

**SOUTHERN RAILWAY / INTEGRAL COACH FACTORY
GENERAL CONDITIONS OF CONTRACT**

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SOUTHERN RAILWAY / INTEGRAL COACH FACTORY GENERAL CONDITIONS OF CONTRACT

(for use in connection with engineering works)

DEFINITIONS AND INTERPRETATION

1 (1) **Definition** - In these General Conditions of Contract, the following terms shall have the meanings assigned hereunder except where the context otherwise requires :-

- (a) "Railway" shall mean the President of the Republic of India or the Administrative Officers of the Southern Railway or of the Successor Railway authorized to deal with any matters which these presents are concerned on his behalf.
- (b) "General Manager" shall mean the Officer-in-charge of the General Superintendent and Control of the Southern Railway and shall also include the General Manager (Construction) and shall mean and include their successors of the Successor Railway.
- (c) "Chief Engineer" shall mean the Officer-in-charge of the Engineering Department of the Southern Railway and shall also include the Chief Engineer (Construction), Chief Signal and Telecommunication Engineer, Chief Signal and Telecommunication Engineer (Construction), Chief Electrical Engineer, Chief Electrical Engineer (Construction) and shall mean and include their successors of the Successor Railway.
- (d) "Divisional Railway Manager" shall mean the Officer-in-charge of a Division of the Southern Railway and shall mean and include the Divisional Railway Manager of the Successor Railway. Divisional Railway Manager (Works) shall be the Officer in charge of the Engineering Department on the division and similar is for S&T, Electrical etc., for the concerned department.
- (e) "Engineer" shall mean the Divisional Engineer, Southern Railway or the Executive Engineer, Southern Railway and shall mean and include the Divisional Signal & Telecommunication Engineer, Divisional Signal & Telecommunication Engineer (Construction), Divisional Electrical Engineer and Divisional Electrical Engineer (Construction) in executive charge of the works and shall include the superior officers of the Engineering, Signal & Telecommunication and Electrical Department of the Southern Railway i.e., the Senior Divisional Engineer/Deputy Chief Engineer/Chief Engineer/Principal Chief Engineer/Deputy Chief Engineer (Construction)/Chief Engineer (Construction)/Chief Administrative Officer (Construction)/Senior Divisional Signal & Telecommunication Engineer/Deputy Chief Signal & Telecommunication Engineer (Construction)/Chief Signal & Telecommunication Engineer (Construction)/Senior Divisional Electrical Engineer/Deputy Chief Electrical Engineer/Chief Electrical Engineer/Deputy Chief Electrical Engineer (Construction)/Chief Electrical Engineer (Construction) and shall mean and include the Engineer of the Successor Railway.
- (f) "Engineer's Representative" shall mean the Assistant Divisional Engineer or Assistant Executive Engineer or Assistant Signal and Telecommunication Engineer or Assistant Electrical Engineer in direct charge of the works and shall include any Senior Section/Section Engineer of Civil Engineering/Signal

and Telecommunication Engineering/Electrical Engineering Department appointed by the Southern Railway and shall mean and include the Engineer's representative of the Successor Railway.

- (g) "Tenderer" shall mean the person/the firm/co-operative or company whether incorporated or not who tenders for the work with a view to execute the works on contract with the Railway and shall include their personal representatives, successors and permitted assigns.
- (h) "Contractor" shall mean the Person/Firm/Co-operative Society or Company whether incorporated or not who enters into the contract with the Railway and shall include their executors, administrators, successors and permitted assigns.
- (i) "Contract" shall mean and include the Agreement of Work Order, the accepted schedule of rates or the printed Schedule of Rates of the Southern Railway modified by the tender percentage for items of works quantified or not quantified, the General Conditions of Contract, the Special Conditions of Contract if any, the drawings, the specifications, the special specifications if any, schedule of quantities, Manuals and instructions if any, and Tender Forms if any, all in complete known as "Contract Documents".
- (j) "Works" shall mean the works to be executed in accordance with the contract.
- (k) "Specifications" shall mean the Southern Railway's Specifications for Materials and Works, 1969, issued from time to time under the authority of the Chief Engineer or as amplified, added to or superseded by special specifications if any, from time to time.
- (l) "Schedule of Rates of the Southern Railway" shall mean the Southern Railway Engineering Department's Schedule of Rates, 2000, issued under the authority of the Chief Engineer from time to time or as amplified, added to or superceded from time to time.
- (m) "Drawings" shall mean the maps, drawings, plans and tracings or prints thereof annexed to the contract and shall include any modifications of such drawings and further drawings as may be issued by the Engineer from time to time.
- (n) "Constructional Plant" shall mean all appliances or things of whatsoever nature required for the execution, completion or maintenance of the works or temporary works (as hereinafter defined) but does not include materials or other things intended to form or forming part of the permanent work.
- (o) "Temporary Works" shall mean all temporary works of every kind required for the execution, completion and/or maintenance of the works.
- (p) "Site" shall mean the lands and other places on, under, in or through which the works are to be carried out and any other lands or places provided by the Railway for the purpose of the contract.
- (q) "Period of Maintenance" shall mean the specified period of maintenance from the date of completion of the works as certified by the Engineer.

(2) **Singular and Plural** - Words importing the singular number shall also include the plural and vice versa where the context requires.

(3) **Headings** - The headings in these general conditions are solely for the purpose of facilitating reference and shall not be deemed to be part thereof or to be taken into consideration in the interpretation or construction thereof or of the contract.

GENERAL OBLIGATIONS

2 (1). **Execution Co-relation and Intent of Contract Documents** - The Contract Documents shall be signed in triplicate by the Railway and the Contractor. The contract documents are complementary, and what is called for by any one shall be binding as if called for by all; the intention of the documents is to include all labour & materials, equipments and transportation necessary for the proper execution of work. Materials or work not covered by or properly inferable from any heading or class of the specifications shall not be supplied by the Railway to the contractors unless distinctly specified in the contract documents. Materials or works described in words which so applied have a well known technical or trade meaning shall be held to refer to such recognized standards.

(2). If a work is transferred from the jurisdiction of one Railway to another Railway or to a Project authority or vice versa while contract is in subsistence, the contract shall be binding on the Contractor and the Successor Railway / Project in the same manner & take effect in all respects as if the Contractor and the Successor Railway/Project were parties thereof from the inception and the corresponding officer or the competent authority in the Successor Railway/Project will exercise the same powers and enjoy the same authority as conferred to the Predecessor Railway/Project under the original contract/agreement entered into.

(3). If for administrative or other reasons the contract is transferred to the Successor Railway the contract shall notwithstanding anything contained herein contrary thereto be binding on the Contractor and the Successor Railway in the same manner and take effect in all respects as if the Contractor and the Successor Railway had been parties thereto from the date of this contract.

3(1). **Law governing the contract** - The contract shall be governed by the law for the time being in force in the Republic of India.

(2). **Compliance to Regulations and Bye-laws** - The Contractor shall conform to the provision of any statute relating to the works and regulations and bye-laws of any local authority and of any water and lighting companies or undertakings with whose system the work is proposed to be connected and shall before making any variation from the drawings or the specifications that may be necessitated by so confirming, give to the Engineer notice specifying the variation proposed to be made and the reason for making the variation and shall not carry out such variation until he has received instructions from the Engineer in respect thereof. The Contractor shall be bound to give all notices required by statute, regulations or bye-laws as aforesaid and to pay all fees and taxes payable to any authority in respect thereof.

4. **Communications to be in writing** - All notices, communications, references and complaints made by the Railway or the Engineer or the Engineer's Representative or the Contractor inter se concerning the works shall be in writing and no notice, communication, reference or complaint not in writing shall be recognized.

5. **Service of Notices on Contractors** - The Contractor shall furnish to the Engineer the name, designation and address of his authorized agent and all complaints, notices, communications and references shall be deemed to have been duly given to the Contractor if delivered to the Contractor or his authorized agent or left at or posted to the

address so given and shall be deemed to have been so given in the case of posting on the day on which they would have reached such address in the ordinary course of post or on the day on which they were so delivered or left. In the case of contract by partners, any change in the constitution of the firm shall be forthwith notified by the Contractor to the Engineer.

6. Occupation and use of land - No land belonging to or in possession of the Railway shall be occupied by the Contractor without the permission of the Railway. The Contractor shall not use, or allow to be used, the site for any purpose other than that of executing the works.

7. Assignment or subletting of contract - The Contractor shall not assign or sublet the contract or any part thereof or allow any person to become interested therein any manner whatsoever without the special permission in writing of the Railway. Any breach of this condition shall entitle the Railway to rescind the contract under clause 62 of these conditions and also render the contractor liable for payment to the Railway in respect of any loss or damage arising or ensuing from such cancellation. Provided always that execution of the details of the work by petty contractor under the direct and personal supervision of the contractor or his agent shall not be deemed to be sub-letting under this clause. The permitted subletting of work by the Contractor shall not establish any contractual relationship between the sub-contractor and the Railway and shall not relieve the Contractor of any responsibility under the contract.

8. Assistance by the Railway for the Stores to be obtained by the Contractor - Owing to difficulty in obtaining certain materials (including Tools & Plant) in the open market, the Railway may have agreed without any liability therefore to endeavor to obtain or assist the Contractor in obtaining the required quantities of such materials as may be specified in the Tender. In the event of delay or failure in obtaining the required quantities of the aforesaid materials, the Contractor shall not be deemed absolved of his own responsibility and shall keep in touch with the day to day position regarding their availability and accordingly adjust progress of the works including employment of labour and the Railway shall not in any way be liable for the supply of materials or for the non supply of thereof for any reasons whatsoever nor for any loss or damage arising in consequence of such delay or non supply.

8.A. Use of raw materials secured with Government assistance - Where any raw materials for the execution of the contract are procured with the assistance of Government stocks or purchases under arrangements made or permit(s) or licence(s) issued by Government ; the contractor shall hold the said materials as trustees for Government and use such materials economically and solely for the purpose of contract against which they are issued and not dispose of them without the permission of the Government and return if required by the purchaser, all surplus or unserviceable materials that may be left with him after the completion of the contract or at its termination for any reason whatsoever on his being paid such price as Government may fix with due regard to the condition of the material. The freight charges for the return of the materials according to the directions of the purchaser shall be borne by the contractor in the event of the contract being cancelled for any default on his part. The decision of Government shall be final and conclusive.

9. Railway Passes - No free Railway passes shall be issued by the Railway to the Contractor or any of his agent / employee / worker.

10. Carriage of materials - No forwarding orders shall be issued by the Railway for the conveyance of Contractor's materials, tools and plant by Rail which may be required for use in the works and the contractor shall pay full freight charges at public tariff rates therefor.

11. Use of ballast trains - The Railway may agree to allow the Contractor, the use of ballast or material trains under such conditions as shall be specially prescribed, provided that the Contractor shall pay for the use thereof charges calculated at public tariff rates on the marked carrying capacity of each vehicle subject to specified minimum charge per day or part of day and provided further that the Contractor shall indemnify the Railway against any claims or damages arising out of the use or misuse thereof and against any liabilities under the Workmen's Compensation Act, 1923 or any statutory amendments thereto.

