

Telephone No. 080 22243926  
Fax No. 080 22110134  
Website: [www.kptcl.com](http://www.kptcl.com)



Email ID: [dgmtkptcl@rediffmail.com](mailto:dgmtkptcl@rediffmail.com)

## KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

CIN No. U40109KA1999SGC025521

Corporate Office  
Kaveri Bhavan, K.G Road,  
Bengaluru-560 009

- Sub** : Amendment to Clause No. 8.2 & 8.3 of SCC of Vol-I of the Tender Document to modify the tender conditions in respect of "Terms of payment" for Freak Rate items - reg.
- Ref** : 1. Proceedings of 125<sup>th</sup> Board of Directors Meeting of KPTCL held on 24.06.2021 - Subject No. 125/30.  
2. I.O. Note No. KPTCL/B37/125<sup>th</sup> BM/2021-22/270-75 dated 23.07.2021 of the Company Secretary, KPTCL.

\*\*\*\*\*

*(S) 20/08/21 (125/30-1)*  
*R.S. 1/21*  
**PREAMBLE:**

Construction of Sub-stations, Transmission Lines and other system improvement works in KPTCL is being carried out by inviting tenders on Turnkey basis. Bidders are required to quote their unit rate along with F&I and applicable taxes against each material required for the project. The total contract price is being computed based on quantities stipulated and rates quoted by the Bidders duly de-loading excess tax component/F&I, arithmetic errors if any etc.

As the works of KPTCL are dynamic in nature, the quantities initially assessed while inviting tender may vary while the works are under execution. Off late it is observed that, Bidders are quoting abnormal rates (either high or very low rates) for some of the items in some Tenders which leads to excess out flow of payment from KPTCL to the Agency in the initial stage.

In the interest of the Corporation, it is proposed to modify "Stages of payment" i.e., Clause No. 8.2 & 8.3 of SCC of Vol-I of the Tender Document in the event of non-Freak Rates and Freak Rates.

The subject proposal was placed before the 125<sup>th</sup> Board of Directors Meeting of KPTCL held on 24.06.2021 seeking approval to modify "Stages of payment" i.e., Clause No. 8.2 & 8.3 of SCC of Vol-I of the Tender Document.

Board after detailed discussion, approved the proposal for *modifying the payment conditions during freak rates quoted by the Bidders for* future works in KPTCL with the following resolution:

*“RESOLVED THAT approval be and is hereby accorded for the amendment to Clause No. 8.2 & 8.3 of SCC of Vol-I of the Tender Document and the same shall be adopted in the Tenders for future works in KPTCL”.*

Hence this order.

Order No. KPTCL/B19/1672/90-91

Dated: 09.08.2021

Approval is here by accorded to incorporate the following amendment in respect of Clause No. 8.2 & 8.3 of SCC of Vol-I of the Tender document and the same shall be adopted in the Tenders for future works in KPTCL as below :

8.2 Price Component for Supply portion of the Works:	8.2 Price Component for Supply portion of the Works:
As Existing	As Amended
<p>8.2.1 STAGES OF PAYMENT</p> <p>The terms of Payments will be as stated below:</p> <p><u>Price Component for Material Works:</u></p> <p>1. <b><u>Fifty Five percent (55%) of the Ex-works price plus 100% Taxes</u></b> i.e., CGST, SGST, IGST, UTGST, Custom Duties on Imports, cess if any, as the case may be <b><u>and 100% Freight &amp; Insurance charges</u></b> in respect of materials (on receipt of 1<sup>st</sup> Bill after supply of Turnkey Materials) shall be paid on MAS (Material Acknowledgement Statement) subject to the following:</p> <ol style="list-style-type: none"> <li>i. Material Acknowledgement Statement issued by the consignee Divisions.</li> <li>ii. Copy of the Certificate of Transit Insurance.</li> <li>iii. Pre-dispatch clearance certificate issued by the owner, prior to dispatch of the Consignment.</li> <li>iv. Packing list / Bill of materials.</li> </ol>	<p>8.2.1 <b><i>STAGES OF PAYMENT</i></b></p> <p><b>A. <u>During non-Freak rates:</u></b></p> <p>The terms of Payments will be as stated below:</p> <ol style="list-style-type: none"> <li>1. No change</li> </ol>

