CONDITIONS OF CONTRACT

"Procurement of Galvanized Iron sheet for various POWERGRID TLM offices (Vindhyachal, Indore, Damoh, Gwalior, Satna & Jabalpur at Madhya Pradesh".

1.0 **Scope of Work:**

1.1 The scope of work includes **"Procurement of Galvanized Iron sheet for various POWERGRID TLM offices (Vindhyachal, Indore, Damoh, Gwalior, Satna & Jabalpur at Madhya Pradesh".**

1.2 The work shall be executed in accordance with the description in the Bill of Quantity and other tender documents including the detailed Technical Specifications enclosed Under Vol-II of bidding document.

1.3 The material covered under this package shall be supplied complete in all respects.

2.0 The tender documents forming the contract are to be taken as mutually explanatory to one another & in case of any varying or conflicting provisions in any of the documents following order of preference shall be adopted.

(A) Item Description in Bill of Quantities
(B) Technical Specifications
(C) Conditions of Contract

3.0 **Engineer-in-Charge:**

3.1 The Engineer-in-Charge for the package shall be:

Senior GM (Asset Management) or his authorized representative,
Power Grid Corporation of India Limited
Western Region Head Quarter - II,
Plot No.54, Adjacent to Riya Revati Resort,
Sama - Savli Road,Vadodara – 390 024, Gujarat.

3.2 **Senior GM (Asset Management) may authorise any of his officers as his representative for the execution of the subject work.**

4.0 **Consignee:**

4.1 The materials shall be consigned to following destination to the address of following consignee:

(1) For Vindhyachal Substation:
DGM or his authorized representative,
Power Grid Corporation of India Limited
765/400/220kV Vindhyachal Office,
NH-3, Opp. NTPC Hospital, Old Tiny Tots School Building,
Post-Vindhyanagar, Distt. - Singrauli – 486 885, (MP).

(2) For Indore Substation:

General Manager or his authorized representative,
Power Grid Corporation of India Limited
765/400/220kV Indore S/s
Village-Hatunia, Post-Guran,
Tehsil-Sanver, Dist.-Indore – 453 551, Madhya Pradesh.

(3) For Damoh Substation:
Senior DGM or his authorized representative,
Power Grid Corporation of India Limited
400/220kV Damoh Sub-station,
Near Kourasa Village, Post - Hathana,
Damoh - Sagar Road, Damoh – 470 672, Madhya Pradesh.

(4) For Gwalior Substation:
General Manager or his authorized representative,
Power Grid Corporation of India Limited
765/400/220kV Gwalior Sub-station,
Village - Adupura, Post - Roura,
Near Malwa Engineering College, Gwalior – 475 001, (MP).

(5) For Satna Substation:
DGM or his authorized representative,
Power Grid Corporation of India Limited
765/400/220kV Satna S/s
Village-Lalpur, Post-Sitpura, NH-75,
Panna Road, Dist.-Satna – 485 445, Madhya Pradesh.

(6) For Jabalpur Substation:
General Manager or his authorized representative,
Power Grid Corporation of India Limited
400kV Jabalpur Substation
Near Sukha Village,
Patan Road, Jabalpur – 482 002, (MP).

5.0 **Completion Schedule / Period:**

5.1 Time is the essence of contract. The entire scope of supply shall be completed in all respect within **03 Months** from the date of notification of award. The date of issue of notification of award shall be treated as zero date for all purposes. The notification of award may be issued in form of Brief Letter of Award or Letter of Award.

6.0 **Contract Price/Taxes and Duties:**

6.1 All the prices are inclusive of Freight & Insurance Charges up to destination site.

6.2 *Taxes and Duties:*

(i) The rates indicated in the BOQ are exclusive **of Goods and Service Tax**

(ii) GST, as applicable, shall be paid extra.

(iii) For supplies between supplier & POWERGRID, statutory increase/decrease in the rate of such taxes, duties & levies which have been explicitly indicated by the bidder as a price component of the total price quoted in his bid or if any new taxes, duties & levies become

applicable after the bid opening shall be to POWERGRID account and shall be reimbursed to the bidder or returned by him as the case may be.

