

Part-3**SECTION-III****SPECIAL CONDITIONS OF CONTRACT**

The following Special Conditions of Contract (SCC) shall supplement and / or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

- 1. MOBILISATION TIME:** The mobilization of equipment, personnel etc. by the Contractor should be completed as given below:

Applicable part of the Contract	Mobilisation Period	Completion of Mobilisation
Main LSTK-EPC work	30 days from the date of issue of Mobilization Notice after Issuance of LOA.	Mobilization shall be deemed to be completed when Contractor's team comprising of the Project Manager, Domain experts etc. reach the project site at OIL, Duliajan, Assam for Kick-Off meeting and design discussion with OIL/PMC team. The initial site visit shall not be less than 5 full working days.
3 Months initial Operation alongwith 1 Year Maintenance Service of the GEG Plant during warranty period	From the next day after completion of LSTK Contract.	Mobilization shall be deemed to be completed when Contractor's Operation Personnel reaches OIL, Duliajan, Assam.
Comprehensive Long Term Maintenance Service (LTMS) of the GEG Plant for 2 (two) years with provision of extension by 1 (one) year , after completion of Warranty	From the next day after completion of the warranty period.	Mobilization shall be deemed to be completed when Contractor's Maintenance Personnel reaches OIL, Duliajan, Assam.

- 2. DATE OF COMMENCEMENT OF OPERATION:** The dates on which the mobilization notice is served will be treated as the date of Commencement of Operation against the contract.
- 3. DURATION OF CONTRACT:** The contract shall be for a period covering all of the following individual Completion Periods. The terms and conditions shall continue until the completion of the Contract.

Applicable part of the Contract	Completion period
Main LSTK-EPC work	22 (Twenty-two) Months from the date of issue of Mobilization Notice after Issuance of LOA
3 Months initial Operation alongwith 1 Year Maintenance Service of the GEG Plant during warranty period	12 (Twelve) Months after successful plant commissioning
Comprehensive Long Term Maintenance Service (LTMS) of the GEG Plant for 2 (two) years with provision of extension by 1 (one) year, after completion of Warranty	24 (Twenty Four) Months extendible by 12 (Twelve) Months after completion of the warranty period

4. Liquidated damages on account of Delay:

- 4.1 Time is the essence of this Contract. In the event of the Contractor's default in timely mobilization for commencement of operations within the stipulated period as per the contract, the Contractor shall be liable to pay liquidated damages, as given below, reckoned from the date after expiry of the scheduled mobilisation period till the date of **commencement of Operation**.

Applicable part of the Contract	Applicable LD
Main LSTK-EPC work	@ 0.5% of the Main LSTK-EPC contract value per week or part thereof of delay subject to maximum of 7.5%.
3 Months initial Operation alongwith 1 Year Maintenance Service of the GEG Plant during warranty period	@ 0.5% of the 3 Months initial Operation and 1 Year Maintenance Service contract value per week or part thereof of delay subject to maximum of 7.5%.

Comprehensive Long Term Maintenance Service (LTMS) of the GEG Plant for 2 (two) years with provision of extension by 1 (one) year, after completion of Warranty	@ 0.5% of the Comprehensive Long Term Maintenance Service LTMS contract value per week or part thereof of delay subject to maximum of 7.5%.
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- 4.2 If the Contractor fails to mobilise within 15 weeks after the stipulated date, then the Company reserves the right to cancel the Contract without any compensation whatsoever.
- 4.3 If the Contractor fails to Complete the works within the completion dates as per the contract, he shall be liable to pay liquidated damages (LD) for the delay at the rate as given below:

Applicable part of the Contract	Applicable LD
Main LSTK-EPC work	@ 0.5% of the Main LSTK-EPC contract value per week or part thereof of delay subject to maximum of 7.5%.
3 Months initial Operation and 1 Year Maintenance Service of the GEG Plant during warranty period	@ 0.5% of the 3 Months initial Operation and 1 Year Maintenance Service contract value per week or part thereof of delay subject to maximum of 7.5%.
Comprehensive Long Term Maintenance Service (LTMS) of the GEG Plant for 2 (two) years with provision of extension by 1 (one) year, after completion of Warranty	@ 0.5% of the Comprehensive Long Term Maintenance Service LTMS contract value per week or part thereof of delay subject to maximum of 7.5%.

- 4.4 The total amount of liquidated damages on account of delay shall not exceed **7.5% of the** respective **Contract Price**.
- 4.5 The total amount of liquidated damages against **Main LSTK EPC Work** on account of (a) Delay and (b) Non-fulfillment of guaranteed performance parameters of the GEG Plant shall not in any case exceed **Fifteen Percent (15 %) of the Main LSTK-EPC work Contract Price**. The Company (OIL) shall deduct the amount of such liquidated damage from any money due or which may become due to the Contractor under this Contract, and/or recover such liquidated damage from the Performance Guarantee of the Contractor.
- 4.6 Liquidated damages/Price reduction on account of (a) Non-fulfillment of guaranteed performance parameters of the GEG Plant and (b) Non Fulfilment of Guaranteed Availability is specified in relevant clauses of **Part-3 Section-II, Doc. No. 18210-FND-SPC-G-0001 (Document G0)**

5. PERFORMANCE SECURITY:

PBG for the Main LSTK EPC contract shall be @10% of the corresponding Contract value and shall be Valid for 3 months beyond the expiry of the Warranty/defect liability period.

