewed seriously and consecutive three failure on the part of Supplier / Vendor to do so is liable for disqualification / debarring of the Sub-contractor / Supplier / Vendor from all future tender enquiries and or delisting from the list of 'Approved Registered Vendors.'

SC-308 Tenders will be opened on the tender due date after 15.00 Hrs. in the Project-Commercial – Sub – contract Section, Service Block. Only authorised representatives of tenderers are permitted to witness the Part I tender opening, in case of Press Tenders only. Tender opening shall neither be delayed nor withheld / postponed on account of absence of any one or more Tenderers. All the envelopes marked as 'PRICE BID' received at the time of Tender opening will be noted and held unopened separately.

SC-309 Authorised representatives of technically qualified tenderers, in case of Press Tenders, who have submitted EMD / Bid Bond, as applicable, and complied with tender terms, will only be permitted to be present and note the proceedings of the Price Bid - Part II opening in a manner as directed by the tender opening officers. Qualifying tenderers not present during price bid opening will not be parted with information on prices at a later date.

Purchaser reserves the right to exempt Public Sector Undertaking and or firms registered with National Small Industries Corporation (NSIC) upto the value for which they are registered with NSIC.

No interest will be payable on EMD amount while held by Purchaser and EMD / Bid Bond of unsuccessful tenderers will be refunded / returned within seven days of finalisation of order and on submission of original Money Receipt.

SC-310 The Earnest Money Deposit shall be forfeited by MDL in the following events –

- a. If tender is withdrawn by the tenderer during the validity period or during any extension granted thereof.
- b. If the scope of tender is varied or modified by the bidder during the validity period or during any extension of the validity duly agreed to.
- c. If the successful tenderer, whose tender has been accepted by the Purchaser, fails to honour the order / contract.

d. EMD, if not claimed within one year from the date of notification to the tenderer for refund, will be forfeited.

SC-311 With the acceptance of the successful bidder's offer by the Purchaser, which is as per the Terms and Conditions of the tender, by means of LOI / Purchase Order, the Contract is concluded.

The Sub-contractor / Supplier / Vendor shall, on receipt of the order, communicate his unconditional acceptance within two weeks of from the date of mailing / receipt of the same in its entirety by returning a copy of the Purchase Order duly signed by the authorised person and without any qualification. Communicating acceptance of the order subject to any other terms and conditions of the contract on the part of the Sub-contractor / Supplier / Vendor shall not bind the Purchaser in respect of these conditions which are less favourable to the Purchaser as compared with the conditions mutually agreed to and or stipulated in the order. It shall be the responsibility of the Sub-contractor / Supplier / Vendor to enumerate specifically any error or discrepancy in the order at the time of acceptance. Failure to do so shall make the order binding on the Sub-contractor / Supplier / Vendor in all respects.

Any delay in acknowledging the receipt of the Purchase Order within the specified time limit or any qualification or modification of the Purchase Order in the acknowledgement of the Purchase Order by the Sub-contractor / Supplier / Vendor shall be a breach of the contract on the part of Sub-contractor / Supplier / Vendor. Compensation for the loss caused by the breach will be recovered by the Purchaser by forfeiting the Earnest Money, invoking Bid Security / Bid Bond given by the Sub-contractor / Supplier / Vendor. If the Sub-contractor's / Supplier's / Vendor's bid contains any condition and any correspondence which are contrary to the Notice Inviting Tender (NIT) then they shall be considered as superseded and void on the acceptance of the bid by the Purchaser.

Recovery of compensation by the Purchaser from the Sub-contractor / Supplier / Vendor by forfeiting the Earnest Money or by invoking the Bid Security / Bid Bond shall be regarded as cancellation of the contract which has come in to existence on the acceptance of the offer by the Purchaser.

