



**MAZAGON DOCK SHIPBUILDERS LIMITED**

(Formerly known as Mazagon Dock Ltd.)

CIN : U35100MH1934GOI002079

(A Government of India Undertaking)

Shipbuilders to the Nation

Dockyard Road, Mazagon,

Mumbai 400 010.

INDIA

**Demolition of Compressor House Building/ Launches &  
Boat Building (G+1) at NY MDL, Mumbai.**

**VOLUME-II**

**CONDITIONS OF CONTRACT (CoC)**

**Conditions of Contract, Payment Terms and Delivery  
Schedules**

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**1 DELIVERY PERIOD/COMPLETION SCHEDULE:**

- 1.1. The entire work shall be completed within a period of **3 (Three) months** which includes monsoon & mobilisation period from date of placement of purchase order or handing over of site whichever is later.
- 1.2. The Contractor shall prepare monitoring system by way of Bar chart so as to anticipate the critical activity and take remedial action in advance, for timely completion of work, on priority.

**2 DEFECT LIABILITY PERIOD/WARRANTY PERIOD:**

- 2.1. The defect liability period shall be **One Year** from the date of actual completion of entire work.
- 2.2. Defect Notification Period is 15 days from the last date of Defect Liability period.
- 2.3. The contractor shall have to rectify any defects noticed in the work either by way of bad material or workmanship during the Defect Liability Period at no extra cost to MDL, on priority

**3 SECURITY DEPOSIT:**

- 3.1. Security deposit for the work done shall be recovered as “Retention Money” which shall be deducted @ 10% of the value of work done (excluding secured advance, escalation etc.) from each R.A. Bill subject to a maximum of 5% of contract value.
- 3.2. Half (50%) the “Retention Money” retained as above shall be refunded to the Contractor on actual completion of the work and the balance 50% will be refunded

on completion of Defects Liability Period, subject to rectification of any defects at no cost to MDL.

#### **4 CONSTRUCTION MATERIALS AND CONSUMABLES:**

- 4.1. **Construction Material:** All the materials required for works procured by the Contractor shall be of repute make and as approved by MDL. The rate shall be inclusive of transportation, storage, security, handling etc.
- 4.2. **Consumables:** All the consumable required for the works including temporary works, allied/ associated job etc shall be procured by the Contractor including transportation, storage, security, handling etc.
- 4.3. **Equipment/Machinery:** The contractor shall make his own arrangement for all equipment and machinery including accessories required for execution of work.
- 4.4. **Power:** Power, if available and required by the Contractor, may be supplied in single phase or three phases, at a single nearby source free of cost. The contractor shall make his own arrangement for electrical fittings, cables/wires, welding transformers, etc. at his own cost.
- 4.5. **Water:** Water, if available, and required by the Contractor, may be supplied by MDL free of cost. However, the contractor shall make his own arrangement for connecting lines, storage etc. at his own cost.

#### **5. SAFETY AND TRAINING:**

- 5.1 During the Construction Period, all the time Safety Engineers shall be deputed on site. This is mandatory requirement.
- 5.2 All the workers, Engineers of the contractor shall have Safety PPE's (Personnel Protective Equipments) like Safety Helmets, Safety Shoes, Safety Belts, Hand Gloves, and Goggles etc. Contractors shall also have provision for minimum 5 to 10 visitors PPE's. The periphery of the building shall be covered with the Green net. The contractor shall also provide Safety net and Safety Belts for height work.
- 5.3 All workers on site shall adhere to the best safety practices applicable. All personal, process & material safety procedures shall be planned & implemented on site. Training & regular inspection shall ensure that safety standards are met.
- 5.3 First Aid kit & First aid training shall be given to all key members of the Site team. Proper signages shall be placed on site. Warning in case of any critical/hazardous activity shall be given prior to starting of such activity.
- 5.4 All workers, supervisor's contractor shall optimum training regarding all aspects of site management prior to commencement of work.