8.2 Price Component for Supply portion of the Works:	8.2 Price Component for Supply portion of the Works:
As Existing	As Amended
<p>v. Contractor's Detailed Invoice. vi. Test Certificates. vii. Physical Verification Certificate by the site Engineers.</p> <p>2. <u>Twenty Five percent (25%) of Ex-works price of materials</u> shall be paid progressively on erection of the equipments/materials.</p> <p>3. <u>Ten percent (10%) of Ex-works price of materials</u> shall be paid on successful completion of Trial Operation.</p> <p>4. Ten percent (10%) of the Ex-works price in respect of materials shall be paid on submission of required number of reproducible, manuals, approved drawings, test report and pamphlets and complete documents pertaining to Transmission lines/Sub-Stations.</p>	<p>2. No change</p> <p>3. No change</p> <p>4. No change</p> <p><b>B. <u>During Freak rates:</u></b></p> <p>1) <u>1<sup>st</sup> Stage Payment on supply of materials:</u></p> <p><u>For DWA quantities:</u></p> <p><u>Fifty Five percent (55%) of the rate entered in the Major Works Schedule of Rates (SR) applicable at the time of according approval to award of contract plus the overall percentage of the original tendered rates over the updated estimate cost prevalent at the time of according approval to award of the contract plus 100% Taxes awarded i.e., CGST, SGST, IGST, UTGST, Custom Duties on Imports, cess if any, as the case may be and 100% Freight &amp; Insurance charges awarded in respect of materials (on receipt of 1<sup>st</sup> Bill after supply of Turnkey Materials) shall be paid on MAS (Material Acknowledgement Statement) subject to the following:</u></p> <p><b>I. Material Acknowledgement Statement issued by the consignee Divisions.</b></p>

8.2 Price Component for Supply portion of the Works:	8.2 Price Component for Supply portion of the Works:
As Existing	As Amended
<p>The above Payment terms are Subject to the following conditions stated herein below:</p> <p>i. The Zonal Chief Engineers, Electricity, Should ensure before making any payment towards materials received that the material</p>	<p>II. Copy of the Certificate of Transit Insurance.</p> <p>III. Pre-dispatch clearance certificate issued by the owner, prior to dispatch of the Consignment.</p> <p>IV. Packing list / Bill of materials.</p> <p>V. Contractor's Detailed Invoice.</p> <p>VI. Test Certificates.</p> <p>VII. Physical Verification Certificate by the site Engineers.</p> <p>2) <u>2<sup>nd</sup> Stage payment on erection of materials:</u></p> <p><u>For DWA quantities:</u></p> <p><u>Twenty Five percent (25%) of awarded Ex-works price of materials plus the amount withheld during the 1<sup>st</sup> stage payment shall be paid progressively on erection of the equipment's / materials.</u></p> <p>3) <u>3<sup>rd</sup> Stage Payment:</u></p> <p><u>For DWA quantities:</u></p> <p><u>Ten percent (10%) of awarded Ex-works price of materials shall be paid on successful completion of Trial Operation.</u></p> <p>4) <u>4<sup>th</sup> Stage Payment:</u></p> <p><u>For DWA quantities:</u></p> <p><u>Ten percent (10%) of the awarded Ex-works price in respect of materials shall be paid on submission of required number of reproducible, manuals, approved drawings, test report and pamphlets and complete documents pertaining to Transmission Lines / Sub-stations.</u></p> <p>No change</p>