SC-312 Security

Deposit

The successful Tenderer shall submit a Security Deposit @ 5% of the value of the Order in the form of Demand Draft / Pay Order / Bank Guarantee in favour of Purchaser. The Security Deposit will be returned only after the successful execution of the order. In the event of failure to execute the order satisfactorily or default by the Sub-contractor / Supplier / Vendor, the Security Deposit will be forfeited.

SC-313 No increase whatsoever would be payable over and above the agreed Unit rate to Sub-contractor / Supplier / Vendor on any

account, such as - due to increase in prices of steel / petrol / diesel / electrodes / gases / raw materials, minimum wages of workers, etc. Similarly, no increase in rates will be acceptable in the event Sub-contractor's / Supplier's / Vendor's employees are required to work extra hours / overtime beyond the scheduled shift hours to meet scheduled completion of the contract. Failure to execute the contract as per rates quoted / agreed to and accepted mutually is liable to result in dis-continuance of further dealings with the Sub-contractor / Supplier / Vendor, in addition to forfeiture of Security Deposit without prejudice to Purchaser's other rights as per the contract.

SC-4.0 Insurance & Freight details and Delivery

SC-401 Insurance

SC-402.1 In cases where the Sub-contractor's / Supplier's / Vendor's offers are for 'Free Delivery to Purchaser,' transit Insurance charges shall be borne by the Sub-contractor / Supplier / Vendor.

SC-402.2 In case of Ex-works / Ex-Transporter's warehouse or Railway godown offers, the Sub-contractor / Supplier / Vendor shall give details of materials with despatch particulars and their value to Purchaser's Insurance Company i.e. New India Assurance Company Limited, General Insurance Department, Commerce Centre, First Floor, Tardeo, Mumbai – 400 034, (Fax no.: 91-022-494 8559) under advice to Purchaser immediately after the despatch/es. The Insurance Charges will be borne by Purchaser.

SC-403 Where so stipulated in the order, the Sub-contractor / Supplier / Vendor shall render such reports from time to time as regards the progress of the contract and in such a form as may be called for by the Purchaser. The Purchaser reserves the right to cancel an order forthwith without any financial implications on either side, if on completion of 50% of the scheduled delivery period the progress of manufacture is not to the satisfaction of Purchaser / Owner and failure on the part of the Sub-contractor / Supplier / Vendor to comply with the completion schedule is inevitable. In such an event the Sub-contractor / Supplier / Vendor shall repay all the advances together with interest at prevailing bank rates (presently 13.5% p.a.) from the date of receipt of such advances till date of repayment. The title of any property delivered to Purchaser will be reverted to the Sub-contractor / Supplier / Vendor at his cost.

SC-404 The Sub-contractor / Supplier / Vendor shall arrange despatch of goods by Rail / Road transport to Mumbai as appropriate and consign to Chief Manager (Stores), Mazagon Dock Limited, Mumbai-400 010, where applicable. An Advance Copy of the invoice along with copies of other relevant documents shall be forwarded to Purchaser sufficiently in advance to avoid demurrage. In case of door delivery contracts, the Transporter shall be directed to deliver the ordered equipment without insisting for consignee copy of Lorry Receipt.

SC-5.0 Guarantee / Warranty

- SC-501 The warranty shall survive inspection of, payment for and acceptance of the Services / Facilities provided and shall be Guaranteed / Warranted for satisfactory performance for the period of 12 months from the date of satisfactory execution OR commissioning of the vessel, where applicable, against improper / defective material and faulty workmanship. During the period all defects arising out of improper / defective material, faulty workmanship shall be rectified, as necessary, free of charge basis to the Purchaser by the Sub-contractor / Supplier / Vendor.
- SC-502 If the defects intimated during the Guarantee period are not remedied within a reasonable/ stipulated time, the Purchaser may proceed to rectify the defects at the Sub-contractor's / Supplier's / Vendor's risk and cost, but without prejudice to any other rights which the Purchaser may have against the Sub-contractor / Supplier / Vendor in respect of the failure of the Sub-contractor / Supplier / Vendor to remedy such defects.
- SC-503 Inspection of the Services / facilities provided and approval by the Inspecting Authority/ies do not absolve the Sub-contractor / Supplier / Vendor of the responsibility of guarantee for the Services / Facilities provided. It will be the sole responsibility of the Sub-contractor / Supplier / Vendor to ensure that the Services / Facilities provided are complete in all respects and perform to their designed parameters / purposes.
- SC-504 In the event of Sub-contractor's / Supplier's / Vendor's failure to attend the Guarantee defects within a reasonable period of time, the Performance Bank Guarantee will be encashed by the Purchaser. The Purchaser's decision shall be final and binding on Sub-contractor / Supplier / Vendor in this regard.