#### **6 TERMS OF PAYMENT:**

6.1 The payment terms under this contract shall be as under:

##### **6.5.1. TIME FOR PAYMENT:**

The payment against each R.A bills shall be made within 30 days and the Final bill within 45 days of its receipt in MDL along with all the necessary documents viz Joint Measurement sheets, consent on Measurement Book wherever applicable, challans, Tax invoices, Test Reports wherever applicable, Material invoice copy wherever applicable etc. All invoices shall be forwarded with a Covering Note in Firm's Letterhead in the MDL format at **Enclosure-2**.

##### **6.5.2. FINAL BILL:**

Before submission of the Final bill, the Contractor should sign and submit a "No Claim Certificate" indicating that they do not have any further claim against MDL for the subject Purchase Order except as included in the Final bill.

6.5.3. **MODE OF PAYMENT:**

The payment for work done shall be made through RTGS/NEFT/ECS as per the actual quantities of the work executed by way of running account bills per item basis (R. A. R) on monthly basis. The bills must be submitted in four copies (**1-Original + 3 copies**) along with the joint measurement taken at site with the designated representative of Infra Projects department.

**7 PRICES & TAXES:**

7.1. The rates quoted in the Price Bid (Part II) shall include:

- (i) All expenses viz., transportation, storage, royalties, handling, wastage etc. and all applicable taxes, duties & municipal levies viz., Excise Duty, Import Duty, Octroi/LBT, labour cess, ESIC, PF etc except Service Tax.
- (ii) **Applicable Service Tax including Swachh Bharat Cess and Kisan kalyan Cess**, which are to be quoted separately as required in the Price Bid (Part-II).

**Price Bids will be evaluated by adding (i) & (ii) above for determining ranking of Bids.**

7.2. Bidders shall indicate the extent (in terms of percentage) of Service Tax, considered in their Price Bid in the 'BLANK PRICE BID' appearing online in Part-I.

7.3. Bidder(s) shall not be entitled to any increase in rate of taxes occurring during the period of extended delivery schedule, if there is delay in supply / completion attributed to him. However, if there is a decrease in taxes, the same must be passed on to MDL.

7.4. Taxes and other levies shall be deducted at source wherever applicable as per statutes (e. g. Income tax, Service Tax, Labour Cess) from the bills of the Contractor.

7.5. Bidders must separately indicate the percentage of Service Tax included in their Price Bids. No change, whatsoever shall be allowed to the indicated percentage of taxes after the tender closing date. Further, the indicated percentage of taxes if exceed the applicable percentage as per Government laws then MDL reserves the right to discount such percentage at par with the statutory requirement during price negotiations.

7.6. As per the provision made in article 63, Schedule-I, read with section 30, of the Maharashtra Stamp Act (Bombay Act LX of 1958), Stamp duty is payable by the successful tenderer for "works contract" that is to say, a contract for works and labour or services involving transfer of property in goods (whether as goods or in some other form) in its executions. Hence, the successful tenderer to pay Stamp duty of ₹ 500 + 1% of the amount above ten lacs subject to maximum of Rs. 25.00 Lacs on the Contract Value.

**8 ESCALATION:**

8.1. The rates shall remain firm and fixed during the tenure of the contract and no escalation, whatsoever, shall be payable.

**9 DELAY DAMAGES/ LIQUIDATED DAMAGES:**

9.1. Time is the essence of the contract and therefore the job, as ordered, should be completed on the dates mutually agreed upon in accordance with the delivery schedule. In cases of delay not attributable to MDL beyond the agreed schedule, the Contractor shall pay liquidated damages, a sum representing 0.5% (Half percent) per week or part thereof, subject to maximum of 5% of the final Order / Contract value.

9.2.If the Contractor fails to complete the works within the time or extended time as per the Order, then the contractor shall pay to MDL the sum stated above as liquidated damages for such default and not as a penalty for every day or part of a day which shall elapse between the time prescribed or extended time as the case may be and the date of completion of works. MDL may without prejudice to any other method of recovery deduct the amount of such damages from any monies in his hands due or which may become due to the contractor. The payment or deduction of such damages shall not relieve the contractor from his obligation to complete the works or from any other of his obligations and liabilities under the contract.

