

**Instructions to bidders and Special Terms and conditions for Rate Contract (RC) / framework agreement (FA) for purchase of Half Hard Copper Strips on finished basis under enquiry No. E-7033009**

The supplies against this framework agreement enquiry shall be subjected to our general terms and conditions of the enquiry / P.O. In addition, the terms and conditions given under this annexure shall specifically apply to this enquiry. Should there be any difference between the general terms & conditions and the conditions included in this annexure, the latter shall prevail.

1. **General :-** Material will be supplied on finished basis where no material will be issued FREE from BHEL against this RC/PO. Suppliers shall quote only Fabrication Rate (In Rs /kg) on FOR destination basis on e-procurement portal including (tooling, workmanship cost, Copper packing - forwarding and Miscellaneous other factors & charges, if any, etc.). Half Hard Copper Strips to be supplied in accordance with the size, technical requirements as per individual purchase order (PO) placed under the Framework agreement. Procurement will be carried out progressively as per BHEL's requirement under the framework agreement valid for **one years** after its finalization with an option to short close it within the validity of the rate contract, if required further RC can be extended for one more year with mutual consent.
2. **FA Quantity & Technical Parameters:** - Our total estimated requirement is as follows which shall be purchased progressively as per our requirement under the framework agreement.

(All sizes in mm)

Item no.	Item description	Consignee	Specification	Quantity in Kgs
1	Half Hard Copper strips Thk 2 to 12 mm, Width 40 to 120 mm and Max width to thk ratio will be 40.	HEP Bhopal	BP12064 Rev.06 & Annexure-A Rev.03	400000+30%

Quantity given is only an estimated requirement. Since the quantity requirement has been arrived on the basis of present and anticipated orders, any change in order situation like any project slow/hold, then BHEL has the right to reduce/drop quantity. However, if RC quantity exhausted during period of RC, then upto +30% of additional quantity can be ordered for Item #1

Test Certificates as per annexure, purchase specification must accompany each lot. Third party inspection shall be done at vendor's works. Final inspection for acceptance shall be at BHEL. BHEL may also conduct process audit or surveillance checks at the works, if required.

Quality plan to be followed for Half Hard Copper Strips is attached as annexure B - QA/HG/542 Rev01 dated 11.08.2020 which is applicable for Item #1 only and to be sent along with the technical offer for approval.

Advisory Note: Vendors are advised to ensure supply of material as per technical specifications, QAPs and other technical documents. Further, vendors are advised to strictly adhere to tolerance ranges of the specifications. Any deviation from technical parameters will result in rejection of material. However, bidder to note that under exigency/urgency conditions, BHEL reserves the right to accept the material with minor deviations after penalizing the vendors as per BHEL quality / engineering recommendations (Quality deficiency Review Committee – QDRC) depending on the nature and gravity of quality issue.

3. **Procedure for Bid submission:** - Offer shall be submitted by the bidders in two parts; -
  - Bid Part - I Technical cum Commercial bid as per annexure I
  - Bid Part - II Price bid as per BOQ in e-procurement portal

Both Part - I & Part - II of the offer to be uploaded on BHEL e-procurement site using Class III digital signature. Bidders to mandatorily put sign and seal on all the uploaded documents. The quotation should be uploaded on the site before due date / time.

Part-I of the bid shall contain complete details of the product offered, filled in copy of 'INTEGRITY PACT', duly signed by the authorized signatory of the bidder who signs the bid, acceptance to the specification, all techno commercial terms & conditions and acceptance to the following: -

- a) "Instruction to bidders and special terms & conditions for rate contract (RC) / framework agreement (FA) for purchase of Half Hard Copper Strips on finished basis under enquiry No. E-7033009 – Annexure – I
  - b) Purchase Specifications and QAP at clause 2 above
    - (i) Technical document BP-12064 Rev 06
    - (ii) QAP/HG/542 Dated 11/08/2020 with Annexure A Rev03
    - (iii) PQR for Half Hard Copper Strips Annexure B
  - c) BHEL Fraud & prevention Policy
  - d) Integrity Pact
  - e) Conciliation Clause
  - f) T&C of indigenous enquiry' – General T&C(GTC) BP200102A
  - g) BHEL PO Terms and Conditions' MM5527
  - h) Declaration on family firms or sister concern affiliates / subsidiary
  - i) Declaration on Conflict of interest
  - j) Techno-commercial Bid form for enquiry E7033009 (Annexure-II)
4. **Bid opening**: - The 'Techno-commercial' part of the bid i.e. Bid Part – I of the offers shall be opened on the due date of tender opening on e-procurement portal. Clarifications if required on this part may be obtained from the bidders for their evaluation. The Price bid Part-II of such bidders alone shall be opened on a later date on e-procurement portal whose techno-commercial bids are found acceptable. The date of 'Price bid -Part II' opening shall be intimated to technically qualified bidders later.

**BHEL shall be resorting to Reverse Auction (RA)** (Guidelines as available on [www.bhel.com](http://www.bhel.com)) for this tender. RA shall be conducted among all the techno-commercially qualified bidders. Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered as initial bids of bidders in RA. In case any bidder(s) do(es) not participate in online Reverse Auction, their sealed envelope price bid along with applicable loading, if any, shall be considered for ranking.

5. **Bid Evaluation**: The bids shall be evaluated on total delivered cost to BHEL on overall economy basis in Indian currency INR taking into account all duties/taxes/Cess etc as could be applicable. SBI TT selling rate and LME CSP of grade A Copper of the date at which the tender (Bid part I) is opened will be considered for tender evaluation. In case TT selling rate and LME CSP of grade A Copper of the date of tender opening is not available, the rate shall be taken of the previous working day. Evaluation shall be done on Total value wise

Bidders may note that quoted rates shall be loaded, as per loading criteria decided by BHEL, for any deviation from the terms & conditions given in this enquiry, to arrive at landed BHEL rate.

In the course of evaluation, if more than one bidder happens to occupy L-1 status, effective L-1 will be decided by soliciting discounts from the respective L-1 bidders. In case more than one bidder happens to occupy the L-1 status even after soliciting discounts, the L1 bidder shall be decided by a toss/draw of lots, in the presence of the respective L1 bidder(s) or their representative(s). Ranking will be done accordingly. BHEL's decision in such situations shall be final and binding

6. **Pricing Terms**:- Material will be supplied on finished basis where no material will be free issued by BHEL. Price to be quoted on FOR BHEL Bhopal basis for Item #1. The bidders shall quote only final fabrication rate in Rs/kg The quoted rates should be inclusive of tooling, workmanship cost, Copper packing - forwarding and Miscellaneous other factors & charges, if any)

**Copper Rate**: The successful bidder will be asked to book LME CSP of the grade A Copper prevailing on the 3rd LME working day from date of issue of LOI (excluding date of LOI). (FBIL + 10 paise) exchange rate prevailing on the 3rd LME working day from date of issue of LOI (excluding date of LOI) will be used for converting LME to INR. In case, (FBIL + 10 paise) exchange rate of 3rd

LME working day is not available, same of the **previous** bank working day shall be considered. Premium shall be fixed at 190 USD / MT. Multiplication factor (M.F) equivalent to effective Customs duty on CC rods & is variable in nature as per change in duty structure. Presently it is 1.055.

**Fabrication Rate:** Fabrication rate (including tooling, workmanship cost, Copper packing - forwarding and Miscellaneous other factors & charges, if any, etc) as quoted in price bid (on e-procurement portal) shall be firm during the validity of Rate Contract.

