GENERAL GUIDELINES & INSTRUCTIONS TO BIDDERS FOR SUBMITTING OFFER

Vendors are requested to read the following points / guidelines / instructions and ensure that the offer is prepared and submitted strictly as per the requirements. Offers with insufficient details would not be considered for evaluation. The following points / guidelines / instructions are part and parcel of the tender and non-compliance will result in rejection of offer.

1.0	QUOTATIONS

Considering the nature of procurement which requires a good amount of technical details, broachers, catalogues etc., to be submitted along with the offer as well as the confidentiality required to be maintained during the offer evaluation process, bidders are requested to submit their offers only through sealed bids. As the part II (the price bid) would not be opened before the technical evaluation is completed, bidders are requested not to submit their bids through email / fax etc.

Bidders shall submit the offer in **TWO INNER ENVELOPES** as indicated below which shall be sealed in one outer envelope.

Envelope I This sealed envelope should contain all the copies of technical bid together with un-priced commercial bid. This envelope should be clearly marked **"Part I - Technical and Un-priced commercial bid"**, indicating Enquiry No., Due Date, Address & Reference of the Bidder.

Envelope II This sealed envelope should contain **price details**. This envelope should be clearly marked **"Part II - Price bid"**, indicating Enquiry No., Due Date, Address & Reference of the Bidder

Both the envelopes (Part I & II) shall be put in one cover, duly sealed, super scribing as Part I and Part II indicating Enquiry No., Due Date, Address & Reference of the Bidder.

The above tender (envelope containing Part I & II) should reach this office on or before the due date by 14.00 Hrs (IST). Tenders received after 14.00 Hrs (IST) will not be considered for evaluation.

Tender should not be addressed to any Individual's name but only by designation to:

AGM / MM / CAPITAL EQUIPMENT / MODERNISATION
4th Floor – Building 24,
BHARAT HEAVY ELECTRICALS LIMITED
HIGH PRESSURE BOILER PLANT
TIRUCHIRAPALLI – 620 014
TAMIL NADU, INDIA

Tenders should be free from **CORRECTION AND ERASURES,** Corrections if any, must be attested. All amounts shall be indicated both in words as well as in figures. Where there is difference between amount quoted in words and figures, amount quoted in words shall prevail.

Tenders should be in **ENGLISH** and accompanied by detailed technical literature, catalogue and detailed dimensional drawings in **ENGLISH** or otherwise, the tenders will not be considered for evaluation.

Tenders will have to be submitted by the Original Equipment Manufacturer only.

If the past performance of a vendor in any of the previous Purchase orders/contracts/in any projects, of BHEL Units, and NON-BHEL, is not satisfactory BHEL then reserves the full right to reject such offers of those vendors straightaway irrespective of their suitability and will not be considered for further processing of the tender.

2.0 PART I (TECHNICAL & UN-PRICED COMMERCIAL BID)

2.1 Technical

This part shall include / indicate the following:

2.1.1	Tenders should contain complete scope of supply with all technical details, specifications, delivery and other commercial terms and conditions.
2.1.2	Point by point confirmation for the Technical Specification enclosed is to be provided. If there are any deviations, the same should be clearly specified. Tenders received without confirmation to our specification will be rejected.
2.1.3	List of customers to whom same or similar equipment have been supplied along with performance certificates are to be enclosed.
2.1.4	Relevant catalogues to be attached
2.1.5	List of spares parts (with part numbers) for two years operation and maintenance should be attached.
2.1.6	Information on shipping weight and cubage (length, width & height) to be provided.

2.2 Un-Priced Commercial

This part shall include / indicate the following:

2.2.1	Acceptance of commercial terms and conditions by the bidders (in the check-list enclosed)
2.2.2	Port of shipment / Station of despatch
2.2.3	Terms of payment
2.2.4	CFR price up to Chennai port (for foreign bidders). FOR BHEL, Tiruchy price (for Indian bidders)
2.2.5	Taxes, Service tax & duties including cess applicable.
2.2.6	Delivery Schedule from the date of Purchase Order
2.2.7	Offer validity
2.2.8	Country of origin
2.2.9	Currency in which the price has been indicated.
2.2.10	Percentage of agency commission if any along with a copy of Agency agreement.

