

AGREEMENT

This Agreement is made on the _____ (date) between _____ (firm name) represented by Sri. _____ (Name & designation) having its registered office at _____ (address) here in after called 'The Fabricator' (which expression shall include its legal representative successors and assignees) on the ONE PART and the Andhra Pradesh State Road Transport Corporation, RTC House, PNBS, VIJAYAWADA, represented by the Chief Mechanical Engineer (C&B), herein after 'The Corporation' which expression shall include the successors in office on the OTHER PART.

WHEREAS, the Corporation has placed a work order no. _____ dt. _____ with the fabricator for fabrication of bus bodies on the chassis belonging to the Corporation as per specifications referred to in clause 2 here, on the following terms and conditions. It is here by mutually agreed upon by and between the parties as follows:

1. Quotations:

- a) The fabricator shall manufacture and fabricate the bus bodies on the chassis supplied by the corporation strictly as per drawings and specifications and amendment letters issued by the Chief Mechanical Engineer (C&B) mentioned in the Corporation Work Order No. _____ to above which shall form as integral part of this Agreement. After, these bus bodies have been completed fabrication the fabricator shall make over the same to the Corporation at the basic rate of Rs. _____ (in words _____) each for fabrication of _____ type of bus bodies which consideration has been quoted by the fabricator in Tender no.C&B-02/2023-24-MED, dt. _____ are negotiated and has been accepted by the Corporation.
- b) GST will be paid extra on the basic price.
- c) The fabricators shall note that the rates should be valid till _____.

2. Design:

Specifications and Deviations:

- a) The fabricators shall make no deviation from the specifications as notified in the Bus Body Specifications-2023 for 11M buses and as per Homologation Certificate submitted by bidder at the time of bid for 12M buses and the Work Order No. _____ dt. _____ which forms an integral part of this Agreement without the prior written consent of the Managing Director of the Corporation or of any other Officer authorized by him in that behalf.
- b) Deviations from Specifications: No deviations from specifications will be permitted. Only in exceptional cases minor deviations can be permitted with prior approval of Chief Mechanical Engineer (Chassis & Bodies). Even for these deviations the fabricator should clearly indicate the reasons for seeking such deviations.
- c) If such deviations result in the use of cheaper material than specified, the Corporation shall have right to recover the difference of the cost of material used as assessed by the Chief Mechanical Engineer (C&B), APSRTC. Further, the Corporation shall have right to levy penalty if feels necessary and Chief Mechanical Engineer (C&B) decision in this regard shall be final. If superior material used, the Corporation is not liable to pay the additional cost.
- d) The difference in the BOM material cost and deviation material cost will be recovered from the on-hand bills.

3. Inspections:

- a) The bus bodies built will be inspected by the authorities of the Corporation at various stages of fabrication, after completion and at the time of acceptance at corporate office. The fabricators shall particularly give all facilities to the inspectors of the Corporation to inspect the work in question at various stages of the manufacturing. The decision of the Corporation is final in accepting the bus bodies.
- b) Material inspection:
The fabricators shall procure the material from the approved sources, communicated by the Corporation. Fabricator shall produce invoices to this

effect. Corporation will pick up random samples of the materials used for fabrication of bus bodies by the firm and will be sent for testing. If the material fails in testing, the testing charges should be borne by the firm apart from levying penalty up to 2% of approved basic price of bus body.

4. Performance Guarantee:

- a. The firm allotted with work order should submit performance guarantee that the bus bodies fabricated by the firm shall render satisfactory performance without developing any defects in bus bodies, till the bus body covers minimum 2,50,000 KMs or 24 months period whichever is later from the date of acceptance of bus body.
- b. The fabricator shall give guarantee for the bus bodies as above for any failure on account of defective material or of workmanship, excluding glasses. However, if the glass breakage is due to improper fitment or structural defect, fabricator has to change the glasses during guarantee period on free of cost basis.
- c. In the event of the fabricators failing to repair and recondition the body, the Corporation be entitled to carryout necessary repairs or alterations and recover the cost thereof from the fabricator and also to such damages as may accrue to the Corporation on that behalf from the Security Deposit.

