

## **SECTION 3**

### **CONDITIONS OF CONTRACT**

**Part - I GENERAL CONDITIONS OF CONTRACT (GCC)**

**Part - II SPECIAL CONDITIONS OF CONTRACT (SCC)**

## GENERAL CONDITIONS OF CONTRACT

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### A) GENERAL

#### 1 DEFINITIONS

##### 1.1 Parties and Persons

- 1.1.1 “Employer” is the party who will employ the Contractor to carry out the Works and named as Employer in the Contract Agreement and the legal successors in title to such party.
- 1.1.2 “Contractor” is a person (or corporate body or JV/Consortium) whose bid to carry out the Works has been accepted by the Employer and the legal successor in title to such person.
- 1.1.3 “Employer’s Representative” means the Engineer-in-Charge/Nodal Officer who is the person named by the Employer in the Contract Data (or any other person appointed and notified to the contractor to act in replacement of the Engineer-in-Charge/Nodal Officer) who is responsible for supervising the work being performed by the Contractor, administering the contract, certifying payments due to the Contractor, issuing and valuing Variations to the Contract, awarding extensions of time and valuing the Compensation Events.
- 1.1.4 “Contractor’s Representative” means the person named as such in the Contract holding the power of attorney, for and on behalf of the Contractor and appointed from time to time by the Contractor.
- 1.1.5 “Subcontractor” means any person or corporate body named in the Contract or having been nominated post award of the work for execution of specific assignments/works, designated by the Contractor, with the consent of the Employer, as a subcontractor, manufacturer or supplier for a part of the Works.

##### 1.2 The Contract and Documents

- 1.2.1 “Contract” is the contract between the Employer and the Contractor to execute and complete the Works. It consists of the documents listed in Clause 9 of ITB.

- 1.2.2 “**Contract Data**” defines the documents and other Data/information commitments of Employer and contractor which comprise the Contract.
- 1.2.3 “**Contractor’s Bid**” is the completed Bidding documents submitted by the Contractor to the Employer.
- 1.2.4 “**Letter of Acceptance**” means the formal acceptance of the Employer of the Bid/Tender.
- 1.2.5 “**Contract Agreement**” : Means the executed Contract Agreement between the Contractor and the Employer.
- 1.2.6 “**Specification**” means the Specification of the Works included in the Contract and any modification or addition made or approved by the Employer.
- 1.2.7 “**Drawings**” means all drawings, calculations and technical information of a like nature provided by the Employer to the Contractor under the Contract and all drawings, calculations, samples, models, operation and maintenance manuals and other technical information of a like nature submitted by the Contractor and approved by Employer’s Representative.
- 1.2.8 “**Bill of Quantities**” means the priced and completed Bill of Quantities forming part of the Bid/Tender.

### 1.3 Dates, Times and Periods

- 1.3.1 **Days** are calendar days, **months** are calendar months.
- 1.3.2 “**Base Date**” means the date 28 days prior to the latest date for submission of the Bid/Tender for acceptance by the Employer.
- 1.3.3 “**Start Date**” means the date on which the Contractor receives the notice issued by the Employer’s Representative to commence execution of the Works, or the date of handing over the possession of the site, which ever is later.
- 1.3.4 “**Completion Date**” is the date of completion of the Works or a section of Works (as the case may be), and passing the Tests on Completion certified by the Employer. This shall include all authorized extension.

## 1.4 Tests and Completion

- 1.4.1 “Tests for Completion” means the tests specified in the Contract and any other tests as may be agreed by the Employer’s Representative and the Contractor or instructed in writing as a Variation, which are to be carried out before the Works or any Section of Works are taken over by the Employer.
- 1.4.2 “Taking-Over Certificate” means a certificate issued under Clause 6.5.
- 1.4.3 “Tests after Completion” means the tests specified in the Contract which are to be carried out after the Works or any Section are taken over by the Employer.
- 1.4.4 “Performance Certificate” means the certificate issued defining the performance of the works, having been taken over by the Employer.

## 1.5 Money and Payments

- 1.5.1 “Contract Price” is the price stated in the letter of acceptance and thereafter as adjusted in accordance with the provisions of the Contract.
- 1.5.2 “Local Currency” means the currency of the Country, where the works are being performed
- 1.5.3 “Foreign Currency” means a freely convertible currency, named in the Bid/Tender as a currency in which part of the Contract price is payable, but not the Local Currency.

## 1.6 Other Definitions

- 1.6.1 “Works” means the Permanent Works and the Temporary Works or either of them as appropriate.
- 1.6.2 “Permanent Works” are the works, which the Employer requires the Contractor to construct, install and over to the Employer as defined in the Contract Data.

- 1.6.3           **“Temporary Works”** are works designed, constructed, installed and removed by the Contractor which are needed for construction or installation of the Works and the remedying of any defects therein.
- 1.6.4           **“Section”** means a part of the Works specifically identified in the Contract as a Section.
- 1.6.5           **“Plant”** means any integral part of the Permanent Works which is to have mechanical, electrical, electronic, chemical or biological functions.
- 1.6.6           **“Contractor’s Equipment”** is the Contractor’s machinery, appliances and vehicles brought temporarily to the Site to construct the Works, but does not include Plant, Materials or other things intended to form or forming part of the Permanent Works.
- 1.6.7           **“Site”** is the area/places provided by the Employer where the Works are to be executed and any other places/areas specifically designated in the Contract as forming part of the Site.
- 1.6.8           **“Site Investigation Reports”** are those which were included in the Bidding documents and are factual interpretative reports about the surface and sub-surface conditions at the site.
- 1.6.9           **“Materials”** are all supplies, including consumables, used by the contractor for incorporation in the Works.
- 1.6.10          **“Variation”** means any alteration and/or modification to the Employer’s requirements, which is instructed and approved by the Employer’s Representative as a Variation.
- 1.6.11          **“Defect”** means any part of the Works not completed or those which are non performing in accordance with the Contract.
- 1.6.12          **“Defects Liability Period”** is the period, through which the performance of the work is established and is as mentioned in the contract.
- 1.6.13          (a)   **“Force Majeure”** are the situations as defined in the Contract.  
                  (b)   **“Compensation Events”** are the situations as defined in the Contract.
- 1.6.14          **“Trained Work Persons”** are those employed / proposed to be employed by the Contractor at the Works Site, who have participated and are in possession of a valid Competency Certificate through a programme run under

the auspices of the State Technical Board or Ministry of Labour, Government of India.