SC-6.0 Terms of Payment

- SC-601 Unless or otherwise mutually agreed upon and stipulated in the order, the terms of payment, on completion of the contract, shall be 90% of Order value within 45 days from the date of submission of bills in "TRIPLICATE" with complete set of documents as under :
- i. Work completion certificate from User Department.
 - ii. 3 copies of Manufacturer's Works Test Certificate and Delivery Challans duly authenticated confirming receipt / completion of supply, (where applicable).
 - iii. 3 copies of Certificate of Inspection and approval from LRS / IRS / ABS / DWP / DQAN / CQAE / WOT / MDL (whichever is applicable).

The Central / State Sales Tax Registration Number, Service Tax and Licence Number, as applicable, for carrying out the requisite business are to be quoted on all Invoices. Invoices shall be

accompanied by a Certificate to the effect that the Sub-contractor's / Supplier's / Vendor's Registration Certificate was in force on the day the sale was effected. Invoice shall clearly indicate cost incidentals against each head, as applicable - Basic Cost, Works Contract Tax, Service Tax, Excise Duty, Freight, Octroi, Central / State Sales Tax, Insurance, etc.

All the documents shall clearly indicate the MDL Order No. and date.

- SC-602 Works Contract Tax, wherever applicable, will have to be borne by Sub-contractor / Supplier / Vendor. In addition, Employees State Insurance premium, Provident Fund, Service Tax and other statutory dues of workers deployed at Purchaser's premises by Sub-contractor / Supplier / Vendor will have to be borne by him.
- SC-603 Unless otherwise stated Excise / Octroi Duty, Sales Tax and any other statutory levies will be payable extra at actual. However, the Sub-contractor / Supplier / Vendor shall submit the proof of having paid the duties / levies along with the Invoices / Bills. Octroi receipts issued are to be in the name of 'Mazagon Dock Limited' only.
- SC-604 Balance 10% of Order value shall be released against submission of Performance Bank Guarantee for equal amount in the prescribed format (Annexure 5 - original +2 Xerox copies) on a Rs. 100/- Stamp Paper from Nationalised / Scheduled Bank only, valid for 12 months from the date of commissioning with an invocation period of one month.
- SC-605 Payment made under one contract shall not be assigned or adjusted to any other contract except to the extent agreed upon in writing by the Purchaser. During the currency of the contract, if any sum of money is payable by the Sub-contractor / Supplier / Vendor the same shall be deducted from any sum then due or thereafter may become due to the Sub-contractor / Supplier / Vendor under the contract or any other contract with the Purchaser.
- SC-606 Liquidated Damages / Risk Purchase
- SC-606.1 In the event that -
- a. Sub-contractor / Supplier / Vendor fails to execute the Contract on or before the date/s specified and or submit documentation meeting the requirement specified in the contract, or
 - b. the Services / Facilities provided when verified / tested in accordance with the performance requirement of the Contract, fails to meet those performance parameters, the buyer (Purchaser) will suffer damages in an amount that is not susceptible to calculation with reasonable certainty. Therefore, any Liquidated Damages set forth in the Contract represent a reasonable determination of the amount of damages that the Purchaser will suffer, and are not penalties.

