

PAYMENT TERMS

EPC Basis Contract (Engineering, Procurement & Construction) for Design, Supply, Construction, Fabrication, Erection & Commissioning of Industrial Stores PEB Hangar with Office, EOT crane facility, Roads etc including all associated Architectural, Civil and MEP works.

1. RAR (RUNNING ACCOUNT REMITTANCE) BILLS PAYMENT

- (i). RAR bills can be processed as and when contractor submit bill and subject to maximum of two bills in a month. Payment will be made as per completion of the stages as indicated in table of Schedule of payment and submission of the bill duly certified by the civil engineering department. Following documents shall be submitted by the Contractor along with each RAR Bill:
- a) Delivery challan for the materials incorporated in the Work
 - b) Wage certificate for proper payment to the labourers as per labour laws.
 - c) Compliance of statutory payments as per law for the labours/ Workers engaged such as ESI, PF remittance challans etc.
 - d) Test certificates for various materials wherever required as decided by EIC.
 - e) Laboratory Test certificates if carried out during the period of billing from NABL accredited laboratory to ensure the quality as per the contract specification / standards specified.
 - f) RAR Bill shall not be considered having been submitted by the Contractor unless it is in the manner and accompanied by documents as set forth above.
- (ii). On submission of RAR bills by Contractor to the OIC/EIC, 50% of the RAR Bill value shall be released within Seven (7) working days of submission of bill with recommendation of EIC. The balance 50% of the RAR Bill value shall be released after detailed scrutiny by BEML within another Seven (7) working days which shall involve consideration of following:
- a. Value of Work executed after deducting all previous running accounts payments already paid.
 - b. Cost of stores issued by BEML if any.
 - c. Charges for electricity and water supplied by BEML if any.
 - d. Balance mobilization advance with interest recoverable from the Contractor, if any; and
 - e. Any other dues recoverable by BEML from the Contractor under the present or any other contract.
 - f. Penalties/compensation if any due to non-compliance of statutory provisions.
 - g. Withholding for the compensation for delay in completion of Work.

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(iii). The payment timelines as stated above is on an ideal condition and in the event of any delay in payment, no claims whatsoever due to delays on payment including that of interest shall be payable to the Contractor.

(iv). The payments towards the items ordered as deviation, either due to variation in quantity or due to inclusion of non-tendered item will be allowed in RAR Bill subject to approval of same by the BEML.

(v). The item of Work partially executed / being executed shall be admitted for payment in RAR Bill as per the certification of OIC/EIC. The statement showing rate analysis how part rates are derived is to be enclosed along with bill. A register shall be maintained for this purpose at site. The rate for such item as decided by OIC/EIC is final and binding on the Contractor.

(vi). Any payment made by BEML against an RAR Bill shall be regarded as payment by way of advances against final payment only and shall not preclude the requiring of bad, unsound and imperfect or unskilled Work to be rejected, removed, taken away and reconstructed or re-erected. Any certificate given by the OIC/EIC relating to the Work done or materials delivered forming part of such payment, may be modified or corrected by any subsequent such certificate(s) or by the final certificate and shall not by itself be conclusive evidence that any Work or materials to which it relates is/are in accordance with the contract and specification. In case of any discrepancy, the OIC/EIC shall have the right to alter, modify, reduce or diminish the quantities or classification entered in the Measurement Books, any such interim payment, or any part thereof shall not in any respect conclude, determine or affect in any way powers of the OIC/EIC under the contract or any of such payments be treated as final settlement and adjustment of accounts or in any way vary or affect the contract. In such cases, BEML shall have the right to recover any amount paid in an earlier bill/bill from a subsequent bill/bill and should the amount to be recovered be more than the amount of the subsequent bills, the Contractor shall on demand from the OIC/EIC immediately refund the amount to the BEML within 7 days, failing which he shall have to pay interest 1% per month till the said extra amount is paid back by him.

(vii). Pending consideration of extension of date of completion, RAR Payments can continue to be made as herein provided without prejudice to the right of BEML to take action under the terms of this Contract for delay in the completion of Work, if the extension of date of completion is not granted by the competent authority.