12. Representation on Works - The Contractor shall, when he is not personally present on the site of the works, place and keep a responsible agent at the works during working hours who shall on receiving reasonable notice, present himself to the Engineer and orders given by the Engineer or the Engineer's Representative to the agent shall be deemed to have the same force as if they had been given to the Contractor. Before absenting himself, the Contractor shall furnish the name and address of his agent for the purpose of this clause and failure on the part of the Contractor to comply with this provision at any time will entitle the Railway to rescind the contract under clause 62 of these conditions.

13. Relics and Treasures - All gold, silver, oil and other minerals of any description and all precious stones, coins, treasures, relics, antiquities and other similar things which shall be found in or upon the site shall be the property of the Railway and the Contractor shall duly preserve the same to the satisfaction of the Railway and shall from time to time deliver the same to such person or persons as the Railway may appoint to receive the same.

14. Excavated material - The Contractor shall not sell or otherwise dispose of or remove except for the purpose of this contract, the sand, clay, ballast, earth, rock or other substances or materials which may be obtained from any excavation made for the purpose of the works or any building or produce upon the site at the time of delivery of the possession thereof but all the substances, materials, buildings and produce shall be the property of the Railway provided that the Contractor may, with the permission of the Engineer, use the same for the purpose of the works either free of cost or pay the cost of the same at such rates as may be determined by the Engineer.

15. Indemnity by Contractors - The Contractor shall indemnify and save harmless the Railway from and against all actions, suit proceedings, losses, costs, damages, charges, claims, and demands of every nature and description brought or recovered against Railways by reason of any act or omission of the Contractor, his agents or employees, in the execution of the works or in the guarding of the same. All sums payable by way of compensation under any of these conditions shall be considered as reasonable compensation to be applied to the actual loss or damage sustained, and whether or not any damage shall have been sustained.

16. Earnest Money and Security Deposit - The Earnest Money deposited by the Contractor with his tender will be retained by the Railways as a part of security for the due and faithful fulfillment of the contract by the Contractor. The balance to make up the

security deposit, the rates for which are given below, may be deposited by the Contractor in cash or in the form of Government Securities or may be recovered by percentage deduction from the Contractor's "on account" bills. Provided also that in case of defaulting contractor the Railways may retain any amount due for payment to the contractor on the pending on account bills so that the amounts so retained may not exceed 10% of the total value of the contract.

(2). Unless otherwise specified in the special conditions, if any, the rates for deposit of security amount by Contractors will be as under-

(i)	For contracts upto Rs.1 lakh	-	10% of the value of the contract.
(ii)	For contracts more than Rs.1 lakh and upto Rs.2 lakhs	-	10% of the first Rs.1 lakh and 7½% of the balance.
(iii)	For contracts more than Rs/2 lakhs and upto Rs.2 crores	-	10% of the first Rs.1 lakh, 7½% of the next Rs.1 lakh and 5% of the balance, subject to the maximum of Rs.10 lakhs. The amount over and above Rs.3 lakhs to be recovered from the progressive bills of the contractors at the rate of 10% till it reaches the required value.
(iv)	For contracts above Rs.2 crores	-	5% of the contract value. The amount over and above Rs.3 lakhs to be recovered from the progressive bills of the contractors at the rate of 10% till it reaches 5% of the contract value.

(3) No interest will be payable upon the Earnest Money and Security Deposit or amounts payable to the Contractor under the contract, but Government Securities deposited in terms of Sub-Clause (1) of this clause will be payable with interest accrued thereon.

EXTENSION OF TIME

17. 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, acts of public enemy, civil commotion, sabotage, serious loss or damage by fire, explosions, epidemics, strikes, lockouts or acts of God (hereinafter referred to as 'events') provided, notice of the happenings of any such event is given by either party to the other within fifteen (15) 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 have any claim for damages against the other in respect of such non-performance or delay in performance, and works under the contract shall be resumed as soon as practicable after such events has come to an end or ceased to exist, and the decision of the Engineer as to whether the works have been so resumed or not shall be final and conclusive, provided further that if the performance in whole or in part of any obligation under this contract is prevented or delayed by reason of any such event for a period of exceeding ninety (90) days, either party may at its option terminate the contract by giving notice to the other party.

17-A. Subject to any requirement in the contract as to completion of any portion or portions of the works before completion of the whole, the Contractor shall fully and finally complete the whole of the works comprised in the contract (with such modifications as may be directed under conditions of this contract) by the date entered in the contract or extended date in terms of the following clauses :-

(i) **Extension due to Modification :-** If any modifications have been ordered which in the opinion of the Engineer have materially increased the magnitude of the work, then such extension of the contracted date of completion may be granted as shall appear to the Engineer to be reasonable in the circumstances, provided moreover that the Contractor shall be responsible for requesting such extension of the date as may be considered necessary as soon as the cause thereof shall arise and in any case not less than one month before the expiry of the date fixed for completion of the works.

(ii) **Extension for delay not due to Railway / Contractor:-** If in the opinion of the Engineer the progress of work has any time been delayed by any act or neglect of Railway's employees or by other contractor employed by the Railway under sub-clause(4) of clause 20 of these conditions or in executing the work not forming part of the contract but on which Contractor's performance necessarily depends or by reason of proceedings taken or threatened by or dispute with adjoining or to neighboring owners or public authority arising otherwise through the Contractor's own default etc. or by the delay authorized by the Engineer pending arbitration or in consequences of the Contractor not having received in due time necessary instructions from the Railway for which he shall have specially applied in writing to the Engineer or his authorized representative then upon happening of any such event causing delay, the Contractor shall immediately give notice thereof in writing to the Engineer within 15 days of such happening but shall nevertheless make constantly his best endeavors to bring down or make good the delay and shall do all that may be reasonably required of him to the satisfaction of the Engineer to proceed with the works. The Contractor may also indicate the period for which the work is likely to be delayed and shall be bound to ask for necessary extension of time. The Engineer on receipt of such request from the Contractor shall consider the same and shall grant such extension of time as in his opinion is reasonable having regard to the nature and period of delay and the type and quantum of work affected thereby. No other compensation shall be payable for works so carried forward to the extended period of time, the same rates, terms and conditions of contract being applicable as if such extended period of time was originally provided in the original contract itself.

(iii) **Extension of time for delay due to Railway -** In the event of any failure or delay by the Railway to hand over the Contractor possession of the lands necessary for the execution of the works or to give the necessary notice to commence the works or to provide the necessary drawings or instructions or any other delay caused by the Railway due to any other cause due whatsoever, then such failure or delay shall in no way affect or vitiate the contract or alter the character thereof or entitle the Contractor to damages or compensation therefor but in any case, the Railway may grant such extension or extension of the completion date as may be considered reasonable.

17 B Extension of time for delay due to Contractor - The time for the execution of the work or part of the works specified in the contract documents shall be deemed to be the essence of the contract and the works must be completed not later than

the date(s) as specified in the contract. If the Contractor fails to complete the works within the time as specified in the contract for the reasons other than the reasons specified in clauses 17 and 17A, the Railway may, if satisfied that the works can be completed by the Contractor within reasonable short time, thereafter, allow the Contractor such further extension of time (Proforma at Annexure I) as the Engineer may decide. On such extension, the Railway will be entitled without prejudice to any other right and remedy available on that behalf, to recover from the Contractor as agreed damages and not by way of penalty, a sum equivalent to $\frac{1}{2}$ of 1% of the contract value of the works for each week or part of the week.

For the purpose of this clause, the contract value of the works shall be taken as value of work as per contract agreement including any supplementary work order / contract agreement issued. Provided also, that the total amount of liquidated damages under this condition, shall not exceed the under noted percentage value or of the total value of the item or groups of items or work for which a separate distinct completion period is specified in the contract.

- | | | |
|------|--|---|
| (i) | For contract value upto Rs.2 lakhs - | 10% of the total value of the contract |
| (ii) | For contract valued above Rs.2 lakhs - | 10% of the first Rs.2 lakhs and
5% of the balance. |

Provided further, that if the Railway is not satisfied that the works can be completed by the Contractor and in the event of failure on the part of the Contractor to complete the work within further extension of time allowed as aforesaid, the Railway shall be entitled, without prejudice to any other right or remedy available in that behalf, to appropriate the Contractor's security deposit and rescind the contract under clause 62 of these conditions, whether or not actual damage is caused by such default.

18(1) Illegal Gratification - Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the Contractor or his partner, agent or servant or anyone on his or on their behalf, to any officer or employee of the Railway, or to any person on his or on their behalf in relation to obtaining or the execution of this or any other contract with the Railway shall, in addition to any criminal liability which he may incur, subject the Contractor to the rescission of the contract and all other contracts with the Railway and to the payment of any loss or damage resulting from such rescission, and the Railway shall be entitled to deduct the amounts so payable from any moneys due to the Contractor under this contract or any other contracts with the Railway.

(2) The Contractor shall not lend or borrow from or have or enter into any monetary dealings or transactions either directly or indirectly with any employee of the Railway and if he shall do so, the Railway shall be entitled forthwith to rescind the contract and all other contracts with the Railway. Any question or dispute as to the commission of any such offence or compensation payable to the Railway under this clause shall be settled by the General Manager of the Railway, in such a manner as he shall consider fit and sufficient and decision shall be final and conclusive. In the event of rescission of the contract under this clause, the Contractor will not be paid any compensation whatsoever except payments for the work done upto the date of rescission.

EXECUTION OF WORKS

19 (1) Contractor's understanding - It is understood and agreed that the contractor has, by careful examination, satisfied himself as to the nature and location of the work, the conformation of the ground, the character, quality and quantity of the materials to be encountered, the character of equipment and facilities needed preliminary to and during the progress of the works, the general and local conditions, the labour conditions prevailing therein and all other matters which can in any way affect the works under the contract.

(2) Commencement of works - The Contractor shall commence the works within 15 days after the receipt by him of an order in writing to this effect from the Engineer and shall proceed with the same with due expedition and without delay.

(3) Accepted programme of work - The Contractor who has been awarded the works shall as soon as possible but not later than 30 days after the date of receipt of the acceptance letter in respect of contracts with initial completion period of two years or less or not later than 90 days for other contracts have to submit the detailed programme of work indicating the time schedule of various items of works in the form of Bar Chart / PERT / CPM. He shall also submit the details of organization (in terms of labour and supervisors) and plant and machinery that he intends to utilize (from time to time) for execution of the work within the stipulated date of completion. The programme of work amended as necessary by discussions with the Engineer, shall be treated as the agreed programme of the work for the purpose of this contract and the Contractor shall endeavour to fulfill this programme of work. The progress of work shall be watched accordingly. However, the liquidated damages will be with reference to the overall completion date. Nothing stated herein shall preclude the Contractor in achieving earlier completion of any item or whole of the works than indicated in the programme.

