

## ANNEXURE-I

### (GENERAL TERMS AND CONDITIONS OF PURCHASE)

#### 1. **COMMERCIAL FORMALITIES::**

The supply against the order should commence only after completion of requisite contractual formalities such as submission of Cash/D.D./B.G. towards Security Deposit etc. In case of non-compliance, any loss occurred to this account will be borne by the supplier and the Board/Discom-EZ shall not be responsible for any consequence arising thereof.

#### 2. **SECURITY DEPOSIT**

2.1 On acceptance of offer, the supplier will have to deposit an amount of 10% of the total value of the order in cash or Demand Draft or Bank Guarantee as Security Deposit.

2.2 Cash to be deposited with Senior Accounts officer (C.A.U.) MPSEB, Jabalpur and original receipt produced to this office shall be returned after conveying the acceptance of Security Deposit.

2.3 Demand Draft to be drawn in favour of Sr.A.O., (CAU), MPSEB, Jabalpur drawn on any nationalized/scheduled Bank and payable at Jabalpur.

2.4 Bank Guarantee in lieu of cash deposit on any nationalized/ scheduled bank strictly as per Board/Company's/Board's proforma (to be supplied along with the order) valid sufficiently to cover the guarantee period.

2.5 All SSI Units registered with Industries Department of MP shall be required to pay Security Deposit for only 5% (five percent) value of the order, subject to maximum of Rs.20,000/- in cash or DD. This concession is for such SSI Units of M.P. who are doing business up to Rs.50 Lacs annually only.

2.6 The Security Deposit shall have to be deposited within 30 days of issue of order.

2.7 The Board/Discom shall forfeit the security deposit in the event of non-execution/part execution of the orders/poor performance of supplier/contractor besides invoking the Penalty Clauses.

2.8 The Security deposit shall be returned to the successful bidder only after due and faithful performance of the order as per terms and conditions of the order and on expiry of guarantee period provided there are no claims outstanding to be recovered against the bidders/ suppliers.

2.9 No interest shall be paid by the Board/Discom on security deposit furnished by the suppliers.

#### 3. **TEST CERTIFICATE**

(a) **MATERIAL TEST CERTIFICATE:** Each item of the lot should be tested by the supplier and routine test certificate in duplicate giving the result of all test prescribed in the relevant IS. (As mentioned in the technical specification Schedule) for ordered items shall be submitted to the officer of Superintending Engineer (S&P-EZ) O/o CMD(EZ), MPPKVVCL, Jabalpur for approval before offering the lot for inspection.

#### 4. **INSPECTION:-**

4.1 (a) Each lot of offered material shall be inspected by the Board/Company's inspecting officer before despatch. The supplier shall extend all reasonable and necessary testing help to the inspecting officer of the Board/Company to carry out testing of material at his works.

(b) An intimation about the date, by which material shall be ready for inspection, indicating quantity, be given to. Order Placing Authority, by the supplier, so as to reach him sufficiently in advance, failing which, the suppliers shall be responsible for delay in delivery on account of inspection. On receipt of such intimation, the material shall be inspected normally within 15 days.

(c) The supplier shall not despatch the material unless specific despatch instructions are issued by the Purchase Section of Board/Company or any other authorized officer of the Board/Company.

(d) In case the inspector deputed for inspection does not find the offered lot ready, the Board/Company reserves the right to recover from the supplier, such charges as may have been incurred towards arranging such inspection. These charges have been mentioned in clause 5 below.

**4.2 FACTORY INSPECTON:-** During pendency of the order, the factory inspection may be conducted by the Company's authorized officers as & when felt necessary for ensuring production of quality material.

4.4. The supplier shall extend all reasonable and necessary assistance to the inspecting officer of the Company to carry-out testing of material at his works.

5. **FAKE INSPECTION CALL:-** All such firms, who after giving inspection call, do not offer materials to Inspecting Officer for inspection due to one or the other reasons, shall be required to remit a sum of Rs. 5,000/- per officer.