5. Security Deposit (SD):

- a. The fabricator has to pay a Security Deposit (SD) of 5% of the total value of the order quantity through Demand Draft or Bank Guarantee (BG) in favour of FA&CAO, APSRTC. The SD should be valid till the end of 27th month from the date of receipt of last bus. EMD paid will be adjusted against Security Deposit and balance amount of SD has to be paid.
- b. The SD should be valid till the end of 27th month from the date of receipt of last bus body of the supply order as per schedule. The Security Deposit is refundable only after 3 months on completion of warranty period from the date of receipt of the last bus body in the schedule of supply order.
- c. This SD would serve as security deposit towards performance of bus bodies, fulfillment of contract and for the safe custody of chassis during fabrication of bus bodies at their works. No interest will be paid on such deposits for the period it is held with APSRTC.
- d. The firms registered under Small Scale Industrial (SSI) units category with the state Governments of AP are exempted from payment of Security Deposit (SD), as per G.O.Ms.No.1020, dt.30-11-1976 of Department of Industries & Commerce, GOAP, on production of valid SSI certificate issued from Department of Industries, GOAP. They have to submit the indemnity bond on Rs.100/- non-judicial stamp paper, equal to the proposed SD amount. The Indemnity Bond is returnable only after 27 months from the date of receipt of last bus body.
- e. The SD will be forfeited in case the fabricator fails to adhere the work order conditions.

6. Chassis Loading:

- a) The chassis shall be collected by the fabricators from new vehicle yard, Vijayawada, APSRTC. The completed bus after body fabrication should be delivered at APSRTC new Vehicle Yard, Vijayawada or at the place specified. The fabricators shall at their own expenses, effect insurance coverage for the loss or damage, theft or otherwise, of the chassis for the period during which the chassis are in the premises of the fabricator, during Transportation of chassis from APSRTC to the firm premises and till the date of delivery of fully built bus body to APSRTC.
- b) The Corporation reserves the right to divert the backlog orders of any fabricators so as to realize the planned quantity of Buses in the financial year.
- c) If the fabricator fails to draw the chassis as per the schedule, the chassis for backlog orders will be loaded first then only chassis for schedule orders will be loaded.
- d) If the chassis are not supplied by the Corporation for fabrication of buses due to sudden change in Corporation requirement or financial reasons, the fabricator has no right to claim for loading the balance orders and the balance quantity ordered will be cancelled.
- e) Maximum chassis that can be loaded at any given point of time will be two (2) times the monthly assessed capacity of the firm. However, if fabricator fails to deliver the buses after bus body fabrication as per the cycle time prescribed then the chassis will be withdrawn and allotted to other firms besides imposing penalty as furnished in penalties clause.
- f) All the chassis on which the bodies are to be built will be supplied by the Corporation and it shall be entirely the responsibility of the fabricators to ask for and take delivery of the chassis from the corporation's premises when required giving the corporation a clear week's notice to enable the corporation to test the chassis and deliver the same to the fabricators and such notice to the corporation shall form an essential term of supply contract.

7. Cycle Time & Completion of Work:

- a. Subject to the causes beyond the control of the fabricators such as force-majeure, act of God, civil commotion, riot, fire, strike or lock-out, the Fabricators shall make over to the Corporation the bus bodies ex-Vijayawada, completed and finished and ready for use on the road for the final inspection and acceptance of the Corporation.
- b. The Fabricators hereby agree to fabricate & deliver all the bus bodies within the stipulated period of 60 days for GI/SS bus bodies from the date of receipt of the chassis for the delivery of _____ bus bodies.
- c. In case of fabrication of Proto type bus bodies, a period of 7 days will be allowed extra for the delivery of _____ bus bodies.

8. PENALTIES:

- a) If the firm fails to draw chassis as per the schedule issued from C&B section, penalties will be imposed on the firm at the rates indicated below.

Sno	Description	Penalty
1	One month	1.00% of chassis cost
2	Second month	2.00% of chassis cost

