

MUNICIPAL CORPORATION OF GREATER MUMBAI

NO.MDD/7878 dt: 27.09.2016

CIRCULAR

Subject: Amendments in MCGM's Tender Conditions, Standard Bid Document (SBD) and Standard General Conditions of Contracts (GCC).

Ref: MGC/F/160/ dtd:26.09.2016

Hon' Municipal Commissioner has accorded the approval to the amendments in the MCGM's Tender Conditions, SBD and GCC under No. **MGC/F/160/ dtd:26.09.2016** which shall be made effective for all tenders from 15th Oct., 2016. The Circular covers the important parameters :-

- (1) Eligibility Criteria
- (2) Bid Capacity
- (3) Requirement of Technical Personnel
- (4) Rationalization of Defect Liability Period
- (5) Security Deposits / Additional Security Deposits / Performance Guarantee
- (6) Guidelines for Joint Ventures
- (7) Rationalization of Penalties
- (8) Schedule of Bidding
- (9) Allotment of works in case of Equal Percentage
- (10) Forfeiture of EMD for being non-responsive
- (11) Refund of EMD / ASD
- (12) Equipment capabilities
- (13) Barring Physical Submissions
- (14) Downloading Bid Documents on the Portal
- (15) Appointment of Designated Officer for Contractors' grievances
- (16) Extension of Time in Contracts
- (17) Price Variation
- (18) Taxation
- (19) Subletting

(20) Exception of Additional Security Deposits / Performance Guarantee for demolition work tenders.

The circular and the guidelines for fixing Eligibility Criteria, Requirement of Technical Staff, Rationalization of Defect Liability Period, Security Deposits / Additional Security Deposits / Performance Guarantee and for participation of Joint Venture, being voluminous, is being e-mailed on all HODs Official e-mail IDs. The copy of circular, guideline annexure, Standard Bid Document and Standard General Conditions of Contract, is uploaded on Homepage of MCGM's Portal <https://portal.mcgm.gov.in>.

HODs are requested that all Engineers and Account Officers be informed about these amendments to the MCGM's Tender Conditions, SBD and GCC to be made effective from **15.10.2016**.

The introduction to these reforms is being planned shortly which will be informed after finalization of the program.

-sd-(dtd:27.09.2016)

(Chandrashekhar D. Chore)

D.M.C.(Improvement)

City Engineer / Ch.Eng.(Roads & Traffic) / Ch.Eng. (Bridges) / H. E. / Ch.Eng. (WSP) / Ch.Eng.(S.P.) / Ch.Eng.(MSDP) / Ch.Eng. (BM) / Ch.Eng.(Vig) / Ch.Eng. (M&E) / Ch.Eng.(D.P.) / Ch.Eng.(SWD) / Ch.Eng.(SWM) / Ch.Eng.(CTIRC)/ Dy. Ch.Eng.(HIC) / Dy.Ch.Eng.(SIC)

C.C. to : C.A. (Fin) / C.A. (WSSD)

C.C. to : Director (ES&P) / DMC(SE) / DMC(E) / DMC(Vig) / DMC(MCO) / DMC(SWM) / DMC(GA)/ DMC(CPD) / DMC(Z-I) / DMC(Z-II) / DMC(Z-III) / DMC(Z-IV) / DMC(Z-V) / DMC(Z-VI) / DMC(Z-VII)
Director(ME&MH)/Dean(KEM)/ Dean(SION)/ Dean(NAIR)

C.C. to : Hon' M.C.

A.M.C.(P) / A.M.C.(W.S.) / A.M.C.(E.S.) / A.M.C.(City)

Submitted please.

-sd-(dtd:27.09.2016)

(Chandrashekhar D. Chore)

D.M.C.(Improvement)

MUNICIPAL CORPORATION OF GREATER MUMBAI

CIRCULAR

2016-17

Sub: Amendments in the MCGM's Tender Conditions.

A Technical Committee under the Chairmanship of D.M.C. (I) was constituted by the directions of Hon'ble M.C., for doing a proper study to make the tendering procedure more open and simplified with a view point to have a amplified transparency in the mechanism so as to provide indiscriminating opportunity to all the bidders to make the bidding process more fair, competitive and responsive.

The Report on Recommendations of Technical Committee was forwarded to all concerned departments of MCGM and also was uploaded on MCGM portal for suggestion/objections.

After series of deliberations, a meeting was held under Chairmanship of Hon'ble MC on 01.07.2016, wherein AMC(P), AMC(ES), Director(ES&P), DMC(Imp), DMC(SE), Ch.Eng.(Roads), CA(Finance) and other engineering staff were present. The Recommendations of Technical Committee were deliberated in detail on the parameters enlisted below. The amendments to the draft circular were discussed on 20/07/2016 and 21/07/2016 with AMC(ES), AMC(WS)/Hon'ble MC. Subsequently, Hon'ble MC directed to make a study on the provisions existing in PWD so as to refine the tender conditions in MCGM with respect present scenario. Finally on 10.08.2016, the subject was discussed with AMCs/Hon'ble MC and concluded as enlisted below.

A. ELIGIBILITY CRITERIA

1. Classification of Works:

It is directed that henceforth all the works will be categorised in following two types:

- i) Regular, Routine and Maintenance works,**
- ii) Original and New construction works.**

2. The eligibility criterion based on above classification will be adopted henceforth as below:

Technical Capacity	
For Regular, Routine and Maintenance works: For a period during last 7(seven) years;	For Original and New construction works: For a period during last 7(seven) years;
Three similar completed works each costing not less than the amount equal to 20% of the estimated cost. OR Two similar completed works each costing not less than the amount equal to 25% of the estimated cost. OR One similar completed work costing not less than the amount equal to 40% of the estimated cost.	Three similar completed works or currently executing three works of similar nature each costing 30% of estimated cost.* OR Two similar completed works or currently executing two works of similar nature each costing 40% of estimated cost.* OR One completed work or currently executing one work of similar nature of aggregate 60% of estimated cost.*
Financial Capacity: Average Annual financial turnover during the last 3 years , ending 31st March of the previous financial year, should be at least 30% of the estimated cost.	

***In case of ongoing works to be considered, the bidder must have received payment bills of 80% of the contract sum for the work/works executed last day of month previous to the one in which bids are invited.**

- ❖ **No specific quantities shall be insisted as criteria of eligibility for qualification of bidder. This shall mean that similar works shall be in broader scope and not based on specific quantities.**
- ❖ **Within one month from the date of issue of circular, the Chief Engineers shall obtain approval of concerned AMC regarding the definition of regular and routine and maintenance works and Original & new construction works and also what shall be called as Similar Nature of works for respective departments as spelt in Annexure – I. This will be a standing order till changed. The Chief Engineers shall prepare an exhaustive list of all works under their control and categorise to keep no doubts for future tendering processes.**

The detailed guidelines for eligibility criteria are attached at **Annexure – I.**

B. BID CAPACITY

The bid capacity of the prospective bidders will be calculated as under:

Assessed Available Bid Capacity = (A* N* 2 - B)

Where,

A = Maximum value of Engineering works executed in any one year (year means Financial year) during **the last five years** (updated to the price level of the Financial year in which bids are received at a rate of 10% per year, compounded annually) taking into account the completed as well as works in progress.