7.0 **Price Adjustment:**

7.1 The rates of all the items of the BoQ price shall be **FIRM** and shall not be subject to any price adjustment during the execution of the contract.

8.0 **Terms of Payment:**

8.1 No Initial Advance shall be paid to the contractor.

8.2 One hundred percent **(100%)** payment for Supply of materials, along with applicable GST will be released within 21 days upon submission of following documents upon certification by the Engineer-in-Charge.

a) Detailed GST invoice.
b) Evidence of receipt of material or L/R receipt
c) Detailed packing list
d) Insurance Policy/Certificate
e) Material Inspection Clearance Certificate to be issued by inspecting authority of POWERGRID
f) Warranty/ Guarantee Certificate
g) Taking Over Certificate/Completion Certificate

8.3 Payment of Taxes and Duties

8.3.1 GST shall be reimbursed along with progressive payment. All GST payment shall be against GST Invoices/Debit notes raised by the Contractor as specified under the GST Act and related Rules, Notifications, etc. as notified by the Government in this regard. In the event that the Contractor fails to provide the Invoice/Debit note in the form and manner prescribed under the GST Act and Rules, the POWERGRID shall not be liable to make any payment against such Invoice/Debit note. Payment towards taxes & duties shall be released by the POWERGRID directly to the Contractor.

8.3.2 The TDS on GST, as applicable, shall be deducted from each payment against GST invoices. The TDS on GST, so deducted will be reflected against the GST number in the GST portal by filing GSTR-07 in due course.

9.0 **Method of Payment:**

9.1 All the payments to be made directly to the contractor/vendor under the contract shall be made by POWERGRID through electronic payment mechanism (e-payment) only for which necessary details shall be tied up during execution of the contract. **All the payments shall be released by PPPFC Bengaluru**.

9.2 ***Bill Tracking System***

Prior to submission of bills in physical form, the Contractor shall submit its bills using On-line Vendor Bill Tracking System (referred to as **the BTS**) of POWERGRID as per procedure detailed herein below. Further, the Contractor may track the status of its bills using the BTS. To use this system the Contractor is required to get itself registered once online at ERP Portal of POWERGRID with the link URL (https://vendor.powergrid.in). Once registered, the Contractor may track status of bills submitted, passed and paid by POWERGRID this Contract

and other Contracts awarded on it by POWERGRID by following the method detailed herein below:

(a) Once registered, the Contractor can login to POWERGRID's Vendor Bill Tracking System (BTS) with Vendor login ID and Password.

(b) After login as at (a) above, Contractor is required to make the entry on POWERGRID's ERP portal under the tab "Submit new Invoice" and shall fill all details along with the MSE status. Upon submission, a 16-digit unique BTS number will be generated, and the Contractor will receive an automated email forwarding the unique BTS number.

(c) The option to attach the soft copies of the documents has been enabled in BTS at https://vendor.powergrid.in The attachment can be done after creation of BTS ID

(d) The SOP for this process can be viewed after login to the Bill Tracking System portal with the following path.

https://vendor.powergrid.in/ àà *INVOICE SUBMITTED* TAB àà *Invoice Attachments* àà *SOP for uploading Documents*

(e) After attachment of the soft copies of the bills, please send the original hard copy documents to the respective Engineer-in-charge.

Alternately, the hard copy of the bills along with all enclosures can also be submitted directly to the following address after submission of soft copies of the bills to site engineer after creation of BTS ID.

Power Grid Corporation of India Ltd.
POWERGRID Payment Processing and Facilitation Center (PPPFC),
Central Receipt section,
Near RTO Driving Test Track, Singnayakanahalli
Yelahanka – Dodaballapur Road, Yelahanka Hobli
Bengaluru (Karnataka) – 560 064

BTS ID: _____

Enter correct BTS ID to ensure original bills are not misplaced. POWERGRID shall not be responsible if bills are misplaced due to incorrect BTS ID

Send all the original hard copy documents in an envelope marked with above address and BTS ID

(f) On the day the payment is made, a mail stating the "Bill number, net payment amount and details of the bank from where the payment has been made" will be sent to the Supplier.

(g) The status of Bill submitted by the Supplier can be checked through the BTS number under tab "Invoice submitted".