## 2 INTERPRETATION

- 2.1 In interpreting these Conditions of Contract, singular also means plural, male also means female or neuter and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Nodal Officer or his nominee will provide instructions clarifying queries about the Conditions of Contract.
- 2.2 If sectional completion is specified in the Contract Data, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion date for the whole of the Works).
- 2.3 The documents forming the Contract shall be interpreted in the following order of priority:
- a. Contract Agreement (if completed)
  - b. Letter of Acceptance and notice to proceed with works
  - c. Contractor's Bid
  - d. Contract Data
  - e. Conditions of Contract including General Conditions and Special Conditions of Contract
  - f. Specifications
  - g. Drawings
  - h. Bill of quantities and Price Schedule
  - i. Any other documents listed in the Contract Data as forming part of the Contract.
- 2.4 The words incorporating Person(s) or Party(Parties) shall include Firms, Corporations, Joint Ventures, Consortiums, Government Entities and other Bodies whether incorporated or not but having legal entity.
- 2.5 Unless inconsistent with any provisions of the Contract, the interpretation of any trade term and the rights and obligations of Parties there under shall be as prescribed by International Rules for interpreting trade terms (Incoterms 2000 or



latest edition) published by International Chamber of Commerce, 38, Cours Albert 1<sup>er</sup>, 75008 Paris, France. Or any other internationally acknowledged Institution.

### **3 LANGUAGE AND LAW**

3.1 “Language” : The ruling language of the Contract and language for communication shall be ‘English’.

3.2 “Governing Law”: The Contract shall be governed by the law of the Country. The country unless otherwise stated in the Contract Data shall be India.

### **4 EMPLOYER’S REPRESENTATIVE OR HIS NOMINEE’S DECISIONS**

4.1 The persons, duly named in the Contract Data, will decide contractual matters between the Employer and the Contractor in the role representing the Employer.

4.2 Except where otherwise specifically stated, the Nodal Officer/Project Manager or his nominee as mentioned in the Contract Data will be the Employer’s Representative for all Techno-Commercial matters under the Contract and will remain the Nodal Agency for this purpose during the execution of the Contract.

4.3 Except where otherwise specifically stated, the Engineer-in-Charge or his nominee as mentioned in the Contract Data shall be the Employer’s Representative for all matters relating to execution of the Contract at site for construction, erection & commissioning of the facilities.

### **5 DELEGATION**

5.1 The Engineer-in-Charge/Nodal Officer or his nominee may delegate any of the duties and responsibilities to other people after notifying the Contractor and may cancel any such delegation after notifying the Contractor.

## **6 COMMUNICATIONS**

6.1 Communications between the parties to be given under the Contract shall be effective only when in writing and shall be sent by personal delivery, Airmail post, special courier, facsimile or email to the address of the relevant party set out in the Contract. Communications shall be deemed to include any approvals, consents, instructions, notices, orders, amendment to the Contract and certificates to be given under the Contract.

## **7 JOINT VENTURE**

7.1 Where the Contractor is a Joint Venture or Consortium of two or more persons or Corporate Bodies, all such entities shall be jointly and severally liable to the Employer for fulfillment of the terms of Contract and satisfactorily completing the task as per the contract. Such entities shall designate one of them to act as leader with authority to bind the Joint Venture (or Consortium) and each of its members. The composition or the constitution of the Joint Venture (or Consortium) shall not be altered without the prior consent of the Employer.

## **8 SUBCONTRACTING**

8.1 The Contractor may subcontract with the approval of the Nodal Officer or his nominee but may not transfer or assign the Contractor or any part thereof without the prior written consent and approval of the Employer. Any subcontracting shall not relieve the Contractor from any contractual obligations or responsibility under the Contract.

8.2 If the Contract Data or SCC (Special Conditions of Contract) specifies major items of supply or services and a list of approved Subcontractors/Vendors against each item, the Contractor shall strictly adhere to select and employ its subcontractor/Vendor from these designated Subcontractors/Vendors listing for procurement of goods and/or services for such major items. However, under very special and extra-ordinary circumstances, Contractor may request Employer for change of subcontractors/vendors giving sufficient reasons and credentials for evaluation by the Employer for approval within reasonable time so as not to impede the progress of work on the concerned Facility.

### 8.3 Other Contractors

The Contractor shall co-operate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of other contractors. The Contractor shall as referred to in the Contract Data, also provide facilities and services for them as described in the Schedule. The Employer may modify the schedule of other contractors and shall notify the contractor of any such modification.

## 9 PERSONNEL

9.1 The Contractor shall employ the key personnel named in the Schedule of Key Personnel as referred to in the Contract Data to carry out the functions stated in the Schedule or other personnel approved by the Nodal Officer or his nominee. The Nodal Officer or his nominee will approve any proposed replacement of Key personnel only if their qualifications, abilities, and relevant experience are substantially equal to or better than those of the personnel listed in the Schedule.

9.2 If the Engineer-in-Chief/Nodal Officer or his nominee asks the Contractor to remove a person who is a member of the Contractor's staff or his work force stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connections with the work in the Contract.

## 10 RISKS

The Risks could be Force-Majeure risks, Employer's risks and Contractor's risks. The Employer takes care of the risks which this contract states are Employer's risks and the Contractor takes care of the risks which this Contract states are Contractor's risks. The force-Majeure risks are beyond the control of either the Employer or the Contractor and the resultant affect shall be shared individually, without staking a claim either way.