(4) Setting out of works - The Contractor shall be responsible for the correct setting out of all works in relation to original points, lines and levels of reference at his cost. The Contractor shall execute the work true to alignment, grade, levels and dimensions as shown in the drawing and as directed by the Engineer's representative and shall check these at frequent intervals. The Contractor shall provide all facilities like labour and instruments and shall cooperate with the Engineer's representative to check all alignments, grades, levels and dimensions. If, at any time, during the progress of the works any error shall appear or arise in any part of the work, the Contractor, on being required so to do by the Engineer's representative shall at his own cost rectify such errors, to the satisfaction of the Engineer's representative. Such checking shall not absolve the Contractor of his own responsibility of maintaining accuracy in the work. The Contractor shall carefully protect and preserve all bench marks, sight rails, pegs and other things used in setting out the work.

20(1) Compliance to Engineer's Instructions - The Engineer shall direct the order in which the several parts of the works shall be executed and the Contractor shall execute without delay all orders given by the Engineer from time to time but the Contractor shall not be relieved thereby from responsibility for the due performance of the works in all respects.

(2) Alterations to be authorized - No alterations in or additions to or omissions or abandonment of any part of the works shall be deemed authorized, except under instructions from the Engineer, and the Contractor shall be responsible to obtain such instructions in each and every case in writing from the Engineer.

(3) Extra works - Should works over and above those included in the contract require to be executed at the site, the Contractor shall have no right to be entrusted with the execution of such works which may be carried out by another Contractor or Contractors or by other means at the option of the Railway.

(4) Separate contracts in connection with works - The Railway shall have the right to let other contracts in connection with the works. The Contractor shall afford other Contractors reasonable opportunity for the storage of their materials and the execution of their works and shall properly connect and coordinate this work with theirs. If any part of the Contractor's work depends for proper execution or result upon the work of another Contractor(s), the Contractor shall inspect and promptly report to the Engineer any defects in such works that render it unsuitable for such proper execution and results. The Contractor's failure so to inspect and report shall constitute an acceptance of the other contractor's work as fit and proper for the reception of his work, except as to defects which may develop in the other Contractor's work after the execution of his work.

21. Instructions of Engineer's representative - Any instructions or approval given by the Engineer's representative to the Contractor in connection with the works shall bind the Contractor as though it had been given by the Engineer provided always as follows:-

- (a) Failure of the Engineer's representative to disapprove any work or materials shall not prejudice the power of the Engineer thereafter to disapprove such work or material and to order the removal or breaking up thereof.
- (b) If the Contractor shall be dissatisfied by reason of any decision of the Engineer's representative he shall be entitled to refer the matter to the Engineer who shall thereupon confirm or vary such decision.

22(1) Adherence to specifications and drawings - The whole of the works shall be executed in perfect conformity with the specifications and drawings of the contract. If the Contractor performs any works in a manner contrary to the specifications or drawings or any of them and without such reference to the Engineer, he shall bear all the costs arising or ensuing therefrom, and shall be responsible for all loss to the Railway.

(2) Drawings and specifications on the works - The Contractor shall keep one copy of Drawings and Specifications at the site, in good order, and make available such contract documents as may be necessary, to the Engineer or the Engineer's representative.

(3) Ownership of drawings and specifications - All Drawings and Specifications and copies thereof furnished by the Railway of the Contractor are deemed to be the property of the Railway. They shall not be used on other works and with the exception of the signed contract set, shall be returned by the Contractor to the Railway on completion of the work or termination of the contract.

(4) Compliance with Contractor's request for details - The Engineer shall furnish with reasonable promptness, after receipt by him of the Contractor's request for the same, additional instructions by means of drawings or otherwise, necessary for the proper execution of the works or any part thereof. All such drawings and instructions shall be consistent with the Contract Documents and reasonably inferable therefrom.

(5) Meaning and intent of specifications and drawings - If any ambiguity arises as to the meaning and intent of any portion of the Specifications and Drawings or as to execution or quality of any work or material, or as to the measurements of the works, the decision of the Engineer thereon shall be final subject to the appeal (within 7 days of such decision being intimated to the Contractor) to Chief Engineer who shall have the power to correct any errors, omissions or discrepancies in the specifications, drawings, classifications of work or materials, and whose decision in the matter in dispute or doubt shall be final and conclusive.

23. Working during night - The Contractor shall not carry out any work between sunset and sunrise without the previous permission of the Engineer.

24. Damage to Railway Property or private life and property - The Contractor shall be responsible for all risks to the works and for trespass and shall make good at his own expense all loss or damage whether to the works themselves or to any other property of the Railway or the lives, persons or property of others from whatsoever cause in connection with the works until they are taken over by the Railway and although all reasonable and proper precautions may have been taken by the Contractor, and in case the Railway shall be called upon to make good any such costs, loss or damages, or to pay any compensation (including that payable under the provisions of the Workmen's Compensation Act or any statutory amendments thereof) to any person or persons sustaining damages as aforesaid by reason of any act, or any negligence or omissions on the part of the Contractor the amount of any costs or charges including costs and charges in connection with legal proceedings, which the Railway may incur in reference thereto, shall be charged to the Contractor. The Railway shall have the power and right to pay or to defend or compromise any claim of threatened legal proceedings or in anticipation of legal proceedings being instituted consequent on the action or default of the Contractor, to take such steps as may be considered necessary or desirable to ward off or mitigate the effect of such proceedings, charging to the Contractor, as aforesaid, any sum or sums of money which may be paid and any expenses whether for reinstatement or otherwise which may be incurred and the propriety of any such payment, defence or compromise, and the incurring of any such expenses shall not be called in question by the Contractor.

25. Sheds, Storehouses and Yards - The Contractor shall at his own expenses provide himself with sheds, storehouse and yards in such situations and in such numbers as in the opinion of the Engineer is requisite for carrying on the works and the Contractor shall keep at each such sheds, storehouses and yards, a sufficient quantity of materials and plant in stock as not to delay the carrying out of the works with due expeditions and the Engineer and the Engineer's representative shall have free access to the said sheds, store houses and yards at any time for the purpose of inspecting the stock of materials or plant so kept in hand, and any materials or plant which the Engineer may object to shall not be brought upon or used in the works, but shall be forthwith removed from the sheds, store houses or yards by the contractor. The contractor shall at his own expenses provide and maintain suitable mortar mills, soaking vats and any other equipments necessary for the execution of the works. Land for the Contractor's sheds, storehouses and yards will be given free where Railway land is available and can be spared by the Railway.

26. Provision of efficient and competent staff - The Contractor shall place and keep on the works at all times efficient and competent staff to give the necessary directions to his workmen and to see that they execute their work in sound and proper manner and shall employ only such supervisors, workmen and labourers, in or about the execution of any of these works as are careful and skilled in their various trades and callings. The Contractor shall at once remove from the works any agents, permitted Sub-Contractor, supervisor, workman or labourer who shall be objected to by the Engineer and if an whenever required by the Engineer, he shall submit a correct return showing the names of all staff and workmen employed by him. In the event of the Engineer being of the opinion that the Contractor is not employing on the works a sufficient number of staff and workmen as is necessary for the proper completion of the works within the time prescribed, the Contractor shall forthwith on receiving intimation to this effect take on the additional number of staff and labour specified by the Engineer within seven days of being so required and failure on the part of the Contractor to comply with such instructions will entitle the Railway to rescind the contract under Clause 62 of these conditions.

27(1) Workmanship and testing - The whole of the works and/or supply of materials specified and provided in the contract or that may be necessary to be done in order to form and complete any part thereof shall be executed in the best and most substantial workman like manner with materials of the best and most approved quality of their respective kinds, agreeably to the particulars contained in or implied by the specifications and as referred to in and represented by the drawings or in such other additional particulars, instructions and drawings may be found requisite to be given during the carrying on of the works and to the entire satisfaction of the Engineer according to the instructions and directions which the Contractor may from time to time receive from the Engineer. The materials may be subjected to tests by means of such machines, instruments and appliances as the Engineer may direct and wholly at the expense of the Contractor.

(2) Removal of improper work and materials - The Engineer or the Engineer's representative shall be entitled to order from time to time :-

- (a) The removal from the site within the time specified in the order of any materials which in his opinion are not in accordance with the specifications or drawings;
- (b) The substitution of proper and suitable materials, and
- (c) The removal and proper re-execution, notwithstanding any previous tests thereof or "on account" payments therefore, of any work which in respect of materials or workmanship is not in his opinion in accordance with the specifications;

and in case of default on the part of the Contractor in carrying out such order the Railway shall be entitled to rescind the contract under Clause 62 of these conditions.

28. Facilities for Inspection - The Contractor shall afford the Engineer and the Engineer's representative every facility for entering in and upon every portion of the work at all hours for the purpose of inspection or otherwise and shall provide all labour, materials, planks, ladders, pumps, appliances and things of every kind required for the purpose and the Engineer and the Engineer's representative shall at all times have free

access to every part of the works and to all places at which materials for the works are stored or being prepared.

29. Examination of work before covering up - The Contractor shall give 7 days notice to the Engineer or the Engineer's representative whenever any work or materials are intended to be covered up in the earth, in bodies or walls or otherwise to be placed beyond the reach of measurements in order that the work may be inspected or that correct dimensions may be taken before being so covered, placed beyond the reach of measurement in default whereof, the same shall at the option of the Engineer or the Engineer's representative be uncovered and measured at the Contractor's expense or no allowance shall be made for such work or materials.

30. Temporary Works - All temporary works necessary for the proper execution of the works shall be provided and maintained by the Contractor and subject to the consent of the Engineer shall be removed by him at his expenses when they are no longer required and in such manner as the Engineer shall direct. In the event of failure on the part of the Contractor to remove the temporary works, the Engineer will cause them to be removed and cost as increased by supervision and other incidental charges shall be recovered from the Contractor. If temporary huts are provided by the Contractor on the Railway land for labour engaged by him for the execution of works, the Contractor shall arrange for handing over vacant possession of the said land after the work is completed; if the Contractor's labour refuse to vacate, and have to be ejected by the Railway, necessary expenses incurred by the Railway in connection therewith shall be borne by the Contractor.

31(1). Contractor to supply water for works - Unless otherwise provided in the contract, the Contractor shall be responsible for the arrangements to obtain supply of water necessary for the works.

(2). Water supply from Railway System - The Railway may supply to the Contractor part or whole of the quantity of the water required for the execution of works from the Railway's existing water supply system at or near the site of works on specified terms and conditions and at such charges as shall be determined by the Railway and payable by the Contractor, provided that the Contractor shall arrange, at his own expense, to effect the connections and lay additional pipe lines and accessories on the site and that the Contractor shall not be entitled to any compensation for interruption or failure of the water supply.

(3). Water supply by Railway Transport - In the event of Railway arranging supply of water to the Contractor at or near the site of works by travelling water tanks or other means, the freight and other charges incurred thereby, including demurrage charges that may be levied, shall be paid by the Contractor in addition to the charges referred in sub-clause(2) of this clause provided that the Contractor shall not be entitled to any compensation for interruption or failure of the water supply.

4(a) Contractor to arrange supply of Electric Power for works - Unless otherwise provided in the contract, the Contractor shall be responsible for arrangements to obtain supply of electric power for the works.

