

RITES Ltd. / Contract Policy Cell / Gurgaon

General Conditions of Contract for Works, July 2019

Correction Slip No. 8

The existing Clause 10 B (ii) - Mobilisation Advance, 10 B (iv) - Interest & Recovery and 10 B (vi) – Additional Advance may be deleted and replaced with the following:

10 B Mobilisation advance

- ii. Mobilisation advance not exceeding 15% of the tendered value may be given, if requested by the Contractor in writing within one month of the order to commence the work.

Such advance shall be paid in two equal installments. The first installment of such advance shall be released on a request made by the Contractor to the Engineer-in-Charge in this behalf. The second installment shall be released by the Engineer-in-Charge only after the Contractor furnishes a proof of the satisfactory utilization of the earlier installment to the entire satisfaction of the Engineer-in-Charge.

Before any installment of advance is released, the Contractor shall furnish Bank Guarantee Bonds aggregating to 110% of the installment amount and not exceeding five in number from any Scheduled Commercial Bank as per form given in **Annexure 'C'**. Mobilisation Advance shall be released only after receipt of confirmation of the Bank Guarantee from the issuing Bank. The BG Bonds shall be furnished initially valid for the full contract period. If the contract period gets extended due to any reasons, the BG Bonds shall be kept renewed from time to time to cover the balance amount to be recovered together with interest @ 8.5% and valid for the likely period of complete recovery. The BG Bonds shall be discharged progressively depending upon the amount of mobilisation advance recovered along with interest.

Interest & Recovery

- iv. The mobilization advance and plant and machinery advance in (ii) & (iii) above bear simple interest at the rate of 8.5 per cent per annum and shall be calculated from the date of payment to the date of recovery, both days inclusive, on the outstanding amount of advance. Recovery of such sums advanced shall be made by deduction from the Contractor's bill commencing after first ten percent of the gross value of the work is executed and paid, on pro rata percentage basis to the gross value of the work billed beyond 10% in such a way that the entire advance is recovered by the time eighty percent of the gross value of the Contract is executed and paid together with interest due on the entire outstanding amount up to the date of recovery of the installment. Recovery of advance at any intermediate stage shall be effected, if necessary, by encashment of part Bank Guarantees if the



appropriate pro rata amount of advance is not available from the work done by the Contractor.

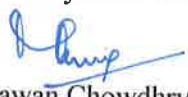
Additional Advance

- vi. An Additional Advance, not exceeding 5% of the tendered value, may be given to the Contractor by the Engineer-in-Charge if, in his opinion, giving of such advance will result in improvement in the pace of construction and its likely completion within the stipulated period or by already extended date of completion. The Additional Advance shall be given against a Bank Guarantee for an amount equal to 110 % of the Additional Advance issued by a scheduled commercial bank in a format similar to that given in **Annexure C**. Additional Advance shall not be given unless 50 % of the tendered value of work has been completed. The rate of interest chargeable on the Additional Advance shall be 10 % (1 year MCLR rate of SBI + 3%) per annum. Recovery of such advance shall be made by deduction commencing from the Contractor's first bill received after payment of advance on pro-rata percentage basis to the gross value of the work billed in such a way that the entire advance is recovered by the time eighty percent of the gross value of the Contract is executed and paid together with interest due on the entire outstanding amount up to the date of recovery. Recovery of advance at any intermediate stage shall be effected, if necessary, by encashment of part Bank Guarantees if the appropriate pro rata amount of advance is not available from the work done by the Contractor.

No. RITES/CO/CPC/GCC 2019/CS 08

Dated, 21st January, 2021

The above correction to GCC for Works July 2019 is issued with the approval of the competent authority. This is to be implemented with immediate effect.

 21/1/21

(Pawan Chowdhry)

ED/ P&C-CP and

Head Contract Policy Cell

All Divisional Heads and SBU heads: As per standard mailing list of dispatch.

Copy to:

1. Secy. to CMD/DP/DF/DT. The above correction slip may be inserted in the copy of GCC for Works, July 2019, for information of CMD and Directors
2. CVO
3. AGM/ IT: For getting uploaded on RITES website (Tender/RITES-GCC July 2019/Correction slip-08).