### 10.1 Force-Majeure Risks

The Force-Majeure risks are

- (a) War, Hostilities, invasion, act of foreign enemies, rebellion, revolution, insurrection of military or usurped power, or civil war;
- (b) Contamination by radio activity from any nuclear fuel, or from any nuclear waste or radioactive toxic explosive;

- (c) Pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.
- (d) Flood, tornadoes, earthquakes and landslides or any loss or damage caused by forces of nature against which an experienced contractor could not reasonably have been expected to take precautions.

Whereas both the Employer and the Contractor shall share the affect of individual resultants, the costs and implications of any rehabilitation or reconstruction shall have to be executed by the Contractor, upon receiving the notices from the Employer and the contractor shall be compensated for this work by the employer, through payments and suitable authorized extension of time for this.

## 10.2 Employer's Risks

- a. Loss or damage due to the use or occupation by the Employer of any Section or part of the permanent works, except as may be provided for in the Contract.
- b. Loss or damage to the extent that it is due to the design of the Works, other than any part of the design provided by the contractor or for which the Contractor is responsible; and
- c. Any operation of the forces of nature (in so far as it occurs on the site) which an experienced Contractor.
  - (i) Could not have reasonably foreseen, or
  - (ii) Could reasonably have foreseen, but against which he could not reasonably have taken at least one of the following measures:
    - Prevent loss or damage to physical property from occurring by taking appropriate measures, or
    - Insure against.
- d. Damages due to any Political, Religious incidence, and that, arising out of any statutory/legal notification.
- e. Riot, commotion or disorder, unless solely restricted to employees of the Contractor or his sub-contractors and arising from the conduct of the works.

### 10.3 Contractor's Risks

All risks of loss of or damage to physical property and of personal injury and death which arise during and in consequence of the performance of the Contract other than the Employer's risks are the responsibility of the Contractor.

## 11 COMPENSATION EVENTS

11.1 The Compensation Events shall cover all incidences, and the onus in Clause 10.0 above, and shall include following, as well as the provisions enshrined in the undertakings given by the Employer and Contractor.

11.2 The following compensation events unless they are caused by the Contractor would be applicable:

- a. The Employer does not give access to a part of the site by the site possession date stated in the Contract Data.
- b. The Employer modifies the schedule of other contractors in a way which affects the work of the Contractor under the contract.
- c. The Employer's representative orders a delay or does not issue drawings, specifications or instructions required for execution of works on time.
- d. The Employer's representative instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no defects.
- e. The Employer's representative unreasonably does not approve for a subcontract to be let.
- f. Ground conditions are substantially more adverse than could reasonably have been assessed from the information issued to bidders (including the site Investigation Repots) before issuance of Letter of Acceptance.
- g. The Employer's representative's gives an instruction for dealing with an unforeseen condition, or additional work required for safety or other reasons.

- h. Other Contractors, public authorities, utilities or the Employer does not work within the dates and other constraints stated in the Contract that cause delay or extra work to the Contractor.
- i. The advance payment is delayed
- j. The effect on the Contractor of any of the Employer's Risks.
- k. The Employer's representative unreasonably delays issuing a certificate of completion.
- l. Any other compensation Event specifically listed in the Contract Data or mentioned in the contract.

Whenever any compensation event occurs, the contractor will notify the employer, within 14 days and provide a forecast cost of the compensation event.

## 12 GRANT OF COMPENSATION

12.1 As soon as information demonstrating the effect of each Compensation Event has been provided by the Contractor with forecast cost details, it is to be assessed by the Employer's representative. If a Compensation Event would cause an additional cost or would prevent the work being completed before the intended completion date, the Contract Price shall be increased and /or the Intended Completion Date shall be extended. The Employer's representative shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended. If the Contractor's forecast cost is deemed unreasonable, the Employer's representative shall adjust the contract price based on Employer's representative's own assessment. The Employer's representative will assume that the Contractor will react competently and promptly to the cost/time compensation granted for the event.

## 13 INSURANCE

13.1 The Contractor shall provide in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles stated in the Contract Data for the following events which are due to the Contractors risks.

- a. Loss of or damage to the Works, Plant and Materials

- b. Loss of or damage to Equipment;
- c. Loss of or damage of property (except the Works, Plant, Materials and Equipment) in connection with the Contract; and
- d. Personal injury or death.

13.2 Policies and certificates for insurance shall be delivered by the Contractor to the Nodal Officer or his nominee for the Nodal Officer or his nominee's approval before the Start Date. All such insurances shall provide for compensation to be payable in the types and proportions of currencies required to rectify the loss or damage incurred.

13.3 If the Contractor does not provide any of the policies and certificates required, the Employer may effect the insurance which the Contractor should have provided and recover the premiums which the Employer has paid from payments otherwise due to the Contractor or, if no payment is due, the payment of the premiums shall be a debt due.

13.4 Alterations to the terms of insurance shall not be made without the approval of the Nodal Officer or his nominee.

13.5 Both parties shall comply with all conditions of the insurance policies.

#### **14 SITE INVESTIGATION REPORTS**

14.1 The contractor, in preparing the Bid, shall rely on the Site Investigation Report on hydrological and sub-surface conditions as have been obtained by or on behalf of the Employer from investigations undertaken relevant to the Works and provided in the Contract Data, supplemented by any information available to the Contractor.

The contractor, in his own interest, shall be deemed to have inspected and examined the site and its surroundings and to have satisfied himself (in regard to considerations of cost and time) before submitting his bid, as to:

- a. The form and nature of the site,
- b. The means of access to the Site
- c. Compensation resulting from

Any variations in the site investigation reports and data furnished with the bid documents shall be paid by the Owner to the Contractor, if demanded.

