



Indian Railways Standard General Conditions of Contract for Works & Services

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GCC for Works

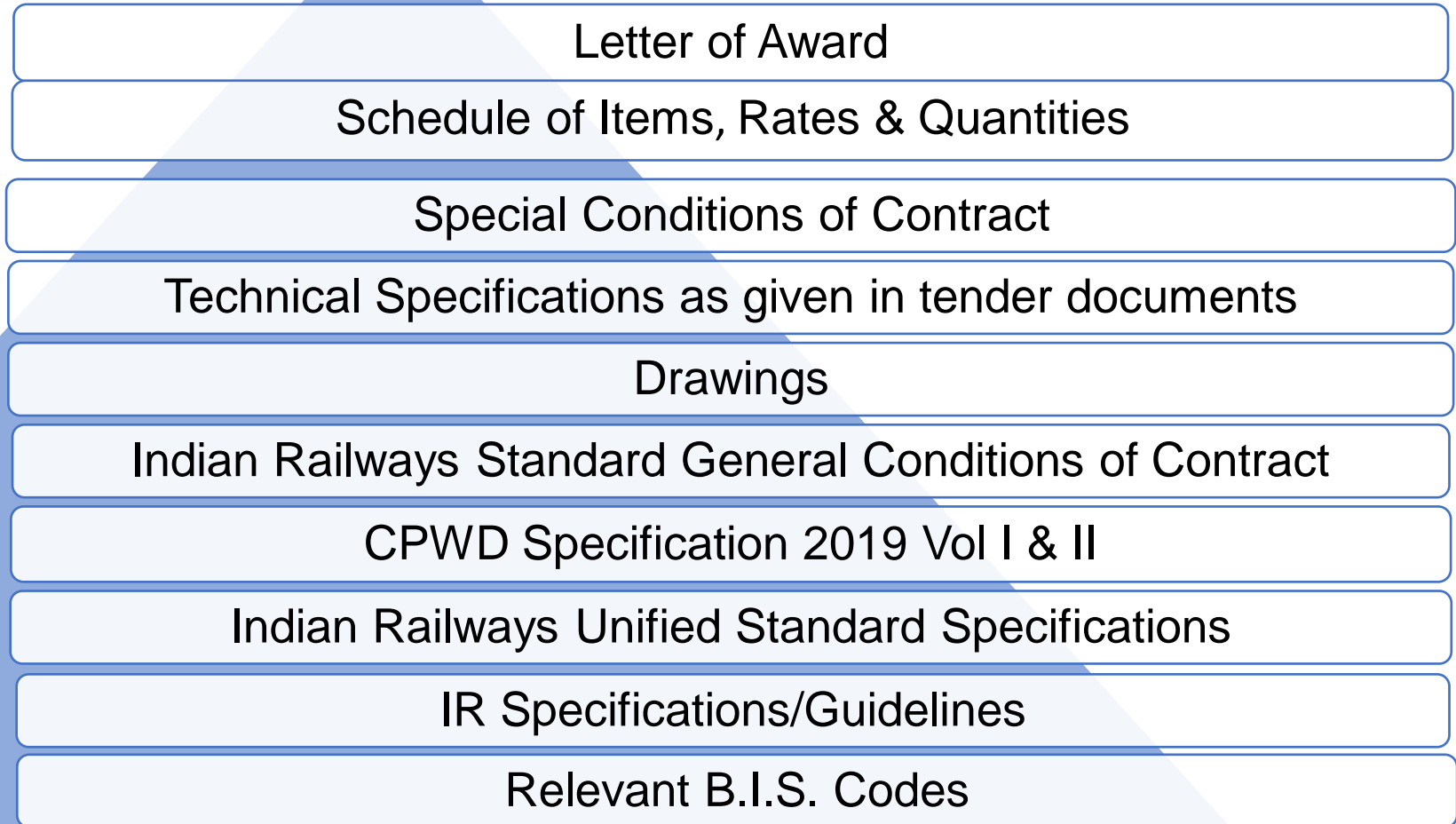
PART-I

- **REGULATIONS FOR TENDERS AND CONTRACTS**

PART - II

- **STANDARD GENERAL CONDITIONS OF CONTRACT**

01. Order of Precedence of Documents:





5. Earnest Money:

Value of the Work	Earnest Money Deposit (EMD)
For works estimated to cost up to ₹ 1 crore	2% of the estimated cost of the work
For works estimated to cost more than ₹ 1 crore	₹ 2 lakh plus ½% (half percent) of the excess of the estimated cost of work beyond ₹ 1 crore subject to a maximum of ₹ 1 crore