(b) Electric supply from the Railway System - The Railway may supply to the Contractor part or whole of the electric power wherever available and possible, required for execution of works from the Railway's existing electric supply systems at or

near the site of works on specified terms and conditions and such charges as shall be determined by the Railway and payable by the Contractor provided the cost of arranging necessary connections to the Railway's electric supply systems, and laying of underground / overhead conductor, circuit protection, electric power meters, transmission structure, shall be borne by the Contractor and that the Contractor shall not be entitled to any compensation for interruption or failure of the electric supply system.

32. Property in materials and plant- The materials and plant brought by the Contractor upon the site or on the land occupied by the Contractor in connection with the works and intended to be used for the execution thereof shall immediately, they are brought upon the site of the said land, be deemed to be the property of the Railway. Such of them as during the progress of the works are rejected by the Engineer under Clause 25 of these conditions or are declared by him not to be needed for the execution of the works or such as on the grant of the certificate of completion remain unused shall immediately on such rejection, declaration or grant cease to be deemed the property of the Railway and the Contractor may then (but not before) remove them from the site or the said land. This clause shall not in any way diminish the liability of the Contractor nor shall the Railway be in any way answerable for any loss or damage which may happen to or in respect of any such materials or plant either by the same being lost, stolen, injured or destroyed by fire, tempest or otherwise.

33(1). Tools, Plant and Materials Supplied by Railway - The Contractor shall take all reasonable care of all tools, plant and materials or other property whether of a like description or not belonging to the Railway and committed to his charge for the purpose of the works and shall be responsible for all damage or loss caused by him, his agents, permitted Sub-Contractor or his workmen or others while they are in his charge. The Contractors shall sign accountable receipts for tools, plants and materials made over to him by the Engineer and on completion of the works shall hand over the unused balance of the same to the Engineer in good order and repair, fair wear and tear excepted, and shall be responsible for any failure to account for the same or any damage done thereto.

(2). Hire of Railway's Plant- The Railway may hire to the Contractor such plant as concrete mixers, compressors and portable engines for use during execution of the works on such terms as may be specified in the special conditions or in a separate agreement for Hire of Plant.

(3). Whenever cement is issued to the Contractor in gunny / other bags for the execution of works, the empty gunny bags shall be returned to the Railway in good and sound condition.

34(1). Precaution during progress of works - During execution of works, unless otherwise specified, the Contractor shall at his own cost provide the materials for and execute all shoring, timbering and strutting works as is necessary for the stability and safety of all structures, excavations and works and shall ensure that no damage, injury or loss is caused or likely to be caused to any person or property.

(2). Roads and Water Courses - Existing roads or water courses shall not be blocked, cut through, altered, diverted or obstructed in any way by the Contractor, except with the permission of the Engineer. All compensations claimed for any unauthorised closure, cutting through, alteration, diversion or obstruction to such roads or water courses by the Contractor or his agent or his staff shall be recoverable from the

Contractor by deduction from any sums which may become due to him in terms of the contract, or otherwise according to law.

(3). Provision of access to premises - During progress of work in any street or thoroughfare, the Contractor shall make adequate provision for the passage of traffic, for securing safe access to all premises approached from such street or thoroughfare and for any drainage, water supply or means of lighting which may be interrupted by reason of the execution of the works and shall erect and maintain at his own cost barriers, lights and other safeguards as prescribed by the Engineer, for the regulation of the traffic, and provide watchmen necessary to prevent accidents. The works shall in such cases be executed night and day if so ordered by the Engineer and with such vigour so that the traffic way be impeded for as short a time as possible.

(4). Safety of Public - The Contractor shall be responsible to take all precautions to ensure the safety of the public whether on public or Railway property and shall post such look-out men as may in the opinion of the Engineer be required to comply with regulations appertaining to the work.

35. Use of Explosives- The Explosives shall not be used on the works or on the site by the Contractor without the permission of the Engineer and then only in the manner and to the extent to which such permission is given. Where explosives are required for the works, they shall be stored in a special magazine to be provided by and at the cost of the Contractor in accordance with the Explosives Rules. The Contractor shall obtain the necessary licence for the storage and the use of explosives and all operations in which or for which explosives are employed shall be at the sole risk and responsibility of the Contractor and the Contractor shall indemnify the Railway in respect thereof.

36(1).Suspension of works - The Contractor shall on the order of the Engineer suspend the progress of the works or any part thereof for such time or times and in such manner as the Engineer may consider necessary and shall during such suspension properly protect and secure the work so far as is necessary in the opinion of the Engineer. If such suspension is:-

- (a) Provided for in the contract, or
- (b) Necessary for the proper execution of the works or by the reason of whether conditions or by some default on the part of the Contractor, or
- (c) Necessary for the safety of the works or any part thereof

(2) The Contractor shall not be entitled to the extra costs, if any, incurred by him during the period of suspension of the works; but in the event of any suspension ordered by the Engineer for reasons other than aforementioned and when each such period of suspension exceeds 14 days, the Contractor shall be entitled to such extension of time for completion of the works as the Engineer may consider proper having regard to the period or periods of such suspensions and to such compensations as the Engineer may consider reasonable in respect of salaries or wages paid by the Contractor to his employees during the periods of such suspensions.

(3) Suspension lasting more then 3 months - If the progress of the works or any part thereof is suspended on the order of the Engineer for more than three months at a time, the Contractor may serve a written notice on the Engineer requiring permission

within 15 days from the receipt thereof to proceed with the works or that part thereof in regard to which progress is suspended and if such permission is not granted within that time the Contractor by further written notice so served may, but is not bound to, elect to treat the suspension where it affects part only of the works as an omission of such part or where it affects the whole of the works, as an abandonment of the contract by the Railway.

37. Rates for item of works - The rates entered in the accepted Schedule of Rates of the Contract are intended to provide for works duly and properly completed in accordance with the general and special (if any) conditions of the contract and the specifications and drawings together with such enlargements, extensions, diminutions, reductions, alterations or additions as may be ordered in terms of Clause 42 of these conditions and without prejudice to the generality thereof and shall be deemed to include and cover superintendence and labour, supply, including full freight of materials, stores, patterns, profiles, moulds, fittings, centerings, scaffoldings, shoring props, timber, machinery, derricks, tackle, robes, pegs, posts, tools and all apparatus and plant required on the works, except such tools, plant or materials as may be specified in the contract to be supplied to the Contractor by the Railway, the erection, maintenance and removal of all temporary works and buildings, all watching, lighting, bailing, pumping and draining, all prevention of or compensation for trespass, all barriers and arrangements for the safety of the public or of employees during the execution of works, all sanitary and medical arrangements for labour camps as may be prescribed by the Railway, the setting of all work and of the construction, repair and upkeep of all centre lines, bench marks and level pegs thereon, site clearance, all fees, duties, royalties, rent and compensation to owners for surface damage or taxes and impositions payable to local authorities in respect of land, structures and all material supplied for the work or other duties or expenses for which the Contractor may become liable or may be put to under any provision of law for the purpose of or in connection with the execution of the contract, and all such other incidental charges or contingencies as may have been specially provided for in the specifications.

38. Demurrage and wharfage dues - Demurrage charges calculated in accordance with the scales in force for the time being on the Railway and incurred by the Contractor failing to load or unload any goods or materials within the time allowed by the Railway for loading or unloading as also wharfage charges on materials not removed in time as also charges due on consignments booked by or to him shall be paid by the Contractor, failing which such charges shall be debited to the Contractor's account in the hands of the Railway and shall be deducted from any sums which may become due to him in terms of the contract.

39(1). Rates for extra items of work - Any item of work carried out by the Contractor on the instructions of the Engineer which is not included in the accepted schedule of rates shall be executed at the rates set forth in the "Southern Railway Engineering Department's Schedule of Rates" modified by the tender percentage and where such items are not contained in the latter, at the rates agreed upon between the Engineer and the Contractor before the execution of such items of work and the Contractor shall be bound to notify the Engineer at least seven days before the necessity arises for the execution of such items of works that the accepted schedule of rates does not include rate or rates for the extra work involved. The rates payable for such items shall be decided at the meeting to be held between the Engineer and Contractor, in as short a period as possible after the need for the special item has come to the notice. In case the Contractor fails to attend the meeting after being notified to do so or in the event

of no settlement being arrived at, the Railway shall be entitled to execute the extra works by other means and the contractor shall have no claim for loss or damage that may result from such procedure.

(2) Provided that if the Contractor commences work or incurs any expenditure in regard thereto before the rates as determined and agreed upon as lastly hereuntofore mentioned, then in and such a case, the Contractor shall only be entitled to be paid in respect of the work carried out or expenditure incurred by him prior to the date of determination of the rates as aforesaid according to the rates as shall be fixed by the Engineer. However, if the Contractor is not satisfied with the decision of the Engineer in this respect he may appeal to the Chief Engineer within 30 days of getting the decision of the Engineer, supported by analysis of the rates claimed. The Chief Engineer's decision after hearing both the parties in the matter would be final and binding on the Contractor and the Railway.

40(1). Handing over of works - The Contractor shall be bound to hand over the works executed under the contract to the Railway complete in all respects to the satisfaction of the Engineer. The Engineer shall determine the date on which the work is considered to have been completed, in support of which his certificate shall be regarded as sufficient evidence for all purposes. The Engineer shall determine from time to time, the date on which any particular section of the work shall have been completed, and the Contractor shall be bound to observe any such determination of the Engineer.

(2). Clearance of Site on completion - On completion of the works the Contractor shall clear away and remove from the site all constructional plant, surplus materials, rubbish and temporary works of every kind and leave the whole of the site and works clean and in a workman like condition to the satisfaction of the Engineer. No final payment in settlement of the accounts for the works shall be paid, held to be due or shall be made to the Contractor till, in addition to any other condition necessary for final payment, site clearance shall have been effected by him, and such clearance may be made by the Engineer at the expense of the Contractor in the event of his failure to comply with this provision within 7 days after receiving notice to that effect. Should it become necessary for the Engineer to have the site cleared at the expense of the Contractor, the Railway shall not be held liable for any loss or damage to such of the Contractor's property as may be on the site and due to such removal therefrom, which removal may be effected by means of public sales of such materials and property or in such a way as deemed fit and convenient to the Engineer.

VARIATIONS IN EXTENT OF CONTRACT

41. Modification to contract to be in writing - In the event of any of the provisions of the contract requiring to be modified after the Contract Documents have been signed, the modifications shall be made in writing and signed by the Railway and the Contractor, and no work shall proceed under such modifications until this has been done. Any verbal or written arrangement abandoning, modifying, extending, reducing or supplementing the contract or any of the terms thereof shall be deemed conditional and shall not be binding on the Railway unless and until the same is incorporated in a formal instrument and signed by the Railway and the Contractor, and till then the Railway shall have the right to repudiate such arrangements.

42(1). Powers of modification to contract - The Engineer on behalf of the Railway shall be entitled by order in writing to enlarge or extend, diminish or reduce the

works or make any alterations in their design, character, position, site, quantities, dimensions or in the method of their execution or in the combination and use of materials for the execution thereof or to order any additional work to be done or any works not to be done and the Contractor will not be entitled to any compensation for any increase / reduction in the quantities of work but will be paid only for the actual amount of work done and for approved materials supplied against a specific order.