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2. PAYMENT OF BILLS AFTER SUBMISSION OF STATUTORY DOCUMENTS

No RAR bill shall be paid to work till the applicable labour licenses, registration with EPFO, ESIC and BOCW (Building and other Construction Workers) welfare board, whatever applicable is submitted by the contractor to the Engineer in charge.

3. PAYMENT OF PRE - FINAL BILL

RAR Bill post the completion of Work can be admitted for payment and can be considered as Prefinal Bill in the following cases:

- I. Where the Final Deviation quantities including NTI are agreed without any protest / reservations by the Contractor, the Contractor has, in writing, accepted the final quantities as per the Pre-Final Bill and Final Deviation Order is pending approval of BEML.
- II. Where the Contractor is not in a position to prepare and submit the Final Bill for various reasons which are attributable to Contractor and Contractor requests for payment of Pre- Final Bill with the valid reasons.
- III. In case extension of time is not approved even after completion of the Work, the applicable LD amount shall be withheld and released only after approval of extension of time along with Final Bill.

4. COMPLETION CERTIFICATE AND COMPLETION PLANS

Within ten days of the completion of the Work, the Contractor shall give notice of such completion to the OIC/EIC and within thirty days of the receipt of such notice, the OIC/EIC shall inspect the Work and if there is no defect in the Work, shall furnish the Contractor with a final certificate of completion, otherwise a provisional certificate of physical completion indicating defects:

- i. To be rectified by the Contractor and/or
- ii. For which payment will be made at reduced rates, shall be issued.

But no final certificate of completion shall be issued, nor shall the Work be considered to be complete until the Contractor shall have removed from the premises on which the Work was executed all scaffolding, surplus materials, rubbish and all huts and sanitary arrangements required for his/their Work people on the site in connection with the execution of the Works as shall have been erected or constructed by the Contractor(s) and cleaned off the dirt from all wood Work, doors, windows, walls, floor or other parts of the building, in, upon,

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or about which the Work is to be executed or of which he may have had possession for the purpose of the execution; thereof, and not until the Work shall have been measured by the OIC/EIC. If the Contractor fails to comply with the requirements of this clause as to removal of scaffolding, surplus materials and rubbish and all huts and sanitary arrangements as aforesaid and cleaning off dirt on or before the date fixed for the completion of Work, BEML may at the expense of the Contractor remove such scaffolding, surplus materials and rubbish etc., and dispose of the same as he(OIC/EIC) thinks fit and clean off such dirt as aforesaid, and the Contractor shall have no claim in respect of scaffolding or surplus materials as aforesaid except for any sum actually realized by the sale thereof.

5. PAYMENT OF FINAL BILL

On completion of the Work and recording of measurements of all the items executed including NTI's and deviations, a final deviation statement will be drawn duly representing the actual quantum of Work executed against each item in the BOQ, Non-tendered Items and deviations.

- I. On receipt of approved final deviation order from PIC/OIC/EIC, the Contractor shall submit the Final Bill in the prescribed format within three months. To enable the Contractor to do so, the OIC/EIC will furnish to him necessary statements showing recoveries to be made on account of stores issued, hire charges for tools and plant supplied, charges recoverable for electricity and water consumed etc., if any.
- II. Along with submission of the Final Bill, the Contractor shall sign a 'No Claim Certificate' against BEML stating that they do not have any claim or demand in respect of the Contract except for the payment of Final Bill and the Defect Liability Deposit or any other refundable deposits like, retention money, if any etc. If the Contractor does not sign the 'No Claim Certificate', the amount due will not be disbursed to the Contractor pending issue of such No-claim Certificate or settlement of disputes, if any. No interest shall be paid by BEML on any pending dues in case No-claim Certificate is not issued or any dispute is raised by the Contractor.
- III. No further or additional claims shall be made by the Contractor after submission of the final bill and any further or additional claims (if any) shall be deemed to have been unconditionally waived and extinguished. The Contractor shall not be entitled to make any claim whatsoever against BEML under or by virtue of or arising out of this Contract, nor shall BEML entertain or consider any such claim, if made by the Contractor, after he has signed a "No Claim Certificate in favour of BEML. The Contractor shall be debarred from disputing the correctness of the

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item/s covered by “No Claim Certificate”. The “No Claim Certificate” furnished by the Contractor shall be treated as the “Discharge Certificate” by the Contractor, which discharges the BEML from all liabilities under the Contract, except to the extent provided in sub-clause (ii) above.

