

such a manner that the total advance and interest accrued is recovered approximately within 80% of the stipulated contract period. Balance amount, if any, remaining unrecovered shall be deducted in full from the RA bill succeeding 80% of the contract period. The same method of recovery will hold good for interest free mobilization also.

c) The contractor has to submit the utilization statement supported by authentic document of 1st installment of mobilization advance paid and 2nd installment of mobilization advance will be paid only after submission of utilization statement.

1.14.3. In case, any bidder requests for interest free mobilization advance, the Offers of such bidders shall be loaded as follows for the purpose of Comparison of prices :

Loading = Interest charges calculated @ prevailing base rate in Percent + 2% per annum for half the time period of the contract.

$$= \frac{\text{MA} \times (\text{Prevailing base rate} + 2) \times \text{Time Schedule in Months}}{100 \times 12 \times 2}$$

MA = Mobilisation Advance.

1.14.4 The bidder shall indicate in the BOQ only whether the above requirement of advance shall be interest free or interest bearing. Requirement of Mobilisation advance written anywhere other than in BOQ shall be considered null and void. In the absence of the said information, it will be presumed that no mobilization advance is required by the Contractor.

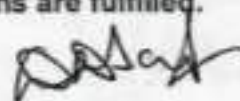
1.15. Price Escalation.

The contract value shall be adjusted for material, labour and P.O.L etc. Escalation or reduction shall be based upon the following. The base date for working out such escalations/reductions shall be the last date of receipt of tender. No escalation on extra items shall be paid. Any increase in price indices after the scheduled date of completion of the contract shall not be taken into consideration. The price indices valid as on the scheduled date of completion in each category will continue to apply during the period of extension of the contract. However, reductions, if any, will continue to apply as per the formulae given herein under.

1.15.1 Period of Applicability

Price escalation (or reduction) for LABOUR for all components mentioned below will be applicable immediately from the date of award of contract.

Price escalation (or reduction) for all other items will be applicable only after 12 months reckoned from the 25th day from the date of issue of letter of intent (extended till the end of the calendar month the period ends) subject to fulfilment of the following conditions. The price escalation clause will not be applicable till both the conditions are fulfilled.



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- a) The work completed at the end of first one year is at most 10% less than the percentage of time 12 months is with respect to the total contract period. Thus, if the time of completion of the project is 24 months, then at the end of 12 months, $(12/24) \times 100 - 10 = 40\%$ of the work must have been completed. If this is not fulfilled, then the month from which this formula is fulfilled (with 12 replaced by the month in the formula), will be the month from which price escalation will apply. Thus for fulfillment after say, 14 months, $(14/24) \times 100 - 10 = 48.34\%$ of the work must be completed at the end of 14 months to become eligible for the escalation to apply for the remaining value of work after 14 months.
- b) All intermediate milestones (M) that are specified for completion before 12 months must be completed for price escalation to be applicable. If the milestone is delayed, then price escalation will apply from the date when the milestones are completed.

The above two conditions will apply independent of each other. Thus, if 40% of the work was completed at the end of 12 months, but a milestone (M) was not completed, and it is completed at the end of 14 months, price escalation will be applicable from the end of 14 months, even if 48.34% of the work was not completed at that time.

All calculations and applicability will be with respect to the first date of the calendar month (in view of the extension of the initial 12 month period to the end of the calendar month).

1.15.2 Price Escalation for Civil Works –

The compensation for escalations for Cement, Steel, other building materials, labour and P.O.L. shall be worked out as per the following formulae:

(a) Cement :

$$V_C = 0.85 \times W \times 0.15 \times \frac{CI - CI_0}{CI_0}$$

V_C = Variation in cement cost i.e. increase or decrease in the amount in rupees to be paid or recovered

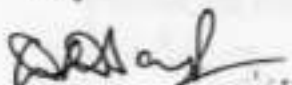
W = Value of work done during period under consideration (Civil Works).

CI = All India wholesale price index for cement as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce, for the period under consideration.

