



**SECTION V:**  
**SPECIAL TERMS OF CONTRACT (STC)**

**PE-PNG OPERATIONS & MAINTENANCE (O&M) ACTIVITY AT**  
**VARIOUS CLUSTERS OF FEROZEPUR, FARIDKOT & SRI**  
**MUKTSAR SAHIB GA**

**e-TENDER ID- 150318**

**1. GENERAL**

- 1.1. The Special Terms of CONTRACT shall be read in conjunction with the General Terms of CONTRACT, specification of work, drawings and any other documents forming part of this CONTRACT, wherever the context so requires.
- 1.2. Where any portion of the GTC is repugnant to or at variance with any provisions of STC, the provision(s) of later, unless a different intention appears, shall be deemed to override the provision(s) of GTC. This shall be only to the extent that such repugnancy of variations in the STC as are not possible of being reconciled with the provisions of GTC.

**2. OWNER'S REPRESENTATIVE**

- 2.1. The Owner's Representative for Contract will be updated at the time of Award of the Contract.

**3. RATE VALIDITY**

- 3.1. The Rates specified in the Contract shall remain firm & fixed for period of 2 Years from effective start date of Contract, except for the following components wherein differential amount due to the following will be paid/recovered as detailed below:
  - 3.1.1. Variation due to increase in Statutory Minimum Wages, as applicable.
  - 3.1.2. GI price variation as mentioned in clause No 10 of this document.
  - 3.1.3. Fuel price variation as mentioned In Scope of work.

**4. KICK-OFF MEETING & MOBILIZATION PERIOD**

- 4.1. Owner shall arrange Kick-off meeting within 07 days from date of LOA/ Award of Contract. Contractor owner shall ensure attending Kick-off meeting along with their O&M in charge/Manager (It is preferred to include key manpower for various activities like Site In-charge, HSE Engineer, Planning Engineer, Quality Engineer etc.)
- 4.2. Contractor shall ensure Submission of Project Office details, Store/Yard details, Project Schedule, Manpower Deployment Schedule, Resources Deployment Schedule at the time of Kick-off meeting. Contractor shall ensure mobilization of manpower & other resources and commence execution of work within 20 days from the date of Kick-off meeting as per the terms & conditions of tender document.
- 4.3. Contractor shall ensure full-fill all Contractual Obligations viz. Submission of Contract Bank Guarantee/ Performance Bank Guarantee, Statutory Compliances (at least applications for Statutory Registrations/ Compliances to be made) etc.

**5. DEFECT LIABILITY PERIOD**

- 5.1. 12 months from the date of Completion of Services as certified by Owner.

**6. SECURITY & GUARANTEE:****6.1. Contract Bank Guarantee:**

Within the timeline stipulated for Mobilization, CONTRACTOR shall submit the Contract Bank Guarantee (CBG) in the prescribed format for a value equivalent to 5% of the basic Call-out Order value & validity till Call-Out Order end date & claim lodgement of three months' thereafter.

In case of any subsequent AMENDMENT(S) in CALLOUT ORDER value, CONTRACTOR shall furnish revised/ additional CBG @ 5% for the applicable amount as per AMENDMENT, failing which equivalent differential value will be withheld from subsequent claim for payments, unless otherwise specified in the AMENDMENT.

In case of any subsequent AMENDMENT(S) in CALLOUT ORDER value and/or validity, CONTRACTOR shall furnish revised/ additional CBG failing which subsequent payments will be withheld from the

CONTRACTOR's claim for payments for the work executed after the effective date of AMENDMENT, till the revised/additional CBG is submitted by CONTRACTOR, unless otherwise specified in the AMENDMENT. The withheld amount will be released as per the terms of the Contract.

The BG will be released post completion of Call-out Order Validity within 3 months' claim lodgment period thereafter, subject to completion of Material Reconciliation.

**6.2. Work Performance Guarantee:**

5% of basic value from each invoice value will be retained as Performance Guarantee for executed work & will be released after completion of Defect Liability Period within 3 months after Callout order validity End.

At the end of Call-Out Order, the CONTRACTOR will have the option to submit a Performance Bank Guarantee (PBG) for amount equivalent to the cumulative retained amount against the corresponding Call-Out Order. The validity of such PBG will be 3 months beyond the DEFECT LIABILITY PERIOD. The retained amount will be released on submission of such PBG.

**7. PAYMENT STAGES AND INVOICING FREQUENCY:**

100% on Completion of Work and Certification from GGL Engineer-in-Charge.

**8. SERVICE LEVEL AGREEMENT AND PENALTIES: - AS PER SECTION-II - TECHNICAL SCOPE FOR PE PNG O&M SERVICES.**

**9. FREE ISSUE MATERIAL:**

It's in Bidders scope to get the material issued from GGL stores as per the details mentioned below. All resources required for getting delivery & transportation of material from GGL Stores shall be in Bidders scope.

Sl. No.	GA Name	State	GGL Store from where this GA material shall be issued
1	Ferozepur, Faridkot & Sri Muktsar Sahib	Punjab	Bathinda Store

**10. GI PIPE AND MATERIAL PRICE VARIATION**

10.1. Rates for SOR items shall be reviewed as per following points for change in price of GI pipes and GI fittings which are in the scope of the contractor.