- IV. Where the Contractor is not in a position to prepare the final bill, or not submitting the final bill due to whatsoever reasons even after three (3) months from approval of Final Deviation Order, the OIC/EIC may give due notice by registered post/speed post/email indicating a specific time limit for submission of final bill, which shall not exceed 45 days from the expiry of the said three-month period.
- V. If the Contractor does not respond and submit the Final Bill, within the aforesaid period of 45 days, the OIC/EIC shall be entitled to prepare & process the Final Bill ex-party and the same will be binding on Contractor, and no further claim or submission of any bill (final or otherwise) from the Contractor shall be accepted.
- VI. On receipt of the Final Bill duly signed by the Contractor, the same will be scrutinized by the EIC to see that the claim is in order.

6. PAYMENT OF CONTRACTOR’S BILLS TO BANKS & RECOVERY OF TAXES.

- i. All payments to the Contractor shall be made through Electronic Clearing System (ECS) or National Electronic fund transfer (NEFT) or Real time gross settlement (RTGS). The Contractor shall furnish his bank account details, as certified by his Bankers. All amounts payable to the Contractor shall be directly credited to his bank account.

All payments to the Contractor shall be made by above means only.

ii. TAXES

a. PAYMENT OF GST:

Contractor shall be entitled to reimbursement of GST paid, upon submission of GST Invoice and GST Challan for having paid the same to the Department.

b. PAYMENT OF WELFARE CESS:

It shall be the sole responsibility of the Contractor as employer to ensure compliance of all the statutory obligations under the building and other Construction Workers’ (Regulation of Employment and Conditions of Service) Act, 1996 (hereafter referred as “BOCW Act”) and the building and other Construction Workers’ Welfare Cess Act, 1996 and the rules made there under (hereafter referred as “Cess Act”). The Contractor

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undertakes that it shall apply and obtain registration certificate specifying the scope of work under the relevant provisions of the Construction Workers' Act from the appropriate Authorities prior to commencement of work under the Contract. If at any point of time during the contract period, non-compliance of the provisions of the Construction Workers' Act and the Cess Act, and the rules made thereunder is observed, BEML reserves the right to withhold a reasonable amount from the payables to discharge any obligations on behalf of Contractors. The Contractor shall declare to undertake any liability or claim arising out of employment of building workers and shall indemnify BEML from all consequences / liabilities / penalties in case of non-compliance of the provisions of the BOCW Act and the Cess Act.

c. RECOVERY OF INCOME TAX:

Recovery of Income Tax under Section 194(c) of Income Tax 1961 introduced by the Finance Act 1972 and further Amendments thereon will be made from the gross payments payable at source on all contract Works with value above Rs.10,000/-, at the prevailing rates.

In addition to above tax recoveries, any statutory recoveries introduced by the Central or State Governments can also be recovered and deposited as mandated by the respective Governments.

SCHEDULE OF PAYMENTS AT STAGES:

All running & final payments shall be made to the EPC Contractor in accordance with the following schedule.

S.no	Description	Individual in % on Contract value in EPC mode	Cumulative on Contract value in EPC Mode

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1	Submission of Soil investigation report, contour survey with Layout, 2D layout options. Submission of Architectural Drawings, conceptual drawings, 3-D views and walkthrough presentations, Submission of Design basis specifications for all works for proposed buildings & related associated work and duly proof checked by Government Institute, IIT/NITs. Submission of soft copies and four sets of colored hard copies for design & drawings. Submission of Good for Construction Drawings for Execution of Works for Proposed Hangar along related associated work and obtaining approval of detailed QAP for all works. Obtaining all clearances and initial approvals from all statutory departments and agencies like KSPCB, DFO, KINFRA, Factories and boilers, Labour department, CEA etc.	2.00%	2%
2	Completion of Leveling/dozing, Site Clearance, Grubbing and Land Levelling of earth for the proposed building area and other surrounding areas includes cleaning, removal of rank vegetation and moving of any other materials lying inside area to the cleared. Completion of Cutting (in all type of soil and rock area) and Filling to achieve a desired uniform FGL (Formed Ground Level) including compaction, rolling and dressing work.	2.00%	4%