e-Tender Forms shall be issued free of cost to all tenderers.(only for works)



5. Earnest Money:

Shall be rounded off to the nearest ₹100.

Any firm recognized by Department of Industrial Policy and Promotion (DIPP) as 'Startups' shall be exempted

100% Govt. owned PSUs shall be exempt

Labour Cooperative Societies shall deposit only 50% of above earnest money deposit detailed above.

Note: Vide Rly.Bd.L.No.2020/CE-I/CT/3E/GCC/Policy dt 30.12.2020- Rly. Bd. has advised to take 'Bid Security Declaration' in lieu of 'Bid Security/ Earnest Money Deposit' except wherever compelling circumstances to ask for Bid Security/Earnest Money Deposit.



6. Care in Submission of Tenders:

- All conditions liable to be encountered during the execution of the works has been taken into account.
- The rates he enters in the tender forms are adequate and all inclusive (Clause 37)
- (CGST)/ (IGST)/ (UTGST)/ (SGST)
- Signed by the individual legally authorized



6. Care in Submission of Tenders:

6.1

- The tenderers shall submit a copy of ~~notarized affidavit on a non-judicial stamp paper~~ **certificate** stating that all their statements/documents submitted along with bid are true and factual.
- Standard format of ~~the affidavit~~ **certificate** to be submitted by the bidder is enclosed as Annexure-V.
- Non submission of ~~notarized affidavit~~ **certificate** by the bidder shall result in summarily rejection of his/their bid.
- Must submit supporting documents duly self attested by which they/he is qualifying the Qualifying Criteria mentioned in the Tender Document.



Consideration of Tenders:

7. Right of Railway to Deal with Tenders:

7A. Two Packets System of Tendering:

7B. Provisions of Make in India Policy 2017



10. Eligibility Criteria in works contract:

10.1 Technical Eligibility Criteria:

(a) The tenderer must have successfully completed any of the following during last 07 (seven) years, ending last day of month previous to the one in which tender is invited:

Three similar works each costing not less than the amount equal to 30% of advertised value of the tender, or

Two similar works each costing not less than the amount equal to 40% of advertised value of the tender, or

One similar work each costing not less than the amount equal to 60% of advertised value of the tender.



10. Eligibility Criteria in works contract:

10.1 (b) (i) In case of composite works tenderer must have successfully completed any of the following during last 07 (seven) years, ending last day of month previous to the one in which tender is invited:

Three similar works each costing not less than the amount equal to 30% of advertised value of each component of tender, or

Two similar works each costing not less than the amount equal to 40% of advertised value of each component of tender, or

One similar work each costing not less than the amount equal to 60% of advertised value of each component of tender.

Note: Separate completed works of minimum required values for each component shall also be considered for fulfillment of technical eligibility criteria.



10. Eligibility Criteria in works contract:

10.1 (b) (ii) ~~A separate component cost is more than ₹ 2 crore each.~~

Note for item 10.1

- Work experience certificate from private individual shall not be considered.
- work experience certificate issued by Public listed company having turnover 500 Cr. May be accepted

10. Eligibility Criteria in works contract:

10.2. Financial Eligibility Criteria: The tenderer must have received contractual payments in the previous three financial years and the current financial year up to the date of opening **inviting** of tender, at least 150% of the advertised value of the tender.