10.2. Following methodology shall be adopted:

- Price variation shall be calculated based on index value of Wholesale Price Index (WPI) being published by Government of India.  
Site to refer: <https://eaindustry.nic.in/> -Office of Economic Adviser (eaindustry.nic.in) Name of Commodity: Steel pipes, tubes & poles;
- WPI for the month of Bid submission is to be considered "Base WPI"
- The new index shall be compared with the initial (starting) index and any variation in the prevailing all-inclusive unit rates of identified SOR items shall be varied accordingly provided variation in the two values is +/- 5% or more.
- For example, if bid submission is done in Jan'22, say WPI for the month of Jan'22 is 116.2. This WPI (116.2) is considered as "Base WPI" for entire contract validity period.

If WPI for the month of Feb'22 is 121.1, variation in index shall be 4.21% (Base WPI shall be 116.2), hence variation shall not be applicable for the work executed in the month of Mar'22.

If WPI for the month of April'22 is 125.4, variation in index shall be 7.91% (Base WPI shall be 116.2), hence variation shall be applicable for work executed in the month of May'22.

- e) No variation shall be applicable due to variation in prices of Zinc, any other chemical or metal element shall be considered.
- f) As declared by the authority in mentioned website, WPI published for latest two months are provisional and actual WPI is published by the authority after two months. WPI is finalized by the authority (Government of India, Ministry of Commerce & Industry) in 2nd or 3rd week of every month. WPI declaration date for next month is also provided in Press note release of previous month.

Contractor can claim GI Price variation only after the declaration of actual WPI by authority and subsequent price variation calculator provided by Gujarat Gas Limited.

E.g. Applicable price variation for works executed in Aug-2022 is to be calculated with respect to WPI of the Jul-22 which is published in the 2nd or 3rd week of the Oct-22. Contractor shall claim the GI Pipe Variation along with monthly RA bill in warded in Oct-22 or latest by invoicing cycle of subsequent month i.e. latest by RA Bill in warded in the month of Nov-22.

GGL and Contractor to monitor the same in every monthly invoice as per above cycle.

- g) For last two months of the contract validity end, GA team to ensure any payment / recovery w.r.t GI Variation from the final bill of the contractor.
- h) Screenshot of the WPI index to be attached (having date and time of screenshot) with invoice for reference and review of variance for all respective personnel / approving authority.
- i) The extent of variation in the individual SOR items shall be as defined in the table below. The revision in rates shall be applicable for the work order(s) which are under execution as per scheduled completion only during the period of proposed review and revision.

Service Code	Item Description	Loading due to % variation of Index
<b>Supply of Material Section C</b>		<b>GI Pipe</b>
101421	SUPPLY, PIPE, GI, 1/2", POWDER COATED	100%
101423	SUPPLY, PIPE, GI, 1", POWDER COATED	100%

Note: Revision in rate shall be applicable from next month when WPI increase/decrease shall trigger with +/- 5% from base reference of WPI index. Bid submission month shall be base reference.

#### **11. Reimbursement of Rent of Office set-up:**

- 11.1. Office premises to be taken on rented basis by Contractor as per details mentioned in Scope of Work (SOW). Pre-approved rent paid by contractor will be reimbursed by GGL with an escalation of 5% per year.

#### **12. INCENTIVE FOR MOBILIZATION OF EXISTING RESOURCE TO ANOTHER CLUSTER OF SAME GA**

- 12.1. In case of disruption of Emergency Response Service like strike by the O&M Manpower or any other reason, in another Cluster of the same GA, O&M Contractor shall extend service (Emergency Response Service) to another cluster on request from GGL.
- 12.2. One-time mobilization incentive cost of Rs. 5,000 per shift (maximum up to Rs. 20,000) shall be paid and same will be recovered from the defaulter contractor by GGL.
- 12.3. SOR rates will be paid as per running contract rate of mobilized contractor and if there is a positive difference between SOR rates (w.r.t SOR rates of defaulter contractor), differential amount shall be recovered from defaulter contractor by GGL.

#### **13. IMPLEMENTATION OF DIGITIZATION INITIATIVES:**

- 13.1. **OWNER** has implemented and will implement various initiatives towards automation and digitization of the activities and processes with an aim of having high efficiency work, to reduce manual efforts, to

improve communication and collaboration. Accordingly, **CONTRACTOR** shall implement the same including but not limited to digital attendance reporting, online documentation and transaction monitoring, online document review and approval, online data uploading and updating, online material management etc. with no additional cost to **OWNER**. Time to time, **CONTRACTOR** shall ensure the required resources like smart phones, computers, internet connectivity etc. to implement the app based/web-based process including training of the manpower for the same.