Sub-contractor / Supplier / Vendor hereby waives any defence to Purchaser's recovery of such Liquidated Damages on the plea that actual damages are ascertainable or that such Liquidated Damages do not represent a reasonable determination of damages suffered by Purchaser or are penalties.

- SC-606.2 Sub-contractor / Supplier / Vendor (Seller) will be liable to pay Liquidated Damages for late completion of the contract / delayed delivery of product / documentation as stated in the Contract. Unless otherwise expressly specified, the rate of Liquidated Damages for late completion shall be at the rate of 0.5% of the total price of incomplete / non - executed contract per week of delay upto a maximum of 5% of incomplete / non - executed contract. Such Liquidated Damages shall be deducted by the Purchaser from any monies due to Sub-contractor / Supplier / Vendor (Seller). Payments made by the Sub-contractor / Supplier / Vendor (Seller) of Liquidated Damages shall be in addition to any other remedies (other than any other remedy for the recovery of damages) available to the Purchaser, including without limitation the remedy of cancellation of Contract for default.
- SC-606.3 If the Contract as a whole or any portion thereof be not executed within the scheduled completion date or times specified by Purchaser for various stages of the contract, the Purchaser shall be at liberty, without prejudice to the right of the Purchaser to recover Liquidated Damages / penalty as provided for in these conditions or to any other remedy for breach of contract, to terminate the contract either wholly or to the extent of such default. Amounts advanced or part thereof corresponding to the incomplete portion of the Contract shall be recoverable from the Sub-contractor / Supplier / Vendor at the prevailing bank rate of interest (currently @ 13.5% p.a.).
- SC-606.4 Should the subject contracted work or any portion thereof be not completed / executed within the scheduled completion date or times specified by Purchaser at various stages of the contract, Purchaser shall be at liberty to terminate the contract either wholly or to the extent of such default. The balance quantum of work will then be got executed by Purchaser either departmentally or through any other agency solely at Purchaser's discretion and any excess over the contracted price, cost of manufacture or value of any articles supplied from the stock, as the case may be, over the contracted price shall be recoverable from the Sub-contractor / Supplier / Vendor. Any Stoppage or discontinuation of awarded Contract / work without written consent by Purchaser or not meeting the required quality standards will be considered as default. Any excess over the purchase price, cost of manufacture or value of any articles supplied from the stock, as the case may be, over the contract price shall be recoverable from the Sub-contractor / Supplier / Vendor.

SC-7.0 Inspection and Testing Assistance

SC-701 The Sub-contractor / Supplier / Vendor shall warrant that the work executed under the contract shall be :-

- a. - free from all defects in materials (in respect of materials not supplied by MDL) and workmanship.
- b. - of the highest quality, consistent with established and generally accepted standards for such work and in full conformity with the specifications, drawings and approved samples (where applicable).

SC-702 The services provided / facilities hired will be inspected by one or more agencies indicated below and an inspection certificate(s) shall accompany :-

Statutory : M. M. D. or N.M.D.

Regulatory : Classification Society – L.R.S., A.B.S., D.N.V., B.V., I.R.S. etc.

Specification : Survey, DQAN / CQAE, Classification Society.

Others : Owners, W.P.S. (Mb), MDL, CGRPS.

SC-703 The decision of the inspecting authority or his agent, as the case may be, on any question of the intent, meaning and the scope of specifications / standards shall be final, conclusive and binding on the Sub-contractor / Supplier / Vendor.

SC-8.0 Compliance with Statutory Laws / Applicability of Regulatory Requirements

SC-8.01 Police Verification of Employees

Sub-contractor / Supplier / Vendor shall have to produce and submit to the Chief Security Officer of Purchaser, verification through Mumbai Police of Character and Antecedents of their employees / workers for while working on ships under construction in Purchaser's Yards, for working onboard ships under modernisation / refit / repairs at Mumbai Ports / Naval Dockyard. Entry passes will not be issued in the absence of Police Verification Report and employees without Police Verification shall not be employed by them in Purchaser's Yard / Mumbai Ports / Naval Dockyard and any lapse on the part of Sub-contractor / Supplier / Vendor shall will be viewed seriously as per applicable laws of the land. Employment of any Foreign National during the contract period would be permitted with prior permission of Purchaser.