10.3. Bid Capacity:

10.4 No Technical and Financial credentials are required for tenders having value up to **Rs 50 lakh**.



Service Contract

Qualifying Criteria in Service Contract

Disqualification of Bidders

Bid Evaluation System

- Single Packet System- for bid value up to and including Rs. 50 lakh.
- Two Packet System:- Bid value exceeding Rs. 50 lakh.
- Quality and Cost Based System (QCBS):- used for consulting services having bid value exceeding Rs. 50 Lakh.



Minimum Eligibility Criteria for Single/two packet System in Services Contract:

Work experience:- The bidder should have satisfactorily completed* in the last three previous financial years and the current financial years up to the date of opening of the tender, one similar single service contract** for a minimum of 35% of advertised value of the bid.

*Completed service contract includes ongoing service contract subject to payment of bills amounting to at least 35% of the advertised value of the bid.

** Similar service contract means any contract that is so specified by the competent authority



Minimum Eligibility Criteria for Single/two packet System in Services Contract:

Financial Standing: The Bidders will be qualified only if they have minimum financial capabilities as below: -

- **(i) T1- Financial Turnover:** - The bidder should have an aggregate financial turnover not less than **1.5 times** of advertised Bid Value during the last three previous financial years and in the current financial year upto the date of opening of the tender.
- **(ii) T2 Liquidity:** The bidder should have access to or has available liquid assets, lines of credit and other financial means to meet cash flow that is valued at **5%** of the estimated bid value net of applicant's commitments for other contracts.



Eligibility Criteria for Two packet System in Services Contract:

Evaluation of Technical Bid

to scrutinize the capability, financial strength, experience etc. of bidders.

Technical criteria & minimum qualifying marks to be defined

Evaluation of Financial Bid



11. Tenderer Credentials:

11.(iv) A copy of ~~notarized affidavit~~ **certificate** on a non-judicial stamp paper stating that they are not liable to be disqualified and all their statements/documents submitted along with bid are true and factual. Standard format of the **affidavit certificate** to be submitted by the bidder is enclosed as Annexure-V. Non submission of a copy of ~~notarized affidavit~~ **certificate** by the bidder shall result in summarily rejection of his/their bid. It shall be mandatorily incumbent upon the tenderer to identify, state and submit the supporting documents duly self attested by which they/he are/is qualifying the Qualifying Criteria mentioned in the Tender Document.

11.(v) The Railway reserves the right to verify all statements, information and documents submitted by the bidder in his tender offer, and the bidder shall, when so required by the Railway, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the Railway shall not relieve the bidder of its obligations or liabilities hereunder nor will it affect any rights of the Railway thereunder.



14. ~~Partnership Deeds, Power of Attorney etc.~~: Documents to be Submitted Along with Tender

Sole Proprietorship Firm

HUF

Partnership Firm /JV

Company

Registered Society & Trust

LLP (Limited Liability Partnership)

The power of attorney shall be submitted even if such specific person is authorized for above purposes through partnership deed/Memorandum of Understanding/Article of association or such other document, failing which tender is liable to be rejected.



16. Employment/Partnership etc. of Retired Railway Employees:

(a) & (b) Engineer or officer not retired from government service at least 1 year prior to the date of submission of the tender

(c) a relative(s) employed in gazetted capacity in the Engineering or any other department of the railway or **having share of more than 1% in the tendering entity**



JOINT VENTURE (JV) IN WORKS TENDERS

17. Participation of Joint Venture (JV) in Works Tender:

17.1 Separate
identity/name

17.2 Number of
members in a
JV shall not be
more than
three, if the
work involves
only one
department

shall not be
more than five,
if the work
involves more
than one
Department.

Lead Member
shall have a
majority (at
least 51%)
share of
interest in the
JV.

The other
members shall
have a share of
not less than 20%
each in case of JV
with upto three
members and not
less than 10%
each in case of JV
with more than
three members.