	The CFR prices quoted shall include the agency commission.
2.2.11	A copy of "Un-Priced Part II" i.e., a copy of the Price Bid **without the price details** to be enclosed.

3.0 OPENING OF TENDERS

The Part I - Technical & Un-priced commercial bid alone would be opened on the Tender opening date.

The Part II – The Part I would be evaluated and bidders qualifying alone will be considered for further processing. BHEL would proceed with Reverse Auction route or Price Bid opening route for finalizing the tender, which would be intimated to the qualified bidders after completion of the techno-commercial evaluation.

BHEL reserves the right to go for a Reverse Auction (RA) instead of Opening the Price Bid submitted, which will be decided after the techno-commercial evaluation. Information and general terms and conditions governing RA are given below.

GENERAL TERMS AND CONDITIONS OF RA

- Against this enquiry for the subject item/system with detailed scope of supply as per enquiry specifications, BHEL may resort to "REVERSE AUCTION PROCEDURE" i.e., ON LINE BIDDING ON INTERNET.

- For the proposed RA, technically and commercially acceptable bidders only shall be eligible to participate.

- In case of RA, BHEL will engage the services of a service provider for conduct of the RA who will provide all necessary training and assistance to the bidders before commencement of on line bidding on internet.

- Business rules governing the RA will be communicated to the bidders through service provider for compliance.

- Vendors have to fax the Compliance form in the prescribed format (provided by Service provider) before start of RA. Without the compliance, the vendor will not be eligible to participate in the event.

- BHEL will provide a sample calculation sheet (in EXCEL format) which would help the bidders to arrive at "Net Cash outflow to BHEL" considering various price / cost elements like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service Tax for Services and loading factors (for non-compliance to BHEL standard Commercial terms & conditions) etc. for each of the bidders to enable them to arrive at "Net Cash outflow to BHEL" which is the amount the bidder would be bidding during the RA.

- RA will be conducted on scheduled date & time and at the end of event, the lowest bidder value will be known on the network.

- The lowest bidder has to Fax the duly signed "Price Break-up" in prescribed format as provided on case-to-case basis to BHEL through Service provider within 24 hours of Auction without fail.

- Any variation between the on-line bid value and the signed document will be considered as sabotaging the tender process and will invite disqualification of vendor to conduct further business with BHEL, as per the prevailing procedure.

- BHEL reserves the right to negotiate if need be, with the "L1" vendor of the Reverse Auction

4.0 DEFINITIONS & OTHER TERMS

Fixed price: Prices quoted by the bidder shall be fixed and not subject to any escalation whatsoever during the period of bid validity and execution of the Purchase Order. A bid submitted with an adjustable price will be treated as non-responsive and rejected. Prices shall be written in words and figures. In the event of difference, the price written in words shall be valid and binding.

Bid currency: Indian bidders should submit the prices only in Indian Rupees. Foreign bidders may submit the bid in their home currency, which should be clearly indicated in the un-priced commercial bid as well as in the price bid.

Taxes and Duties: All Taxes and Duties payable as extra to the quoted price should be specifically stated in offers along with CST & TIN No / Tariff No. etc., failing which BHEL will not be liable for payment of such Taxes and Duties. Our TIN No. 33243560005, TNGST No. 3560005, CST. No. 239383 Dt. 11-06-1991 & BHEL ECC No. AAACB4146PXM012, Assessment circle Tiruverumbur. Our I E Code: 0588138690.

For services rendered by the foreign vendor in India (like Erection & Commission supervision etc.) Income Tax (IT) shall become payable by the Foreign vendor. Hence, Foreign bidders are requested to take care of the IT payment during submission of tender.