(2)

- (i) Unless otherwise specified in the special conditions of the contract, the accepted variation in quantity of each individual item of the contract would be up to 25% of the quantity originally contracted, except in case of foundation work. The Contractor shall be bound to carry out the work at the agreed rates and shall not be entitled to any claim or any compensation whatsoever up to the limit of 25% variation in quantity of individual item of works.
- (ii) In case of earthwork, the variation limit of 25% shall apply to the gross quantity of earth work and variation in the quantities of individual classifications of soil shall not be subject to this limit.
- (iii) In case of foundation work, no variation limit shall apply and the work shall be carried out by the contractor on agreed rates irrespective of any variation.

(3) Valuation of variations - The enlargements, extensions, diminutions, reductions, alterations or additions referred to in sub-clause (2) of this clause shall in no degree affect the validity of the contract but shall be performed by the Contractor as provided therein and be subject to the same conditions, stipulations and obligations as if they had been originally and expressly included and provided for in the specifications and drawings and the amounts to be paid therefore shall be calculated in accordance with the accepted schedule of rates. Any extra items / quantities of work falling outside the purview of the provisions of sub-clause (2) above shall be paid for at the rates determined under clause 39 of these conditions.

CLAIMS

43(1) Monthly Statement of Claims- The Contractor shall prepare and furnish to the Engineer once in every month an account giving full and detailed particulars of all claims for any additional expenses to which the Contractor may consider himself entitled to and of all extra or additional works ordered by the Engineer which he has executed during the preceding month and no claim for payment for any such work will be considered which has not been included in such particulars,

(2).Signing of “No Claim Certificate” - The Contractor shall not be entitled to make any claim whatsoever against the Railway under or by virtue of or arising out of this contract, nor shall the Railway entertain or consider any such claim, if made by the Contractor, after he shall have signed a “No Claim Certificate” in favour of the Railway, in such form as shall be required by the Railway, after the works are finally measured up. The Contractor shall be debarred from disputing the correctness of the items covered by “No Claim Certificate” or demanding a clearance to arbitration in respect thereof.

MEASUREMENTS, CERTIFICATES AND PAYMENTS

44. Quantities in schedule annexed to Contract - The quantities set out in the accepted schedule of rates with items of works quantified are the estimated quantities of the works and they shall not be taken as the actual and correct quantities of the work to be executed by the Contractor in fulfilment of his obligations under the contract.

45. Measurement of works - The Contractor shall be paid for the works at the rates in the accepted schedule of rates and for extra works at rates determined under Clause 39 of these conditions on the measurements taken by the Engineer or the Engineer's representative in accordance with the rules prescribed for the purpose of Railway. The quantities for items the unit of which in the accepted schedule of rates is 100 or 1000 shall be calculated to the nearest whole number, any fraction below half being dropped and half and above being taken as one; for items the unit of which in the accepted schedule of rates is single, the quantities shall be calculated to two places of decimals. Such measurements will be taken of the work in progress from time to time and at such intervals as in the opinion of the Engineer shall be proper having regard to the progress of the works. The date and time on which "on-account" or final measurements are to be made shall be communicated to the Contractor who shall be present at the site and shall sign the results of the measurements (which shall also be signed by the Engineer or the Engineer's representative) recorded in the official measurement book as an acknowledgement of his acceptance of the accuracy of the measurements. Failing the Contractor's attendance the work may be measured up in his absence and such measurements shall, notwithstanding such absence, be binding upon the Contractor whether or not he shall have signed the measurement book; provided always that any objection made by him to any measurement shall be duly investigated and considered in the manner set out below :-

- (a) It shall be open to the Contractor to take specific objection to any recorded measurement or classification on any ground within seven days of the date of such measurements. Any re-measurement taken by the Engineer or the Engineer's representative in the presence of the Contractor or in his absence after due notice has been given to him in consequence of objection made by the Contractor shall be final and binding on the Contractor and no claim whatsoever shall thereafter be entertained regarding the accuracy and classification of the measurements.
- (b) If an objection raised by the Contractor is found by the Engineer to be incorrect, the Contractor shall be liable to pay the actual expenses incurred in measurements.

46(1). "On-Account" Payments - The Contractor shall be entitled to be paid from time to time by way of "On-Account" payments only for such works as in the opinion of the Engineer he has executed in terms of the contract. All payments due on the Engineer's or the Engineer's representative's certificates of measurements shall be subject to any deductions which may be made under these presents and shall be further be subject to, unless otherwise required by the Clause 16 of these conditions, a retention of ten percent by way of security deposit, until the amount of security deposit by way of retained earnest money and such retentions shall amount to 10% of the total value of the contract; provided always that the Engineer may by any certificate make any correction or modification in any previous certificate which shall have been issued by him and that

the Engineer may withhold any certificate if the works or any part thereof are not being carried out to his satisfaction.

(2). Rounding off amounts - The total amount due on each certificate shall be rounded off to the nearest rupee i.e., sums less than 50 paise shall be omitted and sums of 50 paise and more upto Re.1/-will be reckoned as Re.1/-

(3).“On-Account” Payments not prejudicial to final settlement - “On-Account” payments made to the Contractor shall be without prejudice to the final making up of the accounts (except where measurements are specifically noted in the Measurement Book as “Final Measurements” and as such have been signed by the Contractor) and shall in no respect be considered or used as evidence of any facts stated in or to be inferred from such accounts nor of any particular quantity of work having been executed not of the manner of its execution being satisfactory.

(4). Manner of payment - Unless otherwise specified, payments to the Contractor will made by cheque but no cheque will be issued for an amount less than Rs.100/- (One hundred only).

47. Maintenance of works - The Contractor shall at all times during the progress and continuance of the works and also for the period of maintenance specified in the Tender Form and after the date of passing of the certificate of completion by the Engineer or any other earlier date subsequent to the completion of the works that may be fixed by the Engineer be responsible for and effectively maintain and uphold in good substantial, sound and perfect condition all and every part of the woks and shall make good from time to time and at all times as often as the Engineer shall require, any damage or defect that may during the above period arise in or be discovered or be in any way connected with the works, provided that such damage or defect is not directly caused by errors in the Contract Documents, act of providence act of providence or insurrection or civil riot, and the Contractor shall be liable for and shall pay and make good to the Railway or other persons legally entitled thereto whenever required by the Engineer so to do, all losses, damages, costs and expenses they or any of them may incur or be put or be liable to, by reason or in consequence of the operations of the Contractor or of his failure in any respect.

48(1). Certificate of completion of works - As soon as in the opinion of the Engineer that works shall have been substantially completed and shall have satisfactorily passed any final test or tests that may be prescribed , the Engineer shall issue a Certificate of Completion in respect of the works and the period of maintenance of the works shall commence from the date of such certificate; provided that the Engineer may issue such a certificate with respect to any part of the works before the completion of the whole of the works or with respect to any substantial part of the works which has been completed to the satisfaction of the Engineer and occupied or used by the Railway and when any such certificate is given in respect of part of the works such part shall be considered as completed and the period of maintenance of such part shall commence from the date of such certificate.

(2).Contractor not absolved by Completion Certificate - The Certificate of completion in respect of the works referred to in sub-clause(1) of this clause shall not absolve the Contractor from his liability to make good any defects, imperfections, shrinkages or faults which may appear during the period of maintenance specified in the tender arising in the opinion of the Engineer from materials or workmanship not in

accordance with the drawings or specifications or instructions of the Engineer, which defects, imperfections, shrinkages or faults shall upon the direction in writing of the Engineer be amended and made good by the Contractor at his own cost; and in case of default on the part of Contractor, the Engineer may employ labour and materials or appoint another Contractor to amend and make good such defects, imperfections, shrinkages and faults and all expenses consequent thereon and incidental thereto shall be borne by the Contractor and shall be recoverable from any money due to him under the contract.

49. Approval only by Maintenance Certificate - No certificate other than Maintenance Certificate referred to in Clause 50 of these conditions shall be deemed to constitute approval of any work or other matter in respect of which it is issued or shall be taken as an admission of the due performance of the contract or any part thereof or of the accuracy of any claim or demand made by the Contractor or of additional or varied work having been ordered by the Engineer nor shall any other certificate conclude or prejudice any of the powers of the Engineer.

50(1). Maintenance Certificate - The Contract shall not be considered as completed until a Maintenance Certificate shall have been signed by the Engineer stating that the works have been completed and maintained to his satisfaction. The Maintenance Certificate shall be given by the Engineer upon the expiration of the period of maintenance or soon thereafter as any works ordered during such period pursuant to sub-clause (2) of clause 48 of these conditions shall have been completed to the satisfaction of the Engineer and full effect shall be given to this Clause notwithstanding the taking possession of or using the works or any part thereof by the Railway.

(2) Cessation of Railway's Liability - The Railway shall not be liable to the Contractor for any matter arising out of or in connection with the contract of the execution of the works unless the Contractor shall have made a claim in writing in respect thereof before the issue of the Maintenance Certificate under this clause.

(3) Unfulfilled obligations - Notwithstanding the issue of the Maintenance Certificate, the Contractor and (subject to sub-clause (2) of this clause) the Railway shall remain liable for the fulfilment of any obligation incurred under the provisions of the contract prior to the issue of the Maintenance Certificate which remains unperformed at the time such certificate is issued and for the purposes of determining the nature and extent of any such obligations the contract shall be deemed to remain in force between the parties thereto.

51 (1) Final Payment- On the Engineer's Certificate of Completion in respect of the works an adjustment shall be made and the balance of account based on the Engineer or the Engineer's representative's certified measurements of the total quantity of work executed by the Contractor up to the date of completion and on the accepted schedule of rates and for extra works on rates determined under Clause 39 of these conditions shall be paid to the Contractor subject always to any deductions which may be made under these presents and further subject to the Contractor having delivered to the Engineer either a full account in details of all claims he may have on the Railway in respect of the works or having delivered a "No Claim Certificate" and to the Engineer having after the receipt of such account given a certificate in writing that such claims are correct, that the whole of the works to be done under the provisions of the Contract have been completed, that they have been inspected by him since their completion and found to be in good and substantial order, that all properties, works and things removed, disturbed or injured in

consequence of the works, have been properly replaced and made good and all expenses and demands incurred by or made upon the Railway for or in the respect of damage or loss by, from or in consequence of the works, have been satisfied agreeably and in conformity with the contract.

(2) Post Payment Audit - It is an agreed term of contract that the Railway reserves to itself the right to carry out a post-payment audit and or technical examination of the works and the final bill, including all supporting vouchers, abstracts etc., and to make a claim on the Contractor for the refund of any excess amount paid to him if as a result of such examination any over-payment to him is discovered to have been made in respect of any work done or alleged to have been done by him under the contract.