14.2 The contractor shall be deemed to have satisfied himself as to the suitability and availability of access routes to the site. The Contractor shall use reasonable efforts to prevent any roads or bridges from being damaged by the Contractor's traffic for movement of Goods, Materials, Equipment and Plant to the Site. These efforts shall include the use of appropriate transportation vehicles and access routes. Any damage to the transportation system including the Roads/Bridges/Culverts shall be borne by the Contractor, who shall make good the same at his own cost.

#### **15 QUERIES ABOUT THE CONTRACT DATA.**

The Nodal Officer or his nominee will clarify queries on the Contract Data.

#### **16 CONTRACTOR TO CONSTRUCT THE WORKS.**

The Contractor shall construct and install the Works in accordance with the Specification and Drawings.

#### **17 THE WORKS TO BE COMPLETED BY THE INTENDED COMPLETION DATE.**

The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the program submitted by the Contractor as updated with the approval of the Nodal Officer or his nominee, and complete them by the Completion Date.

#### **18 APPROVAL BY THE ENGINEER-IN-CHARGE OR HIS NOMINEE.**

18.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Engineer-in-Charge or his nominee, who is to approve them if they comply with the specifications and Drawings.

18.2 The Contractor shall be responsible for design of Temporary Works.



18.3 The Engineer-in-Charge or his nominee's approval shall not alter the Contractor's responsibility for design of the Temporary Works and the remedying of any defects.

18.4 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Nodal Officer or his nominee before their use.

## 19 SAFETY.

The Contractor, throughout the execution and completion of the Works and the remedying of any defects therein, shall be responsible for the safety of all activities on the Site including:

- (a) Safety of all persons entitled to be upon the Site and keep the Site (so far as the same is under his Control) and the Works (so far as the same are not completed or taken over by the Employer) in an orderly state for avoidance of danger.
- (b) Provide and maintain at his own cost all lights, guards, fencing, warning Signage, when and where necessary or required by the Engineer-in-Charge.

## 20 DISCOVERIES.

Anything of historical, geological or archaeological interest, such as Fossils, Coins, Articles of Antiquity or value which are unexpectedly discovered on the Site, shall be placed under the care and authority of the Engineer-in-Charge. The Contractor shall promptly notify the Engineer-in-Charge or his nominee of such discoveries and carry out the Engineer-in Charge or his nominee's instructions for dealing with them. If the Contractor suffers delay and/or incurs cost for complying with the instructions, it may be treated as a special Compensation Event for consideration of grant of extension of time and Forecast Cost Compensation as per Clauses CCC - 12 & GCC - 11.

## 21 POSSESSION OF THE SITE.

The Employer shall give access to and possession of all parts of the Site including special and/or temporary rights-of-way to the Contractor, free from encumbrances as stated in Contract Data. If possession of a part is not given by the date stated in the Contract Data the Employer is deemed to have

delayed the start of the relevant activities and this will be a Compensation Event.

## **22 ACCESS TO THE SITE DURING EXECUTION OF WORKS**

The Contractor shall allow the Engineer-in-Charge/Nodal Officer or his nominee and any person authorized by the Engineer-in-Charge/Nodal Officer or his nominee access to the Site or to any place where work in connection with the Contract is being carried out or is intended to be carried out and to any place where materials or plant are being fabricated and /or being assembled for the works.

## **23 INSTRUCTIONS**

The Contractor shall comply with all instructions of the Engineer-in-Charge/Nodal Officer or his nominee and to give all notices required under any Governmental Authority, instrument, rule or order made under any Act of Parliament, State Laws or any regulation or bye-laws of any Local/State/Central authority to comply with the applicable laws where the Site is located.

## **24 DISPUTES**

### **25 SETTLEMENT OF DISPUTES**

### **26 REPLACEMENT OF CONCILIATOR.**

## **B) TIME CONTROL**

### **27 PROGRAM**

27.1 Within the time stated in the Contract Data the Contractor shall submit to the Employer's Representative or his nominee for information and approval a Program showing the order in which the Contractor proposes to carry out the Works (including each stage of design, procurement, manufacture, delivery to site, construction, erection, testing and commissioning if within the stipulated scope of the contract) and general methods, arrangements, timing for all the activities and sequence of all tests in the Works along with monthly progress schedule and cash flow forecast.

- 27.2 The program shall be developed using precedence networking and critical path networking techniques, showing early start, late start, early finish and late finish dates and sequential networking of facilities which are on the critical path.
- 27.3 No significant alteration to the approved program, or to such arrangements and methods, shall be made without informing the Employer's Representative.
- 27.4 If the progress of the Works does not conform to the approved program, the Employer's representative may instruct the Contractor to update the program showing the modifications necessary to achieve completion within the time for completion, including any changes to the sequence of the activities.
- 27.5 The Contractor shall submit to the Employer's Representative or his nominee, for approval an updated Program at intervals no longer than the period stated in the Contract Data. If the Contractor does not submit an updated Program within this period, the Employer's Representative or his nominee may withhold the amount stated in the Contract Data from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted.
- 27.6 The Nodal Officer or his nominee's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Nodal Officer or his nominee again at any time. A revised Program is to show the effect of Variations and Compensation Events.

## **28 EXTENSION OF THE COMPLETION DATE**

- 28.1 The Nodal Officer or his nominee shall extend the Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work and which would cause the Contractor to incur additional cost.
- 28.2 The Nodal Officer or his nominee shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Nodal Officer or his nominee for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

## **29 EARLY WARNING**

29.1 The Contractor is to warn the Nodal Officer or his nominee at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price or delay the execution of works. The Nodal Officer or his nominee may require the Contractor to provide an estimate of the expected effect of the event or circumstance on the Contract Price and Completion Date. The estimate is to be provided by the Contractor as soon as reasonably possible.

29.2 The Contractor shall cooperate with the Nodal Officer or his nominee in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Nodal Officer or his nominee.

