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- 7.f.3. The contractor will be fully accountable for the steel and cement received from the Owner and contractor will give acknowledgement/receipt for quantity of steel and cement received by him each time he uplifts cement from Owner's custody.
- 7.f.4. For all computation purposes, the theoretical cement consumption shall be considered as per CPWD standards.
- 7.f.5. Steel and Cement as received from the manufacturer/stockists will be issued to the contractor. Theoretical weight of cement in a bag will be considered as 50 Kg. Bags weighing upto 4% less shall be accepted by the contractor and considered as 50 Kg. per bag. Any shortage in the weight of any cement bag by more than 4% will be to the Owner's account only when pointed out by the Contractor and verified by Engineer-in-Charge/Site in Charge at the time of Contract or taking delivery.
- 7.f.6. The contractor will be required to maintain a stock register for receipt, issuance and consumption of steel and cement at site. Cement will be stored in a warehouse at site. Requirement of cement on any day will be taken out of the warehouse. Cement issued shall be regulated on the basis of FIRST RECEIPT to go as FIRST ISSUE.
- 7.f.7. Empty cement bag shall be the property of the Contractor. Contractor shall be penalised for any excess/under consumption of cement. The penal rate will be twice the rate of issue of cement for this work.
- 7.f.8. All the running bills as well as the final bills will be accompanied by cement consumption statements giving the detailed working of the cement used, cement received and stock-on-hand.
- 7.f.9. The Contractor will be fully responsible for safe custody of cement once it is received by him and during transport. Owner will not entertain any claims of the contractor for theft, loss or damage to cement while in their custody.
- 7.f.10. The contractor shall not remove from the site any cement bags at any time.
- 7.f.11. The Contractor shall advise Engineer-in-charge/Site-in-charge in writing atleast 21 days before exhausting the Cement stocks already held by Contractor to ensure that such delays do not lead to interruptions in the progress of work.
- 7.f.12. Cement shall not be supplied by the Owner for manufacturing of mosaic tiles, precast cement jali and any other bought out items which consume cement and for temporary works.
- 7.f.13. Cement in bags and in good usable condition left over after the completion of work shall be returned by the contractor to the Owner. The Owner shall make payment to the Contractor at the supply rate for such stocks of cement they accept and receive. Any refused stock of cement shall be removed by the Contractor from the site at his cost and expenses within 15 days of completion of the work.

8. PAYMENT OF CLAIMS AND DAMAGES

- 8.1. Should the Owner have to pay money in respect of claims or demands as aforesaid the amount so paid and the costs incurred by the Owner shall be charged to and paid by the Contractor and the Contractor shall not be entitled to dispute or question the right of

the Owner to make such payments notwithstanding the same may have been without his consent or authority or in law or otherwise to the contrary.

- 8.2. In every case in which by virtue of the provisions of Workmen's Compensation Act, 1923, or other Acts, the Owner is obliged to pay Compensation to a Workman employed by the Contractor in execution of the works, the Owner will recover from the Contractor the amount of compensation so paid and without prejudice to the rights of Owner under the said Act. Owner shall be at liberty to recover such amount or any part thereof by deducting it from the security deposit or from any sum due to the Contractor whether under this contract or otherwise. The Owner shall not be bound to contest any claim made under Section 12 sub section (1) of the said Act, except on the written request of the Contractor and upon his giving to the Owner full security for all costs for which the owner might become liable in consequence of contesting such claim.

8.a. ACTION AND COMPENSATION IN CASE OF BAD WORK

If it shall appear to the Engineer-in-Charge/Site-in-Charge that any work has been executed with bad, imperfect or unskilled workmanship, or with materials, or that any materials or articles provided by the Contractor for execution of the work are not of standards specified/inferior quality to that contracted for, or otherwise not in accordance with the contract, the CONTRACTOR shall on demand in writing from the Engineer-in-Charge/Site-in-Charge or his authorised representative specifying the work, materials or articles complained of, notwithstanding that the same may have been inadvertently passed, certified and paid for, forthwith rectify or remove and reconstruct the work so specified and at his own charge and cost and expenses and in the event of failure to do so within a period of 15 days of such intimation/ information/knowledge, the Contractor shall be liable to pay compensation equivalent to the cost of reconstruction by the Owner. On expiry of 15 days period mentioned above, the Owner may by themselves or otherwise rectify or remove and re-execute the work or remove and replace with others, the materials or articles complained of as the case may be at the risk and expenses in all respects of the Contractor. The decision of the Engineer-in-Charge/ Site-in-Charge as to any question arising under this clause shall be final and conclusive and shall not be raised as a dispute or shall be arbitrable.