- 13.2. OWNER has initiated QR code based online Pay-Attendance-Leave Management (PALM) System in order to capture attendance of man power hired by Contractors, where applicable. The online attendance data will be integrated with the pay and leave module to get manpower billing and pay-remuneration process done without any manual intervention. CONTRACTOR shall be responsible to ensure compliance to any such attendance, pay & leave system.
- 13.3. OWNER has initiated implementation of GPS (Global Positioning System) based Vehicle Tracking Operations and Payment (V-TOP) system on IT platform provided by the OWNER. The System will analyze GPS data of COMPANY used vehicles to ascertain various details of vehicle operations in terms of mileage, geo-locations, route deviations, operational hours, unscheduled stops, delays, breakdowns, fuel use, operational efficiency etc. V-TOP system will provide alerts and notifications in order to guide and to ensure the vehicle operations as per standard operating procedures. V-TOP system will be integrated with PALM system to capture attendance of drivers and manpower deployed with the vehicles. Further, V-TOP system will automatically process the GPS and attendance data for billing and payment of fuel use, manpower use and services of the vehicle provider without any manual intervention. CONTRACTOR shall be responsible to ensure compliance to any such vehicle tracking system, where applicable.
- 13.4. OWNER has implemented Vendor Invoice Submission Application (VISA) for office automation, digitization and transparency in processing of vendor invoices. CONTRACTOR shall upload the invoices and other specified supporting documents on VISA before submitting physical set of Invoice & documents along with covering letter generated from application to respective GGL Offices. Additional reports/documents (not specified on VISA portal), may be directly submitted to concerned GGL- Contract Owner / EIC as per requirements. The onus of selecting relevant name of GGL Contract Owner & GGL GA/Office (where physical invoice is to be submitted by vendor) is on the CONTRACTOR for timely processing of invoices and for further certification / payment.

#### 14. PENALTY MATRIX

SN	Parameter	Service level Agreement	Penalty
1	Penalty for delay in mobilization: Initial Mobilization	Mobilization (Manpower/Equipment/ Tools & Tackles etc. ) within 20 days from the date of kick off meeting/ mobilization date decided in the kick of meeting	0.5% of the basic contract value per week (7 days) on prorata basis (If delay is less than week period, penalty shall be calculated per day basis), up to maximum of 3% of the basic contract value will be deducted from EMD/Bank Guarantee submitted by the BIDDER or from the RA bills submitted subsequent to start of the work or outstanding from payment within GGL. In case contractor fails to mobilize at the site in 6 weeks (42 days) then GGL reserves the right to offload / terminate the contract / LOI either in part (s) or complete as deemed fit.

2	Reportable Incident	Zero Incident	<ul style="list-style-type: none"> <li>For each Fatal Incident - Rs. 1,00,000 or 10% of Total contract value, whichever is lower.</li> <li>For each LTI - Rs. 20,000 or 5% of Total contract value, whichever is lower.</li> <li>For each MTC/RWDC Case# - Rs. 10,000 or 2% of Total contract value, whichever is lower.</li> </ul> <p>Note: Penalty shall be imposed over and above the payment &amp; compensation that would be made by the service provider to the injured person or family of deceased vide the statutory provisions.</p>
3	Availability of Section- A Shift duty Manpower	No strike of shift duty manpower	Rs. 10,000 per shift up to maximum of 3% of the basic contract value (Penalty is over and above deduction of absent shift manpower invoice value.)
4	Availability of Emergency Vehicle, Fuel and Driver in all applicable shift	Zero Deviation	Rs. 3000 per shift up to maximum of 3% of the basic contract value for on non-deployment of vehicle / Non-availability or insufficient fuel /Absent of Driver
5	Availability of competent manpower as per shift schedule	Timely deployment of competent shift manpower	Rs. 500 per person per day or shift for absenteeism of Manpower (Penalty is over and above deduction of absent shift manpower invoice value.)
6	Section wise CPAR Score Section A Section B Section C Section D Section E	CPAR Score of Section A $\geq$ 50% Section B $\geq$ 50% Section C $\geq$ 50% Section D $\geq$ 50% Section E $\geq$ 50%	In addition to corrective action by contractor at his own cost, Penalty of Rs. 3,000 will be levied if monthly points of individual section which are less than 50% of the applicable points. Penalty for each section is applicable separately.
7	Over all CPAR Score	Monthly CPAR score $\geq$ 60%	<p>In addition to the actions as per (HSE-P-08) Procedure of Contractor Performance Assessment, following actions to be initiated</p> <ul style="list-style-type: none"> <li>First Month of poor performance: Issue of Warning letter.</li> <li>Penalty of Rs. 5,000 to be deducted for every month after one month from the date of warning letter issued if there is no improvement within 3 months and still monthly CPAR score <math>&lt;</math> 60%.</li> <li>Penalty of Rs. 10,000 to be deducted for every month after fourth month from the date of warning letter issued, if there is no improvement and still monthly CPAR score <math>&lt;</math> 60%.</li> </ul>
8	Compliance to QHSE requirements	Un-authorized work/ work without approved PTW/WA	Rs. 3,000/- per instance
		Non-Compliance – Safety Training Card	Rs. 1,000/- per Employee
		Non-compliance – Health Check up	Rs. 2,500/- per Employee
		Non-compliance – Usage of PPE	Rs. 1000/- per employee per instance