10.0 **Quantity Variation:**

10.1 During the execution of the Contract, POWERGRID reserves the right to increase or decrease

the quantity of items under the contract but without any change in unit price or other terms and conditions. Such variations shall not be subject to any limitation for the individual items, however, the total variation in all such items under the contract shall be limited to plus or minus **± 50% (Fifty Percent)** of the contract price.

11.0 **Liquidated Damages for Delay by Contractor:**

11.1 If the Contractor fails to comply with the Delivery Schedule specified in this Document, the Contractor shall pay to POWERGRID, as liquidated damages and not as a penalty, a sum of **0.05%** (zero-point zero five percent) of the Contract Price of the undelivered portion of Contract for each day of delay. The total liquidated damages for delay under the contract shall, however, be subject to a maximum of **10% (Ten percent)** of the total contract price.

11.2 Any delay due to Force Majeure or reasons not attributed to the Vendor shall be considered for condonation upon examination by POWERGRID on merit. The decision of POWERGRID in such case shall be final and binding on the successful bidder.

11.3 The vendor agrees that the sum specified above is not a penalty but a genuine pre-estimate of the loss/damage which will be suffered by POWERGRID for default on the part of the vendor and said amount will be payable without proof of actual loss or damage caused by such default.

11.4 The POWERGRID may, without prejudice to any other method of recovery, deduct the amount of such damages from any monies due or to 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.

12.0 **Warranty Period (Defect Liability Period):**

12.1 The Warranty Period for the material covered under this Letter of Award/ Purchase Order shall be **12 months** from the date of Supply items receipt at site.

12.2 The Supplier agrees to replace any material which has proved defective or fails to conform to the desired specifications free of cost to POWERGRID during the Warranty Period.

13.0 **Contract Performance Guarantee/Security Deposit:**

13.1 The Supplier shall, within twenty-eight (28) days of the notification of award, provide Contract Performance Guarantee (CPG) for the due performance of the Contract in the amount equivalent to **Ten percent (10%)** of the Contract Price. **The contractor shall submit Contract Performance Guarantee (CPG) as per the following:**

13.2 **Bank Guarantee towards performance security in the amount equivalent to ten percent (10%) of the Contract Price, with a validity up to ninety (90) days beyond the Defect Liability Period. The same shall be extended by the Supplier time to time till ninety (90) days beyond the actual Defect Liability Period, as may be required under the Contract.**

13.2.1 The performance security shall be in the Form of unconditional Bank Guarantee in the format attached hereto in this Section.

13.2.2 If the Contractor delays submission of the performance security vis-à-vis the period specified in clause 13.1, then without prejudice to any other rights or remedies available with the Employer, following shall also be applicable:

(a) The Defect Liability Period pursuant to clause 12.0 for the Facilities or any relevant part thereof covered under the said performance security shall stand extended and the Contractor shall accordingly extend the validity of the Contract Performance Security to be furnished as per clause 13.2 by the period of delay as per clause 13.2.2 (c), over and above the period required as per the Contract.

(b) Alternatively, if the Contractor fails to extend the validity of the performance security pursuant to clause 13.2.2 (a), an amount @ prevailing SBI Card Rate applicable for Inland Bank Guarantee +2% per annum on the performance security amount corresponding to the Facilities or any relevant part thereof covered under the said performance security, for the period of delay as per clause 13.2.2 (c) shall be paid by the Contractor to the Employer. The Employer may, without prejudice to any other method of recovery, deduct the amount worked out as above from any monies due or to become due to the Contractor under the Contract.

(c) The period of delay for the above purpose shall be the time elapsed between the due date for submission of performance security as per the Contract and the date of performance security.

(d) In case the Contractor fails to submit the performance security within 90 days of the Notification of Award, the Employer, without prejudice to any other rights or remedies it may possess under the Contract, may terminate the Contract forthwith pursuant to relevant GCC Clause and/ or may consider the bid submitted by the Contractor in future packages as non-responsive.

(e) The above extension of Defect Liability Period or deduction shall not relieve the Contractor from any of his obligations and liabilities under the Contract.

(f) The Employer shall be sole judge in the above regard.