N = Number of years prescribed for completion of the Project/Works, **excluding monsoon period**, for which these bids are being invited. (E.g. 7 months = 7/12 year) For every intervening monsoon, 0.33 shall be added to **N**.

B = Value of existing commitments (only allotted works) on the last date of submission of bids as per bidding document and on-going works to be completed during the period of completion of the Project/Works for which these bids are being invited.

Note: The statement showing the value of existing commitments and on-going works as well as the stipulated period of completion remaining for each of the works listed should be attached along with certificates duly signed by the Engineer-in Charge, not below the rank of an Executive Engineer or equivalent.

Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:

- made misleading or false representation in the forms, statements and attachments submitted in proof of the qualification requirements; and/or
- Record for poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc

C. REQUIREMENT OF TECHNICAL PERSONNEL

1. The requirement of technical personnel should be insisted depending upon the cost and complexity of the project work. The details of expected staffing pattern and penalisation in case of failure in providing experienced technical personnel are given in the guidelines attached at **Annexure – II**.
2. The requirement of technical staff and their qualification/experience can be varied depending upon nature of work by competent authority i.e. Chief Engineer with recorded reasons.

D. RATIONALISATION OF DEFECT LIABILITY PERIOD

1. The defect liability period for different components of different departments has been decided to be rationalised as follows:

The DLP shall be as below:

Dept	Type of works	DLP
Roads Bridge /	For cement concrete road/ Mastic works	5 years
	Asphalt work	3 years
	Paver Block	3 years
	Structural work	5 years
	General works	5 years
BM/SIC/HIC	General works	3 years
	Structural works	5 years
	Waterproofing works	5 years
Ward Works	All ward level works	2 years
Other Works	Pot holes and pre-monsoon bad patch repair work	1 year
For other departments	HE, WSP, SP, SWD, Garden	3 years

- ❖ **The above is illustrative. In case of any type of work not covered in above or any change in DLP, the concerned Ch.Eng. shall stipulate DLP with approval of concerned DMC/AMC.**
- ❖ **In case of composite work, i.e. having combinations of construction activities of different disciplines, the DLPs shall be approved by AMC.**

2. The detailed guidelines for DLP are attached at **Annexure – III.**

E. SECURITY DEPOSITS / ADDITIONAL SECURITY DEPOSITS / PERFORMANCE GUARANTEE

1. Security Deposit

The security deposit shall mean and comprise of:

- I) Contract Deposit and
- II) Retention Money.

I) **Contract Deposit** – The successful tender, here after referred to as the contractor shall pay an amount equal to **two (2) percent of the contract sum.**

II) **Retention Money** – The contractor shall pay retention money of an amount equal to **five (5) percent of the contract sum** which will be recovered from the contractor’s every bill i.e. interim / running / final bill. The clause of retention money will not be applicable to M. & E. works.

Note: Contract sum shall mean amount after application of rebate/premium as quoted by the contractor with contingencies only and excluding price variation.

2. Additional Security Deposit

The **additional security deposit** will be applicable, when a rebate of more than 12 % of the estimated rate is offered, with no maximum limit. The ASD is calculated as follows:

$$\text{Additional security deposit} = (X) \times \text{office estimated cost (tendered value),}$$

Where X=percentage rebate quoted more than 12%

The ASD shall be paid online in the ASD tab for bidders in e-tendering system before submission of the bid.

3. Performance Guarantee

The successful tenderer, here after referred to as the contractor shall pay amount in the form of “Performance Guarantee” at different rates for different slabs as stated below:

Offer	PG applicable %
For premium, at par and rebate less 0 to 12%	PG= 0.92% x contract sum applicable for rebate of 12%

For rebate of 12.01% and more	$P.G. = \{0.92\% \times \text{contract sum applicable for rebate of 12\%}\} + (X) \times \text{contract sum}$ <p style="text-align: center;">where $X = \text{percentage rebate quoted more than 12\%}$</p>
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4. The detailed guidelines of applicable deposits and refund of these deposits is attached at **Annexure IV**

F. GUIDELINES RECOMMENDED FOR JV FIRMS IN TENDER:

1. Joint Venture should be allowed only when the number of identifiable different works is more than one and/or the estimated cost of tender is more than Rs.100 Crores. JV shall also be allowed for complex technical work below Rs.100 Crores with the approval of concerned AMC.
2. Number of members in a JV firm shall not be more than three in normal circumstances, if the work involves only one discipline (say Civil or Electrical). If number of members in JV is required to be more than three, then approval of concerned AMC needs to be sought.
3. **Joint and several liability** - The members of the JV firm to which the contract is awarded, shall be jointly and severally liable to the Employer (MCGM) for execution of the project in accordance with General and Special conditions of the contract. The JV members shall also be liable jointly and severally for the loss, damages caused to the MCGM during the course of execution of the contract or due to no execution of the contract or part thereof.
4. **The guidelines for Joint Venture as mentioned in Annexure – V are to be followed for the projects in which JV is proposed. In case of any deviations or complete change in the Guidelines of Joint Venture for a particular project, specific approval of the concerned AMC must be taken clearly mentioning the reasons for deviation/changes.**

G. RATIONALISATION OF PENALTIES

1. The Engineer-in-charge shall issue notice to the contractor for rectifying the defects or redoing of the work if necessary, within specific time to achieve the desired quality and quantity of the work and **this should be governed by clause 8.f and 9.b of Standard General Conditions of Contract.**
2. If the contractor fails to comply the provisions as per clause 8.f and 9.b of GCC, only then, the contractor shall be liable to pay compensation at the same rate as

under clause 8.e of the Standard General Condition of Contract (for Compensation for delay) for this default.

3. If the penalisation amount exceeds maximum limit with respect to Clause 8.e of Standard General Conditions of Contract, then a show cause notice shall necessarily be issued to the contract as to why the contract should not be terminated. The contractor will be liable for being banned/ deregistered from business dealings with MCGM. This shall be governed by relative provision in Registration Rules of MCGM and Standard General Conditions of Contract.
4. This penalty shall be levied only on account of delay in work, unsatisfactory progress, unsound, imperfect or unskilful workmanship or with materials of any inferior description, or that any materials or articles provided by him for the execution of the work are unsound or of quality inferior to that contracted for or any default otherwise not in accordance with the contract.

H. SCHEDULE OF BIDDING

The following guidelines should be followed for determining the schedule of bidding:

1. The bidders should be given minimum time of 21 days for submitting the bid for the projects where the provision of Pre-Bid meeting is made or else minimum 7 days to be given.
2. The Pre-Bid Meeting shall be scheduled between 7th to 10th day from the date of start of sale of tender.
3. The minutes of Pre-Bid / Corrigendum shall be uploaded on portal between 11th to 13th day from the date of start of sale of tender, so as the bidder shall get a clear period of 7 days to submit the bid after the notification of pre-bid minutes / corrigendum.
4. In case of any deviation required in schedule of bidding as mentioned above, approval of concerned Ch.Eng. shall be sought and in case if time of sale is required to be more than 21 days (for projects with provision of pre-bid meeting) or 7 days (for projects without provision of pre-bid meeting), then approval of concerned AMC shall be sought.