Towards O&M, separate PBG to be submitted @ 10% on annualised value. Bidder to confirm the same while quoting.

6. SUBCONTRACT ING/ASSIGNMENT:

Contractor shall not subcontract, transfer or assign the contract, in full or any part under this contract, to any third party (ies). Except for the main services under this contract, Contractor may sub-contract the petty support services* subject to Company's prior approval. However, Contractor shall be fully responsible for complete execution and performance of the services under the Contract.

Note: *The petty support services may be defined as housekeeping, sanitation, miscellaneous unskilled manpower, security services etc. which will only be allowed to sub-contract by the LSTK contractor.

7. Insurance:

7.1 CONTRACTOR shall at his own expense arrange secure and maintain insurance with reputed insurance companies to the satisfaction of the Company as follows:

Contractor at his cost shall arrange, secure and maintain insurance as may be necessary and to its full value for all such amounts to protect the works in progress from time to time and the interest of Company against all risks as detailed herein. The form and the limit of such insurance, as defined here in together with the under works thereof in each case should be as acceptable to the Company. However, irrespective of work acceptance the responsibility to maintain adequate insurance coverage at all times during the period of Contract shall be that of Contractor alone. Contractor's failure in this regard shall not relieve him of any of his responsibilities & obligations under Contract. All costs on account of insurance liabilities covered under Contract will be to Contractor's account and will be included in Value of Contract. However, the Company may from time to time, during the currency of the Contract, ask the Contractor in writing to limit the insurance coverage risk and in such a case, the parties to the Contract will agree for a mutual settlement, for reduction in

value of Contract to the extent of reduced premium amounts. Contractor shall cover insurance with Indian Insurance Companies.

7.2 Any deductible set forth in any of the above insurance shall be borne by Contractor.

7.3 CONTRACTOR shall require all of his sub-Contractor to provide such of the foregoing insurance coverage as Contractor is obliged to provide under this Contract and inform the Company about the coverage prior to the commencement of agreements with its sub-Contractors.

7.4 All insurance taken out by Contractor or their sub-contractor shall be endorsed to provide that the underwriters waive their rights of recourse on the Company and to the extent of the liabilities assumed by Contractor under this Contract.

7.5 **Certificate of Insurance:**

Before commencing performance of the CONTRACT, CONTRACTOR shall furnish OIL with certificates of insurance indicating:

- a) Kinds and amounts of insurance as required herein
- b) Details of coverage
- c) Insurance corporation or companies carrying the aforesaid coverage
- d) Effective and expiry dates of policies
- e) That OIL shall be given thirty (30) days written advance notice of any material change in the policy
- f) Waiver of subrogation endorsement has been attached to all policies and
- g) The territorial limits of all policies.

7.6 Contractor shall also inform the Company at least 60 days in advance regarding the expiry cancellation and/or changes in any of such documents & ensure revalidation/renewal, etc., as may be necessary well in time.

7.7 If any of the above policy expire or / are cancelled during the term of this CONTRACT and CONTRACTOR fails for any reason to renew such policies, OIL in no case shall be liable for any loss / damage occurred during the term when the policy is not effective. Furthermore, a penal interest @ 1% of the Total contract value shall be charged towards not fulfilling of the contractual

obligations. Notwithstanding above, should there be a lapse in any insurance required to be taken by the Contractor for any reason whatsoever, loss/damage claims resulting therefrom shall be to the sole account of Contractor.

7.8 Contractor on demand from Company shall furnish the Insurance Policy having detail terms and conditions, with respect to any Certificate of Insurance submitted to the Company.

7.9 For Contractor's property:
CONTRACTOR shall, at his own expense, arrange appropriate comprehensive insurance to cover all risks assumed by the CONTRACTOR under this CONTRACT in respect of CONTRACTOR's equipment, tools and any other belongings of the CONTRACTOR and its personnel as well deputed under this CONTRACT during the entire period of their engagement in connection with this CONTRACT including extensions if any. The CONTRACTOR shall also carry adequate insurance cover against damage/loss to third party person/property. OIL will have no liability on this account.

