



COAL INDIA LIMITED

CIVIL ENGINEERING DIVISION

( Regd. Office: Coal Bhawan, Premises No.04-1111, AF-III

Action Area 1A, New Town, Rajarhat, PIN-700 156.

(Corporate Id No.- L23109WB1973GOI028844)

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Ref. No. CIL/CIVIL/192/ 232

Date:07.04.2017

To,

General Manager(Civil)/ General Manager(CMC)

BCCL Dhanbad, CCL Ranchi, CMPDI Ranchi, ECL Sanctoria, MCL Sambalpur, NCL Singrauli, SECL Bilaspur,  
WCL Nagpur, NEC Margherita

**Sub: Discontinuation of Vendor Registration System and Modifications  
in chapter 2 (Turnkey) of CMM**

The existing system of Vendor Registration in CMPDIL is open for manufactures of Mechanical/Electrical equipment/Machineries/System for usage in Coal & Material Handling Plants/Coal Preparation Plants/Work Shops/ Sub-Station. The Turnkey Contractor selected for installation and commissioning of a project in CIL or its Subsidiaries are allowed to supply the Plant & Machinery item, specified in the tender, of any of the approved/registered vendors only.

The present system of vendor registration being followed at CMPDIL may have been to ensure supply of quality components for sustained performance of plant. However, it is observed that in last few years many renowned manufacturers have not come forward for registration.

It has, therefore, been decided to discontinue the present Vendor Registration System which is in vogue in CMPDIL. To ensure that EPC/Turnkey Contractor is not using substandard equipment /component/System, CIL or its subsidiaries are given two options depending on the in-house manpower available to operate the plant:

1. To Increase Defect Liability Period to four years including maintenance of the plant by the EPC contractor where sufficient manpower is available for operation of the plant.
2. To Increase Defect Liability Period (DLP) to four years including operation and maintenance of the plant by the EPC contractor where sufficient manpower is not available for operation of the plant.

In both cases, the contractor shall be responsible for maintaining the plant including repair, replacement of spare parts, components, equipment etc. free of cost during four year DLP.

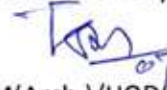
It has also been decided to discontinue Vendor list in the tenders under BOM.

In view of the above, some clauses of chapter 2 (Turnkey) of CMM have been amended and enclosed as Annexure-A.

You are requested to kindly implement the above amendments/guidelines with immediate effect.

This issues with approval of Competent Authority.

Yours faithfully,

 07/4/2017

GM(Arch.)/HOD(Civil)



Modifications in Chapter 2 (Turnkey) of Contract Management Manual

Sl No.	Clause No.	Existing Provision	Amended Provision
1	Clause 35.1 of ITB, Modifications in Chapter 2 of CMM (Turnkey), Page 27	35.1 The contract agreement will specify major items of supply of services for which the contractor proposes to engage Sub-Contractor/ Sub-Vendor. The contractor may from time to time propose any addition or deletion from any such list and will submit the proposals in this regard to the Engineer in Charge/ Designated Officer in Charge for approval well in advance so as not to impede the progress of work. Such approval of the Engineer in Charge/ Designated Officer will not relieve the contractor from any of his obligation, duties and responsibilities under the contract.	<p>35.1 The contractor shall specify major items of supply or services for which he proposes to engage Sub-contractor(s)/ Sub-Vendor (s) in its bid.</p> <p>Further, the installation/ usage of major equipment /product shall meet the following conditions:</p> <ol style="list-style-type: none"> <li>1.Indigenously manufactured with BIS/ ISI marking wherever it is mandatory or conforming to BIS standards or ISO certification etc or reputed brand in that order.</li> <li>2.Overseas manufactured with certification regarding quality like relevant ISO/British Standard Certification/ any other International quality certification etc. Failing which internationally reputed brand in that order.</li> </ol> <p>The major items/ equipment/ products so specified by the bidder shall be incorporated in the Contract Document. The contractor may from time to time propose any addition or deletion from the list as mentioned in the contract document and will inform the Engineer in Charge/ Designated Officer in Charge with proper justification so as not to impede the progress of work. The same may be accepted by Engineer in Charge/ Designated Officer in Charge. However, such approval of the Engineer-in Charge/ Designated Officer in Charge will not relieve the contractor from any of his obligation, duties and responsibilities under the contract.</p> <p>Any addition of item(s) in the list shall also meet the conditions specified at 1 &amp; 2 above.</p>