		Request to be raised in "Call Before You Dig" app 2 days prior to start of Excavation / HDD / Boring activity	Rs. 1,000/- per instance of non-compliance (Penalty is not applicable for emergency cases)
9	Response to TD/ PD/ RC / FDC	As per defined SLA	<ul style="list-style-type: none"> <li>Rs 50/- per delayed instance where Petzl is not required</li> <li>Rs 200/- per delayed instance where Petzl is required for Bulk Builder Cases, GGL EIC shall provide SLA to contractor and penalties to be applied accordingly.</li> </ul>
10	Submission of Timely & Correct Disconnection/ Reconnection report to GGL	1. Latest by next working day of the execution. 2. Accurate reporting	1. If Report not submitted even after 10 working days, Rs 1000/ Connection. 2. Wrong reporting OR Not reporting of any of the Disconnected / Reconnected Customers – Rs 1000/ Connection.
11	Response to Modification / Alteration of PNG Conn	As per defined SLA	Rs 100/- per customer for not achieved against monthly target of alteration
12	Adherence to Annual maintenance schedule (AMC) of Domestic, Commercial, Industrial conn and Riser / Header Maintenance.	95% of Annual operation and maintenance plan (On Monthly basis)	Rs 50/- per delayed PNG Connection / GI Riser / GI Header for not achieved against monthly target of respective activity  For example, against target of 100 nos. of PNG connection AMC, if 95 AMC done – No penalty If 90 AMC done – 5 Connections x Rs 50.00
13	Minimum Inventory and Tools Tackles	As decided between GGL EIC and O&M Contractor	Rs. 2,500/- per instance of unavailability while requirement or observed during checking / inspection / audit
14	Response to emergency complaint like fire/ explosion/gas escape/No gas complaint	As per defined SLA	<ul style="list-style-type: none"> <li>Rs 100/ instance for delayed up to 30 minutes beyond SLA</li> <li>Rs 500/ every 30 minutes delay after first penalty</li> </ul> In addition to above cost of actual gas volume loss beyond the SLA will be deducted from monthly bill of contractor considering existing GGL commercial rate of NG.
15	Annual Maintenance of PNG Connections / all type Risers	Work execution as per define quality parameters	Rs. 100 per PNG Connection / Riser for quality related non-compliance, leakage within 3 months, Fake signature, wrong reporting, Non-Identification of anomalies, Not applying House lock sticker in case of House lock

**Special Note:**

- Penalty No 1 to 4: These penalties are applicable as mentioned in penalty matrix individually and capping is already provided for these penalties separately.
- Penalty No 5 & onwards: Cumulative penalty from penalty no 5 & onwards shall be limited to 5 % of the monthly basic invoice amount.
- Penalty no 5: This penalty is applicable on team base shift manpower only.



- **LTI (Loss time Injury)**

A disabling Occupational Injury which results from a work-related activity or from a single instantaneous exposure in the work environment and that results in a person being unfit for work beyond the day of the incident. Where the injured party returns to work on the following day but subsequently has to take time off as a result of the injury this shall count as a Lost Time Injury.

## 15. SERVICE LEVEL AGREEMENT

S. No.	Description of SLA	Target SLA
1.	Technical feasibility & estimation	• Within 15 days from the customer request (MAI-P-20)
2.	Alteration / Modification issued by GGL EIC (GGL EIC shall issue work to contractor after readiness / confirmation from customer)	• Within 30 days from the customer acceptance/ readiness (MAI-P-20) (Payment) / Intimation from GGL
3.	Temp. Disconnection / Permanent Disconnection / Forced Disconnection	• Within 7 working days (MAI-P-20)
4.	Gas Pipeline Dismantling	• Within 10 working days (MAI-P-20)
5.	Gas Tap & Suraksha hose installation	• Within 2 working days (MAI-P-20)
6.	Reconnection / Reconnection of FDC	• Within 2 working days (MAI-P-20)
7.	Second Conversion	• Within 3 working days (MAI-P-20)
8.	Customer satisfaction after work completion	• No complaint from customer related to work execution (MAI-P-20)
9.	Response to emergency complaint like PE damage, fire explosion/ gas escape/ smelling complaint/ Steel network damage/CGS-PRI installation related	• Within 60 minutes from the time of intimation (MAI-P-19)
10.	Response to No gas low pressure complaint	• Within 240 minutes (MAI-P-19)
11.	Response to other technical Complaint	• Within 3 days (MAI-P-19)
12.	Response to meter related complaint	• Within 7 days (MAI-P-19)
13.	Odorant monitoring as per defined frequency	• 95% (MAI-P-18)
14.	Adherence to Annual maintenance schedule	• 95% of Annual operation and maintenance plan (MAI-P-05)
15.	Reaching at site in case of DBD Calls	• Within 1 hour on receiving DBD call within city limit and within 2 hours outside city limit (MAI-P-04)
16.	Gas Supply Continuity	• Prevent pipeline damages – less than 10% of excavation site (MAI-P-04)
17.	Patrolling of Steel and PE pipeline network	• 100% compliance to AOMP (MAI-P-04)
18.	Site visit of I8 notification Dom & Com (Consecutive Zero consumption)	• Within 07 Days from intimation by GGL

**NOTE:** SLA may be revised time to time as per GGL business requirement and contractor shall also bound to achieve the same.