13.2.3 **Issuing Banks**

The Bank Guarantee for Performance Security are to be provided by the Supplier, which should be issued either:

(a) by a Public Sector Bank located in India, or

(b) a scheduled Indian Bank having paid up capital (net of any accumulated losses) of Rs. 1,000 Million or above (the latest annual report of the Bank should support compliance of capital adequacy ratio requirement), or

(c) by a foreign bank or a subsidiary of a foreign bank, acceptable to the Purchaser, with overall international corporate rating or rating of long-term debt not less than A- (A minus) or equivalent by a reputed rating agency. Further, the Bank Guarantee should be confirmed by either (i) its corresponding bank located in India; or (ii) a Public Sector Bank located in India; or (iii) a scheduled commercial private bank located in India.

13.3 Contract Performance Security for the subject package can also be submitted online **using** POWERGRID Online Payment Utility**. The link is https://epay.powergrid.in/**

As a Contractor, following selections to be made **Payment Category**	Performance Security
Sub-category	Performance Security Payment–WR2
Name of Depositor	Name of the Supplier.

Vendor Code, if applicable	POWERGRID vendor code of the Supplier
Payment Remarks	Performance Security for …….. [*enter the name of the contract and last four digits of the Contract Agreement number]*

Payment Transaction reference number shall be submitted to POWERGRID for verification.

13.4 **Alternately, bidder may opt for submission of Contract Performance Guarantee in form of Security Deposit. An amount of 10% amount of Contract Price shall be deducted from the first Running Bill of the successful bidder and kept as Security Deposit. Security Deposit shall be released within 30 days from the date of successful completion of Warranty Period/ Defect Liability Period. No interest shall be payable to the Contractor against SD.**

13.5 **Forfeiture of Contract Performance Guarantee:**

In case the contractor fails to carry out the work or perform or observe any of the conditions of the contract, the **Contract Performance Guarantee** shall be forfeited i.e. Security Deposit will be forfeited, without prejudice to any other right or remedy of POWERGRID to which it is entitled**.**

13.6 Reduction in Contract Performance Guarantee pro rata to the Contract Price of any part of the Goods and related services is not admissible.

14.0 **Insurance:**

14.1 All the material despatched shall be adequately covered under Transit Insurance cover. Insurance shall be arranged by the Seller/Contractor. The Seller/Contractor shall arrange, secure and maintain insurance as may be necessary and for all such amount to protect his interest and the interest of POWERGRID against all risks such as loss or damage in transit, theft, pilferage, riot, civil commotion, weather condition, accidents of all kinds, fire, war risk etc. and the same shall be on ware-house to ware-house basis.

14.2 The Contractor shall provide the Employer with a copy of all insurance policies and documents taken under this in pursuance of the contract. Such copies of documents shall be submitted to the Employer immediately after such insurance coverage.

14.3 ***Insurances to be taken out by the Contractor:***

14.3.1 The Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, who should not unreasonably withhold such approval.

A) (i) *Marine Cargo policy for imported equipment*

The Contractor shall take the Marine Cargo Policy for Goods to be supplied from abroad wherein export/import including inland transit is involved for the movement of the Goods. The policy shall cover movement of Goods from the manufacturer's works to the project's warehouse at final destination site. The policy shall cover all risk for loss or damage that may occur during transit of Goods from the Contractor's/Sub-Contractor's works or stores until arrival at project's warehouse/ store at final destination. The perils required to be covered under the insurance shall include, but not be limited to, fire and allied risks, miscellaneous accidents, workman compensation risks, loss or damage in transit, theft, pilferage, riots and strikes and malicious damages, civil commotion, weather conditions, accidents of all kinds, war risks (as far as insurable) etc. Institute Cargo Clause (ICC) 'A' along with war & Strike Riots & Civil Commotion (SRCC) cover shall be taken.

A) (ii) *Transit Insurance Policy for indigenous equipment*

Similarly, Transit Insurance Policy shall be taken wherein only inland transit is involved for the movement of Goods supplied from within India. The policy shall cover movement of Goods from the manufacturer's works to the project's warehouse at final destination site. The perils required to be covered under the insurance shall include, but not be limited to, fire and allied risks, miscellaneous accidents, workman compensation risks, loss or damage in transit, theft, pilferage, riots and strikes and malicious damages, civil commotion, weather conditions, accidents of all kinds, war risks (as far as insurable) etc. Inland Transit Clause (ITC) 'A' along with war & Strike Riots & Civil Commotion (SRCC) extension cover shall be taken.