Cenvat & VAT credit: (applicable for Indian Bidders only) the quotation must indicate Tariff item number and rate of Excise Duty applicable. The original Excise Duty Gate Pass will be required to be furnished in case Excise Duty is applicable. If the bidder is availing Cenvat credit for his input materials, the effect of proforma credit should be passed on to BHEL.

Packing: The Supplier shall arrange for packing suitably in all respects considering the peculiarity of the material involved for normal safe transport by sea / air / rail / road and suitably protected against effect of tropical salt laden atmosphere in the event of shipment being delayed at ports.

Salient points of HSE (Health Safety & Environment) that are to be considered while submission of offer are:

- Consumption benchmarks related to output shall be provided wherever applicable for key input resources (energy/fuel/chemicals)
- Competency requirements for operation, maintenance and calibration, if any, shall be communicated
- If any hazardous chemicals as per MSIHC (Manufacturing, Storage and import of such Hazardous Chemicals) Rules 1989/94/2000 are used, the MSDS shall be provided along with On site & Off site emergency plan (as applicable)
- The noise level at operator level shall be within 80 dBA
- OH&S (Occupational Health and Safety) control measures for safe working of machine as applicable shall be specified.
- The machine / equipment shall be fitted with guard for rolling and moving parts and shall comply with applicable OH&S legislations and Factories Act 1948

- The supplier shall submit the layout drawing of operating controls, displays etc. Along with operating instructions to enable ergonomics evaluation and approval.
- The recommended list of PPE (Personal Protective Equipment) for the equipment shall be furnished.
- Alarm system (both visual and audible) and Automatic switch off of the equipment shall be provided for any intrusion, overloading, short circuiting or any malfunctioning of the equipment
- Details of all hazardous / harmful substances discharged as by-products / wastes during operations of the machine / equipment, such as fumes, gases, dust particles, aerosols UV/IR (Ultra violet / infra red) radiations etc., shall be furnished along with their concentrations and their TLV, (Threshold Limit Value).
- Appropriate pollution control measures shall be proposed to keep the emissions from the machinery / processes within the prescribed limit as stated in Environment Protection Rules 1986.
- All furnaces, process units, DG sets, paint booths, shot blasting chambers, etc. shall be provided with stack(s) of sufficient height as per guidelines laid down in the Environment Protection Rules 1986.
- Wherever industry specific standards are not available for control of pollutants, general emission standards shall be used.
- Chemicals banned due to their negative impact on the environment shall not be used in the process.
- Fuels with sulphur content less than 0.05% shall be proposed.
- Details regarding nature of waste generated and appropriate disposal practices available shall be provided, along with the operation procedure of the plant / process. Hazardous chemicals and flammable substances shall be transported only through authorized transporters and all safety practices as laid down in applicable legislative requirements such as Central Motor Vehicle Rules, Manufacture, Storage and Import of Hazardous Chemical 1989, etc. shall be followed
- Primary materials used in the equipment shall be specified and they shall be eco–friendly

Force Majeure clause: If at any time during the continuance of the contract the performance in whole or in part by either party of any obligations under the contract is prevented or delayed by reason, of any war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine, restrictions or acts of GOD (hereinafter referred to as events) and notice of happening of any such events is given by either party to other within twenty one days from the date of occurrence thereof then neither party shall by reason of such events be entitled to terminate the contract. If the performance in whole or part of any obligation under this contract is prevented or delayed by reason of occurrence of such events, then claims for extension of time shall be granted for period considered reasonable by the purchaser subject to prompt notification by the seller to the purchaser the particulars of the events, if required with supporting evidence. Any waiver of time in respect of partial instalment shall not be deemed to be a waiver of time in respect of remaining deliveries.

Agency agreement from foreign suppliers for their Indian agents: Based on Ministry of Finance vide circular dated 31/01/1989 the following are compulsory:

- Registration of Indian agents of a foreign supplier.
- Precise relationship between foreign suppliers and their Indian agents and their mutual interest in the business, should be clearly spelt out.
- Any payment, which the agent receives in India or abroad, from the foreign supplier, whether as a commission or as a general retainer fee, also needs to be brought on record and made explicit so as to ensure compliance to tax laws and to prevent leakage of foreign exchange.