- Chassis cost for the purpose of this clause - **₹25lakhs.**
- b) In case of delays in bus body fabrication penalty will be levied on the firms as mentioned below:
- i. For GI/SS bus bodies 61st day onwards @ Rs.500/- per day per bus & 71st day onwards @ Rs. 1000/- per day per bus.
- c) Corporation has the right to divert/modify the backlog work orders, in case the fabricator fails to draw the chassis as per the schedule or failure to fabricate as per cycle time. If the delay in drawl of chassis is more than 60 days or if the repeated delays in fabrication the allotted quantity will be cancelled besides forfeiting security deposit.
- d) All the new fabricators and the SSI fabricators of AP & Telangana who have not fabricated GI bodies to APSRTC, who are fabricating buses as per APSRTC specifications, has to fabricate Proto vehicle to ascertain the capabilities of the fabricator.
- e) In case of Proto type bus body, the penalty will be as follows:
Penalty will be imposed at the rate of Rs.500/- per bus body per day if the proto type bus body is delivered beyond the stipulated period of 67 days for GI/SS bus bodies respectively and Rs.1000/- per bus body per day if the bus body is delivered beyond the stipulated period of 77 days for AI and GI/SS bus bodies respectively.
- f) In case of misuse of Corporation property, 24% per annum penal interest will be imposed and also the firm is liable for black listing.
- g) The Fabricator is liable for penalty to the extent of 1% to 3% of the cost of bus body for any kind of poor workmanship in finishing works. The minimum penalty that could be levied is Rs.5000/- per bus or actual cost of material plus double the cost of labour for any kind of bad workmanship or if it is not possible to quantify the bad workmanship due to which the elegance of the bus body is spoiled, penalty will be levied within 1% to 3% of the cost of body, whichever is higher.
- h) Any penalty amount levied on the firms with respect to deviations, late drawl of chassis, late delivery of bus body, poor workmen ship, etc or any other deviations from the terms & conditions will be recovered from the payable amounts.

9. Statutory Provisions:

- a) The invoicing of the bus body fabrication shall be done by the bidder from with AP Registration only.
- b) Professional Tax: The bidder shall submit proof of payment of professional tax by its respective contractor or its dealer if any in Andhra Pradesh, which is mandatory as per G.O.Ms.No.44, WR(R) Dept., dt.. 09-09-2021, as per Cir.Memo.No.ICD01-COOR/167/Reforms/2020-2, dt.09-09-2021.
- c) The GST will be allowed extra as per the existing rates. The bidder should submit documentary evidence in support of their claim of specific rate of GST.

If the taxes are reduced, then the benefit shall be passed on to the Corporation.

- d) If GST increases during the delayed period for the failure of the firm in completion of bus body fabrication within the allowed cycle time, such increase in GST shall be borne by the fabricator.
- e) In addition to the above conditions, the firm shall comply with the statutory regulations that may come into force from time to time during the execution of orders. The firm should submit the copies of valid licenses and statutory documents to the corporation from time to time.

10. PAYMENTS: Payments for the bus bodies delivered will be made, within ten (10) working days after receipt of the required bills subject to acceptance of bus body by the Corporation. The GST amount will be released on submission of proof of GST amount paid by the fabricators.

11. Corporation reserves the right to increase or decrease the ordered quantity by 25% of any fabricator on administrative exigencies so as to realize the quantity of buses fabricated as per plan. The quantity may vary if any fabricator fails to fabricate the buses as per cycle time so as to complete the planned fabrication quantity by the Corporation.

12. Withdrawal of Chassis and Blacklisting:

- i. The Corporation reserves its right to withdraw Chassis from the fabricators after expiry of a period of 120 days for GI/SS bus bodies respectively from the date of handing over of chassis, whether un-fabricated/partly fabricated duly cancelling the work order and allot the same to other fabricators if Corporation is of the opinion that the fabricator is unduly delaying the work without any cogent reasons and the difference in cost if any will be recovered from the defaulted fabricators and the fabricator will be blacklisted for future tenders of the Corporation.
- ii. In case of partly fabricated Bus Body, the payment will be made by the Corporation as per its assessment of the cost after fabrication. The parties to this Agreement hereby agree and declare that the decision of Corporation regarding the delay on the part of fabricator and also about the cost of the work carried over by the fabricator shall be final and binding on the fabricator. Penalty will be levied for the delay as per penalty clause.

13. Risk Fabrication Clause: In case it is found that the Delivery Schedule is not adhered to strictly, the Corporation reserves the right to withdraw the Chassis from fabricator and allot the same to another fabricator and the difference in cost, if any, will be recovered from the defaulting fabricator.

14. Supply of AC Units: APSRTC supplies AC units to the fabricators for fitment in Vennela & Indra buses. The fabricator shall give intimation for the requirement of AC units 15 days in advance so as to arrange for supply of AC units.

15. Supply of Passenger Seats: APSRTC supplies passenger seats to the fabricator for fitment in Indra, Super Luxury and Ultra Deluxe buses. The fabricator shall give intimation for the requirement of seats 15 days in advance

so as to arrange for supply of seats. As far as possible, the passenger seats will be supplied within the stipulated time. If any delay occurs in supply of seats by APSRTC, such delays/days will be counted on APSRTC and no penalties will be imposed on the firm.