B) If during the execution of Contract, the Employer requests the Contractor to take any other add-on cover(s)/ supplementary cover(s) in aforesaid insurance, in such a case, the Contractor shall promptly take such add-on cover(s)/ supplementary cover(s) and the charges towards such premium for such add-on cover(s)/ supplementary cover(s) shall be reimbursed to the Contractor on submission documentary evidence of payment to the Insurance company. Therefore, charges towards premium for such add-on cover(s)/ supplementary cover(s) are not included in the Contract Price.

C) The Contractor shall take the policy in the joint names of Employer and the Contractor. The policy shall indicate the Employer as the beneficiary. However, if the Contractor is having an open policy for its line of business, it should obtain an endorsement of the open cover policy from the insurance company indicating that the dispatches against this Contract are duly covered under its open policy and include the name of the Employer as jointly Insured in the endorsements to the open policy.

D) The scope of such insurance shall be adequate to cover the replacement/reinstatement cost or 120% of CIF/Ex-Works cost whichever is higher, of the Goods for all risks up to and including delivery of Goods on final destination site basis and shall also cover customs duty on merit rate, inland transportation and other costs till the Goods are delivered at site. The insurance policies to be taken should be on replacement value basis and/or incorporating escalation clause. The Employer shall recover the payments made except advance and the balance amount shall be released to the Contractor. Notwithstanding the extent of the insurance cover and the amount of claim available from the underwriters, the Contractor shall be liable to make good the full replacement/rectification of all Goods/Materials and to ensure their availability as per project requirements. The Contractor shall be authorized to deal directly with the insurance company.

15.0 **Patent Rights:**

15.1 Royalties and fees for patents covering material/equipment or processes used in executing the contract shall be to the account of the vendor. The vendor shall satisfy all demand that may be made at any time for such royalties and fees and exclusively shall be liable for damages, infringement and shall keep the purchaser indemnified in that regard. In the event of any equipment/material or part thereof supplied by the vendor is involved in any suit or other proceedings held to constitute infringement and its use is enjoined, the vendor shall at his own expenses, either procure for the purchaser the right to continue the use of such equipment/material or replace it with a non-infringing material/equipment or modify it so that it becomes non-infringing.

16.0 **Force majeure:**

16.1 Force Majeure is herein defined as any cause which is beyond the control of the vendor or the owner as the case may be, which they could not foresee or with a reasonable amount of diligence

could not have foreseen and which substantially affects the performance of the contract, such as natural phenomena, including but not limited to floods, droughts, earthquakes, epidemics, acts of any Govt. domestic or foreign, wars (declared or undeclared), priorities, quarantines, embargoes. Provided either party shall within 15 days from the occurrence of such a cause notify the other in writing of such causes along with proof thereof.

16.2 The vendor or POWERGRID shall not be liable for delays in performing his obligations resulting from any force majeure cause as referred to and or defined above. The date of completion of delivery as provided in the purchase order shall be extended by a reasonable time unless the parties agree upon other courses of action.

17.0 **Cancellation:**

17.1 In the event of any of the lapses mentioned below at (a) to (i), POWERGRID shall issue notice of default to the contractor with an advice to rectify/remedy the lapses within 7 days. If the contractor fails to rectify/remedy the lapses and adhere to the terms and conditions of the contract/Letter of Award, POWERGRID shall terminate the contract/cancel the Letter of Award and forfeit the Contract Performance Guarantee. However, in such case, POWERGRID reserves the right to get execute the supplies from any other agencies, at the risk & cost of the contractor.

(a) Failure to proceed with the work with due diligence.
(b) Failure of contractor to comply with any of the terms of the Letter of Award.
(c) Failure to maintain the acceptable quality of work as per BoQ, Technical Specifications and other documents contained in the Letter of Award.
(d) Failure to supply within the specified delivery period.
(e) Contractor becomes bankrupt.
(f) Contractor goes into liquidation.
(g) Contractor makes general assignment for the benefit of the creditor, or any receiver is appointed for the property owned by the Contractor.
(h) Contractor sublets, transfers or assigns whole or any part of the work without the prior written consent of the Employer.
(i) Any other reason in which POWERGRID deems fit to cancel the letter of award.