**16. COMPLIANCE OF LAWS**

- 16.1. The contractor deploying contract labour shall obtain license from appropriate licensing authority as per prevailing rules & regulation and as modified from time to time during contract period.
- 16.2. The contractor (which shall include the contracting firm / company) shall be solely liable to obtain and to abide by all necessary licenses from the concerned authorities as provided under the various Labour Laws / legislations including labour license from the competent authority under the Contract Labour ("Regulation & Abolition") Act 1970 and Acts made thereafter.
- 16.3. The Contractor shall also be bound to discharge obligations as provided under various statutory enactments including the Employees Provident Fund and Miscellaneous Provisions Act 1952, ESI Act 1948, Contract Labour ("Regulation & Abolition") Act 1970, Minimum Wages Act 1948, payment of wages Act 1936, Workmen's Compensation Act 1923 and other relevant Acts, Rules & Regulations in force from time to time.
- 16.4. The Contractor shall be responsible for necessary contributions towards PF, Family Pension, ESIC or any other statutory payments to Government Agencies as applicable under the laws in respect of the contract and of personnel deployed by the contractor for rendering services to OWNER and shall deposit the required amount with the concerned statutory authorities on or before due dates. The contractor shall obtain a separate PF number from the concerned Regional Provident Fund Commissioner and submit necessary proof of having deposited the employees as well as the OWNER's contribution to the Provident Fund. The contractor shall also be responsible for payment of any administration / inspection charges thereof, wherever applicable, in respect of personnel deployed by him relating to the work of OWNER.
- 16.5. The Contractor shall not engage / deploy any person of less than 18 years under this contract, and the person(s) to be deployed should be physically and mentally fit.
- 16.6. The installations where job is to be carried out are live and have hydrocarbon environment. Contractor shall comply with all safety and security rules and regulations and other rules laid down by OWNER for its operation. Contractor shall follow best Engineering practice and relevant international safety standards. It shall be duty / responsibility of the Contractor to ensure the compliance of fire safety, security and other operational rules and regulations by his personnel. Disregard to these rules by the Contractor's personnel will lead to the termination of the Contract in all respects and shall face penal / legal consequences.
- 16.7. The Contractor shall arrange for life insurance for all his personnel deployed on the job as per the relevant Acts, rules and regulations, etc. In case by virtue of provisions of Workers Compensation Act, 1923 or any other law in force, OWNER has to pay compensation for a workman employed by the Contractor due to any cause whatsoever, the amount so paid shall be recovered from the dues payable to the Contractor and/or security deposit with OWNER.

**17. INSURANCE (AS APPLICABLE):**

- 17.1. CONTRACTOR shall at his own expense arrange secure and maintain insurance as applicable with reputable IRDA approved insurance companies to the satisfaction of the OWNER as follows:
- 17.2. CONTRACTOR at his cost shall arrange, secure and maintain insurance as may be necessary and to its full value for all such amounts to protect the works in progress from time to time and the interest of OWNER against all risks as detailed herein. The form and the limit of such insurance, as defined here in together with the under works thereof in each case should be as acceptable to the OWNER. However, irrespective of work acceptance the responsibility to maintain adequate insurance coverage at all times during the period of CONTRACT shall be that of CONTRACTOR alone. CONTRACTOR's failure in this regard shall not relieve him of any of his responsibilities and obligations under CONTRACT.
- 17.3. Any loss or damage to the work/ material, during transportation, storage, erection and completion of work till such time the WORK is taken over by OWNER, shall be to the account of CONTRACTOR. CONTRACTOR shall be responsible for preferring of all claims and make good for the damage or loss

by way of repairs and/or replacement of the parts of the Work damaged or lost. CONTRACTOR or Sub-CONTRACTOR shall be responsible for all injury or damage to persons, animals or things and for all damages to property which may arise from any factor or omission on the part of the CONTRACTOR or any Sub CONTRACTORS or any of their employees.