8.2 Price Component for Supply portion of the Works:	8.2 Price Component for Supply portion of the Works:
As Existing	As Amended
<p>has been supplied as per Activity Chart pertaining to the work concerned.</p> <p>ii. The work is going according to the plan.</p> <p>iii. Notwithstanding anything contained to the contrary in the Bid documents, storage insurance for materials stored at the site by the contractor shall be to the account of the Contractor alone and no amount whatsoever is payable by the KPTCL.</p> <p>8.2.2 The Bills will be passed on the basis of the following certificates:</p> <ol style="list-style-type: none"> <li>1. Certificate recorded by the Contractor that the Materials / Equipments are received as per the Terms and Conditions of the Purchase order placed for Materials and Turnkey Agreement entered into by him with KPTCL.</li> <li>2. Certificate recorded by the Junior Engineer, Elec/Asst. Engineer, Elec designated as "Site Engineer or Engineer in charge of Work" to the effect that the Materials / Equipments are actually received in the Store of the Turnkey Contractor or at Site as per the Terms and Conditions of the Purchase order placed for Materials and Turnkey Agreement entered into by him with KPTCL.</li> <li>3. Certificate by the Asst. Executive Engineer, Elec, who is the Sub-Divisional Officer in charge of the Contract to the effect of the receipt of Materials/Equipments.</li> <li>4. Countersignature of the Executive Engineer, Elec in charge of the Work and who is the Divisional Officer under whose jurisdiction the Contract is being executed.</li> </ol>	<p>8.2.2 No change</p>

8.3 Price Component for Erection and Civil Works:	8.3 Price Component for Erection and Civil Works:
As Existing	As Amended
<p>8.3.1 Ninety percent (90%) of the Erection and Civil Works Price Component plus 100% Taxes i.e., CGST, SGST, IGST, UTGST, levies, surcharge/cess etc., if any of the Package shall be paid progressively on prorata basis on Certification by the Engineer, for:</p> <p>i) The quantum of Work completed.</p> <p>ii) The successful Completion of Quality Check Points involved in the Erection.</p> <p>8.3.2 Balance Ten percent (10%) of the Erection and Civil Works Price Component of the package shall be paid on successful Completion and Commissioning of the Substation, and Transmission Lines in accordance with Clause No. 9.0 of Section-V, Special Conditions of Contract-SCC, Volume-I.</p>	<p><b>A. <u>During non-Freak rates:</u></b></p> <p>8.3.1 No change</p> <p>8.3.2 No change</p> <p><b>B. <u>During Freak rates:</u></b></p> <p><b>8.3.3 <u>1<sup>st</sup> Stage Payment:</u></b></p> <p><b><u>For DWA quantities:</u></b></p> <p><b><u>Ninety percent (90%) of the rate entered in the Major Works Schedule of Rates (SR) applicable at the time of according approval to award of contract plus the overall percentage of the original tendered rates over the updated estimate cost prevalent at the time of award of the contract for Erection and Civil Works Price Component plus 100% Taxes as per award i.e., CGST, SGST, IGST, UTGST, levies, surcharge / cess etc., if any of the Package shall be paid progressively on prorata basis on Certification by the Engineer, for:</u></b></p> <p><b>i) The quantum of Work completed.</b></p>

8.3 Price Component for Erection and Civil Works:	8.3 Price Component for Erection and Civil Works:
As Existing	As Amended
	<p>ii) The successful Completion of Quality Check Points involved in the Erection.</p> <p><b>8.3.4 2<sup>nd</sup> Stage Payment:</b></p> <p><b><u>For DWA quantities:</u></b></p> <p><b><u>Balance Ten percent (10%) of the awarded ex-work Erection and Civil Works Price Component of the package plus the amount withheld in 1<sup>st</sup> Stage payment shall be paid on successful Completion and Commissioning of the Sub-station, and Transmission Lines in accordance with Clause No. 9.0 of Section-V, Special Conditions of Contract - SCC, Volume-I.</u></b></p>

This order shall come into effect immediately.

Approved by  
Managing Director

*BR 11/9/21*  
General Manager (Tech)  
KPTCL

**To:**

1. All Chief Engineers, Electy., KPTCL.
2. The Financial Advisor (Accounts & Resources) / (Internal Audit), KPTCL, Bengaluru.
3. All Superintending Engineers (El.), KPTCL.
4. All Controllers, KPTCL.
5. All Executive Engineers (Ele), MW / TL&SS Division, KPTCL.
6. All Deputy Controller of Accounts, KPTCL.
7. Company Secretary, KPTCL, Bengaluru
8. SPS to Managing Director / Director (Transmission) / Director (Finance) / Director (Admin & HR), KPTCL, Bengaluru with a request to place it before the Directors.
9. TA to Managing Director, KPTCL, Bengaluru.

**Copy to:**

SEE, IT&MIS, Kaveri Bhavan, Bengaluru with a request to arrange to upload the Order in KPTCL website.