CI_0 = All India wholesale price index for cement as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce, as valid on the last stipulated date of receipt of tenders including extension if any.

(b) Steel :

$$V_S = 0.85 \times W \times 0.20 \times \frac{SI - SI_0}{SI_0}$$



V_s = Variation in steel cost i.e. increase or decrease in the amount in rupees to be paid or recovered

W = Value of work done during period under consideration (Civil Works)

SI = All India wholesale price index for steel (bars & rods) as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce, for the period under consideration.

SI_0 = All India wholesale price index for steel (bars & rods) as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce, as valid on the last stipulated date of receipt of tender respectively including extension if any.

(c) Other materials (Civil component except Cement & Steel) :

$$V_M = 0.85 \times W \times 0.35 \times \frac{MI - MI_0}{MI_0}$$

V_M = Variation in material cost i.e. increase or decrease in the amount in Rupees to be paid or recovered.

W = Value of work done during period under consideration (Civil Works)

MI = All India wholesale price index for all commodities as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce, for the period under consideration, and applying weightages to the individual commodities / group items .

MI_0 = All India wholesale price index for all commodities valid on the last stipulated date of receipt of tender including extension, if any, as published by the Economic Advisor to Govt. of India, Ministry of Industry & Commerce and applying weightages to the individual commodities / group items .

d) Labour:

$$V_L = 0.85 \times W \times 0.25 \times \frac{LI - LI_0}{LI_0}$$

V_L = Variation in labour cost i.e. amount of increase or decrease in Rupees to be paid or recovered.

W = Value of work done during period under consideration (Civil Works)

LI & LI_0 = Minimum daily wage in rupees for the minimum rated workers as per minimum wages act of by the Ministry of Labour & Employment, Govt. of India as applicable for the period under consideration and that valid on the date of receipt of tender including extension respectively.

e) Petrol, Oil and lubricant (P.O.L)

$$V_F = 0.85 \times W \times 0.05 \times \frac{FI - FI_0}{FI_0}$$

V_F = Variation in cost i.e. amount of increase or decrease in rupees to be paid or recovered.

W = Value of work done during period under consideration (Civil Works)

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F1 & F10 = Average Price per litre of Diesel at Guwahati for the period under consideration and on the date of receipt of the tender including extension respectively.

1.15.3 Price Escalation for Electrical Works -

The compensation for escalations for Electrical works shall be assessed for — a) Wires, cables & accessories, b) Other materials and c) Labour as follows —

(a) Electrical accessories, wires, cables etc. :

$$V_{EI} = 0.85 \times W \times 0.40 \frac{EI - EI_0}{EI_0}$$

V_{EI} = Variation in cost of electrical accessories, wires, cables etc. i.e. increase or decrease in the amount in rupees to be paid or recovered.

W = Value of work done during period under consideration (Electrical works).

E/I = All India wholesale price index for "Electrical accessories, wires, cables etc." as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, for the period under consideration.

E/I_0 = All India wholesale price index for "Electrical accessories, wires, cables etc." as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, as valid on the last stipulated date of receipt of tenders including extension if any.

(b) Other materials (other than electrical accessories, wires, cables etc.):

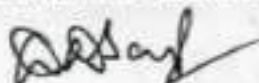
$$V_M = 0.85 \times W \times 0.35 \times \frac{MI - MI_0}{MI_0}$$

V_M = Variation in material cost i.e. increase or decrease in the amount in Rupees to be paid or recovered.

W = Value of work done during period under consideration (Electrical works).

MI = All India wholesale price index for all commodities as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, for the period under consideration, and applying weightages to the individual commodities / group items.

MI_0 = All India wholesale price index for all commodities valid on the last stipulated date of receipt of tender including extension, if any,



as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce.

(c) Labour :

$$V_L = 0.85 \times W \times 0.25 \times \frac{LI - LI_0}{LI_0}$$

V_L = Variation in labour cost i.e. amount of increase or decrease in Rupees to be paid or recovered.

W = Value of work done during period under consideration (Electrical works).