(3) Repayment of Security Deposit - The total Security Deposit shall become due and shall be paid to the Contractor after the expiration of the period of maintenance, specified in the Tender reckoned from the date on which the Engineer shall have passed the Certificate of Completion comprising the whole of the works to be done under the provisions of the contract or, any other earlier date subsequent to the completion of the whole of such works that may be fixed by the Railway in this behalf, provided that all the stipulations of this clause have been fulfilled by the Contractor and all claims and demands made against the Railway for and in respect of damage or loss by, from or in consequence of the works have been finally satisfied; provided further that in the event of different maintenance periods having become applicable to different parts of the works pursuant to sub-clause (1) of clause 48 of these conditions, the expression “expiration off the period of maintenance” shall for the purposes of this clause be deemed to mean the expiry of the latest of such periods.

51-A. Production of vouchers etc by the Contractor -

(i) For a contract of value more than one crore of rupees, the Contractor shall, whenever required, produce or cause to be produced for examination by the Engineer any quotation, invoice, cost or other account, book of accounts, voucher, receipt, letter, memorandum, paper of writing or any copy of or extract from any such document and also furnish information and returns verified in such manner as may be required in any way relating to the execution of this contract or relevant for verifying or ascertaining the cost of execution of this contract (the decision of the Engineer on the question of relevancy of any document, information or return being final and binding on the parties). The Contractor shall similarly produce vouchers etc., if required to prove to the Engineer, that materials supplied by him, are in accordance with the specifications laid down in the contract.

(ii) If any portion of the work in a contract of value more than one crore rupees be carried out by a Sub-Contractor or any subsidiary or allied firm or company (as per Clause 7 of the General Conditions of Contract), the Engineer shall have power to secure the books of such Sub-Contractor or any subsidiary or allied firm or company, through the Contractor, and such books shall be open to his inspection.

(iii) The obligations imposed by sub-clause (i) and (ii) above is without prejudice to the obligations of the Contractor under any statute, rules or orders binding on the Contractor.

52. Withholding and lien in respect of sums claimed - Whenever any claim or claims for payment of a sum of money arises out of or under the contract against the Contractor, the Railway shall be entitled to withhold and also have a lien to retain such sum or sums in whole or in part from the security, if any, deposited by the Contractor and for the purpose aforesaid, the Railway shall be entitled to withhold the said cash Security

Deposit or the security, if any, furnished as the case may be and also have a lien over the same pending finalization or adjudication of any such claim. In the event of the security being insufficient to cover the claimed amount or amounts or if no security has been taken from the Contractor, the Railway shall be entitled to withhold and have a lien to retain to the extent of such claimed amount or amounts referred to supra, from any sum or sums found payable or which at any time thereafter may become payable to the Contractor under the same contract or any other contract with this or any other Railway or any Department of the Central Government pending finalization or adjudication of any such claim.

It is an agreed term of the contract that the sum of money or moneys so withheld or retained under the lien referred to above, by the Railway will be kept withheld or retained as such by the Railway till the claim arising out of or under the contract is determined by the arbitrator (if the contract is governed by the arbitration clause) or by the competent court as the case may be and that the Contractor will have no claim for interest or damages whatsoever on any account in respect of such withholding or retention under the lien referred to supra and duly notified as such to the Contractor. For the purpose of this clause, where the Contractor is a partnership firm or a limited company, the Railway shall be entitled to withhold and also have a lien to retain towards such claimed amount or amounts in whole or part from any sum found payable to any partner/limited company, as the case may be whether in his individual capacity or otherwise.

52-A. Lien in respect of claims in Other Contracts - Any sum of money due and payable to the Contractor (including the Security Deposit returnable to him) under the contract may be withheld or retained by way of lien by the Railway, against any Claim of this or any other Railway or any other Department of the Central Government in respect of payment of a sum of money arising out of or under any other contract made by the Contractor with this or any other Railway or any other Department or the Central Government.

It is agreed term of the contract that the sum of money so withheld or retained under this clause by the Railway will be kept withheld or retained as such by the Railway till the claim arising out of or under any other contract is either mutually settled or determined by arbitration, if the other contract is governed by arbitration clause or by the competent court as the case may be, and that the Contractor shall have no claim for interest or damages whatsoever on this account or on any other ground in respect of any sum of money withheld or retained under this clause and duly notified as such to the Contractor.

53. Signature on Receipts for Amounts - Every receipt for money which may become payable or for any security which may become transferable to the Contractor under these presents, shall, if signed in the partnership name by any one of the partners of a Contractor firm be a good and sufficient discharge to the Railway in respect of the moneys or security purported to be acknowledged thereby and in the event of death of any of the Contractor partners during the pendency of the contract it is hereby expressly agreed that every receipt by any one of the surviving Contractor partners shall if so signed as aforesaid, be a good and sufficient discharge as aforesaid provided that nothing in this clause contained shall be deemed to prejudice or effect any claim which the Railway may hereafter have against the legal representatives of any Contractor partner so dying, for or in respect of any breach of any of the conditions of the contract, provided also that nothing in this clause contained shall be deemed to prejudice or effect the respective rights or obligations of the Contractor partners and of the legal representatives of any deceased Contractor partners interse.

LABOUR

Wages to Labour:- The Contractor shall be responsible to ensure compliance with the provisions of the Minimum Wages Act, 1948 (hereinafter referred to as the “said Act”) and the Rules made there under in respect of any employees directly or through the Petty Contractors or Sub- Contractors employed by him on road construction or in building operations or in stone breaking or in stone crushing for the purpose of carrying out this contract.

If, in compliance with the terms of the contract, the Contractor directly or through the Petty Contractors or Sub-Contractors supplies any labour to be used wholly or partly under the direct orders and control of the Railway whether in connection with any work being executed by the Contractor or otherwise for the purposes of the Railway such labour shall, for the purpose of this clause, still be deemed to be persons employed by the Contractor.

If any moneys shall, as a result of any claim or application made under the said Act be directed to be paid by the Railway, such money shall be deemed to be moneys payable to the Railway by the Contractor and on failure by the Contractor to repay the Railway any moneys paid it by as aforesaid within seven days after the same shall have been demanded, the Railway shall be entitled to recover the same from any moneys due or accruing to the Contractor under this or any other contract with the Railways.

54-A. Provisions of Apprentices Act:- The Contractor shall be responsible to ensure compliance with the provisions of the Apprentices Act, 1961 and the Rules and Orders issued thereunder from time-to-time in respect of apprentices directly or through Petty contractors or Sub-Contractors employed by him for the purpose of carrying out the contract.

If the Contractor directly or through Petty Contractors or Sub-Contractor fails to do so, his failure will be a breach of the contract and the Railway may, in its discretion, rescind the contract. The Contractor shall also be liable for any pecuniary liability arising on account of any violation of the provisions of the Act.

Note: The contractors are required to engage apprentices when the works undertaken by them last for a period of one year or more and/or the cost of works is Rupees one lakh or more.

Provisions of Payment of Wages Act:- The Contractor shall comply with the provisions of the Payment of Wages Act, 1936 and the rules made thereunder in respect of all employees directly or through Petty Contractors or Sub-Contractors employed by him in the works. If in compliance with the terms of the contract, the Contractor directly or through Petty contractors or Sub-Contractors shall supply any labour to be used wholly or partly under the direct orders and control of the Engineer whether in connection with the works to be executed hereunder or otherwise for the purpose of the Engineer such labour shall nevertheless be deemed to comprise persons employed by the Contractor and any moneys which may be ordered to be paid by the Engineer shall be deemed to be moneys payable by the Engineer on behalf of the Contractor and the Engineer may on failure of the contractor to repay such moneys to the Railway deduct the same from any moneys due to the Contractor in terms of the contract. The Railway shall be entitled to deduct from any moneys due to the Contractor (whether under this contract

or any other contract) all moneys paid or payable by the Railway by way of compensation of aforesaid or for costs of expenses in connection with any claim thereto and the decision of the Engineer upon any question arising out of the effect or force of this clause shall be final and binding upon the Contractor.

55-A. Provision of Contract Labour (Regulation and Abolition) Act, 1970 :-

(1) The Contractor shall comply with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971 as modified from time-to-time, wherever applicable and shall also indemnify the Railway from and against any claims under the aforesaid Act and the Rules.

The Contractor shall obtain a valid licence under the aforesaid Act as modified from time-to-time before the commencement of the work and continue to have a valid licence until the completion of the work. Any failure to fulfil this requirement shall attract the penal provisions of the contract arising out of the resultant non-execution of the work.

The Contractor shall pay to the labour employed by him directly or through Sub-Contractors the wages as per provisions of the aforesaid Act and the Rules wherever applicable. The Contractor shall notwithstanding the provisions of the contract to the contrary, cause to be paid the wages to labour indirectly engaged on the works including any engaged by Sub-Contractors in connection with the said work, as if the labour had been immediately employed by him.

In respect of all labour directly or indirectly employed in the work for performance of the Contractor's part of the contract, the Contractor shall comply with or cause to be complied with the provisions of the aforesaid Act and the Rules wherever applicable.

In every case in which, by virtue of the provisions of the aforesaid Act of the Rules, the Railway is obliged to pay any amount of wages to a workman employed by the Contractor or his Sub-Contractor in execution of the work or to incur any expenditure in providing welfare and health amenities required to be provided under the aforesaid Act and the Rules or to incur any expenditure on account of the contingent liability of the Railway due to the Contractor's failure to fulfil his statutory obligations under the aforesaid Act or the Rules, the Railway will recover from the Contractor, the amount of wages so paid or the amount of expenditure so incurred, and without prejudice to the rights of the Railway under Section 20, Sub-Section (2) and Section 21, Sub-Section (4) of the aforesaid Act, the Railway shall be at liberty to recover such amount or part thereof by deducting it from the security deposit and/or from any sum due by the Railway to the Contractor whether under the contract or otherwise. The Railway shall not be bound to contest any claim made against it under Sub-Section (1) of Section 20 and Sub-Section (4) of Section 21 of the aforesaid Act except on the written request of the Contractor and upon his giving to the Railway full security for all costs for which the Railway might become liable in contesting such claim. The decision of the Railway regarding the amount actually recoverable from the Contractor as stated above, shall be final and binding on the Contractor.

Reporting of Accidents to Labour:- The Contractor shall be responsible for the safety of all employees directly or through Petty Contractors or Sub-Contractors employed by

him on the works and shall report serious accidents to any of them however and wherever occurring on the works to the Engineer or the Engineer's representative and shall make every arrangements to render all possible assistance.

Provisions of Workmen's Compensation Act:- In every case in which by virtue of the provision of Section 12, Sub-Section (1) of the Workmen's Compensation Act 1923, Railway is obliged to pay compensation to a workman directly or through the Petty Contractor or Sub-Contractor employed by the Contractor in executing the work, Railway will recover from the Contractor the amount of the compensation so paid, and, without prejudice to the rights of Railway under Section 12, Sub-Section (2) of the said Act, Railway shall be at liberty to recover such amount or any part thereof by deducting it from the Security Deposit or from any sum due by Railway to the Contractor whether under these conditions or otherwise, Railway shall not be bound to contest any claim made against it under Section 12, Sub-Section (1) of the said Act except on the written request of the Contractor and upon his giving to Railway full security for all costs for which Railway might become liable to consequence of contesting such claim.