## **30 DELAYS ORDERED BY THE EMPLOYER**

The Employer's Representative or his nominee may instruct the Contractor to delay the start or progress of any activity within the Works. The Contractor, however, shall be entitled to be compensated for the losses suffered by him on this account

## **31 MANAGEMENT MEETINGS.**

31.1 Either the Employer's Representative or his nominee or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.

31.2 The Employer's Representative or his nominee shall record the business of management meetings and is to provide copies of his record to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken is to be decided by the Employer's Representative or his nominee either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

## **32 PROGRESS REPORTING**

32.1 Monthly progress reports for each calendar month shall be prepared by the Contractor and submitted to the Employer's Representative in 3 copies. Each report shall include:

- a. Detailed description of progress, including each stage of design, Procurement, manufacture, delivery to site, construction, erection, Testing and commissioning;
- b. Charts showing the status of design and construction documents, purchase orders, manufacture and construction;
- c. For the manufacture of each main item of Plant and materials, Name of manufacturer, factory location, percentage Progress, actual Date or expected dates of Contractor's inspections, tests and delivery;
- d. Records of Contractor's personnel and equipment on site;
- e. Copies of quality assurance documents, test results and Acceptance Certificates of Plant and materials;
- f. Safety statistics including details of any hazardous incidents and activities related to site, environmental aspects and public relations;
- g. Comparisons of actual and planned progress, with details of any aspects which may delay or jeopardize the completion as per Contract, and the measures being (or to be) taken to overcome such aspects and difficulties.

32.2 The Contractor is required to maintain two Hindrance registers for reporting Hindrance if any, while executing the work in respect of design, engineering, procurement and supply related issues in one register and site work related issues separately in another register, in an approved format. The Contractor shall get record of hindrances in the Hindrance Register(s) approved/endorsed by the Nodal officer or Engineer-in-charge, as the case may be. Such hindrance in the work approved by the Employer's authority will only be taken into consideration for granting time extension and consequent compensation.

### **C) QUALITY CONTROL**

#### **33 IDENTIFY DEFECTS THROUGH QUALITY ASSURANCE & INSPECTION**

33.1 The Employer's Representative or his nominee, either themselves or through Employer's authorized Quality surveillance personnel, shall check the quality of Contractor's Works including design, procurement, manufacture, fabrication, construction, erection, testing and commissioning activities, commensurate with Employer's QA (Quality Assurance) program stated in the Contract and notify the Contractor of any Defects that are found. Such checking whether carried out at Contractor's or manufacturer's place for Plant and Equipment or at his subcontractor's premises or at site or at any other place of work shall not affect the Contractor's responsibilities.

33.2 The Employer's Representative or his nominee or Employer's authorized quality surveillance engineer may instruct the Contractor to search for a Defect at any stage of an activity and to uncover and test any work that the Employer's Representative or his nominee considers may have a Defect.

33.3 The Contractor shall establish the Quality Control/Quality Assurance Systems and facilities and shall at all times provide to the Employer reports about such checks and inspections.

#### **34 TESTS.**

34.1 If the Employer's Representative or his nominee instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples required to be drawn for the tests. If there is no Defect found, the test shall be treated as a Compensation Event.

34.2 If, as a result of inspection, examination or testing, the Employer's representative decides that any Plant, Materials, design or workmanship is defective or otherwise not in accordance with the Contract, the Employer's representative may reject such Plant, Materials, design or workmanship and shall notify the Contractor promptly, stating his reasons.

#### **35 CORRECTION OF DEFECTS**

The Contractor shall promptly make good the defect so notified and ensure that the rejected item complies with the Contract and in case he is unable to make good the Defect(s) before the end of the Defects Liability Period, which begins at Completion and is defined in the Contract Data, the Defects Liability Period shall be extended for as long as Defect(s) remain to be corrected.

#### **36 UNCORRECTED DEFECTS.**

If the Contractor has not corrected a Defect within the time specified in the Employer's Representative's or his nominee's notice, the Employer's representative or his nominee will assess the cost of having the Defect corrected themselves or through their assignees and shall then be entitled to recover all sums paid for such corrections of the Works, and the Contractor will pay this amount.

## **D) COST CONTROL**

### **37 BILL OF QUANTITIES/PRICE SCHEDULE**

37.1 The Bill of Quantities(BOQ) shall contain items for the construction of Civil Works, Whereas, Price Schedule(PS) shall contain items related to cost of supply including transportation, and cost of services related to installation, testing and commissioning work of Plant to be done by the Contractor.

37.2 The Bill of Quantities(BOQ) and Price Schedule(PS) is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities(BOQ) for each item of civil works and progressive payment is released to Contractor for Supply and Services rendered for Hydro-Mechanical(HM) and Electro-Mechanical(EM) Works.

### **38 CHANGES IN THE QUANTITIES**

If the final quantity of the work done differs from the quantity in the Bill of Quantities(BOQ)/Price Schedule(PS) for the particular item by more than  $\pm 25$  percent provided the change shall not exceed  $\pm 10\%$  of initial Contract Price, the Nodal Officer or his nominee shall adjust the rate(s), to allow for the change.

### **39 VARIATIONS/ EXTRA & SUBSTITUTED ITEMS, AND PAYMENTS THEREOF**

39.1 Variation permitted should be  $\pm 25\%$  in quantity of each individual item, and  $\pm 10\%$  of the total contract price. All the three situations (Variation, Extra Items of work, Substituted Items of work), shall entitle Contractor to change the quoted rates and/or seek fresh rates as the case may be. Within 14 days of the date of instruction for executing varied work, extra work or substitution, and before the commencement of such work, notice shall be given either (a) by the Contractor to the Employer of his intention to claim extra payment or a varied rate or price, or (b) by the Employer to the Contractor of his intention to vary a rate or price.