I. ALLOTMENT OF WORKS IN CASE OF EQUAL PERCENTAGE

1. In case of **Equal Percentage** of lowest bidders (L1), the allotment of work shall be done by giving 48 hrs (**2 working days**) from the day of opening of packet C **on same BID-Document number for re-quoting** and such development needs to be done by IT department in MCGM's SRM system. **Till such development is made; 'Sealed Bids' shall be called from the bidders quoting the same rates i.e. L1.**

2. In case of equal percentage of lowest bidders is obtained even after re-quoting, then the successful bidder will be decided by lottery system by concerned Ch.Eng in presence of Bidder/Bidder's representative and Accounts Officer.
3. The lowest bidder shall have to submit the additional ASD if applicable within 7 days after receipt of notification issued by concerned Chief Engineer and "Performance Guarantee" shall be paid in 15 days after receipt of "letter Of Acceptance".

Note: This process of re-quoting online shall be carried only after development in SRM system by IT Department

J. FORFEITURE OF EMD FOR BEING NON-RESPONSIVE

1. The practice of forfeiting 10% of EMD on non compliance of the shortfalls is continued. However, no rejections and forfeiture shall be done in case of curable defects. **For non-curable defects the 10% of EMD shall be forfeited and bid will be liable for rejection.**
2. The forfeiture of EMD in the cases wherein if these submissions are not followed by a contractor, shall be informed by the user department to Registration and Monitoring Cell so as to make a data-base of such defaults of the contractors.
3. In case of non-submission of documents be considered as 'Intentional Avoidance' and if three or more cases in 12 months are reported, it shall be viewed seriously and disciplinary action against the defaulters which includes demotion, suspension, etc shall be taken by the registration cell as governed by relative provision in Registration Rules of MCGM and Standard General Conditions of Contract.
4. This condition no.3 shall be included in Bid Document, in the Section "Instructions to Bidders".

Note:

- i) **Curable Defect shall mean shortfalls in submission such as:**
 - a. **Non-submission of following documents,**
 1. **Valid Registration Certificate**
 2. **Valid Bank Solvency**
 3. **Sales Tax Registration Certificate (VAT)**
 4. **Certified Copies of PAN documents and photographs of individuals, owners, etc**
 5. **Partnership Deed and any other documents**
 6. **Undertakings as mentioned in the tender document.**
 - b. **Wrong calculation of Bid Capacity,**

c. **No proper submission of experience certificates and other documents, etc.**

ii) **Non-curable Defect shall mean**

a. **In-adequate submission of ASD amount,**

b. **In-adequacy of technical and financial capacity with respect to Eligibility criteria as stipulated in the tender.**

K. REFUND OF EMD/ASD

1. EMD/ASD of the bidders from L3 & downwards will be released immediately in next three days without asking any application from the Applicant, at the level of AE/Executive Engineer through SRM system, and without any insistence of the sanction of the competent authority as the EMD/ASD is a deposit to be refunded immediately of unsuccessful bidder and should not be kept on hold for any reasons. Once the system is IT enabled, the same shall be done automatically.
2. EMD/ASD submitted by the L-2 bidder will be returned after obtaining Standing Committee Resolution for awarding the work to L1.

L. EQUIPMENT CAPABILITIES

1. Classification of Works: The clause of the equipment capabilities is proposed to be classified in three types according to the nature of the work as follows:
 - a) **Regular and Routine works:** The successful bidder will make the arrangements of the required equipment on the day of commencement or with respect to the progress of the work in phases, as per the instructions of site in charge. The successful bidder and, to that effect he will ensure commitment on an undertaking on Rs.500 stamp paper to be submitted along with the Bid in Packet B. However, this condition in no way shall dilute the respective condition in Registration Rules of MCGM.
 - b) **New and Original Works:** The bidder should, undertake their own studies and **furnish with their bid**, a detailed construction planning and methodology supported with assessment study of requirements of equipment/plants & machineries to allow the employer to review their proposal. The bidder will ensure his commitment to make the arrangements of the required equipment on the day of commencement or with respect to the progress of the work in phases, as per the instructions of site in charge on an undertaking on Rs.500 stamp paper to be submitted along with the Bid in Packet B. However, this

condition in no way shall dilute the respective condition in Registration Rules of MCGM.

- c) **Special Works:** The concerned Ch.Eng. shall enlist the equipments in the tender document justified for the project and ensure the capacity of the bidder for the same with the approval of concerned AMC.

Note:

1. **Bidders shall submit the undertaking for equipment capability and other undertakings as such on a single Rs.500/- stamp paper.**
2. **Insistence of availability of equipments/plants at a particular distance from site should not be made in the tender document.**
3. **In case any requirement of machinery is felt necessary to be mentioned in tender document for a Regular & Routine works or New & Original works, approval of concerned AMC shall be obtained.**

M. BARRING PHYSICAL SUBMISSIONS

1. As the entire tendering procedure is online process, the physical submission of documents shall not be entertained by MCGM departments.

N. DOWNLOADING THE BID-DOCUMENT ON THE PORTAL

1. All departments shall upload the printable pdf file of bid documents on MCGM portal which can be downloaded without any payment.

O. APPOINTING OF DESIGNATED OFFICER FOR CONTRACTORS' GRIEVANCES

The Appellate Authority for Redressal of Contractors' Grievances shall be as follows:

- i. Ist Appeal by the bidder against the decision of C.E./HoD/Dean can be made to concerned DMC/Director who should decide appeal in 7 days
- ii. IInd Appeal by the bidder can be made to concerned AMC for decision and his decision will be final.

P. EXTENSION OF TIME IN CONTRACTS

1. Subject to any requirement in the contract as to completion of any portions or portions of the works before completion of the whole, the contractor shall fully and finally complete the whole of the works comprised in the contract (with

such modifications as may be directed under conditions of this contract) by the date entered in the contract or extended date in terms of the following clauses:

a) Extension attributable to MCGM

(i) Extension Due To Modification: If any modifications have been ordered which in the opinion of the Engineer have materially increased the magnitude of the work, then such extension of the contracted date of completion may be granted as shall appear to the Engineer to be reasonable in the circumstances, provided moreover that the Contractor shall be responsible for requesting such extension of the date as may be considered necessary as soon as the cause thereof shall arise and in any case **should not be less than 30 days before the expiry of the date fixed for completion of the works.**

(ii) Extension For Delay Due To MCGM: In the event of any failure or delay by the MCGM to hand over the Contractor possession of the lands necessary for the execution of the works or to give the necessary notice to commence the works or to provide the necessary drawings or instructions or any other delay caused by the MCGM due to any other cause whatsoever, then such failure or delay shall in no way affect or vitiate the contract or alter the character thereof or entitle the contractor to damages or compensation therefore, but in any such case, the MCGM may grant such extension(s) of the completion date as may be considered reasonable.

Note: For extension of time period as governed in (i) and (ii) above, any modifications in design/drawings, specifications, quantities shall be needed to be justified with recorded reasons with approval of Ch.Eng. for not anticipating the same while preparing estimates and draft tender.

(b) Extension Of Time For Delay Due To Contractor : The time for the execution of the work or part of the works specified in the contract documents shall be deemed to be the essence of the contract and the works must be completed no later than the date(s) / the programme for completion of work as specified in the contract. If the contractor fails to complete the works within the time as specified in the contract for the reasons other than the reasons specified in above as (a.i) and (a.ii), the MCGM may, if satisfied that the works can be completed by the contractor within reasonable short time thereafter, allow the contractor for further extension of time as the Engineer may decide. On such extension the MCGM will be entitled without prejudice to any other right and remedy available on that behalf, to recover the compensation as governed by Clause 8(e) of GCC.