PO Rate Schedule		
A	LME CSP Rate (USD / MT) and exchange rate (Rs / USD)	LME CSP & Exchange rate (FBIL + 10 paise) shall be of 3rd LME working day from date of issue of LOI (excluding date of issue of LOI).
	Premium (USD / MT)	190 USD / MT (Fixed)
	Copper Rate	(LME CSP + Premium) x (FBIL+10paise exchange rate) x M.F./1000 (as per notional customs duty, presently it is 1.055)
B	Fabrication rate (Rs / kg)	In Rs. /kg (inclusive of all possible extras to be quoted on e-procurement portal. This shall remain firm throughout the validity of contract.)
C	PO Rate	A + B

Note: Multiplication factor (M.F) shall be as per actual notional customs duty applicable at the time of dispatch. Presently it is 1.055

7. **FA Qty. Allocation:** - No of bidders required against each enquiry item shall be as mentioned below:

Item no.	No. of suppliers required by BHEL	Distribution ratio
1	3	L1:L2:L3::48:32:20

The above distribution of quantities in Item #1 shall be subjected to committed capacity to BHEL, acceptance to the counter offer etc., if any, offered by BHEL. In case number of qualified suppliers available for quantity distribution for Item#1 are equal to or less than the required bidders as mentioned above, then the distribution shall be done amongst (N-1) bidders where N is the number of qualified bidders available for quantity distribution of total quantity and distribution shall be as under:

No of qualified vendors available for quantity distribution	L1	L2	Total
2	100	NIL	100
3	65	35	100

If number of vendors available for distribution of total quantity in Item #1 is less than the no. of vendors required by BHEL, then BHEL may either redistribute the quantity as mentioned above or reduce the requirement accordingly.

Counter Offer: L1 rate shall be counter offered to L2 for acceptance. On non-acceptance of the counter offered rates, the L1 rate shall be counter offered to L3, L4 and so on.

8. **Supply condition:** - Supply of strips against individual PO should comply requirement as per Annexure A which is summarized as follows:

- The number of strips shall be as mentioned in purchase order.
- Different items to be packed separately in sturdy boxes with proper identification on each box (weight of individual box ≤ 2000 kg approx).

- c) Supplier to mention number of strips along with weight in the packing list.
  - d) Each consignment should be supplied along with
    - Test Certificates of all tests as per specification
    - Test Certificates of Raw material.
  - e) Any change in requirement arising out of unforeseen reasons like customer approved vendor requirement at later stage, hold on projects etc may reduce the nominal quantity
  - f) Acceptance & compliances in line with Annexure A.
  - g) No duty benefits available for the item
9. **Delivery Period:** - The desired delivery period against individual PO item shall be within 06 weeks to be reckoned from the date of Letter of Intent (LOI). Bidders shall commit suitable delivery period on FOR destination basis i.e. FOR BHEL Bhopal for Item #1 Delivery period will be counted upto receipt of material at BHEL Bhopal/ i.e CN date. Bidders may note that delivery beyond committed schedule will attract penalty for delayed performance.
10. **Replacement of rejected Goods:** - Third party inspection will be done at vendor's works by customer / TPIA. Final inspection for acceptance of quality shall be at BHEL's works Bhopal after receipt of material and results shall be binding on the suppliers. Material to be dispatched only after approval of TPIA report by BHEL. BHEL may conduct quality audit at supplier works for ensuring implementation of quality system and quality plan QA/HG/542 Rev01 dated 11.08.20 and Annexure A. In case of rejection due to non-compliance to agreed specification and for the reasons attributable to the vendor, the materials shall be rejected. The rejected goods will have to be collected by supplier with 10 days on receipt of PMIR/rejection intimation. The rejection goods are lying in BHEL at risk and cost of vendor. BHEL reserve the right to dispose off if goods are not removed within reasonable time. The replacement by vendor will be free of cost on "F.O.R. BHEL works basis" including interalia cost elements such as total transportation, insurance, any other taxes / levies etc as applicable. Vendor to provide all possible help in lifting the rejected material and supplying replacement as per BHEL / government guidelines.
11. **Terms of delivery:**
- a. Item #1- F.O.R. BHEL Bhopal on door delivery basis.
12. **Transit Insurance:-** Transit insurance shall be by supplier (FOR destination basis). All transit risk shall be covered under clause Inland Rail and Road – A (IRR – A).
13. **Payments Terms:** Payment shall be made within 90 days against receipt and acceptance of material without over due interest OR within 45 days as per the MSMED act (only for vendors falling under Micro & Small category), whichever is applicable to the supplier. During bid evaluation, no loading of price with regard to preferential payment within 45 days will be done for the bidders covered under MSMED act (Micro & Small). Payment term other than the above standard payment terms may lead to rejection of your offer and if accepted, your quoted rates will be loaded at the rate of SBI Base rate + 6% for price comparison purposes on BHEL landed cost basis. MSE suppliers can avail the intended benefits only if they submit along with offer, attested copies of either EM II certificate having deemed validity (Two years from the date of issue of acknowledgement in EM II) **or** valid Udyam certificate.
- It may be noted that payment in no. of days of all the bidders shall be further subject to MSME status of the supplier as per the prevailing Government guidelines at the time of payment.
14. **Taxes & Duties:** - The bidders are requested to furnish the rate and type of duty / taxes as extra applicable to the product under this enquiry in their bid (along with details like HSN, SAC codes, GSTIN no. of vendor etc )

BHEL will avail tax credit as per GST rules. Vendor to note that GST part of invoice shall be released only upon:

Vendor declaring such invoice in his GSTR – 1 and

Receipt of goods and tax invoice by the BHEL and

Confirmation of payment of GST thereon by vendor on GSTN portal

Above is subject to receipt of goods and tax invoice thereof along with vendor declaring invoice in his return and paying GST within timeline prescribed for availing TC by BHEL.

In case, GST credit is delayed / denied to BHEL due to non / delayed receipt of goods and / or tax invoice or expiry of timeline prescribed in GST law for availing such ITC (Input Tax Credit) or any other reasons not attributable to BHEL, GST amount shall be recoverable from vendor along with interest levied / leviable on BHEL.

In case, vendor delays declaring such invoice in his return and GST credit availed by BHEL is denied or reversed, subsequently as per GST law, GST amount paid by BHEL towards such ITC reversal as per GST law shall be recoverable from vendor along with interest levied / leviable on BHEL.

Further, any GST liability arising on BHEL under RCM (Reverse Charge) before actual receipt of goods and / or invoice thereof would be subject to recovery of interest leviable for the period between the date of such liability and actual date of eligibility of ITC based on receipt of goods, receipt of invoices and other conditions specified in GST law.

Note:- With Reference to section 51 of CGST act 2017 read with notification no. 50/2018-central tax dated 13.09.2018 ; BHEL will be liable to deduct TDS under GST with effect from 01.10.2018. Deduction shall be made @2% (1% CGST+1%SGST) or 2% IGST (as applicable) of the payment made or the amount credited. Vendor to generate & submit invoices as per above.

As per GST rules GST-TDS @2% to be deducted on the item value w.e.f. invoice dtd 01.10.2018. GST-TDS as deducted from bill is deposited to tax authority and details of TDS deducted are updated in GSTR-2A in portal. Benefit to be availed on the basis of details available in GSTR-2A portal. BHEL will not issue any TDS certificate.