LI & LI_0 = Minimum daily wage in rupees for the minimum rated workers as per minimum wages act of by the Ministry of Labour & Employment, Govt. of India as applicable for the period under consideration and that valid on the date of receipt of tender including extension respectively.

1.15.4 Price Escalation for Air-Conditioning Works -

The compensation for escalations for Air-Conditioning works shall be assessed for — a) Basic metals, b) Equipment, c) Other materials and d) Labour as follows —

(a) Basic Metals :

$$V_{M_t} = 0.85 \times W \times 0.25 \times \frac{M_{t1} - M_{t0}}{M_{t0}}$$

V_{M_t} = Variation in cost of basic metals i.e. increase or decrease in the amount in rupees to be paid or recovered.

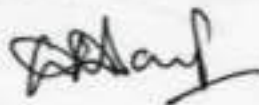
W = Value of work done during period under consideration (HVAC works).

M_{t1} = All India wholesale price index for "Basic Metals, Alloys & Metal Products" as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, for the period under consideration.

M_{t0} = All India wholesale price index for "Basic Metals, Alloys & Metal Products" as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, as valid on the last stipulated date of receipt of tenders including extension if any.

(b) Equipment:

$$V_E = 0.85 \times W \times 0.15 \times \frac{EI - EI_0}{EI_0}$$



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V_e = Variation in equipment cost i.e. increase or decrease in the amount in Rupees to be paid or recovered.

W = Value of work done during period under consideration (HVAC works).

EI = All India wholesale price index for "Machinery & Machine Tools" as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, for the period under consideration.

EI₀ = All India wholesale price index for "Machinery & Machine Tools" as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, as valid on the last stipulated date of receipt of tender – respectively including extension if any.

(c) Other materials (other than basic metals & equipment) :

$$V_M = 0.85 \times W \times 0.35 \times \frac{MI - MI_0}{MI_0}$$

V_M = Variation in material cost i.e. increase or decrease in the amount in Rupees to be paid or recovered.

W = Value of work done during period under consideration (HVAC works).

MI = All India wholesale price index for all commodities as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce, for the period under consideration.

MI₀ = All India wholesale price index for all commodities valid on the last stipulated date of receipt of tender including extension, if any, as published by the Economic Adviser to Govt. of India, Ministry of Industry & Commerce.

(d) Labour :

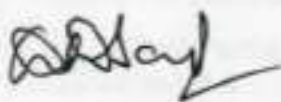
$$V_L = 0.85 \times W \times 0.25 \times \frac{LI - LI_0}{LI_0}$$

V_L = Variation in labour cost i.e. amount of increase or decrease in Rupees to be paid or recovered.

W = Value of work done during period under consideration (HVAC works).

LI & LI₀ = Minimum daily wage in rupees for the minimum rated workers as per minimum wages act of by the Ministry of Labour & Employment, Govt. of India as applicable for the period under consideration and that valid on the date of receipt of tender including extension respectively.

The above mentioned components are expressed as percent of total value of work.



Contractor shall also provide to the satisfaction of the Engineer-in-charge sufficient and qualified staff to superintend the execution of the works, competent sub-agents, foremen and leading hands including those specially qualified by previous experience to supervise the types of works comprised in the contract in such manner as will ensure work of the best quality, expeditious working. Whenever in the opinion of the Engineer-in-charge additional properly qualified supervisory staff is considered necessary, they shall be employed by the Contractor without additional charge on account thereof. The Contractor shall ensure to the satisfaction of the Engineer-in-charge that sub-contractors, if any, shall provide competent and efficient supervision over the work entrusted to them.