For the purpose of this Clause, the contract value of the works shall be taken as value of work as per contract agreement including any supplementary work order/contract agreement issued.

Further, competent authority while granting extension to the currency of contract under Clause (b) of as above may also consider levy of penalty, as deemed fit based on the merit of the case. Also, the reasons for granting extension shall be properly documented.

- ❖ These changes are incorporated in the Standard General Conditions of the Contract in Clause no. 8(1).

Q. PRICE VARIATION

The maximum limit is normalized as follows for all budget works:

Time Period of Project	Maximum limit of Price Variation
Up to 12 months	No variation allowed
Above 12 months to 24 months	5%
Above 24 months	10%

***Approval of AMC/MC shall be obtained before invitation of tender in case of any changes in above.**

- Note:**
- 1) The extension in time period for the projects originally estimated including monsoon results in change of price variation slabs as mentioned above i.e. from first slab to second slab or from second slab to third slab, then the maximum limit of original slab will prevail.
 - 2) Operative period shall mean original or extended time period of contract.

For example:

Extension of Time period	Maximum Price Variation
If original period of 11 months including monsoon extends to 16. The operative period will be 11+5 months.	No variation allowed
If original period of 11 months excluding monsoon extends to 16. The operative period will be 11+5 months.	Maximum 5% variation allowed

❖ **Price Variation during Extended Period of Contract:**

(i) Extension Due To Modification & Extension for delay due to MCGM:

The price variation for the period of extension granted shall be limited to the amount payable as per the Indices in case the indices increases or decreases, above/below the indices applicable, to the last month of the original or extended period vide clause 8 (l) (a)(i) and (ii) of standard GCC.

(ii) Extension of Time for Delay Due To Contractor:

(a) The price variation for the period of extension granted shall be limited to the amount payable as per the Indices in case the indices increase, above the indices applicable, to the last month of the original completion period or the extended period vide above clause.8 (l) (a)(i) and (ii) of standard GCC. **However, the price variation shall not be paid in any case for the extended period on account of delay due to contractor.**

(b) The price variation shall be limited to the amount payable as per the indices, in case the indices decrease or fall below the indices applicable, to the last month of original / extended period of completion period vide above clause 8 (l) (a)(i) and (ii) of standard GCC, then lower indices shall be adopted.

(iii) Extension of Time for Delay due to reasons not attributable to MCGM and Contractor (Reference Cl. 8(d) of Standard GCC):

The price variation for the period of extension granted shall be limited to the amount payable as per the Indices in case the indices increases or decreases, above/below the indices applicable, to the last month of the original period.

❖ Price variation shall not be admissible for the FAIR items created during execution.

❖ These changes are incorporated in Clause 10.b of Standard General Conditions of the Contract.

R. TAXATION

1. All taxes, duties, cess and charges such as Octroi, Service Tax, Terminal or Sales Tax, VAT etc. and other duties on material obtained for the work from any source including the tax applicable as per Maharashtra Sales Tax Act, on the transfer of property in goods involved in the execution of work contract (re-enacted) Act 1989 or as amended shall be borne by tenderer. The tenderer will not be reimbursed the taxes, duties, cess and charges whether now in force or that may be enforced in future.

2. Rates accepted by MCGM shall hold good till completion of work and no additional individual claim shall be admissible on account of fluctuations in market rates; increase in taxes/any other levies/tolls etc. except that payment/recovery for overall market situation shall be made as per Price Variation.
3. Above condition shall be incorporated in all tender documents.

S. SUB-LETTING

1. Unless specifically mentioned in the contract subletting will not be allowed. Subletting, where otherwise provided by the contract shall not be more than 25% of the contract price.
2. Subletting of contract will be allowed only after appointment of contractor and before starting the execution of the work.
3. The permitted subletting of work by the Contractor shall not establish any contractual relationship between the sub-contractor and the MCGM and shall not relieve the Contractor of any responsibility under the Contract.

T. EXCEPTION OF ADDITIONAL SECURITY DEPOSITS/PERFORMANCE GUARANTEE FOR DEMOLITION WORKS TENDERS

Following exceptions may be adopted for 'Demolition Tenders':

1. Irrespective of the offer (Rebate/ at par/ premium), ASD shall be differed and only **PG of 10 % of contract sum** be taken from the successful bidder on award of contract only.
2. MCGM departments shall ensure to incorporate specific condition regarding above in bid document and e-tender notice.

U. 'STANDARD GENERAL CONDITIONS OF CONTRACT FOR CONSTRUCTION WORKS' AND 'STANDARD BID DOCUMENT'

1. The Standard General Conditions of Contract for Construction Works(GCC) and Standard Bid Document(SBD) will be e-mailed to H.O.D.s of all Departments of MCGM and also will be made available on MCGM's portal.
2. The GCC and SBD shall be made effective for all tenders from **15.10.2016**.

V. REGISTRATION RULES FOR MCGM AND APPLICATION OF GEO-TAGGING

1. Direction regarding Registration Rules of MCGM will be separately issued after finalisation of the same.
2. Specific instructions regarding application of Geo-Tagging will be issued to all HoD's after implementation of Geo-Tagging software.

W. INCORPORATION OF IMPORTANT CLAUSES AT PAR WITH MAHARASHTRA PWD

Following clauses are incorporated in the Standard Bid Document and Standard General Conditions of Contract.

1. Forfeiture of Security Deposit,
2. Action for Unsatisfactory progress,
3. No compensation for alteration or restriction of work,
4. Anti-Malaria and Safety Measures,
5. Strict adherence for progress of work.

All the Chief Engineers and concerned staff shall ensure strict and immediate implementation of the above changes in the tenders **15.10.2016** and make appropriate changes in the tender conditions, bid documents etc.

No deviations whatsoever from above should be done unless and otherwise specific and exclusive sanction with reasons in writing of concerned AMC and Hon'ble MC is taken for such changes.

Director(ES&P) shall ensure implementation of 'Line of Action' by respective departments i.e. office of Director(ES&P), City Engineer, Ch.Eng.(Vigilance), CA(Finance), CPD, Monitoring & Registration Cell and IT Department and concerned DMCs.

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CA(FINANCE)

-sd-(dtd:19.09.2016)

DIRECTOR (E.S.&P.)