9.3.Part Completion and Taking over by MDL:- If before the completion of the whole of the works any part of the works has been certified by the MDL as completed and occupied or used by MDL the liquidated damages for delay shall for any period of delay after such certification be reduced in the proportion which the value of the part so certified bears to the value of the whole of the works.

## **10 HINDRANCE:**

10.1. A Hindrance Register as per attached format at **Enclosure-1** shall be maintained with the Designated Representative from IP Department. The Contractor shall submit schedule for completion of work and get it signed by MDL executive. The Schedule shall list out the major milestones leading to the completion of work as per final delivery date stipulated in the PO/Contract.

10.2. The Hindrance Register shall document the following aspect post placement of the PO/ Contract:-

- 10.2.1. Reasons for the delay vis-à-vis the mutually agreed schedule  
Delay in MDL inputs (Drawings/ Documents/ Site Clearances/ Services/ Inspection Call)
- 10.2.2. Delay by Inspection Agency/ Customer
- 10.2.3. Delay on account of specialist services
- 10.2.4. Non performance by the Contractor
- 10.2.5. Delinquency by the vendor
- 10.2.6. Force Majeure
- 10.2.7. Any other relevant reason

10.3. All the hindrances with date of occurrence and removal are to be noted in the hindrance register. The Hindrance Register will be signed by both the parties i.e Designated Representative from IP Department and the authorized Signatory from the Contractor side.

10.4. The Contractor may record their observations in the hindrance register. Any objections raised by the contractor shall be attended to and resolved without any delay.

10.5. In case the contractor has a different opinion for hindrance and a dispute arises, then the matter shall be referred to next higher authority in MDL and the decision shall be communicated to the Contractor within 15 days. **The Contractor shall note that the decision of the next higher authority from MDL in case of dispute in respect of hindrances during the course of executing an order/contract shall be final and binding on the contractor.**

10.6. In case, MDL is unable to remove the hindrance immediately and if it is likely to take some time, the contractor shall be informed accordingly. In such cases the contractor with MDL's approval may reduce manpower deployed on the work. **The Contractor shall also note that Under no circumstances Contractor shall be paid for idle manpower or idle plant/machinery.**

**11 EXECUTION OF WORK AND MEASUREMENT:**

- 11.1. All works shall be carried out and measured as per specifications and standard Engineering practice and mode of measurements, conforming to the relevant IS code. The Contactor shall ensure that skilled workmen in their respective trades are employed. He shall also employ qualified Engineer(s) / Supervisor(s) experienced in similar type of work, as required, for execution of work(s) efficiently.
- 11.2. Request for permission for working on Saturday / Sunday / holidays if required, should be submitted 3 working days prior to the date of holiday, to Personnel department and Security through Infra Projects Department.
- 11.3. All the quantities indicated in the Bill of Quantities are indicative only. However, the Contractor shall be paid for the actual work carried out at site in line with the Contract terms and conditions.
- 11.4. The work is to be carried out in the area where MDL's normal activities are in progress. The Contractor has to plan his work in such a way as not to disturb the normal activities of MDL. The contractor shall not be paid for any compensation for idle period if generated due to any reason whatsoever. Reasonable extension of time, however, may be considered on application in writing.
- 11.5. All the works under or in course of execution or executed in pursuance of the contract shall at all times be open to inspection and supervision of MDL and the Contractor at all times during the usual working hours, offer assistance for the inspection of work. Orders given to the Contractor's agent shall be considered to have the same force as if they had been given to the contractor himself.
- 11.6. The Contractor shall submit supporting documents such as Delivery Challan(s), Release note from the nominated Inspection Agency, Test reports / Certificates, Packing Lists, Invoice, Performance Guarantee, Storage / Preservation / Installation / Commissioning / Maintenance Procedures & other Technical documentation in requisite sets as relevant along with the invoice for the purpose of certification by MDL.
- 11.7. Contractor shall be responsible for procuring all the materials required for construction. Contractor shall arrange for testing of materials from approved laboratory and submission of test certificates as per specification in accordance with relevant IS Codes. The cost towards testing is deemed to be included in the quoted rates.
- 11.8. All construction materials procured by the contractor should be of approved quality and free from defects. MDL has got all the Rights to Test and Reject any material in part or in full at any point of time.
- 11.9. The Contractor shall comply with the sanitary requirements of the local Medical Health Authorities and bear the cost of any charges levied by such Authorities for the execution of work.
- 11.10. **AS-BUILT DRAWINGS:**  
The Contractor shall prepare and submit to MDL for approval detailed Shop drawings, if any, of the plumbing pipelines/ sanitary pipelines/ electrical wiring, switches and fittings on completion of contract/work, whenever directed.

