

### 4.3 CONTRACT CONDITIONS

General conditions of contract are as follows:

Rates are for complete work including materials, transport, labour, T. and P. and all other agreements necessary.

Contractor shall deposit 10% of the estimated cost as security money, or this amount may be collected gradually from the running account bill of the contractor. Contractor shall have to complete the work by a specified date and have to maintain a monthly progress. If he fails in maintaining the progress or completing the work in time he is liable for compensation or penalty and part or whole of the security money may be forfeited. Time may be extended by the competent authority on written application of the contractor on valid reason. Running account payment shall have to be made to the contractor from time to time as the work progress. The cost of materials issued to the contractor shall be deducted from the first running bill. Work shall have to be done strictly in accordance with specifications, drawings and orders, bad work is liable to be dismantled or contractor is liable for compensation or penalty. If the progress is not satisfactory, a separated bitable agency may be engaged chargeable to the original contract. Contract may be terminated for bad work, unsatisfactory progress, etc., and part or full security money may be forfeited. Contractor shall have to execute the work as per altered specification and design if such alterations are done by the competent authority. Extra items which are provided in the contract, shall be paid as per current schedule of rates. The contractor shall have to arrange for all tools and plants, the work shall be open for inspection, work should not be sublet, contractor shall have to pay wages to the workers as per the rates of the wages of locality. Compensation to the workman shall be paid by the contractor for any accident or damage. For any claim or dispute the decision of the Superintending Engineer shall be final.

All taxes, royalties, etc., shall have to be paid by the contractor which are included in the rates. Labour camp shall have to be maintained and other amenities to labour shall have to be provided.

Contract agreement binds both the contractor and the department legally. Contractor's responsibility is to observe the rules, regulations to the department and to complete the work according to the specifications plans, designs and instructions and in time and not to abandon the work in the middle. Department's requirement is to see that the work is done as per plans, specifications, designs, etc. and progress of the work is maintained and the whole work is completed in time.

## **CONTRACT DOCUMENT**

Before the work is given out on contract an agreement or bond is prepared. The following documents shall be attached to the contract agreement or bond which should be duly endorsed and sealed. Each page shall bear the signature of the contractor and the accepting authority and all corrections shall be similarly initialed :-

1. Title page - having the name of work, contract bond number, etc.
2. Index page - having the contents of the agreement with page references.
3. Tender notice - giving brief descriptions of the work, estimated cost of work, date and time of the tender, amount of earnest money and security money, time of completion, etc. Earnest money, usually 2% of the estimated cost, is deposited along with tender.
4. Tender' form - -giving the bill of quantities, contractor's rates, and total cost of works, and time for completion, progress of works, security money, penalty clause, etc.
5. Bill of quantities or schedule of quantities - giving quantities and rates of each item of work and cost of each item of work and the total cost of the whole work.
6. Schedule of issue of materials - giving list of materials to be issued to the contractor with rates and place of issue.
7. General specifications - specifying the class and type of works in general.

8. Detailed specifications - of each item of work, and of each material to be used in the work.

9. Drawings - complete set of drawings including plans, elevations, sections, detailed drawing, etc. and site plan, all fully dimensioned.

10. Condition of contract containing the terms and conditions of contract in detail. The conditions specify the following:

(1) Rates inclusive of materials, transport, labour, T. and P. all other agreements necessary for completion of work, (ii) Amount of the security money, (ii) Time for completion of the work, (iv) Progress to be maintained, (v) Penalty for unsatisfactory and bad work, for failure in maintaining progress, for delay in completion, (Vi) Mode of payment, running account payment, final payment, security money refund, (vii) Extension of time limit of contract, (viii) Rules for employment of debatable agency, termination of contract,(ix) Minimum wages to labour, compensation to labour, (x) Authority deciding extra items and contractors claims, etc.

11. Special condition - depending on the nature of works, regarding taxes, royalties, which are included in rates, labour camp, labour amenities, compensation to labour in case of accident, etc.