- 17.4. CONTRACTOR or Sub-CONTRACTOR shall indemnify and shall keep Principal (which shall mean OWNER hereafter) indemnified and hold him harmless in respect of / against all losses, damages, expenses and also against any claim made by any third party in respect of injury or damage, whether under any statute or otherwise and also in respect of any award or compensation or damage consequent upon such claim and claims whatsoever which may arise out of or in consequence of the execution and during the currency of the CONTRACT. If any claim is not received then the liability thereof would be exclusively borne by the CONTRACTOR or Sub-CONTRACTOR and Principal will not be responsible for any financial liability thereof.
- 17.5. All costs on account of insurance liabilities covered under CONTRACT will be to CONTRACTOR's account and will be included in value of CONTRACT. However, the OWNER may from time to time, during the currency of the CONTRACT, ask the CONTRACTOR in writing to limit the insurance coverage risk and in such a case, the parties to the CONTRACT will agree for a mutual settlement, for reduction in value of CONTRACT to the extent of reduced premium amounts.
- 17.6. Without prejudice to the other right of the Principal against CONTRACTOR in respect of any default, The Principal shall be entitled to deduct from any sums payable to the CONTRACTOR or invoking Bank Guarantee for the amount of any damages, compensation costs, charges and other expenses paid by the Principal and which are payable by the CONTRACTOR under this Clause.
- 17.7. The CONTRACTOR shall, upon settlement by the Insurer of any claim made against the Insurer pursuant to a policy taken under this Clause, proceed with due diligence to rebuild or repair the Works destroyed or damaged. In this event all the monies received from the insurer in respect of such damage shall be paid to the CONTRACTOR and the CONTRACTOR shall not be entitled to any further payment in respect of the expenditure incurred for rebuilding or repairing of the materials or goods destroyed or damaged.
- 17.8. All work executed and all unfixed materials and goods intended for delivered to and placed on or adjacent to the works, shall be at the sole risk of the CONTRACTOR or Sub-CONTRACTOR as regards loss or damage by fire, storm, tempest, lightning, flood, earthquake, aircraft or anything dropped there from aerial objects riot and civil commotion.
- 17.9. CONTRACTOR as far as possible shall cover insurance with Indian reputed IRDA approved Insurance Companies. The CONTRACTOR shall be responsible for any liability which may not be covered by the insurance policies referred to below and also for all other damages to any person, animal or defective carrying out of this CONTRACT, whatever, may be the reasons due to which the damage shall have been caused.

**i) Employees State Insurance (ESI) Act:**

The CONTRACTOR agrees to and does hereby accept full and exclusive liability for the compliance with all obligations imposed by the Employee State Insurance Act 1948 and the CONTRACTOR further agrees to defend, indemnify and hold OWNER harmless for any liability or penalty which may be imposed by the Central, State or Local authority by reason of any asserted violation by CONTRACTOR or Sub-CONTRACTOR of the Employees' State Insurance Act, 1948, and also from all claims, suits or proceeding that may be brought against the OWNER arising under, growing out of or by reasons of the work provided for by this CONTRACTOR, by third parties or by Central or State Government authority or any political sub- division thereof.

The CONTRACTOR agrees to fill in with the Employee's State Insurance Corporation, the Declaration Forms, and all forms which may be required in respect of the CONTRACTOR's or Sub- CONTRACTOR's employees, who are employed in the Work provided for or those covered by ESI from time to time under the Agreement. The CONTRACTOR shall deduct and secure the agreement of the Sub-CONTRACTOR to deduct the employee's contribution as per the first schedule of the Employee's State Insurance Act from wages and affix the Employee's Contribution Card at wages payment intervals. The CONTRACTOR shall remit and secure the agreement of Sub-CONTRACTOR to remit to the State Bank of India, Employee's State Insurance Corporation Account, the Employee's contribution as required by the Act. The CONTRACTOR agrees to maintain all cards and Records as required under the Act in respect of employees and payments and the CONTRACTOR shall secure the agreement of the Sub-CONTRACTOR to maintain such records. Any expenses incurred for the contributions, making contributions or maintaining records shall be to the CONTRACTOR's or Sub-CONTRACTOR's account.

The OWNER shall retain such sum / amount as may be necessary from the total Value of CONTRACT until the CONTRACTOR shall furnish satisfactory proof that all contributions as required by the Employees State Insurance Act, 1948, have been paid. This will be pending on the CONTRACTOR when the ESI Act is extended to the place of work.

The CONTRACTOR shall also indemnify the Principal against all which may be upon the Principal, whether under the Employees State Insurance Act, 1948 or any other applicable Laws, during the Currency of this Contract or in Respect of any Employee of the CONTRACTOR or Sub-CONTRACTOR and shall at his own Expenses effect and maintain until the end of the Defect Liability Period, a necessary supportive documents needs to be submitted to the Principal from time to time during the currency of the CONTRACT.

#### **ii) Workmen Compensation and OWNER's Liability Insurance:**

Workmen's Compensation and OWNER's Liability Insurance shall be taken by the CONTRACTOR at its own cost covering all its employees who are engaged in the performance of this CONTRACT. If any of the work is sublet, the CONTRACTOR shall require the Sub-CONTRACTOR to provide workman's Compensation and OWNER's liability insurance for the latter's employees if such employees are not covered under the CONTRACTOR's Insurance.

The policy shall indicate:

- a) Work Order No.
- b) Complete scope of work
- c) Site/ location details
- d) Details and number of workmen to be insured
- e) Validity period of the insurance coverage

The CONTRACTOR shall effect, obtain and maintain insurance against liability for claims, damages, losses and expenses (including legal fees and expenses) arising from injury, sickness, disease or death of any person employed by the CONTRACTOR or sub-CONTRACTOR or any other of the CONTRACTOR'S PERSONNEL.

The insurance shall be maintained in full force and effect during the whole time that these personnel are assisting /working in the execution of the Works.