**12 HOUSEKEEPING:**

- 12.1. The Construction site including its surrounding area and approach shall be kept all the time clean and accessible.
- 12.2. Debris generated even in small quantities during execution of work shall be promptly disposed off within 03 days, outside MDL. The site shall be maintained clean at all times and **the Contractor is expected to budget for the same**. Also, during dignitary visits, temporary works materials, debris etc shall be shifted suitably without any additional cost to MDL.
- 12.3. MDL has Designated Bins separately for Scrap Steel, Wood Scrap & Rubbish. Contractor shall segregate unusable scrap steel, wood, rubbish, if any, and deposit the same in the nearest respective bin.
- 12.4. In case the debris are not removed, site is not maintained clean, the clearing job shall be done by MDL at Contractor's risk and the cost incurred towards the same shall be recovered from the Contractor's bills.

**13 VARIATION IN QUANTITY/ EXTRA ITEM:****13.1. EXTRA ITEM:**

13.1.1. A new rate or price shall be negotiated appropriately for an item of work if:

- i. This change in the executed quantity multiplied by specified rate for all the items exceeds 25% of the Accepted Contract Amount. Or
- ii. This item is not specified in the Bill of Quantity of the Purchase Order.

**13.1.2. Derivation of new rates:**

Each new rate or price shall be derived from any relevant rates or price in the Purchase Order with reasonable adjustments to take account of the matters described above, as per following order of precedence for pricing deviations:

- i. In respect of items already included in Bill of Quantities, the new rates shall be derived from the identical item of BOQ.
- ii. In respect of items not included in Bill of Quantities but where similar items are found in BOQ, the new rates shall be derived from the rates of similar item indicated in Bill of quantities, where such a derivation is possible.
- iii. In respect of item neither directly included in BOQ nor there is similarity between the work carried and work specified in BOQ, new rate shall be derived from Standard Schedule of Rates promulgated by CPWD/MBPT/PWD/MIDC considering the percentage quoted/ negotiated during tendering stage.
- iv. Where it is not possible to derive the rates from the above (i) to (iii), the same shall be based on the actual cost to the Contractor plus a profit @ 15%. In this case the Contractor has to produce satisfactory evidence/vouchers as proof of expenditure.

**14 FINAL BILL AND TAKING OVER CERTIFICATE:**

- 14.1. Within 7 days of completion of work, the contractor shall apply in writing for issue of work completion certificate. Taking Over certificate will be issued by the MDL

within one week of satisfactory completion of work and recording of the joint measurement. Within one month after date of issue of work completion certificate, the Contractor shall submit the Final Bill along with a copy of Taking Over Certificate. Final bill submitted after the expiry of the above said period is liable to be rejected.

#### **15 INSURANCE:**

- 15.1. The successful Tenderer has to keep MDL indemnified against any claims by purchasing **CONTRACTOR'S ALL RISK insurance policy** for the full value of the Contract from any Insurance Company of repute.
- 15.2. The policy shall be obtained in the joint names of MDL and the Tenderer, with MDL's name appearing first. The Policy should be of full value of the Contract and shall be valid till the completion of the works.
- 15.3. The original of policy shall be lodged with MDL.

#### **16. OTHER SITE REQUIREMENTS:**

##### **16.1 Special conditions:-**

- a) Contractor shall make his own arrangement if necessary for Porta-cabin for their site personnel along with necessary furniture, COMPUTER, PRINTERS, storage cupboards ETC. at his own cost.
- b) Contractor shall make godown for if necessary storage of cement and construction material at his own cost.
- c) The materials at a) and b) above should be dismantled and taken back by the Contractor on completion of the work at his own cost.