2	Clause 30.8 of GTC and 3.8 of GTC, Modifications in Chapter 2 of CMM (Turnkey), Page 26 & Page 47	The Contract Performance Guarantee will be returned to the Contractor without any interest at the end of the Guarantee Period as per provisions of the contract. Any defect/defects in the work, if detected during guarantee period shall be rectified to the satisfaction of the Engineer-in-Charge within the said guarantee period or its due extension till completion of the rectification works as required.	The Contract Performance Guarantee will be returned to the Contractor without any interest after performance of all contractual obligations by the contractor including defect liability/ operation/ maintenance period. Any defect/defects in the work, if detected during the aforesaid period shall be rectified or equipment/system shall be replaced to the satisfaction of the Engineer-in-charge within the said defect liability/ operation/ maintenance period or its due extension till completion of the rectification/ replacement works as required.
3	Clause 4.1 of GTC, Chapter 2 of CMM, Page 55	4.1 The contractor may, after informing the engineer and getting his written approval, assign or sub-let the contract or any part thereof other than for raw materials, for minor detail or any part of the plant for which makes are identified in the contract. Suppliers of the equipment not identified in the contract or any change in the identified supplier shall be subject to approval by the engineer. The experience list of the equipment vendors under consideration by the contractor for this contract shall be furnished to the engineer for approval prior to procurement of all such items/equipments. Such assignment sub-letting shall not relieve the contractor from any obligation, duty or responsibility under the contract. Any assignment as above without prior written approval of engineer shall be void.	4.1 The contractor may, after informing the engineer in charge/ designated officer in charge, with proper justification for acceptance, assign or sub-let the contract or any part thereof other than for raw materials, for minor detail or any part of the plant for which makes are identified in the contract document. Suppliers of the equipment/system not identified in the contract document or any change in the identified supplier mentioned in the contract document can be changed and same may be informed to engineer in charge/ designated officer in charge, with proper justification for acceptance. The experience list of the equipment/system vendors under consideration by the contractor for this contract over the list mentioned in the contract document shall be furnished to the engineer in charge/ designated officer in charge prior to procurement of all such items/ equipment. Such assignment of sub-letting shall not relieve the contractor from any obligation, duty or responsibility under the contract. Any assignment as above without prior

			information of engineer shall be void.
4	Clause 40.4 of GTC, Chapter 2 of CMM, Page 69	40.4 Notwithstanding anything stated elsewhere in the bid documents, the prices of all spares which may be procured to cover long term requirements beyond the 2 years' maintenance and operational requirements, will be generally in accordance with the mutually agreed prices.	40.4 Notwithstanding anything stated elsewhere in the bid documents, the prices of all spares which may be procured to cover long term requirements beyond the forty eight (48) calendar months, will be generally in accordance with the mutually agreed prices.
5	Clause 40.8 inserted in GTC	40.8 No existing clause	40.8 In case of equipment/ system (including manufactured domestic and overseas) the availability of spare parts for additional sixty (60) calendar months after forty-eight (48) calendar months (i.e. four years of Defect liability period (DLP) including maintenance of plant by contractor or four years of Operation & Maintenance of plant by contractor, as per the provisions of tender document) shall have to be guaranteed by the contractor. In this regard, the contractor will have to provide, an undertaking from the respective OEMs regarding supply of spare parts and maintenance support as and when required during the said period, before signing of contract agreement and it should be made a part of contract agreement.
6	Clause 33 of GTC, Chapter 2 of CMM, Page 67	33.0 GUARANTEE  33.1 The contractor shall warrant that the equipment will be new and in accordance with the contract documents and be free from defects in material and workmanship for a period of twelve (12) calendar months commencing immediately upon the satisfactory completion of the trial operations. The contractor's liability shall be limited to the replacement of any defective parts in the equipment of his own manufacture or those of his sub-contractors, under normal use and arising solely from faulty design,	33.0 GUARANTEE/ DEFECT LIABILITY  33.1 The contractor shall warrant that the equipment will be new and in accordance with the contract documents and be free from defects in material, design, manufacture and workmanship for a period of forty-eight (48) calendar months commencing immediately upon the satisfactory completion of the trial operations. The contractor's liability shall be limited to the replacement of any defective parts in the