8.b. INSPECTION AND AUDIT OF CONTRACT AND WORKS

This project is subject to inspection by various Government agencies of Government of India. The contractor shall extend full cooperation to all the Government and other agencies in the inspection of the works, audit of the Contract and the documents of Contract Bills, measurements sheets etc. and examination of the records of works and make enquiries interrogation as they may deem fit, proper and necessary. Upon inspection etc. by such agencies if it is pointed out that the contract work has not been carried out according to the prescribed terms and conditions as laid down in the tender documents and if any recoveries are recommended, the same shall be recovered from the contractors running bills/final bill/from ordered/suggested Security Deposit/retention money. The Contractor shall not rise any dispute on any such account and the same shall not be arbitrable.

9. CONTRACTOR TO INDEMNIFY THE OWNER

The Contractor shall indemnify the Owner and every member, officer and employee of the Owner, also the Engineer-in-Charge/Site-in-Charge and his staff against all the actions, proceedings, claims, demands, costs, expenses, whatsoever arising out of or in connection with the works and all actions, proceedings, claims, demands, costs,

expenses which may be made against the Owner for or in respect of or arising out of any failure by the Contractor in the performance of his obligations under the contract. The Contractor shall be liable for or in respect of or in consequence of any accident or injury to any workmen or other person in the employment of the Contractor or his sub contractor and Contractor shall indemnify and keep indemnified the Owner against all such damages, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto.

10. Price reduction

- i) In case of any delay in completion of the work beyond the CDD, the Owner shall be entitled to be paid Price Reduction by the Contractor. The price reduction shall be initially at the rate of 0.5% (half percent) of the total contract value for every week of the delay subject to a maximum of 5% of the total contract value. The price reduction shall be recovered by the Owner out of the amounts payable to the Contractor or from any Bank Guarantees or Deposits furnished by the Contractor or the Retention Money retained from the Bills of the Contractor, either under this contract or any other contract.
- ii) The Contractor shall be entitled to give an acceptable unconditional Bank Guarantee in lieu of such a deduction if Contractor desires any decision on a request for time extension.
- iii) Once a final decision is taken on the request of the Contractor or otherwise, the price reduction shall be applicable only on the basic cost of the contract and on each full completed week(s) of delay (and for part of the week, a pro-rata price reduction amount shall be applicable).
- iv) This final calculation of price reduction shall be only on the value of the unexecuted portion/quantity of work as on the CDD.
- v) Contractor agrees with the Owner, that the above represents a genuine pre- estimate of the damages which the Owner will suffer on account of delay in the performance of the work by Contractor. The Contractor further agrees that the price reduction amount is over and above any right which owner has to risk purchase under Clause 12.4 and any right to get the defects in the work rectified at the cost of the contractor.

11. DEFECTS AFTER TAKING OVER OR TERMINATION OF WORK CONTRACT BY OWNER

- The Contractor shall remain responsible and liable to make good all losses or damages that may occur/appear to the work carried out under this Contract within a period of 12 months from date of issue of the Completion Certificate and/or the date of Owner taking over the work, whichever is earlier. The Contractor shall issue a Bank Guarantee to the Owner in the sum of 10% of the work entrusted in the Contract, from a **bank from the list of banks whose bank guarantees are acceptable to the Owner (list enclosed)** and if however, the Contractor fails to furnish such a Bank Guarantee the Owner shall have right to retain the Security Deposit and Retention Money to cover the 10% of the Guarantee amount under this clause and to return/refund the same after the expiry of the period of 12 months without any interest thereon. (Please refer to clause 4. Deposits)