JOINT VENTURE (JV) IN WORKS TENDERS

17.4 tender form shall be purchased and submitted only in the name of the JV

17.6 Memorandum of Understanding (MoU)

17.15 Credentials & Qualifying Criteria: Technical, financial eligibility and Bid capacity of the JV

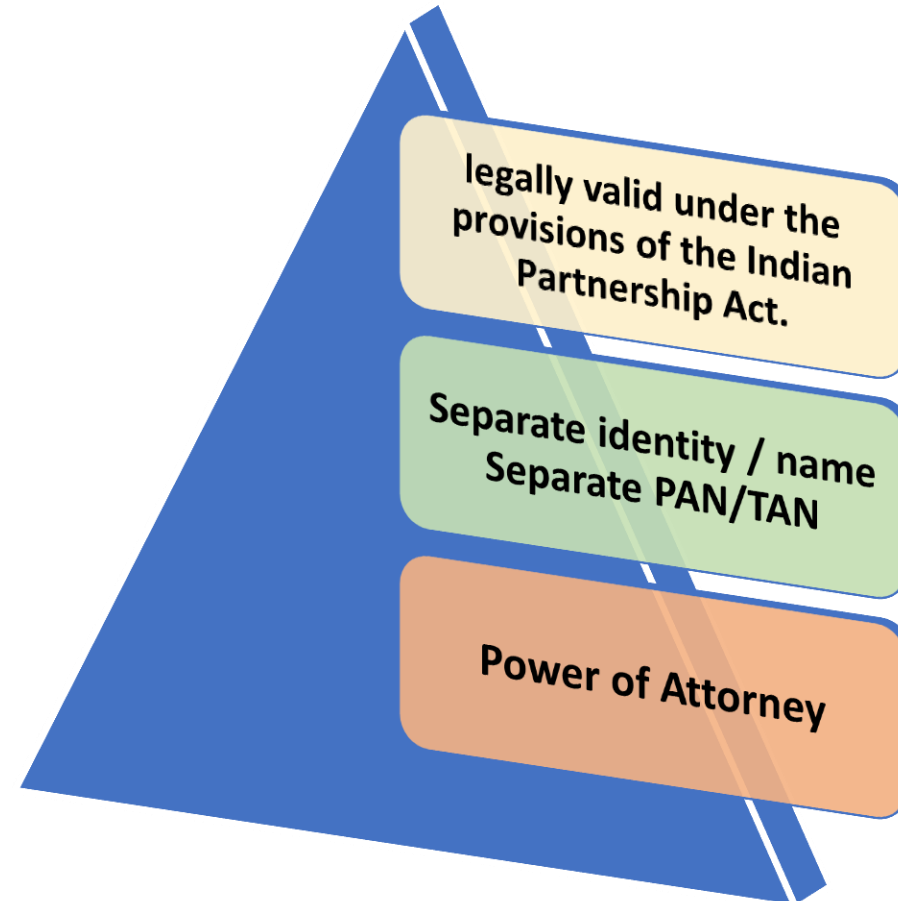
17.15.1 Technical Eligibility Criteria ('a' or 'b' mentioned hereunder):

(a) For Works without composite components

(b) For works with composite components



Partnership Firms in works tenders





Part-2

STANDARD GENERAL CONDITIONS OF CONTRACT

3.(1) Law Governing the Contract: the law for the time being in force in the Republic of India.

3.(2) Compliance to Regulations and Bye-Laws:

4. Communications to be in Writing:

5. Service of Notices on Contractors:



7. Assignment or Subletting of Contract

- 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.
- In case Contractor intends to subcontract part of work
 - submitting the proposal to railway
 - Total value of work to be assigned to sub-contractor(s) shall not be more than 50% of total contract value.
 - eligibility criteria – one similar work of value 35 % in last 5 years
 - no banning of business with the sub-contractor in force over IR
 - formal agreement between Contractor and subcontractor.
 - Chief engineer permission is mandatory
 - work experience certificate to the subcontractor shall be issued
 - The permitted subcontracting 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.