6. **PACKING OF MATERIAL:-**

(a) The suppliers shall be responsible for the Stores being sufficiently and properly packed at his expense for transport by Rail or Road, so as to ensure them free from loss, damage or injury, due to handling and transport to the destination.

(b) Each package shall be prominently and distinctly marked on at least two faces, indicating the full address of the consignee, destination station, name of material, purchaser's order number etc.

(c) Each package shall contain a water proof cover and detailed description indicating the details. Each item contained in the package or box shall be described sufficiently to enable easy identification. The quantity, weights etc. where ever necessary shall also be given.

(d) The packing shall conform to the specification, rules and regulations prescribed by the under-writers, Railways, Transport Agencies and as mentioned in the Technical Specification.

(e) In case of any loss/damages to the consignment, due to non-standard packing, the same shall be made good free of all charges/costs to the Purchaser by the supplier. All the provisions of this clause shall apply whether the cause of disruption is total or partial in its effects upon the ability of the supplier to perform.

7. **MODE OF DESPATCH:-**

In case of despatch through rail, the material is to be booked for respective destination railway stations. In case of despatch through road transport, the material should be despatched on door delivery basis only.

8. **TERMS OF PAYMENT:-**

8.1 Payment shall be made in accordance with payment clause of the order.

8.2 The supplier shall forward the original documents directly to the consignee along with copies of following documents:-

- i) Copy of the bill
- ii) Delivery challan
- iii) The inspection and/or T.C. approval, if any.
- iv) Detailed packing list, if required.

8.3 The original bills should be forwarded to the paying authority and should be marked "ORIGINAL". The bill should indicate the Sales Tax Registration Certificate Number and date allotted to him under the Sales Tax Act.

8.4 For payment, the invoice in triplicate with relevant documents such as copy of Material Receipt Certificate issued by the consignee for receipt of material in good condition etc. should be submitted to the Dy Dir.(Bills),MPSEB, Jabalpur for value more than Rs.2,50,000/-. In case amount is less than Rs.2,50,000/-, the bill should be submitted to concerned Sr.A.O.

8.5 The MATERIAL RECEIPT CERTIFICATE will be forwarded by the consignee to the paying authority and to the supplier towards acknowledgement of receipt of material including part consignment, to the extent it is received in good condition and is serviceable.

#### 9. **PENALTY:-**

9.1 The time for and the date of delivery of the material stipulated in the order shall be deemed to be the essence of the contract. In case of delay in execution or non-execution of the order, the Board/Company at its option shall either recover from the supplier/ contractor as agreed towards liquidated damages a sum of ½ % of the FOR destination (landed cost) price of any stores not delivered per week or part there of subject to a maximum of 10%.

9.2 For this purpose, the date of offer of material in the office of Order Placing Authority shall be considered as the date of delivery, subject to the condition that offer has been made 15 days in advance of terminal date of scheduled delivery and material is delivered at stores within 21 days of clearance. For early inspections, offer may be sent telegraphically or by fax. Board/Discom will not be responsible for delays for ordinary/ registered post inspection offers. Please note, in case material is not received within 21 days from the date of issuance of despatch instructions, even though the delivery period exists, penalty shall be reckoned from the original delivery period and the period of 21 days allowed for dispatch shall not be permitted and shall be taken into account for calculation of penalty.

#### 10. **FORCE MAJEURE CONDITIONS::**

Force majeure condition is herein defined as:-

- (a) Natural phenomena, such as floods, draughts, earth-quakes and epidemics.
- (b) Act of any Government Authority, domestic or foreign, such as war, quarantines, embargoes, licensing control or production or distribution restrictions.
- (c) Accident and disruptions such as fires, explosions, increase in power cut with respect to date of tender opening, break-down of essential machinery or equipments etc.
- (d) Strikes, slow down, lockouts continuing for more than three (3) weeks.
- (e) Failure or delay in the supplier's source of supply due to force majeure causes enumerated at (a) to (d) above, provided the supplier produces documentary evidence to show that there were no other alternative sources of supply available to him or if available, the lead time required was likely to be longer than the duration of the Force Majeure at the normal source of supply.
- (f) Any cause which is beyond the reasonable control of the supplier or purchaser as the case may be.