18.0 **Risk Purchase:**

18.1 The purchaser reserves the right after due notice to vendor, to purchase the material/ equipment from elsewhere at the risk and cost of vendor and recover extra costs, if any, incurred by the purchaser in procuring the material by the above procedure. The owner will also have the right to purchase the material which are readily available to meet the urgency caused by contractor's failure to comply with the contract deliveries, irrespective of the fact whether the material/equipment are identical or not.

19.0 **Demurrage, Wharfage etc.:**

19.1 Any demurrage, wharfage, or other expenses incurred by the Employer after the equipment reaches at destination due to delayed furnishing of despatch documents or any other reason attributed to seller shall be to the seller's account.

20.0 **Waiver:**

20.1 The waiver by the owner for any of his rights or breach of the terms and conditions of the Letter of Award/ Purchase Order shall not constitute any waiver of any other right or subsequent breach or conditions.

21.0 **Limitation of Liability:**

21.1 Except in cases of gross negligence or wilful misconduct,

(a) Contractor and POWERGRID shall not be liable to the other party for any indirect or consequential loss or damages, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Contractor to pay liquidated damages to POWERGRID and

(b) The aggregate liability of the Contractor to POWERGRID, under the contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the Contractor to indemnify POWERGRID with respect to patent infringement.

22.0 **Compliance of Regulations:**

22.1 The vendor shall warrant that all Goods and or services covered by this Letter of Award/ Purchase Order shall have been produced, sold, dispatched, delivered, tested and commissioned in strict compliance with all applicable rules, regulations and Law of the Land.

22.2 The vendor should execute and deliver such documents as may be needed by the purchaser in evidence of compliance of all laws & rules and regulations required to be incorporated in this reference. Any liability, arising out of contravention of any of the laws in executing this purchase order shall be the sole responsibility of the vendor and the owner shall not be responsible in any manner whatsoever.

23.0 **Sub-Letting & Assignment:**

23.1 The vendor shall not sublet, transfer or assign any part of this purchase order without the prior written consent of the purchaser. Such assignment or subletting or transfer shall not relieve the vendor from any obligation, duty and responsibility under this purchase order. Any assignment, transfer or subletting without the prior written approval of the owner shall be void. The purchaser shall have the right to cancel the contract and to purchase the goods elsewhere and the supplier shall be liable to the purchaser for any loss or damage which the purchaser may sustain in consequence of arising out of such purchase and the vendor shall indemnify such loss or damage to the owner.

24.0 **Arbitration:**

24.1 All disputes or differences in respect of which the decision, if any, of the Project Manager and/or the Head of the Implementing Authority has not become final or binding as aforesaid shall be settled by arbitration in the manner provided herein below.

24.2 The arbitration shall be conducted by a sole arbitrator in case the amount of claim is less than Rs. 25 Crore and by three-member arbitral tribunal in case the amount of claim is greater than Rs. 25 Crore.

24.2.1 **Sole Arbitration:**

The sole Arbitrator shall be chosen from a panel of empaneled Arbitrators maintained by POWERGRID. The same shall comprise of retired Judges and retired Senior executives of PSUs other than POWERGRID. Further, the choice of sole Arbitrator shall be governed by the amount of claim in the following manner:

Sl. No.	Claim Amount	Work Experience/ Qualifications

1	**< Rs. 10 Crore**	**Sole Arbitrator -** Retired Senior Executives of PSUs other than POWERGRID/ Retired Distt Court Judges/ Retired High Court Judges.
2	**Rs. 10 Crore - Rs. 25 Crore**	**Sole Arbitrator -** Retired High Court Judges/ Retired Supreme Court Judges

a) In case of invocation of arbitration by POWERGRID, POWERGRID shall, within 30 days, send a list of names of 3 arbitrators from its list/database of Arbitrators and the contractor shall within the period of further 30 days select any one person to act as "Sole Arbitrator", which will be confirmed by POWERGRID and matter will be referred to such appointed Arbitrator for further arbitration proceedings.

b) In case of invocation of arbitration by the Contractor, the Contractor shall request POWERGRID for its database of Arbitrators/ chose from the list of Arbitrators available on POWERGRID's website, and the contractor shall, within 30 days, select any one Arbitrator from the above to act as "Sole Arbitrator", which will be confirmed by POWERGRID within 30 days and matter will be referred to such appointed Arbitrator for further arbitration proceedings.