The Sub-contractor / Supplier / Vendor shall under no circumstances undertake or subcontract any work / contract from or to any other Sob-contractor working within the premises of the Purchser's Yard without prior written approval of the Competent

Authority of Purchaser. In the event it is found that such practice has been indulged in, the contract is liable to be terminated without notice and the Sub-contractor / Supplier / Vendor is debarred all from future tender enquiries / work order. On completion of work in any compartment / location, the contractor must ensure that the place is left in a reasonably clean state and all scrap is transferred to nearby scrap-bins.

SC-8.02 Contract Labour (Regulation & Abolition) Act 1970

Sub-contractor / Supplier / Vendor shall possess licence under Section 12 and 13 of the Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder and the same should be kept valid atleast until the expiry of contract with Purchaser, if he is intending to employ 20 and more employees. The registration and Licence under the Contract Labour (Regulation and Abolition) Act 1970 shall be renewed in time every year and if work continues for more than a year, a copy of the Licence is produced as and when demanded by the concerned authorities of Purchaser.

The Sub-contractor / Supplier / Vendor shall carryout his obligations and duties under the Contract Labour (Regulation & Abolition) Act, 1970 and the rules framed thereunder, but not limited to :-

- i. Pay in time, on or before 7th of every succeeding month not less than the prescribed minimum wages (as stipulated under item V (a) or V (b) of the Form VI prescribed Under Rule (25) 1 of the Act as applicable.
- ii. Disburse Wages in respect of workers working on Purchaser's jobs inside the premises under the supervision of nominated representative of the Purchaser.
- iii. Production of Wage / Attendance Register along with E. S. I. & P. F. Statements to Corporate Personnel Department (from 8th to 15th of every succeeding month) for verification of the same as required under the Contract Labour (Regulation and Abolition) Act 1970.
- iv. Forwarding to the respective Divisional Personnel Department a list of deductions and contributions duly effected from the salary / wages on Contract Labour engaged on Purchaser's jobs in respect of Employees' Provident Fund, Employees' Family Pension Fund and Employees' State Insurance Scheme, with reasons for non-deduction, if any, duly clarified by passing suitable remarks against the name of concerned employee on the list.
- v. Comply with all the statutory regulations and requirements concerned with employment of contract labour on Purchaser's jobs and shall follow all orders / decisions of the Government in this respect. Sub-contractor / Supplier / Vendor shall furnish all the statutory half yearly returns / six monthly statements concerning with such contract labour to the Licensing Officer in Form No. XXIV as per Rule 82 (1) of Contract Labour (Regulation & Abolition) Act 1970

and also forward a copy of these with necessary statistical information of manpower employed to the Corporate Personnel Department.

In the event any employee/s of Sub-contractor / Supplier / Vendor is advised by the concerned Department to deploy their employees for job during weekly-off, Sundays and holidays, the Sub-contractor / Supplier / Vendor must inform the name/s of the employee/s in the prescribed format to CISF / Maintenance Departments and to the concerned Divisional Personnel by mentioning specifically 'Compensatory- Off', before 3 days from the date actual payment.

SC-8.03 Minimum Wages Act

The Sub-contractor / Supplier / Vendor shall pay to his employees not less than the minimum wages and allowances applicable to the Engineering Industry as notified from time to time by the State Government under the Minimum Wages Act. Sub-contractor / Supplier / Vendor shall be responsible for timely payment of wages of all his employees engaged in the Purchaser's Yard, not less than the prescribed minimum wages in each case and without any deductions of any kind, except as specified by Government or permissible under the Payment of Wages Act.

The Sub-contractor / Supplier / Vendor must settle all the pending dues of the employees i.e. arrears of wages, proportionate leave wages, proportionate bonus payment, etc.