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3	Completion of Earthwork, foundation and back fill work up to plinth level for PEB Hangar and RCC Office Building includes Anchor/Foundation bolts, Anti-Termite Treatment, Waterproofing all as per approved design & drawings. compaction including Field Density Test as per relevant Indian Standards.	4.00%	8%
4	Completion and Erection of PEB Structure of Stores Hangar viz., of Columns, rafters, purlins roof truss, bracings, sag rod, bracings, Eave Struts, Girts as per the approved design including of testing and commissioning.	12.00%	20%
5	Completion of Superstructure up to First floor roof slab height for RCC Office Building including plinth & tie beams, Masonry wall, RCC Columns, lintel beams, Roof slabs, internal and external plastering etc as per design with related works.	4.00%	24%
7	Completion of Supply and installation of galvalume sheet roof sheet and cladding, puff panel roofings, Poly carbonate sheet, sky light, Canopies, Turbo ventilators, Roof gutters, rain water down take pipes in all levels, flashings with all related works for Hangar as per design and approval.	10.00%	34%
8	Completion of Supply and installation of EOT Crane gantry girder, internal & External Ladders, walkway platforms, handrails, Roof life line system (fall protection system), roof hand rails etc with all related works.	4.00%	38%

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9	Completion of subbase preparation, FM3 RCC flooring with reinforcement, Surface hardener, densification & groove cutting etc. for Stores Hangar as per approved design and drawings	10.00%	48%
10	Completion of commissioning of EOT cranes including Submission and Approval of Design drawings, completion of with load test at vendor site, SITC of 15T EOT crane (2 Nos) in Store Hangar with required accessories and commissioning of Material lifts as per approved design and approval and obtaining the third-party safety certifications.	6.00%	54%
11	Completion of installation of rolling shutters, all doors, windows and ventilators, concrete floor and floor tiles in office area, floor and wall tiles in all Toilet blocks, granite, handrails, Sanitary fittings, Overhead PVC Tanks, raw water and drinking water lines all related work as per approved design and drawings.	4.00%	58%
12	Completion of waste water lines and sanitary lines including connection to chambers, underground drain chambers connecting to collection pit, providing plinth protections all-round the hangar etc all related work as per approved design and drawings	4.00%	62%
13	Completion of installation and commissioning of all electrical works like LT panels, DBs, UPS switches, sockets, internal wirings, lighting, internal office lighting, tray network with supports etc, Power outlets, external electrical work, Lighting arresters, Highmast lights, All	7.00%	69%

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	Earthing pit, with interconnection and related works in all buildings as per design and approval. Obtaining Energization approval from CEA and submission of approved drawings.		
14	Completion of construction of External hard standing, road crossing, concrete Roads, kerbwall, storm water drains to River, Trenches providing gratings and all related work as per approved design and drawings. And construction of retaining wall and providing pitching on the periphery of the site where level difference is more than 0.5M from NGL to FGL.	15%	84%
15	Completion of installation and commissioning of all Firefighting/ hydrant system, Fire alarm panel, public addressing system, installation of fire extinguishers with sign boards and all related works as per approval & Design. Obtaining final NOC from fire department and submission of approved drawings.	3.00%	87%
16	Completion of all connectivity and interior works like fixing of false ceiling, furniture, cubicles, storages cabinets, chairs, TVs, installation of networking and LAN network, installation of ACs, Tele communication work, CCTV, Sign/Name boards etc and any related work in Store Hangar as per design and approval.	3.00%	90%
17	Completion of all finishing work like internal & external painting works, water proofing & all other connected works in all proposed building as per design and approval.	10%	100%

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	Obtaining Occupancy / Green building GIRHA certification/ Stability/ completion certificate on completion of project & submission of as-built drawings all works including completed documentation & handing over the building in project.		
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Note:

(a) For all above works pro-rata basis payment will be made as assessed during execution by Engineer in Charge and same will be final.

(b) The payment stages are tentative and can be rescheduled depending upon work exigency/requirement, subject to recommendation of EIC & approval of BEML.