

Annexure - 2 to Addendum no. 1

SCC, Part B – Specific Provision

Conditions	Sub-Clause	Specific Provision
Advance Payment	14.2	Add this after Recovery of advances a. in GC Sub clause 14.2 with provisions as under a.1 No advance shall be given after 40% of the Original Contract Amount has been paid Sub-clause 14.2 Advance Payment in GC is replaced with the following entirely. Mobilisation Advance: (i) Mobilisation Advance shall be limited to 5% of Accepted Contract Amount payable in two equal instalments. The first instalment shall be paid after mobilization has started and next instalment shall be paid after satisfactory utilization of initial mobilization i.e., establishment of office, setting of casting yard and installation of Batching Plant. (ii) Mobilisation Advance shall be paid interest free against acceptable Bank Guarantee from a scheduled commercial bank in India. The value of Bank Guarantee taken towards security of “Mobilisation Advance” shall be 110% of the Advance taken by the Contractor and shall be in the form annexed to the Contract Data or in another form approved by the Employer. (iii) The release of Mobilization Advance shall be considered by GMRC based on the availability of work fronts and timing of actual mobilization requirements. The decision of GMRC regarding the timing of release of Mobilization Advance shall be final and binding on the Contractor. No claim shall be admissible on this account. Advance against Plant and Machinery : Plant and Machinery Advance shall be limited to 5% of Accepted Contract Amount. This Advance shall be paid interest free against acceptable e-Bank Guarantee from a scheduled commercial bank in India. The value of Bank Guarantee taken towards Security of “Plant & Machinery Advance” shall be 110% of the Advance taken by the Contractor and shall be in the form annexed to the Contract Data or in another form approved by the Employer. This Advance is payable against Plant, Equipment and Machinery, provided the same have reached the site or in the case of new items meant specifically for the work, firm purchase order has been placed and the invoices received. The Advance will be given only if the Plant/Machinery has been purchased for this Contract and not for those which are already in the books of the Contractor. The Contractor shall submit a certificate from Chartered Accountant that the Plant / Machinery against which the Advance is being claimed was not in the books of the Contractor before award of Contract. The Plant and Machinery shall be valued by the Engineer as follows: (i) New Items : 80% of purchase price (ii) Second hand items in working order: 80% of the depreciated value as assessed by the Engineer

		(iii) Items valued at less than : Not to be considered Rs 5.00 lakh per unit Written Request for Advances: All Advances as admissible, shall be payable only on Contractor's written request to the Employer and after the Employer receives (i) the Performance Security in accordance with Sub- Clause 4.2 [Performance Security] (ii) a guarantee in amounts and currencies equal to the advance payment. The Contractor shall ensure that the guarantee is valid and enforceable until the advance payment has been repaid, but its amount may be progressively reduced by the amount repaid by the Contractor as indicated in the Payment Certificates. If the terms of the guarantee specify its expiry date, and the advance payment has not been repaid by the date 28 days prior to the expiry date, the Contractor shall extend the validity of the guarantee until the advance payment has been repaid. <u>Recovery of Advances</u> a) The recovery of Advances shall commence when <u>30%</u> of the Accepted Contract Amount of the Work has been paid and shall be completed by (i) 90% of the Accepted Contract Amount has been paid, or (ii) the date of payment of such Advance plus the stipulated period for completion of the work, whichever is earlier. As far as possible, the total recovery of Advances including adjustment of provisional payments against materials shall be limited to 30% of on account bill. The extension of the period for recovery of Advances shall not, by itself, be construed as an acknowledgement or determination that the delay is attributable to the Employer/Department. The attribution of delay shall be determined separately in accordance with the relevant provisions of the Contract, based on the actual cause and circumstances of the delay. b) The Contractor shall always have the option to have the recoveries commenced and/or completed earlier, and/or to have recoveries affected in instalments of higher amount and also to repay part or whole of the Advance by direct payment rather than through on account Bills. c) In case the Contract is terminated due to default of the Contractor or rescinded / foreclosed, due to any other reason, the Contractor shall return the unrecovered amount of all Advances within 15 days of issue of notice of termination / rescission /foreclosure of the Contract and if the Contractor fails to do so due to any reason whatsoever, then interest at rate equal to State Bank of India's Marginal Cost of fund based Lending Rate (MCLR) applicable for the tenure of 01 year prevailing on the date of issue of notice of termination / rescission / foreclosure plus 3% Penal Interest per annum shall be charged on the unrecovered amount of such Advances from 16th day onwards compounded quarterly till the same is returned by the Contractor. Interest in case of Delay in repayment of Advances: In the event the advances or any interest thereon (if any) is not recovered by the date mentioned in Para 14.2(a) above, then the interest shall be charged from the contractor on the unrecovered advances beyond such date at "State Bank of India's Marginal cost of fund based lending rate (MCLR) applicable for the tenure of 01 year prevailing on such date plus 3% Penal interest per annum.
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		Advances to be used only for this work The advances shall be used by the Contractor strictly for the purpose of the Contract, and for the purpose for which they are paid. Under no circumstances, shall the advances be diverted for other purposes. Any such diversion shall be construed as a breach of the Contract and the Contractor shall be asked to return the advance at once and pay interest at 15% per annum till the advance is recovered back from him. The Contractor shall return the advance and pay the interest in one go without demur. Employer retains the right for any other remedy prescribed for breach of Contract in this regard. The Contractor, if required by the Engineer shall provide the details of utilization of Mobilization advance. Note: Plant and Machinery means plant and machinery required to enable the works like batching plant, crane, generators, transit mixers, TBM's etc. which are not the part of permanent works.
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