Before winding up the site, the Sub-contractor / Supplier / Vendor shall pay all terminal dues to his employees such as Notice pay, Gratuity, Retrenchment compensation, etc.

SC-8.04 Bonus Act

The Sub-contractor / Supplier / Vendor shall pay to his eligible employees a Statutory Bonus as per 'Payment of Bonus Act' at the rate prescribed by the Statutory Authorities from time to time.

SC-8.05 Compliance of Factories Act and Safety Regulations

- i. The Sub-contractor / Supplier / Vendor shall observe all applicable Rules and Regulations stipulated under Factories Act applicable to contract labour.
- ii. The Sub-contractor / Supplier / Vendor shall maintain a separate register prescribed under the Act and pay Privilege Leave wages to all eligible employees.
- iii. On completion of execution of the contract and before winding up, the Sub-contractor / Supplier / Vendor shall pay proportionate Privilege Leave wages to all eligible employees.
- iv. The Sub-contractor / Supplier / Vendor shall ensure observance of all applicable Safety Rules and Regulations i.e. issue of Boiler Suits (other than Blue and White colour),

Safety Shoes, Gum Boots / Rainy Shoes, Rain Coat, Hand gloves, Helmets, Visors, Safety Belts, etc. wherever applicable.

SC-8.06 Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Sub-contractor / Supplier / Vendor, where applicable, shall cover his employees deployed in the Purchaser's Yard –

- i. under the Employees' Provident Funds and Miscellaneous Act, 1952,
- ii. under the Family Pension Scheme, and
- iii. under the Employees' Deposit Linked Insurance Scheme and pay the contributions both in respect of his employees and his own. He shall submit all the necessary returns and other particulars periodically as prescribed under the said Act. Sub-contractor / Supplier / Vendor shall cover from the first day working all his contract labour on MDL jobs by filling requisite returns to concerned Statutory authorities and obtaining Code Numbers / Account Numbers. Sub-contractor/ Supplier/ Vendor shall remit employees' and employers' contributions directly to the concerned authorities alongwith Inspection and Administrative Charges as per relevant provisions of the concerned Acts and Schemes made thereunder within 15 days from the close of every month. The Sub-contractor / Supplier / Vendor must submit copies of P. F. dues payment challans, copy of Form No. 12 (A), copy of form No. 6 (A) (Annually) & copies of Muster Roll of their workmen every month to Corporate Personnel Department. The Sub-contractor / Supplier / Vendor must also attend to P. F. Inspections by concerned authorities and submit copy of the Inspection Report.

The Sub-contractor / Supplier / Vendor, who has got his own P. F. code number shall fill in P. F. / Pension settlement forms of all the employees engaged in Purchaser's Yard, well in advance of last working day and forward the said settlement forms to the respective P. F. Commissioner's office for settlement and those who are implementing provisions of P. F. Act through Purchaser, all forms duly filled in shall be forwarded to Corporate Personnel Department with proper attestation of the employees' photographs and by mentioning Bank Account Number and Bank Address of the employees for speedy settlement of the PF dues. In the event Sub-contractor's / Supplier's / Vendor's employees are covered under Purchaser's P. F. & E. S. I. –Code No. separate muster Roll and Attendance of their employees shall be maintained and the P. F. & E. S. I dues so paid will be recovered from Sub-contractor's / Supplier's / Vendor's running bills.

The Sub-contractor / Supplier / Vendor may contact Corporate Personnel Department / consultant appointed for the purpose to seek any / all clarification / necessary advice for completion of procedural work such as filling labour challans, E. S. I., P. F. -declaration forms, covering their labour under Group Insurance Policy, etc. An Administrative charge @ Rs. 10/- per employee per month for such consultancy will be recovered from all the contractors from the bills of the respective contracts.

