

Dear all,

As approved by C.A., it is requested to replace the time limit extension Penalty related clause no.3 and clause no. 7 in all civil works tender as under.

1. **“Conditions of Contracts” tender clause no.03, Page no. 18 for “Compensation for the delay/penalty for late delivery”,**

“The time limit allowed for carrying out the work as entered in the tender shall strictly observed by the contractor and shall be reckoned from the date on which the order to commence the work is given to the contractor. The work shall throughout the stipulated period of contract proceeds with due diligence (time being essence of the contract) and for delay, the contractor shall pay penalty/compensation, an amount equal to half percent (0.5 %) per one week or part thereof (of the delay) of the contract value subject to maximum 10% of the contract value of the work. The penalty will be invariably deducted from the bills of the contractor and no refund will be given unless the competent authority approves the waiver/reduction in penalty.”

Further, for inordinate delay beyond 20 weeks, i.e. for very unsatisfactory progress due to reasons attributable to contractor, UGVCL may take decision after giving the 10 day notice in writing to contractor for termination of contract and carrying out the remaining work at the risk of defaulting contractor from some other agency/contractor by recovering additional cost incurred to UGVCL if any from the defaulting contractor. UGVCL decision in the matter shall be final and the contractor will have no claim for compensation for any loss sustained by him owing to such actions.”

Due consideration will be given for waiver/levy of penalty only for the reasons absolutely beyond contractor’s control (Viz. Force Majeure conditions as laid down in the DGS & D, Clause reproduced hereunder) for which documentary evidence will have to be provided. The reasons for delay attributable to UGVCL as well as to party will be brought out clearly while putting the proposal for waiver/reduction in penalty.

- [1] The request for extension in time limit giving reasons and supporting documents shall have to be made by the contractor within one month on completion of the contract.
- [2] The request made after one month on completion of the contract shall not be entertained and rejected out rightly without any correspondence.
- [3] No request for waiver/ levy of penalty will be entertained/ reviewed during execution of order.

D.G.S. & D. FORCE MAJEURE CLAUSE”

“If, at any time during the continuance of this contract , the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by reason of any war, hostility, act of the public enemy, civil commotion, sabotage fires, floods, explosion, epidemics, quarantine restrictions, strikes, lockouts or acts of God (hereinafter referred to as event)”, then notice of the happening of any such event is given by either party to the other within twenty one days from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this contract nor shall either party shall have any claim for damages against the other in respect of such non-performance or delay in performance, and work under the contract shall be resumed as soon as practicable after such event has come to end or ceased to exist, and the decision of the competent authority of UGVCL as to whether the works have been so resumed or not shall be final and conclusive.

It will be contractor’s responsibility to ensure that work is completed in stipulated time limit. However, if on account of reasons beyond ones control e.g. as laid down in the DGS & D Force Major Conditions, UGVCL may consider extension of contractual period without statutory variations and without price variation.

2. In “Conditions of Contracts” tender clause no.07 at Page no. 20 for “Extension of time Limit”, the existing condition mentioned as under:

“If the contractor shall desire an extension of the time limit for the completion of the work on the ground of his having been unavoidably hindered in its execution or on any other ground, he shall apply in writing to the concerned SE of Circle Office and he may, if in his opinion there are reasonable grounds for granting extension as he thinks necessary and proper such extension then he shall submit same extension proposal with his recommendation to competent authority. The decision of competent authority in this regard shall be final and binding to the contractor as per prevalent DOP. Any delay attributable to UGVCL shall be compensated only by way of extending the time limit.

Extension to delivery of contract with/without penalty and/or reduction of Penalty is to be granted by the competent authority of the Company.”

For the tender to be invited, TLE clause no. 3 & 7 to be taken as above and for the tender which are live as on 19-06-17, all are requested to amend the condition by giving amendment and if require, time for bidding also to be extended. For the tender which were finalized or to be finalized (Price bid open), contractor may be requested to agree for TLE clause as above if TLE Penalty clause kept as 0.5% week or part thereof of delayed portion.

Date: 19-06-17

From,
P.J.trivedi, ACE (Civil).