All the provisions of this clause shall apply whether the disrupting cause is total or partial in its effect upon the ability of the supplier to perform.

**NOTE:-** The cause of force majeure condition will be taken into consideration only if the supplier within 15 days from the occurrence of such delay notifies. The Board/ Company shall verify the facts and grant such extension as the facts justify. For extension of delivery period on account of force majeure conditions, the supplier shall submit his representation with documentary evidence for scrutiny by the purchaser and decision of the Board/Discom. shall be binding on the firm.

**11. LOSS OR DAMAGE:-**

11.1 Responsibility regarding covering of risk during transit of material shall entirely be on the supplier. Company shall not bear the transit risk in any case.

Any damages/shortages/losses during transit shall be reported by consignee, within one month from the receipt of the consignments. Such damages/shortages/ losses shall be replaced by the supplier, free of cost within one month from the date of intimation by the consignee. If the supplier fails to do so the consignee(s) shall be free to recover the cost of such material either from the supplier's bills or from the security deposit as deemed fit.

**11.2 REPLACEMENT OF GOODS LOST OR DAMAGED INCLUDING LOSS DUE TO FIRE:-**

Notwithstanding anything herein contained, the supplier shall undertake responsibility for the safe arrival of the material in good condition and without any loss or damage at the respective destination and until the same is actually delivered to/received by the consignee at its stores. In case of any damages/shortages during transit, the payment shall be made only for the quantity received in good condition.

**12. PERFORMANCE GUARANTEE PERIOD/DEFECTIVE SUPPLIES:-**

12.1 If during the course of 18 months from the date of receipt of the last consignment or 12 months from the date of commissioning (wherever applicable), whichever is earlier, any of the goods is found to be defective in materials or workmanship or develops defects during service, the same will have to be replaced by the supplier free of all charges. All necessary arrangements on this account will be made by the suppliers.

12.2 The said material, if required to be replaced, shall be collected by the supplier/firm from the consignees at their own cost and at their own responsibility. These materials will like-wise be returned duly replaced subsequently by the supplier to the consignee destination indicated on "Freight paid basis" at their cost in a reasonable time of 30 days from the date of intimation. The guarantee period as stipulated above shall also be applicable for replaced material, which shall however be counted afresh from the date of its delivery to our consignees.

12.3 Further, it is clarified that all the charges towards replacement of material, including packing/ forwarding loading/ unloading etc. shall be born by the supplier. The amount deposited under security deposit clause shall also cover the performance guarantee of the material.

**13. DELIVERY:-**

13.1 The supplies shall be commenced at the earliest from the date of receipt of order and shall be completed as per delivery schedule of the order.

**13.2 Deferment/Advancement of deliveries:-**

The Company reserves the right to defer or reschedule the delivery.

**14. RANDOM TESTING:-**

14.1 Approval of sample or waiver of inspection will not relieve the supplier from his responsibility to supply the material strictly in accordance with the specification. The Board shall have option to test the samples selected at random from the supplies affected.

14.2 In case, the supplied materials do not meet the required specification, the entire lot will be liable to be rejected and the supplier will have to refund the amount paid, including all taxes and duties, if any, as well as the testing charges thereof, after inspection. Such quantities or rejected material as identified shall be removed by the supplier and replaced in full at his own cost. Board will not be responsible for levy of taxes on such rejected material and deduction shall be in totality.

14.3 In case of random checking of material from the supplies, if shortage is noticed, a notice shall be given to the supplier who shall arrange to depute his representative within 15 days for joint testing/inspection. If during joint testing/ inspection, any deviation is observed and material supplied is found not conforming to the specification as per order, the Board reserves the right to impose any appropriate penalty for full quantity of material supplied against the order. The decision of the Board in this respect shall be final and binding on the supplier.