SC-8.07 Employees' State Insurance Act

The Sub-contractor / Supplier / Vendor should also cover all the eligible contract labourers working on MDL jobs, under the Employees' State Insurance Act and Scheme by furnishing necessary returns to appropriate authority and pay both employees' and employers' contributions in respect of these employees to the concerned authorities within 20 days from the close of every month. The contractor shall produce copy of R. D. F. duly acknowledged by ESI local office for confirmation that the workmen are covered under ESI Act and Scheme.

Sub-contractor / Supplier / Vendor should produce proof of such remittances to Corporate Personnel Department. of MDL alongwith full details of contributions etc. within 25 days from the close of month. He shall also give us an undertaking that he will not engage any one on our work who is not duly covered under the said Act & Scheme. The contract employees who are out of coverage of ESI Act & Scheme should be covered under Group Insurance Policy linked with workman compensation Act. Those contractor do not have their ESI Code No., they should fill ESI declaration form of his each employee before actual deployment and cover them under MDL ESI- Code No.

SC-8.08 SAFETY :

The Sub-contractor / Supplier / Vendor must observe all safety precautions in connection with the work to be performed by him, his agents or labourers. In the event of any accident happening in our yard resulting in loss of lives or otherwise damaging any part of the property, the contractor shall be required to make good the loss to the Company and shall be responsible for all consequences that follow from the loss and / or injuries to the persons involved in such accidents. The standard of safety to be observed in the Company shall be decided by the Officer-in-Charge Safety, or any officer appointed for the purpose before the commencement of work in the yard. It will be essential for contractor to ascertain the standard precautions which contractor is required to observe in discharging his work as per the standards prevalent in MDL. The decision of MDL in matters concerning Safety shall be final and binding on the contractor.

The Sub-contractor / Supplier / Vendor subcontractor shall be required to provide his workmen with Boiler Suits of any suitable colour other than blue or white, with the Name of the Contractor in prominent letters on the boiler suits alongwith personal protection gears like safety shoes, hand gloves etc. workmen of the Contractor must wear throughout their working while in the premises of MDL. Contractor's workmen working without safety gears are likely to be disallowed for work.

SC-9.0 Miscellenaous

SC-901 Force

Majeure

If at any time during the execution of the supply order, the performance in whole or in part by either Purchaser or and by the Sub-contractors / Suppliers / Vendors is / are prevented or delayed by any reason of force majeure situations such as acts of public unrest, civil commotion, sabotage, hostilities, war, fires, explosions, epidemics, quarantine restrictions, strikes, lock outs, natural calamities like floods, earthquakes, volcanoes, storms or any other causes beyond the control of either parties, hereinafter referred to as "events", provided notice of the occurrence of such event/s is / are communicated by either party, to the other party within 21 days from the date of occurrence thereof, neither party shall by reason such events be entitled to terminate the contract nor shall either party have any claim for damages against the other in respect of such non performance and or delay in performance of the contract / order. Executions on either side shall be resumed as soon as practicable after such event has come to an end or ceased to exist and the decision of Purchaser as to whether activities can resume or not, shall be conclusive and final.

The performance in whole or in part under the captioned tender / contract is prevented or delayed by reason of any such event for a period exceeding sixty days either party may at its option terminate the contract / further processing of the tender.

The Purchaser may extend the delivery schedule as mutually agreed, on receipt of written communication from the Sub-contractor / Supplier / Vendor regarding occurrence of 'Force Majeure' conditions, but not exceeding six months from the scheduled delivery date. If the 'Force Majeure' conditions extend beyond this period, the Purchaser shall have the right to cancel the order without any financial implication to the Purchaser or on terms mutually agreed to.

SC-902 Arbitration

Any dispute / differences between the parties arising out of and in connection with the contract shall be settled amicably by mutual negotiations. Unresolved disputes/ differences, if any, shall be settled by Arbitration and the arbitration proceedings shall be conducted at Mumbai (India) in English language, under the Indian

Arbitration and Conciliation Act, 1996.