16.(1) Security Deposit

5% of the contract value

in cash or Term Deposit Receipt issued from Scheduled Bank, or may be recovered at the rate of ~~10%~~ 6% of the bill amount till the full Security Deposit is recovered.

contracts having value equal to or more than ₹ 50 crore (Rs Fifty crore)- Bank Guarantee Bond

Security deposit recovered from the running bills can be returned after physical completion of work in lieu of Term Deposit Receipt/irrevocable Bank Guarantee for equivalent amount

16.(2)(i) Refund of Security Deposit: final payment/maintenance certificate

16. (2) (ii) Forfeiture of Security Deposit: in case contract rescinded **in whole** as per clause 62 (1) of GCC



16.(4) Performance Guarantee in works contract:

amounting to 5% of the contract value

within 21 (Twenty one) days from the date of issue of Letter of Acceptance (LOA)

PG beyond 21 (Twenty one) days and upto 60 days -a penal interest of 12% per annum

after 60 days from the date of issue of LOA- the contract is liable to be terminated

Validity of PG – up to the stipulated date of completion plus 60 days beyond that

variation up to 25% (either increase or decrease)

Shall be released after physical completion of work

The tenderer who has offered lower total cost as compared to tender value by more than 10 %, shall be required to submit additional Performance Guarantee of value equal to **half the** percentage of tender value by which offer is lower than 10%.

Note: Vide Rly. Bd's. L.No.2020/CE-I/CT/3E/GCC/Policy dt. 20.11.2020- Exemption from Additional PG to Abnormally Low Bid's.



4.11 Performance Guarantee in service contract:

amounting to 10 % of the contract value in four separate parts of 2.5 % each of contract value

within 30 (Thirty) days from the date of issue of Letter of Acceptance (LOA)

PG beyond 31 (Thirty one) days and up to 90 days -a penal interest of 15% per annum but a notice to be served after 60 days

after 90 days from the date of issue of LOA- the contract is liable to be terminated

Validity of PG – up to the stipulated date of completion plus 60 days beyond that

variation up to 25% (either increase or decrease)

Shall be released after physical completion of work. 25 % of PG would be retained till the warranty/maint.

If the penalty imposed exceed 50 % of the applicable maximum penalty, a PG equivalent to 25 % of the applicable PG shall be forfeited. If penalty exceeds 75 %- a PG equivalent to 50 % shall be forfeited.



Extension of Time in Contracts

17-A Extension of Time in Contracts:

- (i) Extension due to Modification
- (ii) Extension for Delay not due to Railway or Contractor: external factor
- (iii) Extension for Delay due to Railways

17-B Extension of Time with Liquidated Damages (LD) for delay due to Contractor:

- time is essence of the contract
- LD maximum 5 %

17-C Bonus for Early Completion of Work:

- for contracts of value more than 20 Crore & original completion period more than 12 months
- Contractor shall be entitled for a bonus of 1% for each 30 days early completion of work.
- The maximum bonus shall be limited to 3% of original contract value.



Clause 40A

Off-loading from work at the final stage of completion and commissioning of work, in case the contractor's failure is limited to only some of the works costing not more than 2% of the original contract value,

may agree to such offloading without any adverse repercussion on the performance guarantee and security deposit of the Contractor. However, the Engineer will not be under any compulsion to agree to such a request

In any case, Railway shall deduct 10% of cost of such work or Rs one lakh whichever is lower, from the Contractor's dues as administrative charges for the process of finalizing new agency for such work irrespective of whether or not such work is finally offloaded from Contractor or not.



VARIATIONS IN EXTENT OF CONTRACT

41. Modification to Contract to be in Writing:

42.(1) Powers of Modification to Contract:

individual item

variation in quantity of each individual item of the contract would be up to 25% of the quantity

Quantities operated in excess of 125% but up to 140% of the agreement quantity

Quantities operated in excess of 140% but up to 150% of the agreement quantity

Variation in quantities of individual items beyond 150%

Minor Value Item

overall agreement value

[Details mentioned in SOP 2018 Part-A Works matter, item no. 9](#)



MEASUREMENTS

45(i). Measurement of Works by Railway:

45(ii). Measurement of Works by Contractor's Authorized Representative (in case the contract provides for the same):

“Contractor's authorized Engineer” shall mean a graduate engineer or equivalent, having more than 3 years experience in the relevant field of construction work involved in the contract, duly approved by the Engineer.