222. If and whenever any of the Contractor's or sub-Contractor's agents, sub-agents, assistants, foremen or other employees shall in the opinion of Engineer-in-Charge be guilty of any misconduct or be incompetent or insufficiently qualified or negligent in the performance of their duties or that in the opinion of the Owner or the Engineer-in-Charge, it is undesirable for administrative or any other reason for such person or persons to be employed in the works, the Contractor, if so directed by the Engineer-in-charge, shall at once remove such person or persons from employment thereon. Any person or persons so removed from the works shall not again be employed in connection with the works without the written permission of the Engineer-in-Charge. Any person so removed from the works shall be immediately replaced at the expense of the Contractor by a qualified and competent substitute. Should the Contractor be requested to repatriate any person removed from the works he shall do so and shall bear all costs in connection herewith.

223. The Contractor shall be responsible for the proper behaviour of all the staff, foremen, workmen and others and shall exercise a proper degree of control over them and in particular and without prejudice to the said generality, the Contractor shall be bound to prohibit and prevent any employees from trespassing or acting in any way detrimental or prejudicial to the interest of the community or of the properties or estates of land and properties in the neighborhood and in the event of such employee trespassing, the Contractor shall be responsible therefore and relieve the Owner of all consequent claims or actions for damages or injury or any other grounds whatsoever. The decision of the Engineer-in-Charge upon any matter arising under this clause shall be final.

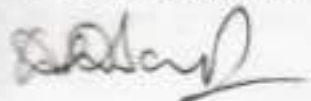
224. If and when required by the Owner all the Contractor's personnel entering upon the Owner's premises shall be properly identified by badges of a type acceptable to the Owner which must be worn at all times on the Owner's premises.

22. Sub-letting of Work

1. No part of the contract nor any share or interest therein shall in any manner or degree be transferred, assigned or sublet by the Contractor directly or indirectly to any person, firm or corporation whatsoever except as provided for in the succeeding sub-clause, without the consent in writing of the Owner.

2. Sub-Contracts for Temporary Works etc.

The Owner may give written consent to sub-contract for the execution of any part of the works at the site, being entered into by the Contractor provided each individual



sub-contract is submitted to the Owner before entered into and is approved by the Owner.

(iii) List of Sub-Contractors to be Supplied

At the commencement of every month the Contractor shall furnish to the Engineer-in-Charge list of all sub-Contractors or other persons or firms charged by the Contractor (who must have been previously approved by the owner as per 35(ii)) and working at the site during the previous month with particulars of the general nature of the sub-contract of works.

(iv) Contractor's Liability not Limited by Sub-Contractors

Notwithstanding any sub-letting with such approval as aforesaid and notwithstanding that the Owner shall have received copies of any sub-contracts, the Contractor shall be and shall remain solely responsible for the quality and proper and expeditious execution of works and the performance of all the conditions of the contract in all respects as if such sub-letting or sub-contracting had not taken place and as if such work had been done directly by the Contractor.

(v) Owner may Terminate Sub-Contracts

If any sub-Contractor engaged upon the works at the site executes any work which in the opinion of the Owner is not in accordance with the contract documents, the Owner may by written notice to the Contractor request him to terminate such sub-contract and the Contractor upon the receipt of such notice shall terminate such sub-contract and the latter forthwith leave the works, failing which the Owner shall have the right to remove such sub-Contractors from the site.

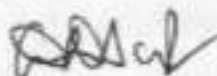
(vi) No Remedy for Action Taken under this Clause

No action taken by the Owner under the clause shall relieve the Contractor of any of his liabilities under the contract or give rise to any right to compensation, extension of time or otherwise, failing which the Owner shall have the right to remove such sub-Contractors from the site.

34. Power of Entry

If the Contractor shall not commence the work in the manner previously described in the contract documents or if he shall at any time in the opinion of the Owner

- (i) fail to carry out the works in conformity with the contract documents, or
- (ii) fail to carry out the works in accordance with the time schedule, or
- (iii) Substantially suspend work or the works for a period of fourteen days without authority from the Owner, or
- (iv) Fail to carry out and execute the works to the satisfaction of the Owner, or
- (v) Fail to supply sufficient or suitable constructional plant, temporary works, labour, materials or things, or
- (vi) commit or suffer or permit any other breach of any of the provisions of the contract on his part to be performed or observed or persist in any of the above mentioned



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