The CONTRACTOR shall also indemnify the Principal against all which may be upon the Principal, whether under the Workmen's Compensation Act 1923 or any other applicable Laws, during the Currency of this CONTRACT or in Respect of any Employee of the CONTRACTOR or Sub-CONTRACTOR and shall at his own Expenses effect and maintain until the end of the Defect Liability Period, with an Insurance company, a policy of insurance against such risks and submit such policy or policies with the Principal from time to time during the currency of the CONTRACT.

**iii) Accident or Injury to Workmen /personal of CONTRACTOR or any Sub-CONTRACTOR:**

The OWNER shall not be liable for or in respect of any damages or compensation payable as per law in respect or in consequence of any accident or death or disability or injury to any workman or other person in the Employment of the CONTRACTOR or any Sub-CONTRACTOR, if applicable under this contract conditions and except an accident or injury resulting from any act or default of the OWNER, his agents or servants and the CONTRACTOR shall indemnify and keep indemnified the OWNER against all such damages and compensation (save and except and aforesaid) and against all claims, demands, proceeding, costs, charges and expenses, whatsoever in respect or in relation thereto.

The CONTRACTOR may be obtain and maintain insurance against liability for claims arising death or disability or injury, damage of any person employed by the CONTRACTOR or sub-CONTRACTOR or any other of the CONTRACTOR's PERSONNEL. CONTRACTOR may be obtain (as may be applicable) suitable Group Personal Accident (GPA) Insurance Cover for taking care of death or disability or injury, damage or any other risks in respect of his Engineers and other Supervisory staff who are not covered under Employees State Insurance Act or/and Workmen Compensation and OWNER's Liability Insurance.

**iv) Public Liability (Industrial & Storage Risk) Insurance:**

This insurance shall be opted must protect the CONTRACTOR against all claims arising from injuries, disabilities, disease or death of member of public or damage to property of others/Third Parties due to any act or omission on the part of the CONTRACTOR, his agents, his employees, his representatives and Sub-CONTRACTOR's or from riots, strikes and civil commotion during the course of CONTRACT.

The Public Liability (Industrial & Storage Risks) Insurance policy shall cover third party liability. The third party liability shall cover the loss/ disablement of human life (persons not belonging to the CONTRACTOR) and also cover the risk of damage to others' materials/ equipment/ properties during construction, erection and commissioning at site.

The value of third party liability for compensation for loss of human life or partial/full disablement shall be of required statutory value but not less than Fifty Lakh per death, Twenty five Lakh per full disablement and Ten Lakh per partial disablement and shall nevertheless cover such compensation as may be awarded by Court of Law in India and cover for damage to others' equipment/ property as approved by the OWNER.

The CONTRACTOR or it's representative shall arrange for the suitable Insurance to cover all sort of liabilities arising due to all activities/operations at the work site. The limit of cover opted should be not be less than Rs 1 Crore for Any one Accident or total in Aggregate. The minimum limit of the coverage under the policy shall be Rs. 1 Crores per accident or occurrence (AOA:AOY-1:1).

The coverage opted should necessarily have below mentioned minimum extensions & clauses to take care of any type of the liabilities arising due to all activities/operations at the work site.

The Principal/OWNER should be made as an additional Insured under the Policy.

The Policy opted should have the below mentioned extensions & clauses:

- 1) Cross Liability Extension - Full Limit
- 2) Transportation Extension - Full Limit
- 3) Act of God perils Extension - Full Limit
- 4) Premises (Project Site) Liability Full Limit (Including customer premises)
- 5) Right Duty to Defend - Full Limit

- 6) Named CONTRACTORS & Sub CONTRACTORS, Principal Extension
- 7) Principal/Owner should be made as an additional Insured under the Policy
- 8) Excess: 1% of AOA limit for each & every Claim subject to Minimum Rs. 1 lakh

The CONTRACTOR shall also arrange suitable insurance to cover damage, loss, accidents, risks etc., in respect of all his plant, equipment and machinery, erection tools & tackles and all other temporary attachments brought by him at site to execute the work.

Any such insurance requirements as are hereby established as the minimum policies and coverage which CONTRACTOR must secure and keep in force must be complied with, CONTRACTOR shall at all times be free to obtain additional or increased coverage's at CONTRACTOR's sole expenses.

The CONTRACTOR shall also indemnify and keep indemnified the Principal against all claims which may be made against the Principal, by any person in respect of anything which may arise in respect of the Works or in consequence thereof and shall, at his own expenses, effect and maintain, until the end of the Defect Liability Period and the completion of work, obtain a Public Liability (Industrial & Storage Risks) Insurance in the joint names of Principal and the CONTRACTOR (GGL being the principal beneficiary) against such risks with reputed Insurance company and submit such policy or policies before commencement of the works and hold valid during the currency of the Contract.

**v) Erection All Risk Insurance Policy (EAR):**

The CONTRACTOR may obtain Erection all risk policy at its own cost to cover physical loss or damage to the works and any liability including third party arising thereof at the site occurring prior to acceptance of work or part thereof taken over by the OWNER at its sole discretion with an extended maintenance coverage for the CONTRACTOR's liability and Third Party Liability in respect of any loss or damage during the warranty period. Endorsements to the policy shall include coverage for faulty workmanship and materials.

