

**CASE STUDY-READING THE FINE PRINT : CONTRACT FOR
WASHING OF LINENS ETC.,
IN RUNNING ROOM AT JHARSUGUDA
(3RD PRIZE)**

Group B

Members

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TENDER CONDITIONS

Para 11 (g) reads as : The Engineer shall not make a claim under the performance guarantee except for amounts to which the President of India is entitled under the contract (Notwithstanding and / or without prejudice to any other provisions in the contract agreement.) in the event of,

- i. Failure by the contractor to extend the validity of the performance guarantee as described herein above, in which event the engineer may claim the full amount of the performance guarantee.
- ii. Failure by the contractor to pay President of India any amount due, either as agreed by the contractor or determined under any of the clauses / conditions of the agreement, within 30 days of the service of notice to this effect by engineer.

- Para 11(g) may be suitably modified as “The Railway administration shall not make claim under the performance guarantee...”
- Word Engineer may be replaced as *Railway administration* appearing in 11(g) and 11(g) (i) & (ii)

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- Para 12 reads as : The tenderer/tenderers are required to produce along with his/ their tender an authorised copy of the income tax clearance certificate or own affidavit duly countersigned by the income Tax Officer to the effect that he has/they have no taxable income.
 - Last sentence to be modified as “he has/ they have no tax due ”.

TERMS AND CONDITIONS OF CONTRACT

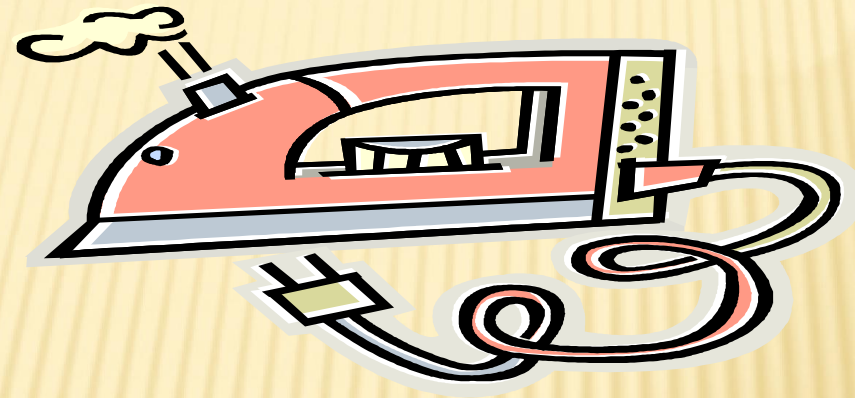
- Pt 2 mentions that “In case contractor's job is found not up to the mark, Railway Authority would be at liberty to terminate his contract at any time giving a notice of one month” - Ambiguous.
- Specify what constitutes “not upto the mark”: not cleaned, dull, stained, torn or mutilated , not pressed, linen non-starched, non delivery in time etc.

SCOPE OF WORK

- Pt 2 in terms and conditions and 12.9 in scope of work are contradictory.
- Pt 2 in terms and conditions states contract can be terminated by giving notice of 1 month whereas para 12.9 in scope of work says railway administration can terminate the contract by issuing 07 (seven) days notice for unsatisfactory performances.

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- Para 12.11 states that in case of any loss/damage, the cost of the same will be recovered as per the rates mentioned.
 - Depreciated value of each item is not taken into account while arriving at rates to be recovered.

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- Decision of CC/incharge of running room may be considered as final w.r.t proper washing of linens.
 - *Force majeure not included.*
 - No clause for arbitration.



THANK YOU