-sd-(dtd:19.09.16)

DMC(Improvements)

-sd-(dtd:19.09.16)

AMC (Eastern Suburbs)

-sd-(dtd:19.09.2016)

AMC (Western Suburbs)

-sd-(dtd:19.09.16)

AMC (Projects)

-sd- (dtd:26.09.16)

MUNICIPAL COMMISSIONER

Annexure – I
**GUIDELINES FOR FIXING ELIGIBILITY CRITERIA FOR
TWO/THREE ENVELOPE SYSTEM**

The eligibility criteria is standardized for two different kind of projects, one for **regular and routine works** and second for **new and original works**. The term of regular and routine works / new and original works is elaborated as below:

1. For Regular, Routine and Maintenance works:

Name of the Deptt.	Details of project works
City Engineer/HIC	New buildings for staff quarters/markets/school/offices etc. All dispensaries, health centers/cemeteries
Bldg. Maintenance	All bldg. repair works, demolition works. New construction such as sheds.
Road & Traffic	Pothole repairs, trenches, asphalt-ing of minor and major roads, repairs to footpaths, Improvisations of junctions./ new C.C.roads.
Sewage Project	Replacement of sewer lines, laying of new sewer lines for short stretches upto 500m
Sewerage Operation	Remedial works of all sewer lines
S.W.D.	Repairs and rehabilitation of SWD, rehabilitation of culverts on minor roads, repairs to minor nallas, remodeling of SWD system, repairs to roadside drains, training of minor drains/nallas, reconstruction of collapsed walls. New R.C.C. box culverts across minor or major roads, desilting of nallas.
H.E.	Routine laying of pipeline works up to 1200mm dia .rehabilitation of distribution system, Replacement of household connections and other minor works related to the dept.
Bridges	All maintenance/minor repairs and repairs to bridges, new bridge over major nalla, etc
Garden Department	All Civil works related to Landscaping such as pergolas, gazebos, etc and horticulture works

- The above detailing of the project as per the Department is indicative and not exhaustive.
- **Within 1 month from the date of circular, The Chief Engineers shall obtain approval of concerned AMC regarding the definition of regular and routine and maintenance works and Original & new construction works as also what shall be called as Similar Nature of works for respective departments. This will be a standing order till changed. They should**

prepare an exhaustive list of all works under their control and categorise to keep no doubts for future tendering processes.

1.1 Technical Capacity

The tenderer(s) in their own name should have satisfactorily executed the work of similar nature MCGM /Semi Govt. /Govt. & Public Sector Organizations in the **during last seven (7) years** ending last day of month previous to the one in which bids are invited as a prime Contractor (or as a nominated sub-Contractor, where the subcontract had involved similar nature of work as described in the scope of works in this bid document, provided further that all other qualification criteria are satisfied)

a) **Three similar completed works each** of value not less than the value equal to **20%** of estimated cost put to tender

Or

b) **Two similar completed works each** of value not less than the value equal to **25%** of estimated cost put to tender

Or

c) **One similar completed work** of value equal and or not less than the **40%** of estimated cost put to tender

The value of executed works shall be brought to current costing level by enhancing the actual value of work at compound rate of 10 % per annum; calculated from the date of completion to last date of receipt of applications for tenders.

1.2 Financial Capacity

Achieved an average annual financial turnover as certified by 'Chartered Accountant' (in all classes of civil engineering construction works only) equal to **30%** of the estimated cost of work in **last three (3) financial years** immediately preceding the Financial Year in which bids are invited.

The value of executed works shall be brought to current costing level by enhancing the actual value of work at compound rate of 10 % per annum; calculated from the date of completion to last date of receipt of applications for tenders.

1.3 Similar Experience:

For assessing the technical capacity of Regular, Routine and Maintenance works; Similar work shall mean, the completed or ongoing works in Building Construction OR Building Maintenance such as repairs/retrofitting /structural repairs OR construction/repairs of Asphalt/ Concrete roads OR laying/rehabilitation of sewer lines along with allied components OR laying/rehabilitation of water pipe lines in Cast Iron/ M.S. pipes / HDPE/ MDPE pipes OR repairs/maintenance/ construction of culverts over nullah. No specific quantities shall be insisted as eligibility criteria for qualification of bidder. This shall mean similar works in broader scope and not based on specific quantities.

The Chief Engineer, shall decide other than aforesaid works in the definition of **Regular and Routine Works** with recorded reasons in writing and with approval of concerned AMC

2. For Original and New construction works

Name of the Dept.	Details of project works
City Engineer/HIC	Hosing colonies for staff quarters/Markets admeasuring more than 20000.00 sq.mts .etc. Or High Rise Buildings Or Buildings for major hospital more than 200 beds.
Road & Traffic	Asphalting/concreting of major roads in long stretches (single road more than 5000 m) and costing more than Rs.100.00 crores.
Sewage Project	laying of new sewer lines for long stretches i.e. beyond 500m.
Sewerage Operation	New pumping stations etc.
S.W.D	New pumping stations etc.
H.E.	Laying of pipe lines more than 1200mm dia., Trunk mains etc. Pumping stations etc.
Bridges	New bridges over roads, rivers,etc.

- The above detailing of the project as per the Department is indicative and non exhaustive.
- The Chief Engineer, shall decide other than aforesaid works in the definition of **Original and New construction works** with recorded reasons in writing and with approval of concerned AMC.

2.1 Technical Capacity (Project Experience):

The tenderer(s) in their own name should have satisfactorily executed the work of similar nature MCGM /Semi Govt. /Govt. & Public Sector Organizations in the during **last seven (7) years** ending last day of month previous to the one in which

bids are invited as a prime Contractor (or as a nominated sub-Contractor, where the subcontract had involved similar nature of work as described in the scope of works in this bid document, provided further that all other qualification criteria are satisfied)

- a) **Three similar completed works or currently executing three works of similar nature each costing 30% of estimated cost.***

OR

- b) **Two similar completed works or currently executing two works of similar nature each costing 40% of estimated cost.***

OR

- c) **One completed work or currently executing one work of similar nature of aggregate 60% of estimated cost.***

The value of executed works shall be brought to current costing level by enhancing the actual value of work at compound rate of 10 % per annum; calculated from the date of completion to last date of receipt of applications for tenders.

***In case of ongoing works to be considered, the bidder must have received payment bills of 80% of the contract sum for the work/works executed last day of month previous to the one in which bids are invited.**

2.2 Financial Capacity

Achieved a average annual financial turnover as certified by ‘Chartered Accountant’ (in all classes of civil engineering construction works only) equal to **30%** of the estimated cost of work in **last three (3) financial years** immediately preceding the Financial Year in which bids are invited.

- To ascertain this, tenderer(s) shall furnish /upload the financial statement (Audited balance sheet) duly certified by Chartered Accountant.
- The turnover can be enhanced by compound rate of 10% every year to bring the present level.

2.3 Similar experience is spelt in definite sense, such as-

For-Building Construction

Nos of stories	Experience of construction
Up to 4 stories	No special experience
From 5 to 10 stories	Minimum 5 stories
From 11 to 15 stories	Minimum 8 stories
From 15 + stories	Minimum 10 stories
In case of basement	Minimum 1 basement

*The contractors having experience of Retro-fitting (Jacketing of columns, recasting of structural members, polymer grouting, etc) works can also be eligible for Building Construction works.

For other works:

For RCC box drain/ RCC nalla work/ Reservoir/ ESR	Any type of RCC retaining structures +C.C. M -30 and above
For CC Road	Any type of high grade CC M 30 & above used in C.C road/nalla/culverts/ bridges
For asphalt road	Asphalt macadam works in roads
For pressure pipeline work(for HE& WSP)	Any type of pressure pipeline works used in water/rising main/petroleum/gas and ½ dia of the proposed dia in the tender is to be allowed
For gravity main	RCC pipe line used is sewage network/SW Drain/Network
For Bridges	Any bridge work of road over bridge/ river over bridge/ – No particular requirement of girders, steel shall be insisted in normal circumstances etc.
For special works	Chief Engineer shall decide the experience of particular works with recorded reasons in writing appropriately. E.g. I) Pilling work in severe exposure conditions, etc. II) Very specific and technologically specialized such as pre-stressing, tunneling, bridges and outfall pumping stations
For works related to M&E dept	As mostly works of M&E dept are of special nature, experience of particular categories of special work may be added in tender document with prior approval competent authority i.e. Ch.E./ DMC(E)/ DMC(Spl. Engg) as the case may be depending upon the delegation of powers for administrative approval.