57-A. Provisions of Mines Act:- The Contractor shall observe and perform all the provisions of the Mines Act, 1952 or any statutory modifications or re-enactment thereof for the time being in force and any rules and regulations made there under in respect of all the persons directly or through the Petty Contractors or Sub-Contractors employed by him under this contract and shall indemnify the Railway from and against any claims under the Mines Act, or the rules and regulations framed there under, by or on behalf of any persons employed by him or otherwise.

58. Railway not to provide quarters for Contractors:- No quarters shall normally be provided by the Railway for the accommodation of the Contractor or any of his staff employed on the work. In exceptional cases where accommodation is provided to the Contractor at the Railway's discretion, recoveries shall be made at such rates as may be fixed by the Railway for the full rent of the buildings and equipments therein as well as charges for electric current, water supply and conservancy.

59(1) Labour Camps:- The Contractor shall at his own expense make adequate arrangements for the housing, supply of drinking water and provision of latrines, and urinals for his staff and workmen, directly or through the Petty Contractors or Sub-Contractors employed on the work and for temporary crèche (Bal-mandir) where 50 or more women are employed at a time. Suitable sites on Railway land, if available, may be allotted to the Contractor for the erection of labour camps, either free of charge or on such terms and conditions that may be prescribed by the Railway. All camp sites shall be maintained in clean and sanitary conditions by the Contractor at his own cost.

(2) Compliance to rules for employment of labour:- The Contractor(s) shall conform to all laws, byelaws rules and regulations for the time being in force pertaining to the employment of local or imported labour and shall take all necessary precautions to ensure and preserve the health and safety of all staff employed directly or through the petty Contractors or Sub-Contractors on the works.

(3) Preservation or peace:- The Contractor shall take requisite precautions and use his best endeavours to prevent any riotous or unlawful behaviour by or amongst his workmen and others employed directly or through the petty Contractor or Sub_Contractors on the works and for the preservation of peace and protection of the inhabitants and security of

property in the neighbourhood of the works. In the event of the Railway requiring the maintenance of a special police force at or in the vicinity of the site during the tenure of works, the expenses thereof shall be borne by the Contractor and if paid by the Railway shall be recoverable from the Contractor.

(4). **Sanitary arrangements:-** The Contractor shall obey all sanitary rules and carry out all sanitary measures that may from time-to-time be prescribed by the Railway Medical Authority and permit inspection of all sanitary arrangements at all times by the Engineer, the Engineer's representative or the Medical Staff of the Railway. Should the Contractor fail to make the adequate sanitary arrangements, these will be provided by the Railway and the cost therefore recovered from the Contractor.

(5). **Outbreak of Infectious disease:-** The Contractor shall remove from his camp such labour and their families who refuse protective inoculation and vaccination when called upon to do so by the Engineer or the Engineer's representative on the advice of the Railway Medical Authority. Should Cholera, Plague, or other infectious disease break out, the Contractor shall burn the huts, beddings, clothes and other belongings of or used by the infected parties and promptly erect new huts on healthy sites as required by the Engineer, failing which within the time specified in the Engineer's requisition, the work may be done by the Railway and the cost therefore recovered from the Contractor.

(6). **Treatment of Contractor's staff in Railway hospitals:-** The Contractor and his staff, other than labourers directly or through the Petty contractors or Sub-Contractors employed on the work and their families requiring medical aid from the Railway hospitals and dispensaries will be treated as private patients and charged accordingly. The Contractor's labourers directly or through the Petty Contractors or Sub-Contractors employed on the work and their families will be granted free treatment in Railway hospitals and dispensaries where no hospitals or dispensaries are available provided the Contractor pays the cost of medicines, dressing and diet money according to the normal scale and additional charges for special examinations such as pathological and bacteriological examination, X-Ray, etc., and for surgical operations.

(7). **Medical Facilities at site:-** The Contractor shall provide medical facilities at the site as may be prescribed by the Engineer on the advice of the Railway Medical Authority in relation to the strength of the Contractor's resident staff and workmen directly or through the Petty Contractors or Sub-Contractors employed on the work.

(8). **Use of intoxicants:-** The sale of ardent spirits or other intoxicating beverages upon the work or in any of the buildings, encampments or tenements owned, occupied by or within the control of the Contractor or any of his employees directly or through the Petty Contractors or Sub-Contractors employed on the work shall be forbidden and the Contractor shall exercise his influence and authority to the utmost extent to secure strict compliance with this condition.

(9). **Non – employment of female labour:-** The Contractor shall see that the employment of female labour directly or through the Petty Contractors or Sub-Contractors on the work in Cantonment areas, particularly in the neighbourhood of soldiers barracks, should be avoided as far as possible.

(10). **Restrictions on the employment of retired Engineers of Railway services within two years of their retirement:-** The Contractor shall not, if he is a retired Government Engineer of Gazetted rank, himself engage in or employ or associate a retired

Government engineer of Gazetted rank, who has not completed two years from the date of retirement, in connection with this contract in any manner whatsoever without obtaining prior permission of the President and if the Contractor is found to have contravened this provision it will constitute a breach of contract and administration will be entitled to terminate the contract at the risk and cost of the contractor and forfeit his Security Deposit.

60(1). Non – employment of labourers below the age of 15:- The Contractor shall not employ children below the age of 15 as labourers directly or through Petty Contractors of Sub-Contractors for the execution of work.

(2). Medical Certificate of fitness for labour:- It is agreed that the Contractor shall not employ a person above 15 and below 19 years of age for the purpose of execution of work under the contract unless a medical certificate of fitness in the prescribed form (Proforma at Annexure – II) granted to him by a certifying surgeon certifying that he is fit to work as an adult is obtained and kept in the custody of the Contractor or a person nominated by him in this behalf and the person carries with him, while at work, a token giving a reference to such certificate. It is further agreed that the responsibility for having the adolescent examined medically at the time of appointment or periodically till he attains the age of 19 years shall devolve entirely on the Contractor and all the expense to be incurred on this account shall be borne by him and no fee shall be charged from the adolescent or his parent for such medical examination.

(3). Period of validity of medical fitness certificate:- A certificate of fitness granted or renewed for the above said purposes shall be valid only for a period of one year at a time. The certifying surgeon shall revoke a certificate granted or renewed if in his opinion the holder of it is, no longer fit for work in the capacity stated therein, where a certifying surgeon refuses to grant or renew a certificate or revoke a certificate, he shall, if so required by the person concerned, state his reasons in writing for doing so.

(4). Medical re-examination of labourer:- Where any official appointed in this behalf by the Ministry of labour is of the opinion that any person employed in connection with the execution of any work under this contract in the age group 15 to 19 years is without a certificate of fitness or is having a certificate of fitness but no longer fit to work in the capacity stated in the certificate, he may serve on the Contractor or on the person nominated by him in this regard, a notice requiring that such persons shall be examined by a certifying surgeon and such person shall not if the concerned official so directs, be employed or permitted to do any work under this contract unless he has been medically examined and certified that he has been granted a certificate of fitness or a fresh certificate of fitness, as the case may be.

Explanatory Notes on Clause 60:

(1). Only qualified medical practitioners can be appointed as “Certifying Surgeons” and the term “ Qualified Medical Practitioners” means a person holding a qualification granted by an authority specified in the Schedule to the Indian Medical Degrees Act, 1916 (VII of 1916) or in the Schedule to the Indian Medical Council Act, 1933 (XXVII) of 1933.

(2). The Certifying surgeon may be a medical officer in the service of State or Municipal Corporation.

Determination of Contract

61(1). **Right of Railway to determine the contract:-** The Railway shall be entitled to determine and terminate the contract at any time should, in the Railway's opinion, the cessation of work becomes necessary owing to paucity of funds or from any other cause what-so-ever, in which case the value of approved materials at site and of work done to date by the Contractor will be paid for in full at the rate specified in the contract. Notice in writing from the Railway of such determination and the reasons therefore shall be conclusive evidence thereof.

(2). **Payment on determination of contract by Railway:-** Should the contract be determined under subclause (1) of this clause and the Contractor claims payment for expenditure incurred by him in the expectation of completing the whole of the works, the Railways shall admit and consider such claims as are deemed reasonable and are supported by vouchers to the satisfaction of the Engineer. The Railway's decision on the necessity and propriety of such expenditure shall be final and conclusive.

(3). The Contractor shall have no claim to any payment of compensation or otherwise, howsoever on account of any profit or advantage which he might have derived from the execution of the work in full but which he did not derive in consequence of determination of contract.

62 . Determination of contract owing to default of Contractor:-

(1) If the Contractor should-

(i) becomes bankrupt or insolvent, or

(ii) make an arrangement with or assignment in favour of his creditors or agree to carry out the contract under a Committee of Inspection of his creditors, or

(iii) being a Company or Corporation, go into liquidation (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), or

(iv) have an execution levied on his goods or property on the works, or

(v) assign the contract or any part thereof otherwise than as provided in clause 7 of these conditions or

(vi) abandon the contract, or

(vii) persistently disregard the instructions of the Engineer, or contravene any provision of the contract, or

(viii) fail to adhere to the agreed programme of work by a margin of 10% of the stipulated period, or

(ix) fail to remove materials from the site or to pull down and replace work after receiving from the Engineer notice to the effect that the said materials or works have been condemned or rejected under clauses 25 and 27 of these conditions, or

(x) fail to take steps to employ competent or additional staff and labour as required under clause 26 of these conditions, or

(xi) fail to afford the Engineer or Engineer's representative proper facilities for inspecting the works or any part thereof as required under clause 28 of these conditions, or

(xii) Promise, offer or give any bribe, commission, gift or advantage either himself or through his partner, agent or servant to any officer or employee of the Railway or to any person on his or on their behalf in relation to the execution of this or any other contract with the Railway.