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		<p>materials, and/or workmanship provided always that such defective parts are repairable at the site and are not in the meantime essential in the commercial use of the plant. Such replaced defective parts shall be returned to the contractor unless otherwise arranged. No repairs or replacements shall normally be carried out by the engineer when the plant is under the supervision of the contractor's supervisory engineers.</p>	<p>equipment of his own manufacture or those of his sub-contractor (s)/ sub-vendor (s) or replacement of the complete equipment, under normal use and arising solely from faulty design, manufacture, materials, and/or workmanship provided always that such defective parts/equipment are repairable at the site/ replacing the equipment as a whole without hampering the operation of the plant. Such replaced defective parts/ old equipment shall be returned to the contractor unless otherwise arranged. No repairs or replacements shall be carried out by the engineer in charge of the employer during the 48 calendar months, as the plant is under the supervision of the contractor's supervisory engineers/staff.</p> <p>33.2 The operation of the plant will be done departmentally by the respective subsidiary companies or by the EPC contractor, as per provisions of tender document. However, in both cases the successful EPC contractor shall be responsible for maintaining the plant during 48 calendar months including repair, replacement of the spare parts, components, equipment etc. free of cost.</p> <p>33.3 If the facilities or any part thereof cannot be used by reason of such defect and/or making good such defect, 48 calendar months (i.e.</p>
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		<p>four years of Defect liability period (DLP) including maintenance of plant by contractor or four years of Operation &amp; Maintenance of plant by contractor, as per the provisions of tender document) of any facilities or such part, as the case may be, shall be extended by a period equal to the period during which the facilities or such part cannot be used by the employer because of aforesaid reasons.</p> <p>33.3 In case of failure of any equipment/system in during the initial period of 48 calendar months (i.e. four years of Defect liability period (DLP) including maintenance of plant by contractor or four years of DLP including Operation &amp; Maintenance of plant by contractor, as per the provisions of tender document) the EPC contractor shall repair/replace the equipment/system etc. at his own cost.</p> <p>All the equipment should be guaranteed for a minimum of 90% availability of plant during defect liability period from the date of commissioning calculated on quarterly basis.</p> <p>The following formula may be adopted to calculate percentage availability.</p> $\frac{\text{Total shift hours} - \text{breakdown hours} - \text{maintenance hours}}{\text{Total shift hours}} \times 100$
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		<p>Total shift hours=8×No. of shifts operated in 3 or 12 months as elaborated (quarterly/annual basis) including those on scheduled holidays.</p> <p>In the event that equipment fails to achieve the availability herein provided, measured over each quarter, contractor shall be liable for and pay to the employer, as penalty, a sum equal to as indicated hereunder to be adjusted against running bill/performance guarantee:</p> <ul style="list-style-type: none"><li>a. 0.25% of contract price (excluding taxes and statutory duties) for reduction in every percentage or part thereof from guaranteed availability for first 10% (i.e. from 90% to 80%), calculated on quarterly basis.</li><li>b. In case the availability falls below 80%, 10% of contract price (excluding taxes and statutory duties) shall be deducted as penalty calculated on annual basis.</li></ul> <p>However, the total penalty on account of failure in guaranteed availability shall not exceed 10% of contract price (excluding taxes and statutory duties).</p>
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7	C.3 Maintenance & Training, Page 40, Modifications in CMM-chapter2- Turnkey Contracts	<p><b>C.3. MAINTENANCE &amp; TRAINING</b></p> <table border="1"> <thead> <tr> <th data-bbox="491 300 544 367">Sl. No</th> <th data-bbox="544 300 738 367">Description.</th> <th data-bbox="738 300 879 367">Quoted Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 367 544 696">1</td> <td data-bbox="544 367 738 696">Maintenance of whole plant &amp; training of employer personnel for one year as per description given in tender documents.</td> <td data-bbox="738 367 879 696"></td> </tr> </tbody> </table>	Sl. No	Description.	Quoted Amount	1	Maintenance of whole plant & training of employer personnel for one year as per description given in tender documents.		<p><b>C.3. OPERATION AND/OR MAINTENANCE &amp; TRAINING</b></p> <table border="1"> <thead> <tr> <th data-bbox="987 300 1024 367">Sl. No</th> <th data-bbox="1024 300 1270 367">Description.</th> <th data-bbox="1270 300 1374 367">Quoted Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="987 367 1024 1122">1</td> <td data-bbox="1024 367 1270 1122"> <p>Maintenance of whole plant for <u>four</u> years &amp; training of employer personnel as per description given in tender documents.</p> <p>Or</p> <p>Maintenance &amp; operation of whole plant for four years &amp; training of employer personnel as per description given in tender documents.</p> </td> <td data-bbox="1270 367 1374 1122"></td> </tr> </tbody> </table>	Sl. No	Description.	Quoted Amount	1	<p>Maintenance of whole plant for <u>four</u> years &amp; training of employer personnel as per description given in tender documents.</p> <p>Or</p> <p>Maintenance &amp; operation of whole plant for four years &amp; training of employer personnel as per description given in tender documents.</p>	
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