Note: No specific quantities shall be insisted as eligibility criteria for qualification of bidder. Also, Ch.Eng. of respective departments should define “Similar Nature” works with approval of respective AMC.

Annexure - II
GUIDELINES FOR FIXING REQUIREMENT OF TECHNICAL STAFF

(A) General Guidelines for Fixing Requirement of Technical Staff

Cost of work (Rs in Crore)	Requirement of Technical Staff (of Major +Minor Component)		Minimum Experience(years)	Designation
	Qualification	Number		
more than 100	i)Graduate Engineer(Major component)	1	20	Project Manager in major discipline of engineering
	ii)Graduate Engineer	2+1	12	Deputy Project Manager in major discipline of engineering
	iii) Graduate Engineer or Diploma Engineer	4 2	5 10	discipline of engineering Project/Site Engineer
	iv) Graduate Engineer	1+1	8	Quality Engineer
	v) Diploma Engineer	1	8	surveyor
	vi) Graduate Engineer	1+1	6	Project Planning/ Billing Engineer
More than 50 to 100	i) Graduate Engineer	1	20	Project Manager

	ii) Graduate Engineer	1+1	12	Deputy Project Manager
	iii) Graduate Engineer or Diploma Engineer	2+1	5 Or 10	Project/Site Engineer
	iv) Graduate Engineer	1	8	Quality Engineer
	v) Diploma Engineer	1	8	surveyor
	vi) Graduate Engineer	1+1	6	Project Planning/ Billing Engineer
More than 20 to 50	i) Graduate Engineer	1	20	Project Manager
	ii) Graduate Engineer or Diploma Engineer	1+1	5 Or 10	Project/Site Engineer
	iv) Graduate Engineer	1	8	Quality Engineer
	v) Diploma Engineer	1	8	surveyor
	vi) Graduate Engineer	1	6	Project Planning/ Billing Engineer

Notes- 1 “Cost of work”, in table above, shall mean the agreement amount of the work.

2. Rate of recovery in case of non-compliance of the clause be stipulated at following rates:-

Sr. No	Qualification	Experience(years)	Rate of Recovery
1	Project Manager with degree	20	Rs.60000/- p.m.
2	Deputy Project Manager with degree	12	Rs.40000/- p.m.
3	Project/Site Engineer(Degree/Diploma)	5 or 10 respectively	Rs.25000/- p.m.
3	Quality Graduate Engineer	8	Rs.25000/- p.m.
4	Surveyor	8	Rs.15000/- p.m.
5	Project Planning/ Billing Engineer	6	Rs.20000/- p.m.

3. Nothing extra need to be added while preparing market rate justified amount of the work if stipulation is made as per above recommended scale of technical staff.

4. Requirement of technical staff and their experience can be varied depending upon cost and complexity of the work by competent authority i.e. Chief Engineer with recorded reasons.

5. The failure in providing experienced technical and /professional ability personnel and even ignoring the instruction of the Engineer-in-charge shall be linked to penalization. Such disobeying attitude of the contractor shall also be reported to Vigilance/Registration & Monitoring department.

(B)General Guidelines for Fixing Requirement of Technical Staff

Cost of work (Rs in Crore)	Requirement of Technical Staff		Minimum Experience(years)	Designation
	Qualification	Number		
10 to 20	i)Project Manager with degree in corresponding discipline of Engineering	1	10	Principal Technical Representative
	ii)Graduate Engineer	1	5	Technical Representative
	iii) Graduate Engineer or	2	2	Project/Site Engineer and Project Planning/
	Diploma Engineer	2	5	billing Engineer
5 to10	i) Graduate Engineer	1	5	Principal Technical Representative
	ii) Graduate Engineer or	2	2	Project/Site Engineer
	Diploma Engineer	2	5	Engineer
More than 1.5 to 5	i) Graduate Engineer	1	5	Principal Technical Representative
	ii) Graduate	1	2	

	Engineer or Diploma Engineer	1	5	Project/Site Engineer Billing Engineer
Up to1.5	i) Graduate Engineer or Diploma Engineer	1	2	Principal Technical Representative
		1	5	Project/Site Engineer/ Billing Engineer

Notes- 1 “Cost of work”, in table above, shall mean the agreement amount of the work.

2. Rate of recovery in case of non-compliance of the clause be stipulated at following rates:-

Sr.No	Qualification	Experience(years)	Rate of Recovery
1	Project Manager with degree	10	Rs.30000/-p.m.
2	Graduate Engineer	5	Rs.25000/-p.m.
3	Graduate Engineer	2	Rs.15000/-p.m.
4	Diploma Engineer	5	Rs.15000/-p.m.

3. Nothing extra need to be added while preparing market rate justified amount of the work if stipulation is made as per above recommended scale of technical staff.

4. Requirement of technical staff and their experience can be varied depending upon nature of work by competent authority i.e. Chief Engineer with recorded reasons.

Annexure - III

RATIONALISATION OF DEFECT LIABILITY PERIOD

The Contractor is expected to carry out the construction work in Workmen like manner so as to meet the requirement and specification for the project. It is expected that the Workmanship and materials will be reasonably fit for the purpose for which they are required.

Defects or defective work is where standard and quality of workmanship and materials as specified in the contract is deficient. Defect is defined as a failure of the completed project to satisfy the, expressed or implied, quality or quantity obligations of the construction contract. Defective construction works are as the works which fail short of complying with the express descriptions or requirements of the contract, especially any drawings or specifications with any implied terms and conditions as to its quality, workmanship, durability, aesthetic, performance or design. Defects in construction projects are attributable to various reasons.

Some of the defects are structural defects resulting in cracks or collapse of faulty defective plumbing, inadequate or faulty drainage system, inadequate or faulty ventilation, cooling or heating systems, inadequate fire systems etc. The defects could be various on accounts of different reasons for variety of the projects.

The Engineering In charge/Project Officer shall issue the practical completion certificate for the project. During the Defect Liability Period which commences on completion of the work, the Engineering In charge shall inform or the contractor is expected to be informed of any defective works by the Employer's representative of the defects and make good at contractor's cost with an intention of giving opportunity to the contractor of making good the defects appeared during that period. It is the contractor's obligation under the contract to rectify the defects that appear during Defect Liability Period and the contractor shall within a reasonable time after receipt of such instructions comply with the same at his own cost. The Engineering In charge/Project Officer shall issue a certificate to that effect and completion of making good defects shall be deemed for all the purpose of this contract to have taken place on the day named in such defect liability certificate.

If defective work or workmanship or design have been knowingly covered-up or concealed so as to constitute fraud, commencement of the Defect Liability Period may be delayed. The decided period may be delayed until **discover** actually occurs on at least the defect could have been discovered with reasonable diligence, whichever is earlier.