15. **Validity of Framework agreement:** - **One year** from the date of finalization of framework agreement (FA) by BHEL for ordering with additional time of three months for supplies. BHEL shall have an option to extend the rate contract for one more year with mutual consent. Further RC/FA may be short closed during the validity of the rate contract, if required.
16. **Validity of Offer:-** Offer should be valid for a period of 120 days from the date of technical bid opening date for finalization of the contract.
17. **Levy of Penalty for delayed performance:** - “Subject to force majeure conditions, penalty shall be 0.5% of the total order value per week of delay or part thereof, subject a maximum of 10% of the total order value. Total order value above shall be item wise, lot wise order value”.
18. **Guarantee:** - Half Hard Copper Strips under this tender shall be free from any kind of manufacturing defects and shall be under guarantee for a period of 12 months from the date of dispatch.
19. **Fraud Prevention Policy** : The Bidder along with its associate/ collaborators/ sub-contractors/ sub-vendors / consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice.
20. **Integrity Pact (IP)** – Independent external monitor (IEM):-

IP is a tool to ensure that activities and transactions between the company and its bidders/contractors are handled in a fair, transparent and corruption free manner. Following Independent External Monitors (IEMs) on the present panel have been appointed by BHEL with the approval of CVC to oversee implementation of IP in BHEL

Sl.No	IEM	Email
1	Shri Otem Dai, IAS (Retd.)	iem1 @bhel.in
2	Shri Bishwamitra Pandey IRAS (Retd.)	iem2@bhel.in
3	Shri Mukesh Mittal, IRS (Retd.)	iem3@bhel.in

A. The IP as enclosed with the tender is to be submitted (duly signed by the authorized signatory) along with techno- commercial bid (part-I, in case of two/three part bid). Only those bidders who have entered into such an IP with BHEL would be competent to participate in the bidding. In other words, entering into this pact would be a preliminary qualification.

B. Please refer Section 8 of IP for role and responsibilities of IEMs. In case of any complaint arising out of the tendering process, the matter may be referred to any of the above IEM(s). All correspondences with the IEMs shall be done through e-mail only.

Note: No routine correspondence shall be addressed to the IEM (phone/post/email) regarding the clarifications, time extensions or any other administrative queries, etc on the tender issued. All such clarifications/ issues shall be addressed directly to the tender issuing (procurement) department's officials whose contact details are provided below:

Details of the contact person:

Name	Suresh Singh Soy	Yogesh Edla
Deptt	CMM Copper	CMM Copper
Address	BHEL Bhopal	BHEL Bhopal
Phone No.	9406903668	9425604823
Email	<a href="mailto:sureshsoy@bhel.in">sureshsoy@bhel.in</a>	yedla@bhel.in

## 21. **Quantity Tolerance**

(a) Against RC quantity:  $\pm 30\%$  against Item #1.

(b) Against individual P.O. items:  $\pm 2\%$ . However, requirements such as the specified weight/length/No. of pieces and other dimensions shall be strictly adhered to. Any discrepancy wrt quantity mentioned in the Letter of Intent (LOI) must be brought to notice of BHEL before copper booking date as per LOI. Quantity supplied above the permissible limit of  $+2\%$  may not be liable for payment and / or return to the vendor.

22. **Risk and Cost:** In case of non-supply of quality material as per Purchase order within reasonable time as per BHEL exigencies, BHEL may resort to taking alternate procurement action from elsewhere and recover the difference in total cost to BHEL including services / differential / administrative cost, if any, incurred by BHEL in this regard from the supplier as per extant BHEL norms.

23. Bidders to give acceptance to Conciliation clause.

24. **Compliance to MAKE IN INDIA circular issued by Govt.:**

“For this procurement, the local content to categorize a supplier as a Class I local supplier/ Class II local supplier/Non-Local supplier and purchase preference to class I local supplier, is as defined in Public Procurement (Preference to Make in India), Order 2017 dated 04.06.2020 issued by DPIIT. In case of subsequent Orders issued by the Nodal Ministry changing the definition of the local content for the items of the NIT, the same shall be applicable even if issued after issue of this NIT, but before opening of Part-II bids against this NIT. “

25. In addition to above our General Terms and Conditions of indigenous enquiry BP200102A' and 'BHEL PO Terms and Conditions MM5527' for indigenous & foreign bidders shall also be applicable to this tender. Bidders may note that suitable loading will be done for arriving at the Landed cost to BHEL price for any deviation from these general Terms & Conditions.

26. The bidder will, when presenting his bid, declare whether other family firms or sister concern affiliates/subsidiary firms are participating in same tender, so as to eliminate the possibility of cartel formation.

**27. Pre-qualification Criteria (mandatory for further consideration of offers)**

Please note that offers of only those bidders who meet pre-qualification criteria (attached as Annexure B) shall be considered. Bidders to submit all supporting documents in compliance with each requirement.

28. “The Bidder declares that they will not enter into any illegal or undisclosed agreement or understanding, whether formal or informal with other Bidder(s). This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process. In case, the Bidder is found having indulged in above activities, suitable action shall be taken by BHEL as per extant policies/ guidelines.”

29. Bidder to declare on No conflict of interest with other bidders.

30. As per GOI Circular issued by Ministry of Finance F..7/10/2021-PPD (1) Dated 23.02.2023 compliance is applicable. In addition of above all latest Govt circular issued by GOI shall be applicable in this tender (wherever applicable to BHEL)

31. Bidders who are NOT registered with BHEL shall have to submit completely filled bidder registration form along with their bid part – I. Those who have been registered are requested to furnish their supplier codes for BHEL Bhopal. Bidder registration form can be downloaded from hyperlink:  
[https://bpl.bhel.com/mm/supplier\\_forms.html](https://bpl.bhel.com/mm/supplier_forms.html)

(Suresh Singh Soy)  
Manager (CMM-Copper)



## PLANT PURCHASING SPECIFICATION BHOPAL

BP 12064

REV NO. 06

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### RECTANGULAR COPPER STRIP FLAT BAR HALF HARD - CLOSE TOLERANCE

SUPERSEDES  
BP 12064 Rev 05

#### 1. GENERAL

This specification covers the requirements of straight cold drawn bright, half hard, bare copper strip upto 6 mm thick and Flat Bar above 6 mm thick with radiused edges,

#### 2. APPLICATION

Used for the manufacture of field coils of Hydro Generators! Motors

#### 3. CONDITION OF DELIVERY

The material shall be supplied in half hard condition, in straight lengths as specified on our order & complying to the tolerances mentioned in clause 5.2. The material shall be supplied with their edges radiused as per cl 5.2.4

#### 4 COMPLIANCE WITH NATIONAL STANDARDS

The material shall comply with the requirements of the following Indian Standard & also meet the requirement of this specification:

##### 4.1 Strip upto 6 mm thick :

IS: 1897-Reaffirmed 2016 (G HB - Half-Hard) : Copper Strip for Electrical Purposes,

##### 4.2. Bar - Above 6 mm thick :

IS: 613 – Reaffirmed 2016 ( Condition Half Hard): Copper Rods and Bars for Electrical Purposes.

#### 5. DIMENSIONS AND TOLERANCES

##### 5.1 Sizes :

The material shall be supplied to the dimensions specified on the order.

##### 5.2 Tolerances :

5.2.1 Width & Thickness : The tolerance on width and thickness shall be as per Table-1

Revision :

Reviewed & IS Reaffirmed

Issued by :

STANDARDS AND MATERIALS GROUP  
TECHNICAL SERVICES DEPTMENT

Rev. 06

Date : 07.11.2019

Date of first Issue : July 1991

TABLE : 1

Specified Width or Thickness		Tolerance mm	*Total Variation of thickness in a strip
Over (mm)	Upto & incl.(mm)		
-	3.0	0.03	0.03
3.0	6.3	0.05	0.05
6.3	12.0	0.07	0.07
12.0	25.0	0.10	0.10
25.0	50.0	0.12	0.12
50.0	100.0	0.25	0.25
100.0	160.0	0.50	0.50

\*Note : Difference in measured, max. & min. thickness in a strip shall not exceed the value given in the column.