MEASUREMENTS

**45 (ii). (b)
Incorrect
measurement,
actions to be
taken:**

**variation of 5% or more of claimed gross
bill amount**

On first occasion of noticing exaggerated/ false measurement, Engineer shall recover liquidated damages equal to 10% of claimed gross bill value.

On any next occasion of noticing any exaggerated/false measurement, railway shall recover liquidated damages equal to 15% of claimed gross bill value. In addition the facility of recording of measurements by Contractor as well as release of provisional payment shall be withdrawn. Once withdrawn, measurements shall be done by railway as per clause 45(i) above.



46A. Price Variation Clause (PVC) in works contract :

46A.1 Applicability: applicable only in those contracts where tender conditions specifically permit it.

46A.2 Base Month:

28 days prior to opening of tender

The quarter for applicability of PVC shall commence from the month following the ~~month of opening of tender~~ Base month. The Price Variation shall be based on the average Price Index of the quarter under consideration.

46A.5 Components on which variation in prices be admissible, shall be Material, Labour, Fuel, Explosives & Detonators, Steel, Cement, Concreting, Ferrous, Non-ferrous, Insulator, Zinc, Erection etc.

However, for fixed components, no price variation shall be admissible.

46A.10 Price Variation during Extended Period of Contract



5.7 Price Variation Clause (PVC) in service contract:

5.7.1 Applicability: where delivery periods extend beyond 18 months.

46A.2 Base Month:

Month of opening of tender

The quarter for applicability of PVC shall commence from the month following the month of opening of bid . The Price Variation shall be based on the average Price Index of the quarter under consideration.

5.7.5 Components on which variation in prices be admissible, shall be Material, Labour, Fuel etc.

However, for fixed components, no price variation shall be admissible.

5.8 Price Variation during Extended Period of Contract



LABOUR

54. Wages to Labour: as per provision of the Minimum Wages Act, 1948

55. Provisions of Payments of Wages Act, 1936

55-A. Provisions of Contract Labour (Regulation and Abolition) Act, 1970 and the Contract labour (Regulation and Abolition) Central Rules 1971 as modified from time to time

55-B. Provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952

55-C(i) website 'www.shramikkalyan.indianrailways.gov.in'

60.(1) Non-Employment of Labourers below the age of 15



DETERMINATION OF CONTRACT

61.(1) Right of Railway to Determine the Contract:

- owing to paucity of funds or from any other cause whatever
- Notice in writing from the Railway of such determination and the reasons therefor shall be conclusive evidence thereof

61.(2) Payment on Determination of Contract:

- Railways shall admit and consider such claims as are deemed reasonable and are supported by vouchers to the satisfaction of the Engineer.



DETERMINATION OF CONTRACT in works contract

62.(1) Determination of Contract owing to Default of Contractor:

Seven days Notice as per Performa at Annexure-IX

48 Hours Notice as per Performa at Annexure-X or XII as the case may be to rescind the contract as a whole or in part or parts

final termination notice as per Performa at Annexure-XI or XIII

Note: the part termination of contract only in cases where progress of work is more than or equal to 80% of the original scope of work.



DETERMINATION OF CONTRACT in Service Contract

7.4 Determination of Contract owing to Default of Contractor:

**Performance Notice as per
Performa at Annexure-XII**

**Seven Days Notice as per
Performa at Annexure-XIV**

**final termination notice as per
Performa at Annexure-XV**



DETERMINATION OF CONTRACT

62.(2) Right of Railway after Rescission of Contract owing to Default of Contractor:

no claim to compensation for any loss sustained by Contractor	SD & PG shall be encashed/ forfeited	The balance work shall be got done independently without risk & cost of the failed Contractor.	The failed Contractor shall be debarred from participating in the tender for executing the balance work.
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DETERMINATION OF CONTRACT

62.2(C) In the contract rescinded in part or parts,

The full Performance Guarantee for the contract shall be recovered.

The defaulting Contractor shall not be issued any completion certificate for the contract.

The balance work shall be got done independently without risk & cost of the failed Contractor.

The failed Contractor shall be debarred from participating in the tender for executing the balance work.