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12. TERMINATION OF CONTRACT

- 12.1 The owner may terminate the contract at any stage of the construction for reasons to be recorded in the letter of termination.
- 12.2 The Owner inter alia may terminate the Contract for any or all of the following reasons that the contractor
- a) has abandoned the work/Contract.
 - b) has failed to commence the works, or has without any lawful excuse under these conditions suspended the work for 15 consecutive days.
 - c) has failed to remove materials from the site or to pull down and replace the work within 15 days after receiving from the Engineer written notice that the said materials or work were condemned and/or rejected by the Engineer under specified conditions.
 - d) has neglected or failed to observe and perform all or any of the terms acts, matters or things under this Contract to be observed and performed by the Contractor.
 - e) has to the detriment of good workmanship or in defiance of the Engineer's instructions to the contrary sub-let any part of the Contract.
 - f) has acted in any manner to the detrimental interest, reputation, dignity, name or prestige of the Owner.
 - g) has stopped attending to work without any prior notice and prior permission for a period of 15 days.
 - h) has become untraceable.
 - i) has without authority acted in violation of the terms and conditions of this contract and has committed breach of terms of the contract in best judgement of the owner.
 - j) has been declared insolvent/bankrupt.
 - k) in the event of sudden death of the Contractor.
- 12.3 The owner on termination of such contract shall have the right to appropriate the Security Deposit, Retention Money and invoke the Bank Guarantee furnished by the contractor and to appropriate the same towards the amounts due and payable by the contractor as per the conditions of Contract and return to the contractor excess money, if any, left over.
- 12.4 In case of Termination of the contract, Owner shall have the right to carry out the unexecuted portion of the work either by themselves or through any other contractor(s) at the risk and cost of the Contractor. In view of paucity of time, Owner shall have the right to place such unexecuted portion of the work on any nominated contractor(s). However, the overall liability of the Contractor shall be restricted to 100 % of the total contract value.
- ® 12.5 The contractor within or at the time fixed by the Owner shall depute his authorised representative for taking joint final measurements of the works executed thus far and submit the final bill for the work as per joint final measurement within 15 days of the date of joint final measurement. If the contractor fails to depute their representative for joint measurement, the owner shall take the measurement with their Engineer-in-Charge/Site-in-Charge or any other outside representatives. Such a measurement **shall be final and binding on the Parties and** shall not be questioned by the Contractor and no dispute can be raised by the Contractor **on the same.**

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- 12.6 The Owner may enter upon and take possession of the works and all plant, tools, scaffoldings, sheds, machinery, power operated tools and steel, cement and other materials of the Contract at the site or around the site and use or employ the same for completion of the work or employ any other contractor or other person or persons to complete the works. The Contractor shall not in any way object or interrupt or do any act, matter or thing to prevent or hinder such actions, other Contractor or other persons employed for completing and finishing or using the materials and plant for the works. When the works shall be completed or as soon thereafter the Engineer shall give a notice in writing to the Contractor to remove surplus materials and plant, if any, and belonging to the Contractor except as provided elsewhere in the Contract and should the Contractor fail to do so within a period of 15 days after receipt thereof the Owner may sell the same by public auction and shall give credit to the contractor for the amount realised. The Owner shall thereafter ascertain and certify in writing under his hand what (if anything) shall be due or payable to or by the Owner for the value of the plant and materials so taken possession and the expense or loss which the Owner shall have been put to in procuring the works, to be so completed, and the amount if any, owing to the Contractor and the amount which shall be so certified shall thereupon be paid by the Owner to the Contractor or by the Contractor to the Owner, as the case may, and the Certificate of the Owner shall be final and conclusive between the parties.
- 12.7 When the contract is terminated by the Owner for all or any of the reasons mentioned above the Contractor shall not have any right to claim compensation on account of such termination.

® **13. FORCE MAJEURE**

Circumstances leading to force majeure

- (a) **act of terrorism;**
- (b) **riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection of military or usurped power;**
- (c) **ionising radiation or contamination, radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive assembly or nuclear component;**
- (d) **epidemics, earthquakes, flood, fire, hurricanes, typhoons or other physical natural disaster, but excluding weather conditions regardless of severity; and**
- (e) **freight embargoes, strikes at national or state-wide level or industrial disputes at a national or state-wide level in any country where Works are performed, and which affect an essential portion of the Works but excluding any industrial dispute which is specific to the performance of the Works or the Contract.**

For the avoidance of doubt, inclement weather, third party breach, delay in supply of materials (other than due to a nationwide transporters' strike) or commercial hardship shall not constitute a Force Majeure event.

- **Notification of Force Majeure**

Contractor shall notify within [10(ten)] days of becoming aware of or the date it ought to have become aware of the occurrence of an event of Force Majeure giving full particulars of the event of Force Majeure and the reasons for the event of Force Majeure preventing the Affected Party from, or delaying the Affected Party in performing its obligations under the Contract.