5.2.2 **Length** : The tolerance on length shall be + 5 - 0.

5.2.3 **The permissible tolerances for dimensions & shape shall be as follows :**

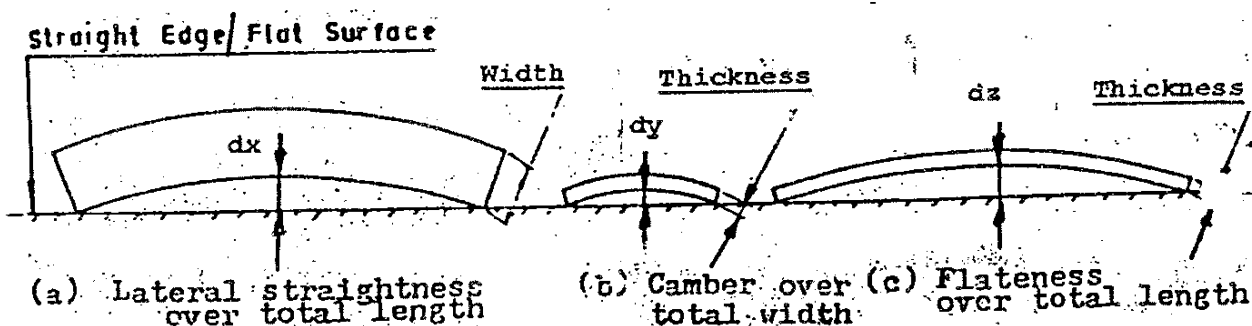
a) Deviation in lateral straightness over total length, dx

- for lengths upto 1 metre - 1 mm

- for lengths beyond 1 metre - 1.4 mm ( max.)

b) Camber on width, dy - 0.05 mm max

c) Flatness, dz - 0.50 mm max.



Any deviation in Straightness, Camber on Width & Flatness shall be gradual and not in step. The angle of any deviation shall be such that if the angle was continued, the deviation obtained would not exceed the values specified above, over complete length or complete width.

**Note** : Deviation, if any in meeting the above tolerances shall be clearly indicated In quotation I offers for consideration of BHEL.



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## PLANT PURCHASING SPECIFICATION BHOPAL

BP 12064

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5.2.4 The material shall be supplied with edges radiused as given in Table -2

Thickness mm		Nominal Radius on Edges (mm)	Tolerance (mm)
Over	Upto & incl		
-	1.00	Semi Circular	$\pm 0.06$
1.00	1.60	0.60	+0.15
			- 0.10
1.60	2.25	0.80	$\pm 0.15$
2.25	3.55	1.00	$\pm 0.20$
3.55	-	1.25 <sup>10</sup>	$\pm 0.25$

### 6.0 FREEDOM FROM DEFECTS

The material shall be clean, bright, smooth and free from harmful defects. Oil shall be removed completely after drawing.

### 7.0 MANUFACTURE

#### 7.1 Conductor Material Chemical composition :

The conductor shall be manufactured from copper cathodes to billets and by extrusion process

### 8.0 TEST SAMPLES

One sample per size per consignment of 3 tonnes or part thereof shall be selected for testing.

### 9.0 MECHANICAL PROPERTIES

#### 9.1 Tensile Strength .

- Upto 6 mm Strip as per IS: 1897,

- Above 6 mm bar as per IS: 613

The material when tested in accordance with IS:1608.

#### 9.2 Bend Test

The strip shall be subjected to transverse bend test. Where this is not possible, it shall be subjected to a longitudinal bend test. The strip when tested as per IS:1599 shall withstand a bend test through an angle of 180° over a former of radius equal to the thickness of the -strip. The material shall show no sign of cracks or failures upon the convex surface of the bend.

#### 9.3 Hardness:

When tested in accordance with IS 1501 (part 1), The hardness of the material shall be in range of 75 to 90 HV for strip as per IS: 1897 and 70 to 90 HV for Bar as per IS: 613.

**10.0 ELECTRICAL RESISTIVITY:**

The resistivity at 20°C of a conductor of one metre in length & of a uniform cross-sectional area of 1 mm<sup>2</sup>, in half-hard condition, shall not be greater than 0.01777 ohm.mm<sup>2</sup> / metre which corresponds to 97% (Min).conductivity of IEC Standard Refer IS: 613 -- Appendix - B for Temperature Correction Factor.

Alternately the method of measurement employing Eddy Current probes as per ASTM E 1004 is also acceptable.

**11.0 TEST CERTIFICATE -**

Three copies of Test Certificates shall be supplied, unless otherwise specified in the order.

In addition, the supplier shall ensure to enclose one copy of the test certificate along with their despatch documents to facilitate quick clearance of the material.

The test certificate shall bear the following information:

BP 12064 (Rev.06) : Rectangular Copper Strip/Flat Bar Half Hard - Close Tolerance

Our Order No.

Size & Number of Strips / Bars.

Batch No.

Test results obtained for Electrical & Mechanical Properties, Chemical Composition and Dimensional Tolerance as per specification.

**12.0 PACKING AND MARKING:**

The material shall be supplied in straight lengths as ordered. Material shall be Wrapped with 200 mm wide 500 microns thickness polythene sheet and then packed wooden boxes with weight not exceeding 2500 kgs. Special Care shall be taken to ensure straightness tolerances are not damaged in transit.

Each bundle shall be legibly marked or labeled with the following information.

BP 12064 Rectangular Copper Strip / Flat Bar Half Hard - Close Tolerance.

Purchase Order No.

Size

Package Wt.

Supplier's Name

**INSTRUCTIONS TO VENDORS**

**(A) TECHNICAL SUPPLY CONDITIONS OF PROFILED/RECTANGULAR/ SILVER BEARING HALF HARD COPPER STRAIGHT & FLAT FOR FABRICATED FIELD COILS OF HYDROGENERATORS & MOTORS :**

1. The copper conductor shall be half hard profiled as per drawing or rectangular as given in the enquiry and to specification.
2. The conductor shall be supplied in final finished condition.
3. The conductor is to be supplied in continuous lengths as specified in the enquiry.
4. Copper flats shall be produced by proven process so as to achieve properties and characteristics required under technical specification and also achieve Metallurgical qualities as follows:

**a) Metallurgical requirements :**

The microstructure shall be consistent with a best commercial practice for production of extruded and drawn copper shapes. The microstructure shall consist of equiaxed grains. A fine dispersion of rounded copper oxides typical of deoxidized silver bearing copper is allowed.

Planar or linear features (such as oxides, voids, laps etc) exceeding the limits specified below are not allowed.

- I. Length greater than 0.1 mm
- II. Only one indication per side
- III. No more than 1 indication per micro section.
- IV. There is no loose material or open to the surface ligament associated with indications.

Voids, laps, seams, tears or similar features are not allowed.

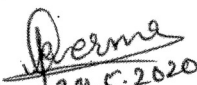
**b) Surface Quality :**

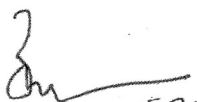
The copper shall have a uniform and smooth surface. Score marks, cracks, indentations, bubbles, glitter and impressed foreign particles are unacceptable. The copper shall be free of loose particles. The copper surface shall be free of any processing fluids, oils and lubricants.

The surface finish shall be better than 1.6  $\mu$ m.

**c) Ultrasonic test :**

Ultrasonic test shall be carried out on full length of 2 strips randomly selected from the lot.

  
29.5.2020  
(P.K.Verma)

  
29.05.20  
(A. Dixit)

**ANNEXURE-A**

**(Rev-03 dt. 29.05.2020)**

5. Vendor to furnish the reputed source of raw material copper in their offer.

The information given by vendor is subject to inspection, verification & assessment by BHEL at its discretion any time before finalization of the case and /or after P.O. placement till final finish stage.

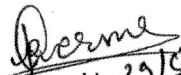
**(B) ACCEPTANCE CRITERIA:**

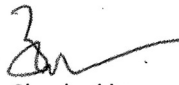
Material shall be accepted on the basis of following:

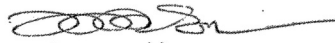
1. QAP compliance certificate furnished by the supplier.
2. Test & inspection certificate furnished by third party inspector and/or testing carried out at BHEL end.

**(C) REJECTION :**

Material is liable for rejection in part or full of the supplies, which could not be tested due to random sample testing plan and are found to be defective or contains hidden defects which are noticed at the time of processing / assembly or during operation of the machine.

  
Prepared by 29/5/2020  
(P.K. Verma)

  
Checked by  
(A. Dixit)

  
Approved by  
A B S S

# Annexure-B

## Pre Qualification Requirement (PQR) for rate contract of Half Hard Copper Strips

Pre-Qualification Criteria for rate contract of Hard Hard Copper strips for hydro-generators/ motors on Finished Basis.

S. No.	Description of pre-qualification requirement	Basis Of Criteria	Vendor Response	
			Complied/Not complied	Supporting Documents required to accept compliance
1	Only manufacturers are allowed. Traders will not be allowed to participate.	Manufacturer (OEMs) will help in ensuring quality of material		Certificate of being original manufacturer of this item.
2	Compliance to Specification BP-12064 , Annexure A and ED12099	To ensure Technical compliance.		Point-wise compliance statement of BP-12064 , Annexure A , and ED12099
3	Company to be ISO-9001:2015 certified	For maintaining quality standards		Valid ISO-9001:2015 certificate valid as on due date of enquiry.
4	Monthly supply capacity of the bidder shall be at least 16 MT / month. specifically for this Open / Press tender enquiry.	Quantity is 400 MT. As item to be split among three vendors in the ratio 48:32:20 , L1 share of item per month comes as approx 16 MT/month. (400 MTX 48%(L1 share)/12(No. of months) = 16 MT)		Necessary self-confirmation to be submitted for monthly supply capacity enough to supply 16 MT/ month.
5	The company should have certified in-house testing facilities to conduct tests as per BP-12064 and ED12099. In Lieu of inhouse testing facilities to conduct test, tests will be required to be performed by NABL approved laboratory.	In House testing is required to facilitate inspection by customer/TPIA.		Necessary self-confirmation to be submitted.
6	Manufacturing of copper flats - Strictly as per Annexure-A - Use of raw material only from Made in India brands having proper traceability mechanisms for ensuring quality.	For Better Traceability and Quality Product		Necessary self-confirmation stating that raw material will be from Made in India brands only having proper traceability mechanisms for ensuring quality
7	Compliance to BHEL's Quality assurance plan	To ensure meeting BHEL Quality Standards		Point wise compliance of attached Quality assurance plan (QA / HG / 542 rev 01 dated 11.08.20) to be submitted with the bid.
8	The company should have experience of supplying at least 3 PO of rectangular half hard copper strips as per BP12064 or ED12099 or equivalent national and International standard (IS:1897-2008 for upto 6 mm thick and IS: 613 - 2000 for above 6 mm thick) in last 7 years with at least 2 MT per PO and out of above at least 1 PO should be during last 2 years (Years to be counted till 31.08.2023) (Copper size should be in the range as specified in BP-12064, ED12099).	To Judge Vendor's experience and past performance.		Copy of PO, invoice and TC to be submitted with the bid.

	Average Annual Turnover of atleast Rs 4.5 Crs of last 3 years ending 31.03.2022	<p>For Financial soundness of the vendor. Reference CVC guidelines Doc ref no. AA:VIG:1483 dated 31.07.2014 issued by Corp. Vigilance as circular no. 04/2014 para B(iii) regarding the financial standing. Value have been arrived as per below calculation:</p> <p>1) Item rate (A)= Rs 780/Kg (Considered on average basis.) 2) L1 share of Item 1 = 400 X 48%=192 MT 5) Estimated value on L1 share = 192 X 780 = Rs 14.98 Crs 6) Average Annual Turnover required= 30% of the estimated value= 30% X 15.74 Crs = 4.5 Crs</p>	Audited Balance Sheets of relevant periods or a certificate from the Chartered Accountant / Cost Accountant indicating the turnover details for the relevant period shall be uploaded with the bid. In case the date of constitution / incorporation of the bidder is less than 3-yearold, the average turnover in respect of the completed financial years after the date of constitution shall be taken into account for this criteria.
<b>Note :</b>	(1) Compliance to above Pre-qualification requirements is mandatory. In the absence of compliance of above requirements, vendor PQ application is liable to be rejected.		
	(2) BHEL has right to verify information / confirmation furnished, by asking for additional documents, proofs, etc.		
	(3) All the documents submitted by the vendor for fulfilment of PQR should be valid on the due date of tender opening.		



# QUALITY ASSURANCE DEPARTMENT

SH. 01 OF 01

QA PLAN FOR -PROFIED / RECTANGULAR HALF HARD COPPER STRAIGHT & FLATS

QA PLAN NO. - QA/HG/542 dt. 11.08.2020 , REV-01

S. NO.	COMPONENT /OPERATION	CHARACTERISTICS	CLASS	TYPE	QUANTUM OF CHECK	REF. DOC.	RECORD FORMAT	AGENCY		REMARKS
								PERFORM	WITNESS	
1	Source of Raw material	Copper cathodes	Major	Review	100%	As per BP 12064 & Annexure-A	TC			Record review by BHEL / TPI
2	Finished copper strips/ flats	Witnessing of test for : i) Visual & Dimensional ii) Mechanical properties iii) Electrical properties iv) Ultrasonic test v) Microstructure test	Major	Physical Mechanical Electrical NDT Mechanical	sample sample sample 2 samples from every lot 1 sample from every lot	As per P.O. & BP 12064 As per P.O. & BP 12064 As per P.O. & BP 12064 As per Annexure-A As per Annexure-A	TC	Supplier Supplier Supplier Supplier Supplier / Third party lab Supplier	BHEL /TPI BHEL /TPI BHEL /TPI BHEL /TPI	Record review by BHEL / TPI
3	Preservation and Packing		Major	Visual	100%	As per P.O. & BP12064	TC			Record review by BHEL / TPI

Certification : Supplier shall furnish 5 copies of Test certificates only countersigned by BHEL / TPI for the above tests.

Checked by

Approved By

Prepared by  
  
(P.K. Verma)

P.K. Verma  
40D/HGE

S.K. Choudhary  
DY. mgr. (HQB)

P.K. Verma  
40D/HGE

# **BHEL FRAUD PREVENTION POLICY**

## **1.0 Introduction**

BHEL, a public sector enterprise, is an integrated power plant equipment manufacturer and one of largest engineering and manufacturing company in India engaged in design, engineering, manufacturing, construction, testing, commissioning and servicing of a wide range of products and services for core sectors of the economy viz. Power, Transmission, Industry, Transportation, Renewable energy, Oil & Gas and Defense.

All organizations are subject to risks of fraud. Frauds negatively impact the reputation and brand value of organization. Vigilant handling of fraud cases within organisation sends clear signals to the public, stakeholders and regulators about the management attitude towards fraud risks and organisation's fraud risk tolerance.

All levels of management, staff, internal and external auditors have responsibility for dealing with fraud risk.

Section 143(3) (i) of the Company Act, 2013 requires auditors to report about the adequacy of internal Financial controls in the Company and the operating effectiveness of such controls. Further, as per General Direction issued by C&AG vide circular No. 294/CA-II/Cord/A/cs instructions/30-2008 dated 22.04.2010, auditors are required to comment on Risk of Frauds in their reports.

BHEL has already put in place various policies, systems and procedures to guide employees for undertaking various transactions within and outside organisation to conduct the same in a transparent & uniform manner e.g. Purchase Policy, Works Policy along with Delegation of Powers (DOP), HR Policy, Conduct, Discipline and Appeal Rules for employees, Standing Orders etc. Keeping in view the BHEL approach in following Corporate Governance principles proactively, it is appropriate that a Fraud Prevention Policy is formulated and implemented

## **2.0 Policy Objectives**

2.1 Objective of the Policy is to provide a system for detection, prevention and reporting of a fraud detected or suspected; and handling of such matters pertaining to fraud.

2.2 The Policy is expected to ensure and provide for the following:

2.2.1 To ensure that management is aware of its responsibilities for detection and prevention of fraud and for establishing procedures for preventing fraud and/or detecting fraud when it occurs.

## BHEL FRAUD PREVENTION POLICY

2.2.2 To provide a clear guidance to employees and others dealing with BHEL forbidding them from involvement in any fraudulent activity and the action to be taken by them where they suspect any fraudulent activity;

2.2.3 To conduct investigations into fraudulent or suspected fraudulent activities; and

2.2.4 To provide assurance that any and all suspected fraudulent activity/ activities will be fully investigated.

2.2.5 To provide training on fraud prevention and identification.

### 3.0 Scope of Policy

The policy applies to fraud or suspected fraud in connection with business transactions with BHEL committed by employees, ex-employees working as advisors/ consultants, persons engaged on adhoc / temporary/ contract basis, vendors, suppliers, contractors, customers, lenders, consultants, service providers, any outside agencies or their employees/ representatives, or any other parties.

### 4.0 What is Fraud?

4.1 Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or perpetrator achieving a gain.

4.2 As per Section.447(1) of The Companies Act, 2013 Fraud is defined as follows:

- **"fraud"** in relation to affairs of a company or anybody corporate, includes (a) any act, (b) omission, (c) concealment of any fact or (d) abuse of position committed by any person or any other person with the connivance in any manner -
  - with intent to deceive,
  - to gain undue advantage from, or
  - to injure the interests of the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss
- **"Wrongful gain"** means the gain by unlawful means of property to which the person gaining is not legally entitled.
- **"Wrongful loss"** means the loss by unlawful means of property to which the person losing is legally entitled.

## **BHEL FRAUD PREVENTION POLICY**

### **5.0 Actions Constituting Fraud**

5.1 While fraudulent or suspected fraudulent activity could have a very wide range of coverage, the following are some of the act(s) which constitute fraud.

5.2 The list given below is only illustrative and not exhaustive:-

5.2.1 Forgery or unauthorised alteration of any document or account belonging to the Company

5.2.2 Forgery or unauthorised alteration of cheque, bank draft, E-banking transaction(s) or any other financial instrument etc.

5.2.3 Misappropriation of funds, securities, supplies or others assets by fraudulent means etc.

5.2.4 Falsification of records, submitting fake claims or claims with altered documents / supporting, removing the documents from the files and / or replacing it by a fraudulent one etc.

5.2.5 Wilful suppression of facts/deception in matters of appointment, placements, submission of reports, tender committee recommendations etc. as a result of which a wrongful gain(s) is/are made to one and wrongful loss(s) to the others.

5.2.6 Utilizing Company funds / assets for personal or other than official purposes.

5.2.7 Verification and authorization / certification of bills for payment (goods / services) without completion of supply / completion of works as per Purchase Order / Work Order.

5.2.8 Destruction, disposition, removal of records or any other assets of the Company with an ulterior motive to manipulate and misrepresent the facts so as to create suspicion/suppression/cheating as a result of which objective assessment/decision would not be arrived at.

5.2.9 Wilful delay in reporting recoveries / adjustments from suppliers / vendors bills.

5.2.10 Allowing / unauthorized use of Company assets by outsiders like vendors / suppliers / sub-contractors.

5.2.11 Any other act that falls under the gamut of fraudulent activity.

# BHEL FRAUD PREVENTION POLICY

## 6.0 Responsibility for Fraud Prevention

6.1 Following personnel's are responsible to ensure that there is no fraudulent act committed by them while performing any business transaction(s) with BHEL:

- Every employee
- Ex-employee working as advisor / consultant
- Person engaged on adhoc/temporary/contract basis
- Vendor / supplier / contractor / bidder / service provider
- Customer / Consultant
- Lender
- Any outside agency / their representative / employee who have a business relationship with BHEL

6.2 As soon as it is learnt that a fraud or suspected fraud has taken or is likely to take place, same should immediately be reported to Nodal officer

## 7.0 Nodal Officers and their Responsibility

### 7.1 Nodal Officer

Nodal officers shall be notified by management. All Direct Reporting Officers (DROs) to Unit Head / Construction Managers to be designated as Nodal Officers. List of Nodal Officer(s) would be displayed at BHEL web site / Intranet.

### 7.2 Fraud Prevention and Detection

All Nodal Officers shall be responsible for implementing the Fraud Prevention Policy of the Company and prevention and detection of fraud as per this Policy. It is the responsibility of all Nodal Officers to ensure that complete mechanism in respect of Fraud Prevention Policy is in place within his administrative / functional area of control.

#### 7.2.1 Fraud Prevention

7.2.1.1 Create an ethical and transparent environment by training and implementing policies, guidelines and procedures.

7.2.1.2 Familiarise each employee with the types of improprieties that might occur in their area.

7.2.1.3 Educate employees regarding the measures to be taken for prevention and detection of fraud.

## **BHEL FRAUD PREVENTION POLICY**

7.2.1.4 Create a culture whereby employees are encouraged to report any fraud or suspected fraud which comes to their knowledge, without any fear of victimization.

7.2.1.5 Promote awareness among the employees of ethical principles subscribed to by the Company through CDA Rules/Standing orders.

7.2.1.6 Maintain record of complaints/cases received and submit annual report to Nodal Officer in Corporate Finance.

### **7.2.2 Fraud Detection**

Ensure that along with preventive controls, Detective mechanism are also in place. Some examples of detective mechanism are segregation of duties, reconciliation, audits, independent reviews, physical inspection, periodic inventory check, surprise checks etc.

## **8.0 Reporting of Fraud**

8.1 All employees of BHEL, representative of vendors, suppliers, contractors, consultants, service providers or any other agencies doing any type of business with BHEL as soon as he / she comes to know of any fraud or suspected fraud or any other fraudulent activity must report such incident. Such reporting shall be made to the designated Nodal Officers.

The reporting of the fraud normally should be in writing. In case the reporter is not willing to furnish a written statement of fraud but is in position to give sequential and specific transaction of fraud / suspected fraud, then the officer receiving the information/Nodal Officer should record such details in writing as narrated by the reporter and also maintain the details about the identity of the official/ employee / other person reporting such incident.

In case the reporter ask for protection, the protection available under Clause 5.0 of Whistle Blower Policy of Company notified vide Corporate HR Circular no. 024/LLX/2014 dated 16.09.2014 shall be extended to the reporter.

8.2 All reports of fraud or suspected fraud shall be handled with utmost speed and shall be coordinated by Nodal Officers

8.3 Officer receiving input about any suspected fraud / Nodal officers shall ensure that all relevant records, documents and other evidence are immediately taken into custody and protected from being tampered with, destroyed or removed by suspected perpetrators of fraud or by any other official under his influence.

## **BHEL FRAUD PREVENTION POLICY**

### **9.0 Investigating Procedure**

9.1 The "Nodal Officer" shall act as co-ordinator and refer the details of the fraud/suspected fraud to Unit head for intimating the same to the concerned Director. The Director after considering report of Nodal Office / Unit head may refer the case to Internal Auditor (IA) or Corporate Vigilance for further investigation.

9.2 This input would be in addition to the intelligence, information and investigation of cases of fraud being investigated by the Vigilance Deptt. on their own as part of their day to day functioning.

9.3 After completion of the investigation, appropriate action which could include administrative action, disciplinary action, civil or criminal action or closure of the matter if it is proved that fraud is not committed etc. depending upon the outcome of the investigation shall be undertaken.

9.4 Vigilance Department or IA shall report to concerned Director the result of the investigation undertaken by them to seek orders for further action.

### **10.0 Incorporation of Fraud Prevention Policy in Tenders /MOUs etc.**

10.1 A clause may be added in all the NITs that

"The Bidder along with its associate/collaborators/sub-contractors/sub-vendors/ consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice."

10.2 Fraud Prevention policy and List of Nodal Officers shall be hosted on BHEL web site, vendor portals of Units/ Regions intranet.

### **11.0 Administration and Review of the Policy**

The Chairman and Managing Director, BHEL shall be the Appropriate Authority for administration and revision of this Policy.

## Annexure-1

**INTEGRITY PACT****Between**

Bharat Heavy Electricals Ltd. (BHEL), a company registered under the Companies Act 1956 and having its registered office at "BHEL House", Siri Fort, New Delhi - 110049 (India) hereinafter referred to as "The Principal", which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the ONE PART

**and**

\_\_\_\_\_, (description of the party along with address), hereinafter referred to as "The Bidder/ Contractor" which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the OTHER PART

**Preamble**

The Principal intends to award, under laid-down organizational procedures, contract/s for Rate Contract for purchase of Half Hard Copper strips on finished basis .( E 7033009) (hereinafter referred to as "Contract"). The Principal values full compliance with all relevant laws of the land, rules and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s)/ Contractor(s).

In order to achieve these goals, the Principal will appoint panel of Independent External Monitor(s) (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

**Section 1- Commitments of the Principal**

- 1.1 The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles: -
  - 1.1.1 No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
  - 1.1.2 The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/ additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
  - 1.1.3 The Principal will exclude from the process all known prejudiced persons.
- 1.2 If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

**Section 2 - Commitments of the Bidder(s)/ Contractor(s)**

- 2.1 The Bidder(s)/ Contractor(s) commit himself to take all measures necessary to prevent corruption. The Bidder(s)/ Contractor(s) commits himself to observe the following principles during participation in the tender process and during the contract execution.

- 2.1.1 The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material, immaterial or any other benefit which he/ she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- 2.1.2 The Bidder(s)/ Contractor(s) will not enter with other Bidder(s) into any illegal or undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- 2.1.3 The Bidder(s)/ Contractor(s) will not commit any penal offence under the relevant Indian Penal Code (IPC) and Prevention of Corruption Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- 2.1.4 Foreign Bidder(s)/ Contractor(s) shall disclose the name and address of agents and representatives in India and Indian Bidder(s)/ Contractor(s) to disclose their foreign principals or associates. The Bidder(s)/ Contractor(s) will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- 2.2 The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 2.3 The Bidder(s)/ Contractor(s) shall not approach the Courts while representing the matters to IEMs and shall await their decision in the matter.

### **Section 3 - Disqualification from tender process and exclusion from future contracts**

If the Bidder(s)/ Contractor(s), before award or during execution has committed a transgression through a violation of Section 2 above, or acts in any other manner such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/ Contractor(s) from the tender process, terminate the contract, if already awarded, exclude from future business dealings and/ or take action as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.

### **Section 4 - Compensation for Damages**

- 4.1 If the Principal has disqualified the Bidder (s) from the tender process before award / order acceptance according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- 4.2 If the Principal is entitled to terminate the Contract according to Section 3, or terminates the Contract in application of Section 3 above, the Bidder(s)/ Contractor (s) transgression through a violation of Section 2 above shall be construed breach of contract and the Principal shall be entitled to demand and recover from the Contractor an amount equal to 5% of the contract value or the amount equivalent to Security Deposit/ Performance Bank Guarantee, whichever is higher, as damages, in addition to and without prejudice to its right to demand and recover compensation for any other loss or damages specified elsewhere in the contract.

**Section 5 - Previous Transgression**

- 5.1 The Bidder declares that no previous transgressions occurred in the last 3 (three) years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- 5.2 If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason or action can be taken as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.

**Section 6 - Equal treatment of all Bidder (s)/ Contractor (s) / Sub-contractor (s)**

- 6.1 The Principal will enter into Integrity Pacts with identical conditions as this Integrity Pact with all Bidders and Contractors.
- 6.2 In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor(s) and ensure that all Sub-contractors also sign the Integrity Pact.
- 6.3 The Principal will disqualify from the tender process all Bidders who do not sign this Integrity Pact or violate its provisions.

**Section 7 - Criminal Charges against violating Bidders/ Contractors /Subcontractors**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

**Section 8 -Independent External Monitor(s)**

- 8.1 The Principal appoints competent and credible panel of Independent External Monitor (s) (IEMs) for this Integrity Pact. The task of the IEMs is to review independently and objectively, whether and to what extent the parties comply with the obligations under this Integrity Pact.
- 8.2 The IEMs are not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, BHEL.
- 8.3 The IEMs shall be provided access to all documents/ records pertaining to the Contract, for which a complaint or issue is raised before them as and when warranted. However, the documents/records/information having National Security implications and those documents which have been classified as Secret/Top Secret are not to be disclosed.
- 8.4 The Principal will provide to the IEMs sufficient information about all meetings among the parties related to the Contract provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the IEMs the option to participate in such meetings.

- 8.5 The advisory role of IEMs is envisaged as that of a friend, philosopher and guide. The advice of IEMs would not be legally binding and it is restricted to resolving issues raised by a Bidder regarding any aspect of the tender which allegedly restricts competition or bias towards some Bidders. At the same time, it must be understood that IEMs are not consultants to the Management. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.
- 8.6 For ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process or during execution of Contract, the matter should be examined by the full panel of IEMs jointly, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management.
- 8.7 The IEMs would examine all complaints received by them and give their recommendations/ views to the CMD, BHEL at the earliest. They may also send their report directly to the CVO, in case of suspicion of serious irregularities requiring legal/ administrative action. Only in case of very serious issue having a specific, verifiable Vigilance angle, the matter should be reported directly to the Commission. IEMs will tender their advice on the complaints within 30 days.
- 8.8 The CMD, BHEL shall decide the compensation to be paid to the IEMs and its terms and conditions.
- 8.9 IEMs should examine the process integrity, they are not expected to concern themselves with fixing of responsibility of officers. Complaints alleging mala fide on the part of any officer of the Principal should be looked into by the CVO of the Principal.
- 8.10 If the IEMs have reported to the CMD, BHEL, a substantiated suspicion of an offence under relevant Indian Penal Code / Prevention of Corruption Act, and the CMD, BHEL has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the IEMs may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8.11 After award of work, the IEMs shall look into any issue relating to execution of Contract, if specifically raised before them. As an illustrative example, if a Contractor who has been awarded the Contract, during the execution of Contract, raises issue of delayed payment etc. before the IEMs, the same shall be examined by the panel of IEMs. Issues like warranty/ guarantee etc. shall be outside the purview of IEMs.
- 8.12 However, the IEMs may suggest systemic improvements to the management of the Principal, if considered necessary, to bring about transparency, equity and fairness in the system of procurement.
- 8.13 The word 'Monitor' would include both singular and plural.