16. Supply of LED Destination Boards: APSRTC supplies LED Destination Boards to the fabricators for fitment in Vennela, Indra, Star Liner, Super Luxury, Ultra Deluxe & Express buses. The fabricator shall give intimation for the requirement of LED Destination Boards 15 days in advance so as to arrange for supply of the LED Destination Boards.

17. Validity of the Work Order:

- i. The work order is valid till of the completion of the specified number of bus bodies as per schedule of work order one year from the date of finalization of price whichever is later.
- ii. Delivery of completed bus bodies: The delivery schedule for the completed bus bodies shall be as indicated in the work order.

18. The provisions of this Agreement will govern the Work Order No. _____ dated _____.

19. Modification/Cancellation of the Work Order:

- i. The Corporation reserves the right to modify/cancel the work Orders placed basing on this Tender at any point of time without assigning any reason. The firm shall not have any right to claim damages on account of such cancellations at any point of time.
- ii. The Corporation reserves the right to increase or decrease the seating capacity or ask for certain fitments or obtain the corresponding rebate or pay proportionate cost as the case may be.
- iii. The Corporation has the right to modify the work order in relation to design, quality of material or any other particulars and in such case the fabricators, should abide by the change and the Corporation shall have the right to deduct the amount which may have saved consequent to the modifications and the suppliers shall also have the right to claim extra amount in case, cost of fabrication has increased consequent to the modifications of specifications.
- iv. The Corporation has the right to divert/modify the backlog work orders, in case the fabricator fails to draw the chassis as per the schedule. If the delay in drawl of chassis is more than 60 days the allotted quantity will be cancelled besides forfeiting security deposit.

20. Responsibility for the Chassis in the Premises of the Fabricator: The fabricator shall be liable for any damage which occurs to the chassis including engine, tyres and other fittings belonging to the Corporation while there in the custody of the fabricators.

21. Sub-Contracts:The fabricators shall not directly or indirectly transfer or assign this contract or any portion of it whatsoever to any other firm, person/persons except with the prior permission of the Corporation provided the proprietary fittings purchased by the fabricators and materials not manufactured by the fabricators, which will be used in accordance with the specifications of the body work as agreed to, shall not be deemed to be sub-contract within the meaning of the clause.

22. Insurance:The fabricators shall at their own expense, effect insurance that cover loss or damage, by fire, theft or otherwise of the chassis for the period during which they are in the premises of fabricators the body work which this contract relates being the entire responsibility of the fabricator, until such time, as the chassis are finally made over to the Corporation. The fabricator shall produce the insurance policy and receipts for which premia paid by the fabricators for such insurance at the time of taking over the chassis from the Corporation.

23. Transit Insurance: The chassis will be released on production of the transit insurance by the fabricator. The completed vehicle shall be handed over at new vehicle yard along with the transit insurance for the vehicle and then only the vehicle will be accepted.

24. Force Majeure:

Subject to the causes beyond the control of the fabricators such as force-majeure, act of God, civil commotion, riot, fire, strike or lock-out, the fabricators shall make over the Corporation the bus bodies ex-Vijayawada, Completed and finished and ready for use on the road for the final inspection and acceptance of the Corporation. The force majeure period will be excluded for fabrication period and accordingly delay period will be counted.

25. Contravention of the Conditions of the Agreement:In case of contravention of the conditions of this Agreements by the fabricators, the Corporation shall have the right to cancel the Agreement at any time after giving 15 days notice to the fabricators and in such case, the fabricator shall have no right to raise any amount due to be paid thereafter under this Agreement. The fabricators do hereby further agree that in the event of the cancellation of this contract under the above clause, it will be obligatory on the fabricators to sell and supply to the Corporation such of the materials lying with the fabricators as may be necessary forthe fabrication of vehicles under this Agreement at the cost price of such materials in case the Corporation decides within its own discretion to purchase them.

26. Vice Chairman and Managing Director of A.P.S.R.T.C. is the final authority to take a decision in case of any dispute that may arise while executing the order and his decision is binding on all.

27. All disputes or litigations related to this Tender are subject to the jurisdiction of Vijayawada or High Court of AP.

In witness there of Sri _____, Chief Mechanical Engineer (C&B) of the ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION and Sri _____ duly authorized officer of M/s. _____ hither to affix their signature on the date and year herein above written in the presence of the following witnesses.

For APSRTC

For the Fabricator

Sign:


Design & seal:

Witnesses on behalf of APSRTC:

Name	Design.	Signature with date
1.		
2.		

Witnesses on behalf of fabricator:

Name & Address:	Signature with date.
1.	
2.	


D. C. M. E. (C&B)
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