It is proposed to have DLP as below:

Dept	Type of works	DLP
Roads / Bridge	For cement concrete road/ Mastic works	5 years
	Asphalt work	3 years
	Paver Block	3 years
	Structural work	5 years
	General works	5 years
BM/SIC/HIC	General works	3 years
	Structural works	5 years
	Waterproofing works	5 years
Ward Works	All ward level works	2 years
Other Works	Pot holes and pre-monsoon bad patch repair work	1 year
For other departments	HE, WSP, SP, SWD, Garden	3 years

- **The above is illustrative. In case of any type of work not covered in above or any change in DLP, the concerned Ch.Eng. shall stipulate DLP with approval of concerned DMC/AMC.**

- In case of composite works i.e. having combinations of construction activities of different disciplines, the DLPs shall be approved by AMC.

Also, in case of defect, the Engineer shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at. The Defects Liability Period shall be extended for as long as Defects remain to be corrected. Every time notice of Defect/Defects is given, the Contractor shall correct the notified Defect/Defects within the duration of time specified by the Engineer's notice. The Engineer may issue notice to the Contractor to carry out removal of defects or deficiencies, if any, noticed in his inspection, or brought to his notice. The Contractor shall remove the defects and deficiencies within the period specified in the notice and submit to the Engineer a compliance report.

It is the Completion Stage when the contractor has completed all of the works and fixed all of the defects that were on the list of issue by Engineer-in-charge. When this happens, the engineer must issue a 'Certificate of Completion'. On the issue of 'Certificate of Completion', the 'Defect Liability Period starts. The contractor also must issue a 'Certificate statement' as an acknowledgment to the engineer not later than 14 days after the 'Certificate of Completion' has been issued. During the 'Defect Liability Period', the contractor has to obey all written instructions from the engineer to carryout repairs and fix any defects which appear in the Permanent Works. If the contractor does not ,due to his own faults finish the repair works or fix the defects by the end of 'Defect Liability Period', the 'Defect Liability Period' will continue until all works instructed by engineer is done.

Annexure - IV
GUIDELINES FOR SECURITY DEPOSIT / PERFORMANCE
GUARANTEE

A. Security Deposit

The security deposit shall mean and comprise of

- I) Contract Deposit and
 - II) Retention Money.
- I) **Contract Deposit** – The successful tender, here after referred to as the contractor shall pay an amount equal to **two (2)** percent of the contract sum shall be paid within thirty days from the date of issue of letter of acceptance.
- II) **Retention Money** – The contractor shall pay the retention money an amount equal to **five (5)** percent of the Contract Sum which will be recovered from the contractors every bill i.e. interim / running / final bill. The clause of retention money will not be applicable M. & E. Department.

Note: Contract sum shall mean amount after application of rebate/premium as quoted by the contractor with contingencies only and excluding price variation.

B. Additional Security Deposit

The **additional security deposit** will be applicable when a rebate of more than of 12 % at the rate of with no maximum limit. The ASD is calculated as follows:

$$\text{Additional security deposit} = (X) \times \text{office estimated cost,}$$

Where X=percentage rebate quoted above 12%

The ASD shall be paid online in the ASD tab for bidders in e-tendering system before submission of the bid.

C. Performance Guarantee

The successful tender, here after referred to as the contractor shall pay in the form of “Performance Guarantee” at different rates for different slabs as stated below:

Offer	PG applicable %
For premium, at par and rebate 0 to 12%	PG= 0.92% x contract sum applicable for rebate of 12%

For rebate of 12.01%	$P.G. = \{0.92\% \times \text{contract sum applicable for rebate of } 12\% \} + (X) \times \text{contract sum}$ <p style="text-align: center;">where $X =$ percentage rebate quoted more than 12%</p>
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Note: Contract sum shall mean amount after application of rebate/premium as quoted by the contractor with contingencies only and excluding price variation.

The PG shall be paid in one the following forms.

- I) Cash (In case guarantee amount is less than Rs.10,000/-)
- II) Demand Draft (In case guarantee amount is less than Rs.1,00,000/-)
- III) Government securities
- IV) Fixed Deposit Receipts (FDR) of a Schedule Bank.
- V) An electronically issued irrevocable bank guarantee bond of any Schedule bank or f in the prescribed form given in Annexure.

Performance Guarantee is applicable over and above the clause of Security Deposit. Performance Guarantee will have to be paid & shall be valid till the defect liability period or finalization of final bill whichever is later.

This deposit will be allowed in the form of I to V as mentioned above and shall be paid within 15 days after receipt of Letter of Acceptance.

Note: Following exceptions shall be adopted for ‘Demolition Tenders’:

- Irrespective of the offer (Rebate/ at par/ premium), ASD shall be differed and only PG of 10% of contract sum be taken from the successful bidder on award of contract only.
- MCGM departments shall ensure to incorporate specific condition regarding above in bid document and e-tender notice.

D. Refund of Security Deposit

I. Refund of Contract Deposit

The Contract Deposit shall be released within 30 days after completion of 3rd year of DLP (in case of 5 years DLP) and after issue of ‘Defect Liability Certificate’ (in case of 1 or 2 or 3 years DLP) subject to no recoveries are pending against the said work, provided that the Engineer is satisfied that there

is no demand outstanding against the Contractor. No claim shall be made against the Balance Contract Deposit after the issue of Defects Liability Certificate.

II. Refund of Retention Money

One-half (50%) of the Retention Money shall be released within 30 days of issue of 'Certificate of Completion' with respect to the whole of the Works. In the event the Engineer issues a Taking-over Certificate for a section or part of the Permanent Works, only such proposition thereof as the Engineer determines (having regard to the relative value of such section or part of the Works) shall be considered by the Engineer for payment to the Contractor.

The balance Retention Money shall be released within 30 days after completion of 3rd year of DLP (in case of 5 years DLP) and after issue of 'Defect Liability Certificate' (in case of 1 or 2 or 3 years DLP) provided that the Engineer is satisfied that there is no demand outstanding against the Contractor. In the event of different Defects Liability Periods have been specified or become applicable to different sections or parts of the Permanent Works, the said moneys will be released within 30 days on expiration of the latest of such Defects Liability Periods.

Payment of the above mentioned 50% is exclusive of the amounts to be withheld as stated in and that amount shall be paid as per condition stated therein.

III. Refund of Additional Security Deposit

The additional security deposit shall be released within 30 days of issue of 'Certificate of Completion' with respect to the whole of the Works. In the event the Engineer issues a Taking-over Certificate for a section or part of the Permanent Works, only such proposition thereof as the Engineer determines (having regard to the relative value of such section or part of the Works) shall be considered by the Engineer for payment to the Contractor.

IV. Refund of Performance Guarantee

The Deposit on account of performance guarantee shall be released within 30 days of completion of Defects Liability Certificate subject finalization of final bill whichever is later and no recoveries are pending against the said work, provided that the Engineer is satisfied that there is no demand outstanding against the Contractor.