- **Right of either party to terminate**

If an event of Force Majeure occurs and its effect continues for a period of 180 (one hundred eighty days) or more in a continuous period of 365 (three hundred sixty-five) days after notice has been given under this clause, either Party may terminate the Contract by issuing a written notice of 30 (thirty) days to the other Party.

- **Payment in case of termination due to Force Majeure**

The Contract Price attributable to the Works performed as at the date of the commencement of the relevant event of Force Majeure.

The Contractor has no entitlement and Owner has no liability for:

- a) any costs, losses, expenses, damages or the payment of any part of the Contract Price during an event of Force Majeure; and
- b) any delay costs in any way incurred by the Contractor due to an event of Force Majeure.

Time extension for such cases will be worked out appropriately.

14. ARBITRATION

14.1 All disputes and differences of whatsoever nature, whether existing or which shall at any time arise between the parties hereto touching or concerning the agreement, meaning, operation or effect thereof or to the rights and liabilities of the parties or arising out of or in relation thereto whether during or after completion of the contract or whether before after determination, foreclosure, termination or breach of the agreement (other than those in respect of which the decision of any person is, by the contract, expressed to be final and binding) shall, after written notice by either party to the agreement to the other of them and to the Appointing Authority hereinafter mentioned, be referred for adjudication to the Sole Arbitrator to be appointed as hereinafter provided.

14.2 The appointing authority shall either himself act as the Sole Arbitrator or nominate some officer/retired officer of Hindustan Petroleum Corporation Limited (referred to as owner or HPCL) or a retired officer of any other Government Company in the Oil Sector of the rank of Ch. Manager & above or any retired officer of the Central Government not below the rank of a Director, to act as the Sole Arbitrator to adjudicate the disputes and differences between the parties. The contractor/vendor shall not be entitled to raise any objection to the appointment of such person as the Sole Arbitrator on the ground that the said person is/was an officer and/or shareholder of the owner, another Govt. Company or the Central Government or that he/she has to deal or had dealt with the matter to which the contract

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relates or that in the course of his/her duties, he/she has/had expressed views on all or any of the matters in dispute or difference.

- 14.3 In the event of the Arbitrator to whom the matter is referred to, does not accept the appointment, or is unable or unwilling to act or resigns or vacates his office for any reasons whatsoever, the Appointing Authority aforesaid, shall nominate another person as aforesaid, to act as the Sole Arbitrator.
- 14.4 Such another person nominated as the Sole Arbitrator shall be entitled to proceed with the arbitration from the stage at which it was left by his predecessor. It is expressly agreed between the parties that no person other than the Appointing Authority or a person nominated by the Appointing Authority as aforesaid, shall act as an Arbitrator. The failure on the part of the Appointing Authority to make an appointment on time shall only give rise to a right to a Contractor to get such an appointment made and not to have any other person appointed as the Sole Arbitrator.
- 14.5 The Award of the Sole Arbitrator shall be final and binding on the parties to the Agreement.
- 14.6 The work under the Contract shall, however, continue during the Arbitration proceedings and no payment due or payable to the concerned party shall be withheld (except to the extent disputed) on account of initiation, commencement or pendency of such proceedings.
- 14.7 The Arbitrator may give a composite or separate Award(s) in respect of each dispute or difference referred to him and may also make interim award(s) if necessary.
- 14.8 The fees of the Arbitrator and expenses of arbitration, if any, shall be borne equally by the parties unless the Sole Arbitrator otherwise directs in his award with reasons. The lumpsum fees of the Arbitrator shall be ₹ 40,000/- per case for transportation contracts and ₹ 60,000/- for engineering contracts and if the sole Arbitrator completes the arbitration including his award within 5 months of accepting his appointment, he shall be paid ₹ 10,000/- additionally as bonus. Reasonable actual expenses for stenographer, etc. will be reimbursed. Fees shall be paid stage wise i.e. 25% on acceptance, 25% on completion of pleadings/documentation, 25% on completion of arguments and balance on receipt of award by the parties
- 14.9 Subject to the aforesaid, the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof and the rules made thereunder, shall apply to the Arbitration proceedings under this Clause.
- 14.10 The Contract shall be governed by and constructed according to the laws in force in India. The parties hereby submit to the exclusive jurisdiction of the Courts situated at "location given in tender header" (say Mumbai*) for all purposes. The Arbitration shall be held at "location mentioned for such purpose in Tender header" (say Mumbai*) and conducted in English language.
- 14.11 The Appointing Authority is the Functional Director of Hindustan Petroleum Corporation Limited.