39.2 For variation in quantity for items existing in the Bill of Quantities(BOQ)/Price Schedule(PS) or substitutions to items in the BOQ/PS, rate payable should be determined by methods given below:

- a. BOQ/PS Rates and prices in Contract, if applicable; plus/minus the extra percentage claimed.
- b. Rates and prices in the Schedule of Rates applicable for the Contract Site, where appropriate, plus/minus the extra percentage claimed.
- c. Market rates of materials and labour, plus 20 % for overheads and Profits of Contractor.

The rates payable shall be the highest of those evaluated according to the above procedures. Escalation shall be paid as admissible.

39.3 If there is delay in the owner and the Contractor coming to an agreement on the rate of an extra item, provisional rates @ 70 % of the rates as claimed by the Contractor should be payable till such time as the rates are finally determined. In any case the Employer shall decide the rates within a maximum period of 45 days from the date of submission of the analysis of rates by the Contractor.

#### **40 PAYMENTS FOR VARIATIONS.**

For items existing in the Bill of Quantities but where quantities have increased beyond the variation limits, the rate payable for quantity in excess of the quantity in the Bill of Quantity plus the permissible variation should be:

- (a) Rates and prices in contract, if reasonable, failing which
- (b) Market rates of material and labour, plus 20 % for overheads and profits of Contractor.

#### **41 CASH FLOW FORECASTS.**

When the Program is updated, the contractor is to provide the Nodal Officer or his nominee with an updated cash flow forecast.



## **42 PAYMENT CERTIFICATES.**

- 42.1 The Contractor shall submit to the Nodal Officer or his nominee monthly statements of the estimated value of the work completed less the cumulative amount certified previously.
- 42.2 The Nodal Officer or his nominee shall check the Contractors' monthly statement within 14 days and certify the amount to be paid to the Contractor after taking into account any credit or debit for the month in question in respect of materials for the works in the relevant amounts and under conditions set forth in Reference GCC Clause 50 of the Contract Data (Secured Advance).
- 42.3 The value of work executed shall be determined by the Nodal Officer or his nominee.
- 42.4 The value of work executed shall comprise the value of the quantities of the items in the Bill of quantities completed.
- 42.5 The value of work executed shall include the valuation of variations and Compensation Events.
- 42.6 The Nodal Officer or his nominee may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

## **43 PAYMENTS**

- 43.1 Bills shall be prepared and submitted by the Contractor. Joint measurements shall be taken continuously and need not be connected with billing stage. System of 4 copies of measurements one each for Contractor, Employer and Nodal Officer or his nominee, and signed by both Contractor and Employer shall be followed
- 43.2 75% of bill amount shall be paid within 14 days of submission of the bill. Balance amount of the verified bill should be paid within 28 days of the submission of the bill.
- 43.3 For delay in payment beyond the periods specified in 43.2 above, interest at a pre-specified rate (12% p.a.) should be paid.

- 43.4 Contractor shall submit final Bill within 60 days of taking over the works. Client's Nodal Officer or his nominee shall check the bill within 60 days after its receipt and return the bill to Contractor for corrections, if any. 50% of undisputed amount shall be paid to the Contractor at the stage of returning the bill.
- 43.5 The contractor should re-submit the bill, with corrections within 30 days of its return by the Nodal Officer or his nominee. The re-submitted bill shall be checked and paid within 60 days of its receipt.
- 43.6 Interest at a pre-specified rate (12%) shall be paid if the bill is not paid within the time limit specified above.
- 43.7 If an amount certified is increased in a later certificate as a result of an award by the Conciliator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.
- 43.8 Items of the Works for which no rate or price has been entered in BOQ/PS, will not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.

#### **44 TAX**

The rates quoted by the Contractor shall be deemed to be inclusive of the sales and other taxes that the Contractor will have to pay for the performance of this Contract. The Employer will perform such duties in regard to the deduction of such taxes at sources as per applicable law. Any new Taxes, levies, duties imposed after signing the Contract shall be reimbursed by the employer on production of documentary evidence.

## 45 PRICE ADJUSTMENT

Contract price shall be adjusted for increase or decrease in rates and prices of labour, materials, fuels and lubricants in accordance with the following principles and procedures and as per formula given in the contract data:

- a. The price adjustment shall apply for the work done from the start date given in the contract data upto end of the initial intended completion date or extensions granted by the Nodal Officer or his nominee and shall not apply to the work carried beyond the stipulated time for reason attributable to the contractor.
- b. The price adjustment shall be determined during each quarter from the mutually agreed formula given below:

$$E = K \times R \times (I_1 - I_0 / I_0)$$

- c. Following expressions and meanings are assigned to the work done during each quarter:

E = Amount of Escalation

K = A constant decided by the employer, depicting the variable component

of the cost (shall not be lower than 0.85)

R = Total value of work done during the quarter.

I<sub>1</sub> = Average Cost Index during the guarantee of incident.

I<sub>0</sub> = Average Base Cost Index.

- d. For calculating escalation, base (Cost Index) should be taken as on 28th day prior to submission of tender.
- e. The Cost Indices shall be as detailed in the data sheet.

## 46 SUBSEQUENT LEGISLATION

If, after the date 28 (Twenty eight) prior to the date for submission of Bid for the contract there occur changes to any National or Statute Stature, Ordinance or Decree or other Law or any regulation or bye law of any local or other duly constituted authority or introduction of any such state statute, Ordinance, Decree, Law, regulation or bye law which causes additional or reduced cost to the contractor in execution of the contract, such additional or reduced cost shall, after due consultation with the Employer and the contractor be determined by the Nodal Officer or his nominee and shall be added to or deducted from the contract price and the Nodal Officer or his nominee shall notify the contractor accordingly with a copy to the Employer.

## 47 LIQUIDATED DAMAGES

47.1 In case of delay in completion of the contract, liquidated damaged (LD) may be levied at the rate of one & half (1 ½ %)of the contract price per month of delay (pro-rata for each day of delay), subject to a maximum of 10 per cent of the contract price.