- All services to be rendered by the agent, whether of general nature or in relation to the particular contract, must be clearly stated by the foreign supplier and the Indian agent.
- The amount of agency commission agreed to between the foreign principal and the Indian agent should be specifically disclosed and the agency commission will be paid in Indian Rupees only.

Short shipment / Warrantee replacement: In case of any short-shipment during initially supply, subsequently dispatched by the supplier or any warrantee replacement dispatched during the warrantee period shall be dispatched on "DDP – Delivered Duty Paid BHEL Stores" basis for foreign suppliers and "FOR BHEL Stores" basis for Indian suppliers.

Inspection & Testing: All goods shall be subject to inspection by BHEL or its authorized representatives at supplier's works or at BHEL Stores. The supplier will not charge for the facilities provided for inspection of goods. In case of machine tools, the machine would be inspected and proved at supplier's works prior to dispatch. However, final inspection and acceptance of the machine will be carried after installation of the machine BHEL.

5.0 GENERAL

Tenders will have to be submitted by the Original Equipment Manufacturers only and the offered equipment shall be "New". Offers for Re-built / Re-conditioned / Used equipments will not be accepted. Incomplete offers will not be considered for evaluation.

Evaluation of offers shall be on "Net Cash Outflow to BHEL basis".

BHEL reserves its right to allow to the Public Sector Enterprises ordering and price preference facilities as admissible under the existing policy.

BHEL reserves its right to reject a tender due to unsatisfactory past performance in the execution of a contract at any of BHEL projects / Units.

BHEL shall be at liberty to reject or accept any tender, part or in full, at their own discretion and any such action is not liable for any question or claim against BHEL.

The correspondence exchanged against the tender between the bidder and BHEL through email are considered as valid document legally though it is not signed. It is treated as valid confirmations made on behalf of the respective company and very much comes under the legal ambit of the business transaction and hence it is binding on both the parties to the business.

Any transaction / communication pertaining to the tender carried out by the bidder and BHEL round the clock irrespective of the office or business hours of the companies, are valid legally and binding on both the parties. This applies to the extent only in such cases where deadline time for transaction is not specifically declared by either or both the parties to the business.

In case Letter of Intent (LoI) is issued through email, the computer generated time and date of mail shall be construed as the official time and date of release of LoI. In as much as this date is within the last date of validity given by the bidder the LoI is said to have been issued within the validity period and shall be binding on both the parties to the business.

Bidders participating in the tender should declare in their technical bid that whether they have been black-listed / kept on hold for a specified period / given Business holiday for a specified period by any Public sector undertaking or Government departments. The reasons for such action with details and the current status of such hold shall be clearly furnished to BHEL. If no such details are mentioned in the offer then it will be construed that the subject bidder is not under any such hold. But at a later date if it comes to the notice of BHEL about any such hold under enforcement on the subject bidder, BHEL will have every right to reject the offer of such vendors at any point of time and also under any stage of the finalisation of the subject tender irrespective of the status of the subject bidder in that tender. Such bidders will not be permitted to participate in the further tender proceedings and will be communicated suitably. They will not be also considered for any ongoing enquiries even if participated till the hold is officially lifted and confirmed in writing.

CONTRACT EXECUTION BANK GUARANTEE BOND

This deed of guarantee made this ……. day of ……. 200. by the…… Bank Ltd, (hereinafter referred to as "the Bank") in favour of Bharat Heavy Electricals Limited, Tiruchirappalli having its registered Office at New Delhi with its Unit Office at Tiruchirappalli where as M/s……. having its registered office at ……. (hereafter called the "the Contractor") have entered in to contract with Bharat Heavy Electricals Limited, Tiruchirappalli for the supply of ……. vide Purchase Order No ……. dated ……..