##### **16.2 CONTRACTOR'S BARRICADES:**

- a) Contractor shall arrange to barricade the area where debris and construction materials are stored with relevant board indicating name of Contractor, work and its duration. Contractor shall arrange to clear the debris on daily basis and keep the surrounding clean at all times.
- b) Contractor shall erect and maintain at his own cost barricades required in connection with his operation to guard or protect the storage and site offices etc.
- c) The Contractor has to provide Sign board at site with detailed name of project, name of client and name of consultant with name of Contractor at the entrance of the site and shall be clearly visible without any extra cost.
- d) The Contractor shall also comply with the provisions of Environment Protection Act with regard to air, water & noise pollution.

##### **16.3 DOCUMENT TO BE SUBMITTED AT SITE:**

The following registers/documents will be submitted at site to MDL/ consultant by the contractor for approval/ record at his own cost.

- a) QA/QC plan with its implementation procedure.
- b) Production and Delivery Schedule.
- c) Daily Progress Report as approved by engineer in-charge.
- d) Monthly Progress Report on 25th day of every month along with progress photographs in approved format.

##### **16.4 PHOTOGRAPHS:**

The Official photographer of MDL will take progress photographs of the work on the 1st of every month and also when requested by Consultants. Contractor has to



inform the same in advance in case of requirement for the arrangement of the photographer.

**16.5 PROGRESS REVIEW:**

Progress of the work shall be reviewed regularly in a meeting between the Consultants, Contractor and MDL. The meeting shall be held as often as required depending on the exigencies of the work or in any case at least once a month at a mutually convenient time, date at either work site or office of the Client

Yours faithfully,  
For **MAZAGON DOCK SHIPBUILDERS LIMITED,**

CM (HOD- IP -COMM)  
(Satish Patil)  
Email - **mdlipcomm@mazdock.com**

**Enclosure-1**

**HINDRANCE REGISTER**

1. Name of Work:
2. Contract Agreement No:
3. Date of Commencement:
4. Stipulated Date of Completion:
5. Extended date of Completion, if applicable:
6. Name of the Supplier:

Sr No	Nature of Hindrance	Activity of Work affected	Date of Notification by Contractor	Name & Signature			Action Taken	Date of Removal of Hindrance	Name & Signature		
				Contractor Representative	Consultant Representative	Site Executive of MDL			Contractor Representative	Consultant Representative	Site Executive of MDL

**Format for Covering Note for Submission of Invoice**

The Additional General Manager,  
Infra Projects Department,  
3rd Floor, Alcock Yard,  
Mazagon Dock Shipbuilders Limited,  
Dock Yard Road,  
Mumbai - 400010, INDIA

Sir,

**Sub: Demolition of Compressor House Building/ Launches & Boat Building (G+1) at NY MDL, Mumbai.**

**Ref: MDL Purchase Order No. ....**

With reference to the above, we hereby submit our Invoice for the subject work with details

- 1. Our Invoice No..... dtd.....
- 2. Measurement Sheets duly certified by representative of Infra Project Department.
- 3. Period of work carried out and billed in this Invoice:..... to .....
- 4. Contractual Completion Date:
- 5. Contractor All Risk Policy
  - a. Policy No. & Date:
  - b. Coverage Value of the Policy : .....
  - c. Valid from..... to .....
  - d. Policy Issued by(Name of the Issuing Company): .....
- 6. Performance Bank Guarantee
  - a. PBG No. & Date:
  - b. Value of the PBG
  - c. Valid from..... to .....
  - d. Extended to (if applicable)
  - e. PBG issued by(Issuing Bank):.....
- 7. Test Reports
  - a. ....
  - b. ....
  - c. ....
  - d. ....
- 8. Challans/ Bills of materials
  - a. ....
  - b. ....
  - c. ....
  - d. ....

Signature of Contractor: