



PUNJAB STATE POWER CORPORATION LTD

(Regd. Office: PSEB Head Office, The Mall, Patiala)

O/o CE/MM, 2nd floor, Multi Story Building,

PSPCL, Head Office, The Mall, Patiala

Phone No. 091-175-2213047, Fax No. 091-175-2225024

Mob: 96461-19383, e-mail: po-conductor@pspcl.in

Corporate Identification Number(CIN) : U40109PB2010SGC033813

Registration Number: 33813 website:www.pspcl.in

e-tendering portal: <https://pspcl.abcprocure.com>

To,

All Heads of Department,
PSPCL, Patiala.

Memo No. 478/511 PR Dated. 08-03-2019

Subject: Regarding amendments in PSPCL Purchase Regulation, 2017- Amendment No. 2.

In reference to the BoDs decision taken in its 74th meeting held on 02.03.2019 conveyed by Company Secretary vide its UO No. 956 dtd. 07.03.2019, the following additions/amendments have been approved to be incorporated in Purchase Regulation, 2017. The old as well as amended clauses are reproduced as under:

Clause No.	Existing Clause	Approved Clause
17-A of Schedule-E "Warranty of Meters"	"The supplier/contractor shall be responsible to replace free of cost with no transportation and insurance expenses to the purchaser upto the destination of material/equipment, the whole or any part of the material; which under normal and proper use and maintenance, proves defective in material or workmanship within the warranty period provided the purchaser gives prompt written notice of such defects to the Supplier/ Contractor. Such replacement shall be affected by the Supplier/Contractor, within a reasonable time not exceeding 2 months of the intimation of defects. Supplier's/Contractor's responsibility arising out of supply of material or its use whether on warranties or otherwise shall not in any case exceed the cost of correcting the defects or replacing the defective part/material and upon the expiry of the warranty period stipulated above, all such liabilities shall terminate. The warranty period for meters	"The supplier/contractor shall be responsible to replace free of cost with no transportation and insurance expenses to the purchaser upto the destination of material/equipment, the whole or any part of the material; which under normal and proper use and maintenance, proves defective in material or workmanship within the warranty period provided the purchaser gives prompt written notice of such defects to the Supplier/ Contractor. Such replacement shall be affected by the Supplier/Contractor, within a reasonable time not exceeding 2 months of the intimation of defects. Supplier's/Contractor's responsibility arising out of supply of material or its use whether on warranties or otherwise shall not in any case exceed the cost of correcting the defects or replacing the defective part/material and upon the expiry of the warranty period stipulated above, all such liabilities shall terminate. The warranty period for meters will

	<p>will be restricted to 5 years from their date of receipt in PSPCL ME Labs. However, this clause will not be valid if the meter gets defective in its very first year (whether once or repeatedly). In such cases, a fresh warranty of 5 years shall be applicable from the date of receipt of repaired/replaced meters in PSPCL ME Labs.</p> <p>In case the replacement/repair of defective material is not carried out within two months of intimation of defects, the supplier/contractor shall have to pay interest @ 12% per annum on the value of each complete operational unit of equipment beginning from the date of becoming defective upto date of its re-commissioning after the replacement/repair."</p>	<p>be restricted to 5 years from their date of receipt in PSPCL ME Labs. However, this clause will not be valid if the meter gets defective in its very first year (whether once or repeatedly). In such cases, a fresh warranty of 5 years shall be applicable from the date of receipt of repaired/replaced meters in PSPCL ME Labs.</p> <p>In case the replacement/repair of defective material is not carried out within two months of intimation of defects, the supplier/contractor shall have to pay interest @ 12% per annum on the value of each complete operational unit of equipment beginning from the date of becoming defective upto date of its re-commissioning after the replacement/repair."</p> <p>Amount due in lieu of above interest shall be recoverable from pending amount of the concerned purchase order or any other Purchase order/Work Order/Contract of the firm with PSPCL. If no payment of the firm is pending with PSPCL against any other Purchase order/Work Order/Contract then the same shall be deducted from any Security/EMD or PEMD lying with PSPCL. In case, the total amount of EMD, PMED, Security of all Purchase order/Work Order/Contract is less than the recoverable amount, action shall be taken by PSPCL as admissible under the law e.g. filing of recovery suit & lodging of FIR etc. Action as per Negligence Default Clause of the purchase order shall also be initiated. Moreover the performance of the firm regarding repair of meters within warranty shall be given due importance while placing future order on such firm.</p>
<p>Clause-11 (Schedule-E) Negligence & Default</p>	<p>In case of any negligence on the part of a Supplier/Contractor to execute the Purchase-order/Contract with due diligence and expedition and to comply with any reasonable orders, pertaining to any contravention to the provisions of the Purchase-order/Contract, given in writing by the purchaser, the purchaser</p>	<p>In case of any negligence on the part of a Supplier/Contractor to execute the Purchase-order/Contract with due diligence and expedition and to comply with any reasonable orders, pertaining to any contravention to the provisions of the Purchase-order/Contract, given in writing by the purchaser, the purchaser</p>

may give a 21 days-notice in writing to the Supplier/Contractor to make good the failure/neglect/contravention. In the event the Supplier/Contractor fails to comply with the notice within a timeframe considered to be reasonable by the purchaser, the business dealings shall be suspended/terminated with the firm by the purchaser for a minimum period of three years or in extreme cases, the firm shall be blacklisted forever by the purchaser.

Apart from the suspension/termination of business dealings/blacklisting of the supplier/contractor, the purchaser shall also forfeit the security & other pending payments of the Purchase Order/ Contract against which the supplier has defaulted, in addition to PEMD/ EMD lying with the concerned organization.

Note: (not to be incorporated in

specifications/ Purchase Order)

- (i) The action taken under this clause regarding suspension/termination shall be intimated to all the organizations of PSPCL. However, action regarding blacklisting shall also be intimated to all the other SEBs/ state utilities.
- (ii) The competent authority to approve action under this clause shall be the same as defined under clause 9 of main regulations.

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- (i) The action taken under this clause regarding suspension/termination shall be intimated to all the organizations of PSPCL. However, action regarding blacklisting shall also be intimated to all the other SEBs/ state utilities.
- (ii) The competent authority to approve action under this clause shall be the same as defined under clause 9 of main regulations.

Recoveries of any dues relating to Purchase Order under which supplier/contractor has defaulted shall be made from pending amount of any Purchase order/Work Order/Contract of the firm or any Security/EMD or PMED lying with PSPCL.

It is requested that **immediate** action may be taken to incorporate the amended clauses as above in the tenders floated by your office please.


Chief Engineer/ MM,
PSPCL, Patiala.