If the CONTRACTOR opts to obtain the EAR policy, CONTRACTOR will be required to take insurance coverage (Sum Insured) of minimum 1.1 times the CONTRACT value including the cost of free issue material/items issued by the OWNER and the cost of materials being procured by the CONTRACTOR (completely cost of CONTRACT /Landed cost of value of work). The policy shall be taken for individual CONTRACT for Completely Constructed value of the property / plant /Construction work inclusive of:

Value of the CONTRACT works including the value of Free Issue Materials issued by the OWNER and all other costs associated with the completion of the Contract and Principal existing property and testing & commissioning cost.

Limits of Liability for public liability with cross liability cover (should be not be less the Rs 1 Crores for Any one Accident or total in Aggregate)

The policy shall indicate:

- a) Name of the Principal
- b) Name of the sub-CONTRACTOR, if any
- c) Work Order No.
- d) Complete scope of work
- e) Site/ location details
- f) Type of risks covered
- g) Validity period of the insurance coverage

Testing and commissioning clause should read as under if opted, under the EAR policy:

When Gas Pipeline is mechanically complete and lying filled with Nitrogen awaiting Gas charging / Testing / Commissioning, the same shall be considered under Construction.



Testing and Commissioning for this purpose shall be deemed to be complete on successful pressurization and stabilization of the pipeline / operating system with Natural Gas at the pressure indicated by Principal (GGL) in the contract or on date of issue of acceptance certificate by the Principal (GGL) whichever is earlier.

The CONTRACTOR shall be responsible for losses or damages, liability which may arise in respect of the Works or in consequence thereof (including the material owned along with free issue material supplied by OWNER'S) undertaken by the CONTRACTOR at the project site during the CONTRACT period. CONTRACTOR or Sub-CONTRACTOR shall indemnify and shall keep Principal indemnified and hold him harmless in respect of / against all losses, damages, any claim made by any third party which may arise out of or in consequence of the execution and during the currency of the CONTRACT.

**vi) Transit Insurance:**

Transportation of all items covered in the scope of the CONTRACT, i.e. OWNER'S free issue materials & the materials to be supplied by the CONTRACTOR, as applicable, will be arranged by CONTRACTOR at his own cost including storage, handling, transportation etc. CONTRACTOR will also be responsible for taking delivery of free issue material from OWNER'S designated warehouses and transportation to place of work. The Coverage of transit insurance for CONTRACTOR materials along with free issue material supplied by OWNER / Principal may be opted by CONTRACTOR as per requirement.

Open transit policy of all items to be transported by the CONTRACTOR to the Site of Work, may be taken by the CONTRACTOR and accordingly, monthly declaration of the materials to be transported or transported to be declared to the insurance agency. This will include the materials to be supplied by the CONTRACTOR to OWNER site and or any free issue materials issued by OWNER, to be transported to site for execution of work. The cost of transit insurance should be borne by the CONTRACTOR and the quoted price of contract shall be inclusive of this cost.

The CONTRACTOR shall be responsible for all kind of losses including loss or damage by fire, storm, tempest, lightning, flood, earthquake, aircraft or anything dropped there from aerial objects, riots and civil commotion to the material owned along with free issue material supplied by OWNER'S and any liability including third party liability arising thereof from the transportation / transit / movement of the materials. CONTRACTOR or Sub-CONTRACTOR shall indemnify and shall keep Principal indemnified and hold him harmless in respect of / against all losses, damages, any claim made by any third party which may arise out of or in consequence of the execution and during the currency of the Contract.

**vii) Comprehensive Automobile Insurance:**

This insurance shall be in such a form as to protect the CONTRACTOR against all claims for injuries, disability, disease and death to members of public including OWNER's men and damage to the property of others arising from the use of motor vehicles during on or off the 'site' operations, irrespective of the ownership of such vehicles.

The CONTRACTOR shall be responsible for taking Comprehensive Automobile Insurance for the automobiles to be used as a part of the project undertake by the CONTRACTOR.

The CONTRACTOR shall be responsible for the all kind of losses including loss or damage by fire, storm, tempest, lightning, flood, earthquake, aircraft or anything dropped there from aerial objects, riots and civil commotion and any liability including third party liability arising thereof from the usage of the automobile at the project site during the contract period. CONTRACTOR or Sub-CONTRACTOR shall indemnify and shall keep Principal indemnified and hold him harmless in respect of / against all losses, damages, any claim made by any third party which may arise out of or in consequence of the execution and during the currency of the Contract.

**viii) Any Other Insurance required under Law or Regulations or by OWNER:**

CONTRACTOR shall also carry and maintain any and all other insurance(s), which he may be required under any law or regulation from time to time without any extra cost to OWNER. He shall also carry and maintain any other insurance which may be required by the OWNER.

All other terms and conditions, Scope of Work, Technical Specification, General Terms and Conditions, shall be as per reference Tender Documents and subsequent Tender Bulletins thereof.