(Note:- * = While printing the GTCs, each Procurement Authorities at various location, may mention the correct place before printing the GTC and not leave Clause 14.10 blank or as stated above. Bracketed portion is to be removed.

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14A CONCILIATION

The Parties to the contract may seek to resolve all their disputes and differences amicably by Conciliation in accordance with the Conciliation Rules of HPCL (as in force and may be amended from time to time), provided however that the disputes/ differences amount to a claim in excess of Rs. One Crore. If however the disputes or differences are not resolved by conciliation, the Parties shall be free to approach a Court of competent jurisdiction. (The HPCL Conciliation Rules are attached).

15. GENERAL

- 15.1. Materials required for the works whether brought by the or supplied by the Owner shall be stored by the contractor only at places approved by Engineer-in-Charge/Site-in-Charge. Storage and safe custody of the material shall be the responsibility of the Contractor.
- 15.2. Owner and/or Engineer-in-Charge/Site-in-Charge connected with the contract, shall be entitled at any time to inspect and examine any materials intended to be used in or on the works, either on the site or at factory or workshop or at other place(s) manufactured or at any places where these are laying or from which these are being obtained and the contractor shall give facilities as may be required for such inspection and examination.
- 15.3. In case of any class of work for which there is no such specification supplied by the owner as is mentioned in the tender documents, such work shall be carried out in accordance with Indian Standard Specifications and if the Indian Standard Specifications do not cover the same the work should be carried out as per standard Engineering practice subject to the approval of the Engineer-in-Charge/Site-in-Charge.
- 15.4. Should the work be suspended by reason of rain, strike, lockouts or other cause the contractor shall take all precautions necessary for the protection of the work and at his own expense shall make good any damages arising from any of these causes.
- 15.5. The contractor shall cover up and protect from injury from any cause all new work also for supplying all temporary doors, protection to windows and any other requisite protection for the whole of the works executed whether by himself or special tradesmen or sub- contractors and any damage caused must be made good by the contractors at his own expense.
- 15.6. If the contractor has quoted the items under the deemed exports, then it will be the responsibility of the contractor to get all the benefits under deemed exports from the Government. The Owner's responsibility shall only be limited to the issuance of required certificates. The quotation will be unconditional and phrases like "subject to availability of deemed exports benefit" etc. will not find place in it.
16. Integrity Pact : Effective 1st September, 2007, all tenders and contracts shall comply with the requirements of the Integrity Pact (IP) if the value of such tenders or contracts is r 1 crore & above. Failure to sign the Integrity Pact shall lead to outright rejection of bid.
17. Grievances of parties participating or intend to participate in the tender shall be addressed in writing to the officer designate of the Grievance Redressal Cell where the tenders have to be submitted within the stipulated period. Detailed mechanism of Grievance Redressal is available on the HPCL website
18. The guidelines for Holiday Listing as adopted and available on HPCL website shall be applicable to all tenders floated and all Purchase Orders/Contracts placed by HPCL.

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General Conditions of Contract (GCC)

Standardization and improvement of key clauses of GCC have been recommended

Clause 1 - Order of Precedence

Impact of recommendation - Better clarity in case of conflict related to technical aspects

Order of precedence - In the event of a conflict between terms of an agreement, the conflict will normally be resolved by determining the precedence specified in the tender document.

For some OPSUs, the order of precedence is specified under Special Conditions of Contract (SCC) where as in some OPSUs, the same is specified under General Conditions of Contract (GCC). Further, at times, the precedence of documents like technical specifications, drawings etc. are not specified properly.

In order to avoid conflict w.r.t precedence of documents and interpretation thereof by the parties during various stages of tender processing and execution of contract, it is desirable that the precedence of documents are specified at a single place.

