

Fall Clause : It is a condition of the contract that the price at which the Contractor will supply the stores should not exceed the lowest price charged by the Contractor to any customer during the currency of the rate contract and that in the event of the prices going down below the rate contract prices the Contractor shall promptly furnish such information to the Development Commissioner (Inds.) and the concerned Purchasing Officer to enable him to amend the contract rates for subsequent supplies.

Penalty Clause : Failure and termination of contract:- should you fail to deliver the stores or any part thereof within the period prescribed for delivery the purchasing Officer, Director of Technical Education shall be entitled in his opinion to take any one or more of the following steps:-

to recover from you as liquidated damages a sum equivalent to ½ per cent of the price of the undelivered stores at the stipulated rate for each week or part thereof during which the delivery of such store may be delayed subject to a maximum limit in the case of an order not exceeding rupees one lakh in value of 10 per cent & in the case of an order exceeding Rs. 1 lakh in value of 5 per cent of the stipulated price of the stores so undelivered. Such penalty is to be deducted always by the consignee from the bill of the firm.

Risk Purchase Clause:

1.1 If the contractor fails to deliver the stores or any installment thereof within the period fixed for such delivery or at any time repudiates the contract before the expiry of such period, the purchasing officer is entitled to cancel the contract and to repurchase the stores of the same specifications to the extent of the stores not delivered at the risk and cost of the defaulting contractor. In the event of such a risk purchase, the defaulting contractor shall be liable for any loss which the purchasing officer may sustain on that account provided the purchase, or if there is an agreement to purchase, such agreement, is made, in case of default to deliver the stores within the stipulated delivery period, within six months from the date of such default and in case of repudiation of the contract before the expiry of the aforesaid delivery, within six months from the date of cancellation of the contract of such period. In case any amount is outstanding to be paid to the defaulting contractor such amount should be withheld in the interest of Government.

1.2 Procedure to effect risk purchase – As soon as a contract is cancelled steps should be taken to effect repurchase of the stores still needed by floating Tender Enquiry.

- i) The date of delivery in A/T, supplies made, supplies expected within the delivery period, and the prospects of the contractor executing the contract should be taken into account.
- ii) Where security deposit is called for by a specified date, default in furnishing the same by the target date is in itself a breach of the contract and which entitles the purchaser to cancel the contract at risk and costs of the contractor.
- iii) Risk purchase contract should be on the same terms (except delivery date and price) of the original contract.
- iv) The terms of the news contract should not be more onerous or more liberal than those of the original contract except delivery period.
- v) In case the material on Risk Purchase Enquiry is available at a lesser rate than the value of original A/T, in such cases 10 percent of the original value of A/T should be recovered from the defaulting contractor.