## **Section 9 - Pact Duration**

- 9.1 This Integrity Pact shall be operative from the date this Integrity Pact is signed by both the parties till the final completion of contract for successful Bidder, and for all other Bidders 6 months after the Contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.
- 9.2 If any claim is made/ lodged during currency of this Integrity Pact, the same shall be binding and continue to be valid despite the lapse of this Pact as specified above, unless it is discharged/ determined by the CMD, BHEL.

**Section 10 - Other Provisions**

- 10.1 This Integrity Pact is subject to Indian Laws and exclusive jurisdiction shall be of the competent Courts as indicated in the Tender or Contract, as the case may be.
- 10.2 Changes and supplements as well as termination notices need to be made in writing.
- 10.3 If the Bidder(s)/ Contractor(s) is a partnership or a consortium or a joint venture, this Integrity Pact shall be signed by all partners of the partnership or joint venture or all consortium members.
- 10.4 Should one or several provisions of this Integrity Pact turn out to be invalid, the remainder of this Integrity Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- 10.5 Only those bidders / contractors who have entered into this Integrity Pact with the Principal would be competent to participate in the bidding. In other words, entering into this Integrity Pact would be a preliminary qualification.
- 10.6 In the event of any dispute between the Principal and Bidder(s)/ Contractor(s) relating to the Contract, in case, both the parties are agreeable, they may try to settle dispute through Mediation before the panel of IEMs in a time bound manner. In case, the dispute remains unresolved even after mediation by the panel of IEMs, either party may take further action as the terms & conditions of the Contract. The fees/expenses on dispute resolution through mediation shall be shared by both the parties. Further, the mediation proceedings shall be confidential in nature and the parties shall keep confidential all matters relating to the mediation proceedings including any settlement agreement arrived at between the parties as outcome of mediation. Any views expressed, suggestions, admissions or proposals etc. made by either party in the course of mediation shall not be relied upon or introduced as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the dispute that is the subject of mediation proceedings. Neither of the parties shall present IEMs as witness in any Alternative Dispute Resolution or judicial proceedings in respect of the dispute that was subject of mediation.

For & On behalf of the Bidder/ Contractor  
 (Office Seal)  
**सुरेश सोय / Manager**  
**सामग्री प्रबंधन - कॉपर / CMM-COPPER**  
 Place **बी.एन.ई.एल., भोपाल / B.H.E.L., BHOPAL**  
 Date **07/07/2023**

Witness: \_\_\_\_\_  
 (Name & Address) **Ankit Singh**  
**Dy. Manager / CMM-COPPER**  
**सामग्री प्रबंधन - कॉपर / CMM-Copper**  
**बी.एन.ई.एल., भोपाल / B.H.E.L., BHOPAL**

For & On behalf of the Bidder/ Contractor  
 (Office Seal)

Witness: \_\_\_\_\_  
 (Name & Address) \_\_\_\_\_

**MODEL CONCILIATION CLAUSE FOR CONDUCTING CONCILIATION  
PROCEEDINGS UNDER THE BHEL CONCILIATION SCHEME, 2018**

The Parties agree that if at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which term shall mean and include any dispute, difference, question or disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the agreement, contract or the Memorandum of Understanding (delete whichever is inapplicable), which the Parties are unable to settle mutually), arise inter-se the Parties, the same may, be referred by either party to Conciliation to be conducted through Independent Experts Committee to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators.

Notes:

1. No serving or a retired employee of BHEL/Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.
2. Any other person(s) can be appointed as Conciliator(s) who is/are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.

The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided in Annexure----- to this GCC.

The Annexure ----- together with it's appendices will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in these GCC.

**ANNEXURE TO MODEL CONCILIATION CLAUSE FOR CONDUCT OF  
CONCILIATION UNDER THE BHEL CONCILIATION SCHEME, 2018**

**BRIEF PROCEDURE FOR CONDUCT OF CONCILIATION PROCEEDINGS**

1. The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided herein:
2. The party desirous of resorting to Conciliation shall send an invitation/notice in writing to the other party to conciliate specifying all points of Disputes with details of the amount claimed. The party concerned shall not raise any new issue thereafter. Parties shall also not claim any interest on claims/counter-claims from the date of notice invoking Conciliation till the conclusion of the Conciliation proceedings.
3. The party receiving the invitation/notice for Conciliation shall within 30 days of receipt of the notice of Conciliation intimate its consent for Conciliation along with its counter-claims, if any.
4. The Conciliation in a matter involving claim or counter-claim (whichever is higher) up to Rs 5 crores shall be carried out by sole Conciliator nominated by BHEL while in a matter involving claim or counter-claim (whichever is higher) of more than Rs 5 crores Conciliation shall be carried out by 3 Conciliators nominated by BHEL.
5. The Parties shall be represented by only their duly authorized in-house executives/officers and neither Party shall be represented by a Lawyer.
6. The first meeting of the IEC shall be convened by the IEC by sending appropriate communication/notice to both the parties as soon as possible but not later than 30 days from the date of his/their appointment. The hearings in the Conciliation proceeding shall ordinarily be concluded within two (2) months and, in exceptional cases where parties have expressed willingness to settle the matter or there exists possibility of settlement in the matter, the proceedings may be extended by the IEC by a maximum of further 2 months with the consent of the Parties subject to cogent reasons being recorded in writing.
7. The IEC shall thereafter formulate recommendations for settlement of the Disputes supported by reasons at the earliest but in any case within

15 days from the date of conclusion of the last hearing. The recommendations so formulated along with the reasons shall be furnished by the IEC to both the Parties at the earliest but in any case within 1 month from the date of conclusion of the last hearing.

8. Response/modifications/suggestions of the Parties on the recommendations of the IEC are to be submitted to the IEC within time limit stipulated by the IEC but not more than 15 days from the date of receipt of the recommendations from the IEC.
9. In the event, upon consideration, further review of the recommendations is considered necessary, whether by BHEL or by the other Party, then, the matter can be remitted back to the IEC with request to reconsider the same in light of the issues projected by either/both the Parties and to submit its recommendations thereon within the following 15 days from the date of remitting of the case by either of the Parties.
10. Upon the recommendations by the Parties, with or without modifications, as considered necessary, the IEC shall be called upon to draw up the Draft Settlement Agreement in terms of the recommendations.
11. When a consensus can be arrived at between the parties only in regard to any one or some of the issues referred for Conciliation the draft Settlement Agreement shall be accordingly formulated in regard to the said Issue(s), and the said Settlement Agreement, if signed, by the parties, shall be valid only for the said issues. As regards the balance issues not settled, the parties may seek to resolve them further as per terms and conditions provided in the contract.
12. In case no settlement can be reached between the parties, the IEC shall by a written declaration, pronounce that the Conciliation between the parties has failed and is accordingly terminated.
13. Unless the Conciliation proceedings are terminated in terms of para 22 (b), (c) & (d) herein below, the IEC shall forward his/its recommendations as to possible terms of settlement within one (1) month from the date of last hearing. The date of first hearing of Conciliation shall be the starting date for calculating the period of 2 months.