Recommendation - It is recommended that the order of precedence shall be specified in GCC as follows:

- I. Contract Agreement
- II. Detailed Letter of Acceptance along with its enclosures
- III. Letter of Award / Fax of Acceptance
- IV. Job Specifications (specific to particular job only)
- V. Drawings
- VI. Special Conditions of Contract
- VII. Technical Specifications
- VIII. Instructions to Bidders
- IX. General Conditions of Contract
- X. Other Documents

Any amendment/change order issued after signing of formal contract shall take precedence over respective clauses of the formal contract and its annexures.

Enabler - Internal to OPSU

Clause 2 - Security Deposit (SD) / Contract cum Performance Bank Guarantee (PBG)

Impact of recommendation - Better cash flow to contractor

Security deposit (SD) /CPBG is required to ensure performance of the contract. In case of non-performance or any breach of the contract, SD/CPBG gets forfeited.

Generally, SD/CPBG requirement is standard across OPSUs, i.e. 10% of Total Contract Value (TCV). However, different methodology for obtaining SD/CPBG is being followed. Few OPSUs provide contractor the option of converting the EMD into Initial Security deposit (2.5%) and balance amount to be deducted through RA bills, whereas others seek upfront 10% SD

Recommendation - In order to have a uniform approach across all OPSUs, the following % of SD is recommended:

- In case of LSTK (Lump sum contracts) / EPC: CPBG @ 10% within 15 days of notification of award
- In case of Annual Rate Contract: The OPSU shall specify submission of CPBG @ 10% of TCV or submission of initial security deposit @ 2.5% of TCV within 15 days of notification of award. Subsequently, 7.5% of individual release order shall be deducted from RA bills.

Enabler - Internal to OPSU

Clause 3 – The provision of mobilization advance is made in the tenders where large scale mobilization of equipment/manpower is required. It is an advance payment of funds to the contractor for the performance of the contract and covers a part of the contractor's initial expenditure of large magnitude.

Mobilization advance

Impact of recommendation – Enhancement in standardization across the OPSU

Mobilization advance is normally an interest bearing advance and is disbursed against security in the form of bank guarantee.

Presently, different interest rates are being charged on the mobilization advance by different OPSUs. (from PLR+1% to BLR+6.25%).

It is desirable that a uniform rate of interest be charged across the OPSUs to bring in consistency in approach.

Recommendation – It is recommended that a standard clause is to be made part of SCC regarding applicability of mobilization advance in the tender wherever mobilization advance is to be provided. The interest rate for mobilization advance shall be indicated as base rate of SBI plus 1% per annum, on reducing balance basis. (**Refer Appendix, serial no. 2 for updated clause**).

Enabler –Internal OPSU approval

Clause 4 – At times, conditions do arise in projects wherein work front is not available to contractor due to various reasons beyond contractor's control and the work remains suspended. During such period, the contractor needs to be compensated for suspended time period.

Suspension of Work

Impact of recommendation – Better contractor/vendor relationship

Presently, the GCC across OPSUs have no standard provisions regarding suspension of work and there are varying treatment for suspension in terms of time compensation (in case of suspension due to reasons not attributable to contractor).

by Engineer-in-charge and the balance payment shall be released within 30 days of receipt of RA bill by EIC after detailed scrutiny.

- The various elements of the RA bill, details of supporting documents etc.

Enabler -Internal OPSU approval

Clause 8
Termination
convenience

-
for

*Impact of
recommendation -
Contractual
provision to dealing
with disputable
situations*

A contract becomes successful only when it has specified equitable treatment for both the parties. Any one sided contract often fails to deliver the required outcome and ends up in litigations. Few OPSUs have provision of termination of contract for the convenience of the OPSU and without any fault of Contractor or Force Majeure conditions and without any suitable compensation. There is a need to provide suitable compensation for termination for convenience.

RECOMMENDATION - It is recommended that all OPSUs to consider inclusion of exhaustive provision for termination for convenience incorporating the payments/compensation to the contractor in such cases.

Enabler -Internal OPSU approval

**Clause 9 - Limitation
of Liability**

*Impact of
recommendation -
Better risk coverage
and reduction in
disputable
situations*

While carrying out a job/work, there can be gross negligence on the part of the Contractor causing consequential damages on the property of Owner including injury or death of third party. In such an event, Contractor is liable for compensating the Client/Owner.

Further, the liability of the contractor on account of the above is specified by the OPSUs differently i.e. unlimited or limited by specifying certain percentage.

RECOMMENDATION - It is recommended to limit the liability to maximum of 100% of contract value and clearly specify circumstances which shall not limit the liability of