If the parties fail to appoint sole arbitrator within sixty (60) days after receipt of a notice from the other party invoking Arbitration, the appointment of sole arbitrator shall be done by Courts as per the provisions of Indian Arbitration and Conciliation Act, 1996 or any statutory modification thereof.

24.2.2 **Three-member Arbitral Tribunal**

The arbitration shall be conducted by three arbitrators, who are retired High Court/Supreme Court Judges, one each to be nominated by the Contractor and the Employer and the third to be appointed by both the arbitrators in accordance with the Indian Arbitration & conciliation Act. If either of the parties fails to appoint its arbitrator within sixty (60) days after receipt of a notice from the other party invoking the Arbitration clause, the arbitrator appointed by the party invoking the arbitration clause shall become the sole arbitrator to conduct the arbitration. In case of failure of the two arbitrators appointed by the parties to reach upon a consensus regarding appointment of presiding Arbitrator, within a period of 30 days from the appointment of the arbitrator appointed subsequently, the presiding arbitrator shall be appointed by Courts as per the provisions of Arbitration & conciliation Act.

24.3 The cost of arbitral proceedings inter-alia including the Arbitrators' fee, logistics and any other charges shall be equally shared by both parties.

In case of Sole Arbitrator, the fees to be paid to the sole Arbitrator shall be as per the terms of empanelment in POWERGRID whereas in case of the three-member tribunal, the Arbitrators' fees shall be as agreed upon by the Arbitrators in line with the Arbitration & Conciliation Act. However, the expenses incurred by each party in connection with the preparation, presentation, etc. of its proceedings shall be borne by each party itself.

24.4 The language of the arbitration proceedings and that of the documents and communications between the parties shall be English. The arbitration shall be conducted in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996 or any statutory modification thereof. **The venue of arbitration shall be Vadodara.**

24.5 The decision of the **sole arbitrator/ the majority of the arbitrators**, as the case may be, shall be final and binding upon the parties. In the event of any of the **sole arbitrator/ any of the aforesaid arbitrators** dying, neglecting, resigning or being unable to act for any reason, it will be lawful for the **parties to nominate another sole arbitrator/ another arbitrator in place of the outgoing**

arbitrator.

24.6 Notwithstanding the above, in case the contractor is a Central Public Sector Enterprise (CPSE)/Government Organization or Department then the **dispute/ difference (other than those related to taxation matters)** between the Employer and the Contractor shall be settled through Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22.05.2018 and **DPE OM No. DPE-GM-05/0003/2019-FTS-10937 dated 20.02.2020.** The decision through AMRCD will be final and binding on all the concerned.

24.7 **During settlement of disputes and arbitration proceedings, both parties shall be obliged to carry out their respective obligations under the contract.**

25.0 **Social Accountability:**

25.1 Contractor shall confirm to stand committed to comply all requirements of Social Accountability Standards i.e., SA8000 (latest Standard available at www.sa-intl.org and maintain the necessary records.

26.0 **Reference Contract Price for Different Purposes:**

26.1 The contract price, as originally awarded, shall be the reference price for determining the initial value of CPG. In case of any amendment to the contract, the contract price as amended shall be the reference price for determining the value of CPG and LD Amount.

27.0 **Inspection/ Testing:**

27.1 **Prior to dispatch of material, the manufacture shall raise inspection call to POWERGRID representatives, for pre-dispatch inspection of material at manufacturer's workshop and issuance of CIP & MICC. ~~However, MICC shall be issued only after supply and actual verification/demonstration of satisfactory performance of material at site.~~ No additional cost shall be payable for such inspection.**

27.2 Factory Test Reports to be shared along with the material.

All incidental items not shown or specified but reasonably implied or necessary for successful Completion of the work shall have to be provided by the agency at his own cost. Decision of the Engineer-In-Charge will be final in this regard.