**15. SALES TAX/COMMERCIAL TAX:-**

M.P. Poorv Kshetra Vidyut Vitaran Co.Ltd., is procuring material on behalf of MPSEB. The MP State Electricity Board is registered dealer under M.P. Sales Tax Act, 1968 as well as Central Sales Tax Act,1956. The registration nos. are as follows:-

(i)	M.P. Sales Tax	TIN No.: 2361580036
(ii)	Central Sales Tax	

Since the rates are inclusive of all taxes and therefore taxes shall not be paid extra. However, the firms may indicate the various details of amount like basic price, ED, ST, Packing forwarding charges etc. in the bills.

**16. VARIATION IN THE ORDERED QUANTITY:-**

A tolerance in the ordered quantity will be allowed to the extent of  $\pm 2\%$  (plus minus two percent) and not for each consignment. MRCs shall be issued for actual receipt of quantity only.

**17. RECOVERIES FOR LIABILITIES AGAINST OTHER CONTRACTS:-**

All amount recoverable from the supplier against earlier contracts with the Board/Discom, if any, will be adjusted from payment due against the instant order placed.

**18. EXTENSION ORDER:-**

The Board/Discom-EZ reserves the right to place extension order for any additional quantity to the extent of 100% quantity of the order on the same rates, terms and conditions within 6 months from the date of order.

**19. CANCELLATION OF ORDER**

19.1 The Board/Discom-EZ may upon written notice of default, terminate contract in the circumstances detailed hereunder:-

- a) If in the opinion of the Board/Discom, the supplier fails to deliver the material within the time specified or during the period for which extension has been granted by the Board/Company.
- b) If in the opinion of the Board/Discom, the supplier fails to comply with any of the other provisions of this contract or material is found not in accordance with prescribed specifications and or the approved samples.
- c) If as a result of stage inspection, it is revealed that material and/ or, workmanship is substandard which is likely to affect the performance of the finished product, a notice would be served by the Board/Discom to the supplier to suspend further activities and

to take urgent steps towards corrective measures, failing which the entire order would be cancelled.

19.2 In the event of such termination, the Board/ Discom shall exercise its discretionary power as:-  
a) To recover from the supplier the agreed liquidated damages as approved in the Clause No.12 above.

**OR**

b) To purchase from elsewhere after giving due notice to the supplier on account and at the risk of the contractor such stores/ material not so delivered or others of similar description in respect of consignment not yet delivered.

**OR**

c) To cancel the contract reserving Board/Discom's right to recover damages.

19.3 Notwithstanding that the powers under clause referred to above, are in addition to the rights and remedy available to the Board/ Discom under the general law of India relating to Contract.

18.4 In the event of risk purchase of stores of similar description, the opinion of the Board/ Discom shall be final. In the event of action taken under clauses above, the supplier shall be liable to pay for any loss, which the Board/ Discom may sustain on that account but the supplier shall not be entitled to any saving on such purchases made against the default.

19.5 The decision of the Board/Discom shall be final regarding the acceptability of the stores supplied by supplier and the Board/ Discom shall not be required to give any reason in writing or otherwise at any time for the rejection of the stores/ material.

19.6 In the event, Board/Discom does not terminate the order as provided in clauses above, the supplier shall continue execution of this order, in which case he shall be liable to the Board/Company for liquidated damages for the delay as per clause 12 until supplies are accepted.

**20. REDUCTION OF RATE DUE TO SUBSEQUENT TNER**

As a result of opening of the subsequent tender, if the rates received are found to be lower, then the pending supply against order shall be accepted at the lower rates.

**21. SUPPLY DETAILS:-**

On completion of supplies, a statement showing details of offer and supplies made shall be furnished to this office promptly i.e. in first week of following month in following proforma:-

Sr. No.	Item	Date of offer	Date of Despatch	Bill No. & date	Quantity	Name of consignee	MRC No. & date

Executive Director (S&P-EZ)  
MPPKVVCL :

Jabalpur