47.2 The Employer, if satisfied, that the works can be completed by the Contractor within a reasonable time after the specified contractual time for completion, may allow further extension granted being with LD, the Employer will be entitled without prejudice to any other right or remedy available in that behalf, to recover from the contractor as agreed damages equivalent to one & half per cent (1 ½%) of the contract value of the works for each month (or pro-rata for number of days) subject to the ceiling defined above.

47.3 The Employer, if not satisfied that the works can be completed by the Contractor within specified contractual time, and in the event of failure on the part of the contractor to complete works within further extension of time allowed as aforesaid, shall be entitled, without prejudice to any other right, or remedy available in that behalf, to rescind the contract.

47.4 The Employer, if not satisfied with the progress of the contract and in the event of failure of the Contractor to recoup the delays in the mutually agreed time frame, shall be entitled to terminate the contract.

47.5 In the event of such rescinding/termination of the contract as described above the Employer shall be entitled to recover LD up to ten percent (10%) of the contract value and forfeit the security deposit made by the Contractor besides getting the works completed by other means at the risk and cost of the contractor.

47.6 The ceiling of LD shall be 10% of the project cost in turnkey contracts (EPC/LSTK). Employer may take a considered view for adopting any lower limits on LDs in case of EPC/STK) contract.

#### **48 INCENTIVE BONUS**

For early completion of the contract before the stipulated date of completion an incentive amount at the rate of one and half percent (1 ½%) of the contract price per month of early completion, subject to a maximum of ten percent (10 %) of the contract price may be paid to the contractor.

#### **49 MOBILIZATION & EQUIPMENT ADVANCE**

49.1 Mobilization Advance and Construction Equipment Advance should be an interest free advance against Bank Guarantee for Mobilization Advance and against hypothecation of Construction Equipment to the Employer for Construction Equipment Advance.

49.2 Mobilization Advance should be given upto 10% of Contract price, payable in two equal installments. The first installment should be paid after mobilization has started and next installments should be paid after satisfactory utilization of earlier advance (s)

49.3 Construction Equipment Advance should be paid upto 10 % of Contract price, limited to 90 % of the cost of new machinery, or the assessed cost of used machinery.

49.4 Construction Equipment advances should be paid in two or more installments. First installment should be paid after construction equipment has arrived at the site and next installments should be paid after satisfactory utilization of earlier advance(s)

49.5 Recovery of Mobilization and Construction Equipment advance should start when 15 % of the work is executed and recovery of total advance should be completed by the time 80 % of the original contract price is executed.

#### **50 SECURED ADVANCE**

75 % of cost of materials brought to site for incorporation into works only should be paid as secured advance. Materials which are of perishable nature should be adequately insured. In case, advance is not payable against any particular items, they should be listed in the Contract document; recovery should be made from the interim bills.

#### **51 COST OF REPAIRS**

Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Liability period shall be remedied by the Contractor at his cost if the loss or damage arises from the Contractor's acts or omissions.

### **E) FINISHING THE CONTRACT.**

#### **52 COMPLETION**

After completion of the work, the contractor will serve a written notice to the Nodal Officer or his nominee/Employer to this effect. The Nodal Officer or his nominee/Employer upon receipt of this notice shall conduct a complete joint survey of the work within 7 days and prepare a defects list jointly. The defects pointed out by the Nodal Officer or his nominee/ Employer would be rectified by the contractor within 14 days and thereafter acceptance report be signed

jointly by the contractor and the Employer. This joint acceptance report shall be treated as 'Completion Certificate'.

### **53 TAKING OVER**

The Employer shall take over the Site and the Works within seven days of the Nodal Officer or his nominee issuing a certificate of Completion.

### **54 FINAL ACCOUNT**

The Contractor shall supply to the Nodal Officer or his nominee a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Nodal Officer or his nominee shall issue a Defects Liability Certificate and certify any final payment that is due to the Contractor within 60 days of receiving the Contractor's account if it is correct and complete. If it is not, the Nodal Officer or his nominee shall issue within 15 days a schedule that states the scope of the corrections or additions that are necessary for the correction and certify payment of 50% of the undisputed amount to the contractor. If the Final Account is still unsatisfactory after it has been resubmitted the Nodal Officer or his nominee shall decide on the amount payable to the Contractor and issue a payment certificate, within 60 days of receiving the Contractor's revised account.

### **55 OPERATING AND MAINTENANCE MANUALS**

55.1 If "as built" Drawings and/or operating and maintenance manuals are required the Contractor shall supply them by the dates stated in the Contract Data.

55.2 If the Contractor does not supply the Drawings and/or manuals by the dates stated in the Contract Data, or they do not receive the Nodal Officer or his

nominee's approval, the Nodal Officer or his nominee shall withhold the amount stated in the Contract Data from payments due to the Contractor.

## 56 TERMINATION

56.1 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

56.2 Fundamental breaches of Contract include, but shall not be limited to the following:

- a. The Contractor stops work for 28 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Nodal Officer or his nominee:
- b. The Nodal Officer or his nominee instructs the Contractor to delay the progress of the Works and the instruction is not withdrawn within 28 days.
- c. The Employer or the Contractor becomes bankrupt or goes into liquidation other than for a reconstruction restructure or amalgamation.
- d. A payment certified by the Nodal Officer or his nominee is not paid by the Employer to the Contractor within 50 days of the date of the Nodal Officer or his nominee's certificate:
- e. The Nodal Officer or his nominee gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Nodal Officer or his nominee.
- f. The Contractor does not maintain a security which is required.
- g. The Contractor has delayed the completion of works by the number days for which the maximum amount of liquidated damages can be paid as defined in the Contract data and
- h. If the Contractor, in the judgment of the Employer has engaged in corrupt or fraudulent practices in competing for or in the executing the Contract.