1. We …….. Bank Ltd, do hereby undertake to pay to Bharat Heavy Electricals Limited, Tiruchirappalli an amount not exceeding Rs……. against any loss or damage caused to or suffered or would be caused to or suffered by Bharat Heavy Electricals Limited, Tiruchirappalli by reason of any breach by the said Contractor of any of the terms or conditions contained in the said Purchase Order.

2. We, …….. Bank Ltd, do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from Bharat Heavy Electricals Limited, Tiruchirappalli stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by Bharat Heavy Electricals Limited, Tiruchirappalli by reason of any breach by the said Contractor of any of the terms or conditions contained in the said Purchase Order or by reason of the Contractor's failure to perform the said Purchase Order. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs…….

3. We, ……. Bank Ltd, further agree to the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Purchase Order and that it shall continue to be enforceable till all the dues of Bharat Heavy Electricals Limited, Tiruchirappalli under or by virtue of the said Purchase Order have been fully paid and its claims satisfied or discharged or till Bharat Heavy Electricals Limited, Tiruchirappalli certifies that the terms and conditions of the said Purchase Order have been fully and properly carried out by the said Contractor and accordingly discharges the guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the ……. we shall be discharged from all liability under this guarantee thereafter.

For the purpose of this clause, any letter making demand on the Bank by Bharat Heavy Electricals Limited, Tiruchirappalli dispatched by Registered Post with Ack. Due or by Telegram or by any Electronic media addressed to the above mentioned address of the Bank shall be deemed to be the claim / demand in writing referred to above irrespective of the fact as to whether and when the said letter reaches the Bank, as also any letter containing the said demand or claim is lodged with the Bank personally.

4. We,.....……Bank Ltd, further agree with Bharat Heavy Electricals Limited, Tiruchirappalli that Bharat Heavy Electricals Limited, Tiruchirappalli shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Purchase Order or to extend time of performance by the said contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by Bharat Heavy Electricals Limited, Tiruchirappalli against the said Contractor and to forbear or enforce any of the terms and conditions relating to the said Purchase Order and we shall not be relieved from our liability by reason of any

such variation, or extension being granted to the said Contractor or for any forbearance, act or omission on the part of Bharat Heavy Electricals Limited, Tiruchirappalli or any indulgence by Bharat Heavy Electricals Limited, Tiruchirappalli to the said Contractor or by any such matter of thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

5. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Tiruchirappalli.

We, ……. Bank Ltd, lastly undertake not to revoke this guarantee during its currency except with the previous consent of Bharat Heavy Electricals Limited, Tiruchirappalli in writing.

In witness whereof we..... (indicate the name of Bank) have hereunto setout Bank Seal the..... day ..... month 200

The contact details of the Issuing Bank such as Email ID, Phone No. and Fax No. should be indicated in the CEBG. Also please note that the CEBG should be forwarded to us with the covering letter of the issuing Bank with signature and seal.

Please note that issuance of the CEBG without meeting the above requirement will render the document invalid.

PERFORMANCE BANK GUARANTEE BOND

In accordance of M/s. Bharat Heavy Electricals Limited (A Government of India undertaking, a company incorporated under the Companies Act 1956 having its Registered Office at "BHEL House", SIRI Fort, New Delhi 110 049) through its High Pressure Boiler Plant Division located at Tiruverumbur, Tiruchirappalli- 620014 (hereinafter called 'the Company') having entered into a contract with ……hereinafter called 'the said Supplier and under the terms and conditions of the Purchase Order No…… Dt …… Between BHEL, Tiruchy and as per the Purchase Order, the Supplier is to furnish a performance Bank guarantee for Rs. …… for the due performance of the equipment to be supplied under the above referred Purchase Order and for the fulfilment of all the terms and conditions of the Purchase Order, We ……(indicate the name of the bank) (herein after referred to as the bank) at the request of …….. (Supplier) do here by undertake to pay the Company an amount not exceeding Rs……against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said Supplier of any of the terms and conditions contained in the said Purchase Order.

2. We ……(indicate the name of the bank with full address), do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Company by reason of breach by the said Supplier of any of the terms and conditions contained in the said Purchase Order or by the reason of the Supplier's 'failure to perform' the said Purchase Order. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.....