(xiii) (A) At any time after the tender relating to the contract has been signed and submitted by the Contractor, being a partnership firm, admit as one of its partners or employ under it or being an incorporated company elect or nominate or allow to act as one of its directors or employ under it in any capacity whatsoever any retired engineer of the gazetted rank or any other retired gazetted officer working before his retirement, whether in the executive or administrative capacity, or whether holding any pensionable post or not, in the Engineering Department of any of the Railways for the time being owned and administered by the President of India before the expiry of two years from the date of retirement from the said service of such Engineer or officer unless such Engineer or Officer has obtained permission from the President of India or any officer duly authorized by him in this behalf to become a partner or a director or to take employment under the Contractor as the case may be, or

(B) Fail to give at the time of submitting the said tender:-

(a) the correct information as to the date of retirement of such retired engineer or retired officer from the said service, or as to whether any such retired engineer or retired officer was under the employment of the Contractor at the time of submitting the said tender, or

(b) the correct information as to such engineers or officers obtaining permission to take employment under the Contractor, or

(c) being a partnership firm, the correct information as to whether any of its partners was such a retired engineer or a retired officer, or

(d) being an incorporated company, correct information as to whether any of its directors was such a retired engineer or a retired officer, or

(e) being such a retired engineer or retired officer suppress and not disclose at the time of submitting the said tender the fact of his being such a retired engineer or a retired officer or make at the time of submitting the said tender a wrong statement in relation to his obtaining permission to take the contract or if the Contractor be a partnership firm or an incorporated company to be a partner or director of such firm or company as the case may be or to seek employment under the Contractor,

than and in any of the said cases, the Engineer on behalf of the Railway may serve the Contractor with a notice (Proforma at Annexure III) in writing to that effect and if the Contractor does not within seven days after the delivery to him of such notice proceed to make good his default in so far as the same is capable of being made good and carry on

the work or comply with such directions as aforesaid to the entire satisfaction of the Engineer, the Railway shall be entitled after giving 48 hours' notice (Proforma as Annexure IV) in writing under the hand of the Engineer to rescind the contract as a whole or in part or parts (as may be specified in such notice) and adopt either or both of the following courses:-

(x). to carry out the whole or part of the work from which the Contractor has been removed by the employment of the required labour and materials, the costs of which shall include lead, lift, freight, supervision and all incidental charges;

(y). to measure up the whole or part of the work from which the Contractor has been removed and to get it completed by another Contractor, the manner and method in which such work is completed shall be in the entire discretion of the Engineer whose decision shall be final;

and in both the cases (x) and (y) mentioned above, the Railway shall be entitled (i) to forfeit the whole or such portion of the Security Deposit as it may consider fit, and (ii) to recover from the Contractor the cost of carrying out the work in excess of the sum which would have been payable according to the certificate of the Engineer to the Contractor if the works had been carried out by the Contractor under the terms of the contract, such certificate being final and binding upon the contractor. Provided, however, that such recovery shall be made only when the cost incurred in excess is more than the Security Deposit proposed to be forfeited and shall be limited to the amount by which the cost incurred in excess exceeds the Security Deposit proposed to be forfeited. The amounts thus to be forfeited or recovered may be deducted from any moneys then due or which at any time thereafter may become due to the Contractor by the Railway under this or any other contract or otherwise.

Provided always that in any case in which any of the powers conferred upon the Railway by sub-clause (1) of clause 62 hereof shall have become exercisable and the same shall not be exercised, the non-exercise thereof shall not constitute a waiver of any of the conditions thereof and such powers shall notwithstanding be exercisable in the event of any future case of default by the Contractor for which his liability for past and future shall remain unaffected.

(2). Right of Railway after rescission of contract owing to default of Contractor:-
In the event of any or several of the courses, referred to in sub-clause (1) of this clause, being adopted-

(a). the Contractor shall have no claim to compensation for any loss sustained by him by reason of his having purchased or procured any materials or entered into any commitments or made any advances on account of or with a view to the execution of the works or the performance of the contract and Contractor shall not be entitled to recover or be paid any sum for any work thereto for actually performed under the contract, unless and until the Engineer shall have certified the performance of such work and the value payable in respect thereof and the Contractor shall only be entitled to be paid the value so certified;

(b). the Engineer or the Engineer's representative shall be entitled to take possession of any materials, tools, implements, machinery and buildings on the works or on the property on which these are being or ought to have been executed, and to retain and employ the same in the further execution of the works or any part thereof until the

completion of the works without the Contractor being entitled to any compensation for the use and employment thereof or for wear and tear or destruction thereof;

(c). The Engineer shall as soon as may be practicable after removal of the Contractor fix and determine ex-parte or by or after reference to the parties or after such investigation or enquiries as he may consider fit to make or institute and shall certify what amount (if any) had at the time of rescission of the contract been reasonably earned by or would reasonably accrue to the contractor in respect of the work then actually done by him under the contract and what was the value of any unused, or partially used materials, any constructional plant and any temporary works upon the site;

(d) the Railway shall not be liable to pay to the Contractor any moneys on account of the contract until the expiration of the period of maintenance and thereafter until the costs of completion and maintenance, damages for delay in completion (if any) and all other expenses incurred by the Railway have been ascertained and the amount thereof certified by the Engineer. The contractor shall then be entitled to receive only such sum or sums (if any) as the Engineer may certify would have been due to him upon due completion by him after deducting the said amount; but if such amount shall exceed the sum which would have been payable to the Contractor, then the Contractor shall upon demand pay to the Railway the amount of such excess and it shall be deemed a debt due by the Contractor to the Railway and shall be recoverable accordingly.

SETTLEMENT OF DISPUTES

63. Matters finally determined by the Railway:- All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the progress of the work or after their completion and whether before or after the determination of the contract, shall be referred by the Contractor to the Railway and the Railway shall within 120 days after receipt of the Contractor's representation make and notify decisions on all matters referred to by the contractor in writing provided that matters for which provision has been made in clauses 8(a), 18, 22(5), 39, 43(2), 45(a), 55, 55-A,(5), 57, 57-A, 61(1), 61(2) and 62(1) (B) of the General Conditions of Contract or in any clause of the special conditions of the contract shall be deemed as "excepted matters" and decisions of the Railway authority, thereon shall be final and binding on the Contractor provided further that " excepted matters" shall stand specifically excluded from the purview of the arbitration clause and shall not be referred to arbitration.

64(1) (i). **Demand for Arbitration-** In the event of any dispute or difference between the parties hereto as to the construction or operation of this contract , or the respective rights and liabilities of the parties on any matter in question, dispute or difference on any account, or as to the withholding by the Railway or any certificate to which the Contractor may claim to be entitled to, or if the Railway fails to make a decision within 120 days, then and in any such case, but except in any of the 'excepted matters' referred to in clause 63 of these conditions, the Contractor, after 120 days but within 180 days of his presenting his final claim on disputed matters, shall demand in writing that the dispute or difference be referred to arbitration.

64(1)(ii). The demand for arbitration shall specify the matters which are in question or subject of the dispute or difference as also the amount of claim item-wise. Only such dispute(s) or difference(s) in respect of which the demand has been made, together with

counter claims or set off shall be referred to arbitration and other matters shall not be included in the reference.

- (a) The Arbitration proceedings shall be assumed to have commenced from the day, a written and valid demand for arbitration is received by the Railway.
- (b) The claimant shall submit his claim stating the facts supporting the claims alongwith all relevant documents and the relief or remedy sought against each claim within a period of 30 days from the date of appointment of the Arbitral Tribunal.
- (c) The Railway shall submit its defence statement and counter claim(s), if any, within a period of 60 days of receipt of copy of claims from Tribunal thereafter, unless otherwise extension has been granted by the Tribunal]

64(1)(iii). No new claim shall be added during proceedings by either party. However, a party may amend or supplement the original claim or defence thereof during the course of arbitration proceedings subject to acceptance by the Tribunal having due regard to the delay in making it.

64(1)(iv). If the Contractor(s) does/do not prefer his/their specific and final claims in writing, within a period of 90 days of receiving the intimation from the Railway that the final bill is ready for payment, he/they will be deemed to have waived his/their claim(s) and the Railway shall be discharged and released of all liabilities under the contract in respect of these claims.

64(2) Obligation during pendency of arbitration - Work under the contract shall, unless otherwise directed by the Engineer, continue during the arbitration proceedings, and no payment due or payable by the Railway shall be withheld on account of such proceedings, provided, however, it shall be open for Arbitral Tribunal to consider and decide whether or not such work should continue during arbitration proceedings.

64(3)(a)(i) Appointment of Arbitration Tribunal - In cases where the total value of all claims in question added together does not exceed Rs.10,00,000/- (Rupees Ten lakhs only), the Arbitral Tribunal consist of a sole arbitrator who shall be either the General Manager or a gazetted officer of Railway not below the grade of JA grade nominated by the General Manager in that behalf. The sole arbitrator shall be appointed within 60 days from the day when a written and valid demand for arbitration is received by the Railway.

64(3)(a)(ii) In cases not covered by clause 64(3)(a)(i), the Arbitral Tribunal shall consist of a panel of three Gazetted Railway officers not below JA grade, as the arbitrators. For this purpose, the Railway will send a panel of more than 3 names of Gazatted Railway officers of one or more departments, of the Railway to the Contractor who will be asked to suggest to the General Manager upto 2 names out of the panel for appointment as the Contractor's nominee. The General Manager shall appoint at least one out of them as the Contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'presiding arbitrator' from amongst the 3 arbitrators so appointed. While nominating the arbitrators it will be necessary to ensure that one of them is from the Accounts Department. An officer of Selection Grade of the Accounts Department shall be considered of equal status

to the officers in SA grade of other Departments of the Railways for the purpose of appointment of arbitrators.

64(3)(a)(iii) If one or more of the arbitrators appointed as above refuses to act as arbitrator, withdraws from his office as arbitrator, or vacates his/their office/offices or is/are unable or unwilling to perform his functions as arbitrator for any reason whatsoever or dies or in the opinion of the General Manager fails to act without undue delay, the General Manager shall appoint new arbitrator/arbitrators to act in his/their place in the same manner in which the earlier arbitrator/arbitrators had been appointed. Such re-constituted Tribunal may, at its discretion, proceed with the reference from the stage at which it was left by the previous arbitrator(s).

64(3)(a)(iv) The Arbitral Tribunal shall have power to call for such evidence by way of affidavits or otherwise as the Arbitral Tribunal shall think proper, and it shall be the duty of the parties hereto to do or cause to be done all such things as may be necessary to enable the Arbitral Tribunal to make the award without any delay.

64(3)(a)(v) While appointing arbitrator(s) under sub-clause(i),(ii) and (iii) above, due care shall be taken that he/they is/are not the one/those who had an opportunity to deal with the matters to which the contract relates or who in the course of his/their duties as Railway servant(s) expressed views on all or any of the matters under dispute or differences. The proceedings of the Arbitral Tribunal or the award made by such Tribunal will, however, not be invalid merely for the reason that one or more arbitrator had, in the course of his service, opportunity to deal with the matters to which the contract relates or who in the course of his/their duties expressed views on all or any of the matters under dispute.

64(3)(b)(i) The arbitral award shall state itemwise, the sum and reasons upon which it is based.

64(3)(b)(ii) A party may apply for corrections of any computational errors, any typographical or clerical errors or any other error of similar nature occurring in the award and interpretation of a specific point of award to Tribunal within 30 days of receipt of the award.

64(3)(b)(iii) A party may apply to Tribunal within 30 days of receipt of award to make an additional award as to claims presented in the arbitral proceedings but omitted from the arbitral award.

64.4 In case of Tribunal, comprising of three members, any ruling or award shall be made by a majority of members of the Tribunal. In the absence of such a majority, the views of the Presiding Arbitrator shall prevail.

64.5 Where the arbitral award is for the payment of money, no interest shall be payable on whole or any part of the money for any period till the date on which the award is made.

64.6 The cost of arbitration shall be borne by the respective parties. The cost shall inter-alia include fee of the arbitrator(s) as per the rates fixed by the Railway Administration from time to time.

64.7 Subject to the provisions of the aforesaid, Arbitration and Conciliation Act 1996 and the rules there under and any statutory modification thereof shall apply to the arbitration proceedings under this clause.