- Summary of time of Refund of deposit is tabulated as follows:

a) Time of Refund for works having 5 years DLP

Deposits refunded after completion	After 3 yrs of DLP	After Completion of DLP
ASD + 50% of RM	CD+50% of RM	PG

b) Time of Refund for works having 1 or 2 or 3 years DLP

Deposits refunded after completion	After Completion of DLP
ASD + 50% of RM	CD+50% of RM+PG

Annexure - V

**GUIDELINES FOR PARTICIPATION OF JOINT VENTURE
FIRMS IN WORKS TENDER**

Following guidelines are recommended for JV firms in tender:

1. Joint Venture should be allowed only when the number of identifiable different works is more than one and/or the estimated cost of tender is more than Rs.100 Crores. JV shall also be allowed for complex technical work below Rs.100 Crores with the approval of concerned AMC
2. Separate identity/name shall be given to the Joint Venture firm.
3. Number of members in a JV firm shall not be more than three in normal circumstances, if the work involves only one discipline (say Civil or Electrical). If number of members in JV is required to be more than three, then approval of concerned AMC needs to be sought.
4. A member of JV firm shall not be permitted to participate either in individual capacity or as a member of another JV firm in the same tender.
5. The tender form shall be purchased and submitted in the 'name of the JV firm or any constituent member of the JV.
6. Normally EMD shall be submitted only in the name of the JV and not in the name of constituent member. However, EMD in the name of lead partner can be accepted subject to submission of specific request letter from lead partner stating the reasons for not submitting the EMD in the name of JV and giving written confirmation from the JV partners to the effect that the EMD submitted by the lead partner may be deemed as EMD submitted by JV firm.
7. One of the members of the JV firm shall be the lead member of the JV firm who shall have a majority (at least 51%) share of interest in the JV firm. The other members shall have a share of not less than 20% each in case of JV firms with up to three members and not less than 10% each in case of JV firms with more than three members. In case of JV firm with foreign member(s), the lead member has to be an Indian firm with a minimum share of 51%.
8. A copy of Letter of Intent or Memorandum of Understanding (MoU) executed by the JV members shall be submitted by the JV firm along with the tender. The complete details of the members of the JV firm, their share and responsibility in the JV firm etc. particularly with reference to financial technical and other obligation shall be furnished in the agreement.
9. Once the tender is submitted, the agreement shall not be modified/altered/terminated during the validity of the tender. In case the tenderer fails to observe/comply with this stipulation, the full Earnest Money

Deposit (EMD) shall be forfeited. In case of successful tenderer, the validity of this agreement shall be extended till the currency of the contract expires.

10. Approval for change of constitution of JV firm shall be at the sole discretion of the MCGM. The constitution of the JV firm shall not be allowed to be modified after submission of the tender bid by the JV firm except when modification becomes inevitable due to succession laws etc. and in any case the minimum eligibility criteria should not get vitiated. In any case the Lead Member should continue to be the Lead Member of the JV firm. Failure to observe this requirement would render the offer invalid.
11. Similarly, after the contract is awarded, the constitution of JV firm shall not be allowed to be altered during the currency of contract except when modification become inevitable due to succession laws etc. and in any case the minimum eligibility criteria should not get vitiated. Failure to observe this stipulation shall be deemed to be breach of contract with all consequential penal action as per contract condition.
12. On award of contract to a JV firm, a single Performance Guarantee shall be required to be submitted by the JV firm as per tender conditions. All the Guarantees like Performance Guarantee, Bank Guarantee for Mobilization advance, machinery Advance etc. shall be accepted only in the name of the JV firm and no splitting of guarantees amongst the members of the JV firm shall be permitted.
13. On issue of LOA, an agreement among the members of the JV firm (to whom the work has been awarded) has to be executed and got registered before the Registrar of the Companies under Companies Act or before the Registrar / Sub-Registrar under the Registration Act, 1908. This agreement shall be submitted by the JV firm to the MCGM before signing the contract agreement for the work. (This agreement format should invariably be part of the tender condition). In case the tenderer fails to observe/comply with this stipulation, the full Earnest Money Deposit (EMD) shall be forfeited and other penal actions due shall be taken against partners of the JV and the JV. This joint venture agreement shall have, inter-alia, following clauses:-
 - 13.1 **Joint and several liability** - The members of the JV firm to which the contract is awarded, shall be jointly and severally liable to the Employer (MCGM) for execution of the project in accordance with General and Special conditions of the contract. The JV members shall also be liable jointly and severally for the loss, damages caused to the MCGM during the course of execution of the contract or due to no execution of the contract or part thereof.
 - 13.2 **Duration of the Joint Venture Agreement** -It shall be valid during the entire period of the contract including the period of extension if any and the maintenance period after the work is completed.

13.3 Governing Laws - The Joint Venture Agreement shall in all respect be governed by and interpreted in accordance with Indian Laws.

13.4 Authorized Member -Joint Venture members shall authorize one of the members on behalf of the Joint Venture firm to deal with the tender, sign the agreement or enter into contract in respect of the said tender, to receive payment, to witness joint measurement of work done, to sign measurement books and similar such action in respect of the said tender/contract. All notices/correspondences with respect to the contract would be sent only to this authorized member of the JV firm.

No member of the Joint Venture firm shall have the right to assign or transfer the interest right or liability in the contract without the written consent of the other members and that of the employer in respect of the said tender/contract.

14. Documents to be enclosed by the JV firm along with the tender:

14.1In case one or more of the members of the JV firm is/are partnership firm(s), following documents shall be submitted:

14.1.1 Notary certified copy of the Partnership Deed,

14.1.2 Consent of all the partners to enter into the Joint Venture Agreement on a stamp paper of appropriate value (in original).

14.1.3 Power of Attorney (duly registered as per prevailing law) in favor of one of the partners to sign the MOU and JV Agreement on behalf of the partners and create liability against the firm.

14.2In case one or more members is/are Proprietary Firm or HUF, the following documents shall be enclosed:

14.2.1 Affidavit on Stamp Paper of appropriate value declaring that his Concern is a Proprietary Concern and he is sole proprietor of the Concern OR he is in position of "KARTA" of Hindu Undivided Family and he has the authority, power and consent given by other partners to act on behalf of HUF.

14.3In case one or more members is/are limited companies, the following documents shall be submitted:

14.3.1 Notary certified copy of resolutions of the Directors of the Company, permitting the company to enter into a JV agreement, authorizing MD or one of the Directors or Managers of the Company to sign MOU, JV Agreement, such other documents required to be signed on behalf of the Company and enter into liability against the company and/or do any other act on behalf of the company.

14.3.2 Copy of Memorandum and articles of Association of the Company.

14.3.3 Power of Attorney (duly registered as per prevailing law) by the Company authorizing the person to do/act mentioned in the para (a) above.

14.4All the members of the JV shall certify that they have not been black listed or debarred by MCGM from participation in tenders/contract in the past either in

their individual capacity or the JV firm or partnership firm in which they were members / partners.

14.5 Credentials & Qualifying criteria: Technical and financial eligibility of the JV firm shall be adjudged based on satisfactory fulfilment of the following criteria:

Technical eligibility criteria: In case of Work involving single discipline, the Lead member of the JV firm shall meet at least 35% requirement of technical capacity as stipulated in tender document.

OR

In case of composite works (e.g. works involving more than one distinct component such as Civil Engineering works, M&E works, Electrical works, etc. and in the case of major bridges, substructure and superstructure etc.), atleast one member should have satisfactorily completed 35% of the value of any one component of the project work so as to cover all the components of project work or any member having satisfactorily completed 35% of the value of work of each component during last seven financial years.

In such cases, what constitutes a component in a composite work shall be clearly defined as part of the tender condition without any ambiguity.

Financial eligibility criteria: The contractual payments received by the JV firm or the arithmetic sum of contractual payments received by all the members of JV firm in any one of the previous three financial years and shall be at least **100% of the estimated value** of the work as mentioned in the tender.