In case of unresolved difference / dispute between Purchaser and Sub-contractor / Supplier / Vendor, being a Public Sector Enterprise, shall be referred by either party to the Department of Public Enterprises, as per extant guidelines.

SC-903 Indemnification

The Sub-contractor's / Supplier's / Vendor's workmen or employees shall under no circumstances be deemed to be in Purchaser's employment and his employees, licencees, agents or Sub-Vendor / Sub-contractor, while on site of the Purchaser for the purpose of this contract, shall indemnify the Purchaser against liability – financial and or legal – due to direct damage and or injury to the property and or the person of the Purchaser or that of Purchaser's employees, agents, Sub-Contractors / Suppliers occurring and to the extent caused by the negligence of the Sub-contractor / Supplier / Vendor, his employees, licencees, agents or Sub-contractor by making good such damages to the property, or compensating personal injury and the total liability for such damages or injury shall be as mutually discussed and agreed to.

SC-904 Use of Undue Influence / Corrupt Practices

- a. The Sub-contractor / Supplier / Vendor should give an undertaking that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the Purchaser or otherwise in procuring the contract or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the Contract with the Purchaser for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Purchaser. Any breach of the aforesaid undertaking by the Sub-contractor / Supplier / Vendor or any one employed by him or acting on his behalf (whether with or without the knowledge of the Sub-contractor / Supplier / Vendor) or the commission of any offence by the Sub-contractor / Supplier / Vendor or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1980 or the Prevention of Corruption Act, 1947 or any other Act enacted for the prevention of corruption shall entitle the Purchaser to cancel the contract and all or any other contracts with the Sub-contractor / Supplier / Vendor and recover from the Sub-contractor / Supplier / Vendor the amount of any loss arising from such cancellation. A decision of the Purchaser or his nominee to the effect that a breach of the undertaking has been committed shall be final and binding on the Sub-contractor / Supplier / Vendor.
- b. The Sub-contractor / Supplier / Vendor shall not offer or agree to give any person in the employment of Purchaser any gift or

consideration of any kind as "Inducement" or "reward" for doing or forbearing to do or for having done or foreborne to do any act in relation to the obtaining or execution of the contract/s. Any breach of the aforesaid condition by the Sub-contractor / Supplier / Vendor or any one employed by them or acting on their behalf (whether with or without the knowledge of the Sub-contractor / Supplier / Vendor) or the commission of any offence by the Sub-contractor / Supplier / Vendor or by any one employed by them or acting on their behalf which shall be punishable under the Indian Penal Code 1980 or the Prevention of Corruption by Public Servants, shall entitle Purchaser to cancel the contract/s and all or any other contracts and then to recover from the Sub-contractor / Supplier / Vendor the amounts of any loss arising from such contracts' cancellation, including but not limited to imposition of penal damages, forfeiture of Security Deposit, encashment of the Bank Guarantee and refund of the amounts paid by the Purchaser.

- c. In case, it is found to the satisfaction of the Purchaser that the Sub-contractor / Supplier / Vendor has engaged an Agent or paid commission or influenced any person to obtain the contract as described in clauses relating to Agents / Agency Commission and use of undue Influence, the Sub-contractor / Supplier / Vendor, on a specific request of the Purchaser shall provide necessary information / inspection of the relevant financial document / information.

SC-905 **Banned or de-listed Contractors :**

The bidders shall give a declaration that they have not been banned or de-listed by any Government or quasi Government agencies or PSUs. If a bidder has been banned or de-listed by any Government or quasi Government agencies or PSUs, this fact must be clearly stated and it may not necessarily be a cause for disqualifying him.

SC-906 **A Public Grievance Cell headed by General Manager (Design) has been set up in the Company. Members of public having complaints or grievances are advised to contact him, preferably with prior appointment, on Wednesdays between 10.00 hours and 12.30 hours in his office on 3rd floor, Design Complex Building or send their complaints / grievances to him in writing for redressal. His Telephone No. is 2373 8152.**