7.10 Principal Assured

The following are to be included as Principal Assured(s) in the Insurance Policies (except in case of Workmen's Compensation / Employer's Liability insurance):

"Oil India Limited, and CONTRACTOR's name (as appearing in the Contract / LOA)"

7.11 **Waiver of subrogation:**

All insurance policies of the CONTRACTOR with respect to the operations conducted hereunder as set forth in clauses hereof, shall be endorsed by the underwriter in accordance with the following policy wording:

"The insurers hereby waive their rights of subrogation against Oil India Limited or any of their employees or their affiliates and assignees".

7.12 **Deductible:**

The CONTRACTOR shall take policy with minimum deductible as per IRDA prescribed for the policy(ies). That portion of any loss not covered by insurance provided for in this article solely by reason of deductible provision in such insurance policies shall be to the account of the CONTRACTOR.

7.13 **Compliance with Sec 25(1), of “The General Insurance Business (Nationalization) Act 1972”**

Section 25(1) of “The General Insurance Business (Nationalization) Act 1972” is reproduced below:

“No person shall take out or renew any policy of insurance in respect of any property in India or any ship or other vessel or aircraft registered in India with an insurer whose principal place of business is outside India save with the prior permission of the Central Government”.

The above requirement of aforesaid Act needs to be complied with by the CONTRACTOR wherever the aforesaid provisions of Act apply, and compliance confirmations submitted.

7.14 **Loss Payee Clause:**

The Insurance Policies should mention the following in Loss Payee Clause:

“In respect of Insurance claims in which OIL’s interest is involved, written consent of OIL will be required.

7.15 **On account payment to OIL in case of claim**

In case any loss or damage happen and where OIL’s interest is involved, OIL reserves the right to recover the loss amount from the CONTRACTOR prior to final settlement of the claim.

7.16 CONTRACTOR shall require all of its SUB-CONTRACTORS to provide such of the foregoing insurance cover as the CONTRACTOR is obligated to provide under this CONTRACT.

7.17 CONTRACTOR shall at all time during the currency of the contract provide, pay for and maintain the following insurance amongst others:

- i) **Workman Compensation and/ Employers’ Liability Insurance:** Workmen's compensation and employer's liability insurance as required by the laws of the country of origin of the employee.
- ii) **Commercial General Liability Insurance:** Commercial General Public Liability Insurance covering liabilities including contractual liability for bodily injury, including death of persons, and liabilities for damage of property. This insurance must cover

all operations of CONTRACTOR required to fulfil the provisions under this Contract.

- iii) **Comprehensive General Automotive Liability:** Automobile Public Liability Insurance covering owned, non-owned and hired automobiles used in the performance of the work hereunder, with bodily injury limits and property damage limits shall be governed by Indian Insurance Regulations.
- iv) **Carrier's Legal Liability Insurance:** Carrier's Legal Liability Insurance in respect of **all CONTRACTOR's items** to be transported by the CONTRACTOR to the site of work, for physical loss or destruction of or damage to goods or merchandise, while in transit.
- v) **Public Liability Act Policy:** Public Liability Act Policy covering the statutory liability arising out of accidents occurring during the currency of the contract due to handling hazardous substances as provided in the Public Liability Insurance Act 1991 and the Rules framed there under.
- vi) **Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).** CONTRACTOR shall, ensure that all his/ its personnel deployed under this contract have obtained additional insurance coverage under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) through the participating banks and submit the proof of such insurance coverage to the satisfaction of OIL.
- vii) CONTRACTOR's equipment used for execution of the work hereunder shall have an insurance cover with a suitable limit (as per international standards).

7.18 **Sum Assured** : Not less than Estimated Contract Value as per the LOA/Contract in case of Projects/Works Contracts. In case of annualized contract One year Estimated Contract Value

7.19 **Period of Insurance:** To be valid upto scheduled completion date of the Main LSTK EPC Contract.

7.20 **Extension** : In case of extension of contract, the CONTRACTOR shall arrange to extend the insurance policies in order to cover the extension period

suitably at his own expense. On written request of the CONTRACTOR along with sufficient proof, if the contract is extended by whatsoever reason and such delay is attributable to OIL, then OIL shall reimburse the cost of extension of policies to the CONTRACTOR.

7.21 **Additional Insurance requirement:**

A. **Erection All Risk Policy (EAR):** Erection All Risk Insurance for storage, assembly/erection, testing and commissioning of the following types of activities covering comprehensive cover for:

- Setting up a new project/individual machines
- Expansion of an existing project
- Dismantling and re-erection of an existing facility
- To cover from the time of unloading of the first consignment at the project site till completion of testing or handing over of the project to OIL, or the period chosen, whichever is earlier.

B. **Contractor Plant and Machinery Insurance Policy (CPM):** Contractor Plant and Machinery Insurance Policy to protect the accidental damage to civil Construction works, contractor's plants and machinery at the construction site and damage / defects during the subsequent period of maintenance for which the contractors is liable under the terms of the agreement between the contractors and the principle.

Note: An undertaking by the service provider has to be mandatorily provided during the Mobilization time that they have taken all the Insurance provisions as per the contract and as the Law and Insurance Regulation.