- i. If the contractor has contravened clause ..... and clause .....
- j. If either party does not fulfill any or all of the undertakings

56.3 When either party to the Contract gives notice of a breach of contract to the Nodal Officer or his nominee for a cause other than those listed under Sub Clause 56.2 above, the Nodal Officer or his nominee shall decide whether the breach is fundamental or not.

56.4 Notwithstanding the above, the Employer may terminate the Contract for convenience subject to payment of compensation to the contractor including loss of profit on uncompleted works. Loss of profit shall be calculated on the same basis as adopted for calculation of extra/additional items.

56.5 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

## **57 PAYMENT UPON TERMINATION.**

57.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Nodal Officer or his nominee shall issue a certificate for the value of the work done less advance payments received upto the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor, the difference shall be a debt payable to the Employer.

57.2 If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Nodal Officer or his nominee shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and

loss of profit on uncompleted works less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

## 58 PROPERTY

All materials on the Site, Plant, Equipment, Temporary Works and Works for which payment has been made to the contractor by the Employer, are deemed to be the property of the Employer, if the Contract is terminated because of a Contractor's default.

## 59 RELEASE FROM PERFORMANCE.

If the Contract is frustrated by the outbreak of war or by other event entirely outside the control of either the Employer or the Contractor, the Nodal Officer or his nominee shall certify that the Contract has been frustrated. The Contractor shall leave the Site and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which commitment was made.

## 60 COMPLIANCE

### 60.1 Labour

The Contractor shall, unless otherwise provided in the Contract, make his own arrangements for the engagement of all staff and labour, local or other, and for their payment, housing, feeding and transport.

The Contractor shall, if required by the Nodal Officer or his nominee, deliver to the Nodal Officer or his nominee a return in detail, in such form and at such intervals as the Nodal Officer or his nominee may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such other information as the Nodal Officer or his nominee may require.

## *60.2 Compliance With Labour Regulations:*

During continuance of the contract, the Contractor and his sub contractors shall abide at all times by all existing labour enactment and rules made thereunder, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules) regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or Central Government or the local authority. Salient features of some of the major labour laws that are applicable to construction industry are given below. The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made thereunder, regulations or notifications including amendments. If the Employer is caused to pay or reimburse such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/Acts/Rules/regulations including amendments, if any, on the part of the Contractor the Nodal Officer or his nominee/Employer shall have the right to deduct any money due to the Contractor including his amount of performance security. The Employer/Nodal Officer or his nominee shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.

The employees of the Contractor and the Sub-Contractor in no case shall be treated as the employees of the Employer at any point of time.

## *60.3 Salient Features of Some Major Laws Applicable to Establishments Engaged in Building and Other Construction Work.*

- a. Workmen Compensation Act 1923:- The Act provides for compensation in case of injury by accident arising out of and during the course of employment.

- b. Payment of Gratuity Act 1972: Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if an employee has completed 5 years service or more on death at the rate of 15 days wages for every completed year of service. The Act is applicable to all establishments employing 10 or more employees.
- c. Employees P.F and Miscellaneous Provision Act 1952: The Act Provides for monthly contributions by the employer plus workers @ 12%/8.33%. The benefits payable under the Act are:
- be.
- (i) Pension to family pension on retirement or death, as the case may
  - (ii) Deposit linked insurance on the death in harness of the worker.
  - (iii) Payment of P.F accumulation on retirement/death etc.
- d. Maternity Benefit Act 1951:- The Act provides for leave and some other benefits to workmen/ employees in case of confinement or miscarriage etc.
- e. Contract Labour (Regulation & Abolition) Act 1970:- The Act provides for certain welfare measures to be provided by the Contractor to contract labour and in case the Contractor fails to provide, the same are required to be provided, by the Principal Employer by Law. The Principal Employer is required to- take Certificate of Registration and the Contractor is required to take license from the designated Officer. The Act is applicable to the establishments or Contractor of Principal Employer if they employ 20 or more contract labor.
- f. Minimum Wages Act 1948: The Employer is supposed to pay not less than the Minimum Wages fixed by appropriate Government as per provisions of the Act if the employment is a scheduled employment Construction of Buildings, Roads, Runways are scheduled employment.
- g. Payment of Wages Act 1936:- It lays down as to by what date the wages are to be paid when it will be paid and what deductions can be made from the wages of the workers.

- h. Equal Remuneration Act 1979:- The Act provides for payment of equal wages for work of equal nature to Male and Female workers and for not making discrimination against Female employees in the matters of transfers, training and promotions etc.
- i. Payment of Bonus Act 1965: The Act is applicable to all establishments employing 20 or more employees. The Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs. 3500/- per month or less. The bonus to be paid to employees getting Rs. 2500/- per month or above upto Rs. 3500/- per month shall be worked out by taking wages as Rs. 2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of this Act.
- j. Industrial Disputes Act 1947:- The Act lays down the machinery and procedure for resolution of Industrial disputes, in what situations a strike or lock out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.
- k. Industrial Employment's (Standing Orders) Act 1946:- It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the States and Central Government to 50). The provides for laying down rules governing the conditions of employment by the Employer on matters provided in the Act and get same certified by the designated Authority.
- l. Trade Unions Act 1926:- The Act lays down the procedure for registration of trade union of workmen and employers. The Trade Union registered under the Act have been given certain immunities from civil and criminal liabilities.
- m. Child Labour (Prohibition & Regulation) Act 1986:- The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of Children in all

other occupations and processes. Employment of Child Labor is prohibited in Building and Construction Industry.

- n. Inter-State Migrant workmen's (Regulation of Employment & Conditions of Service) Act 1979:- The Act is applicable to an establishment which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, traveling expenses from home upon the establishment and back, etc.
- o. The Building and Other Construction workers (Regulation of Employment and Conditions of Service) Act 1996 and the Cess Act of 1996:- All the establishments who carry on any building or other construction work and employs 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the Building or Construction work and other welfare measures, such as Canteens, First-Aid facilities. Ambulance, Housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.