3. We undertake to pay unconditionally to the Company any money so demanded notwithstanding any dispute(s) raised by the Supplier in any suit, or proceedings pending before any Court or Tribunal or Arbitration or before any other authority relating thereto our liability under this present being absolute and unequivocal. The payment under this guarantee would not wait till the disputes have been decided by any Court or Tribunal or in the arbitration proceedings or by any other authority. The payment so made by us under this Bond shall be a valid discharge of liability for payment thereunder and the Supplier shall have no claim against us for making such payment.

4. We……(indicate the name of Bank), further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Purchase Order and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Purchase Order have been fully paid and its claims satisfied or discharged or till ..... Office / Department / Division of the Company certify that the terms and conditions of the said Purchase Order have been fully and properly carried out by the said Supplier and accordingly discharge this guarantee.

5. (i) Unless a demand or claim under this guarantee is made on us in writing on or before the ..... we shall be discharged from all the liability under this guarantee thereafter. But where such claim or demand has been preferred by the Company with the Bank before the expiry of the said date, the claim shall be enforceable notwithstanding the fact that the said enforcement is effected after the said date.

(ii) For the purpose of this clause, any letter making demand on the Bank by BHEL dispatched by Registered Post with Ack. Due or by Telegram or by any Electronic media addressed to the above mentioned address of the Bank shall be deemed to be the claim / demand in writing referred to above irrespective of the fact as to whether and when the said letter reaches the Bank, as also any letter containing the said demand or claim is lodged with the Bank personally.

6. We ……..(indicate the name of Bank), further agree with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Purchase Order or to extend time of performance by the said Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Supplier and to forbear or enforce any of the terms and conditions relating to the said Purchase Order and we shall not be relieved from our liability by any reason of any such variation or extension being granted to the said Supplier or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Supplier or by any such matter or thing whatsoever which under the law relating would, but for this provision, have effect of not so relieving us.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier.

8. It shall not be necessary for the Company to proceed against the Supplier before proceeding against the guarantor--Bank and the guarantee herein contained shall be enforceable against them notwithstanding any security, which the Company may have obtained or obtain from the Supplier shall, at the time when proceedings are taken against the guarantor hereunder be outstanding or unrealised.

9. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Tiruchirappalli.

10. The guarantor hereby declare that it has power to execute this guarantee and the executants has full powers to do so on its behalf under the proper authorities granted to him/them by the guarantor.

11. We ……. (indicate the name of Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Company in writing.

In witness whereof we..... (indicate the name of Bank) have hereunto setout Bank Seal the..... day ..... month 200

The contact details of the Issuing Bank such as Email ID, Phone No. And Fax No. Should be indicated in the PBG Also please note that the PBG should be forwarded to us with the covering letter of the issuing Bank with signature and seal.

Please note that issuance of the PBG without meeting the above requirement will render the document invalid.

LIST OF CONSORTIUM BANKS

(as on 21.08.2008)

1. State Bank of India
2. Canara Bank
3. Punjab National Bank
4. Bank of Baroda
5. Corporation Bank
6. Syndicate Bank
7. Oriental Bank of Commerce
8. Indian Bank
9. State Bank of Travancore
10. State Bank of Hyderabad
11. IDBI Limited
12. ICICI Bank Limited
13. HDFC Bank Limited
14. Kotak Mahindra Bank
15. The Honking and Shanghai Banking Corporation Limited
16. Standard Chartered Bank
17. Citi Bank
18. Deutsche Bank
19. ABN Amro Bank
20. UCO Bank
21. Central Bank of India
22. The Federal Bank Limited

ACCEPTANCE OF COMMERCIAL TERMS AND CONDITIONS BY THE VENDORS.

(This should be essentially filled in and sent along with the techno-commercial offer without fail. If this check list is not filled and submitted along with techno-commercial offer (Part I) or if the vendor does not confirm acceptance to the terms and conditions proposed, BHEL reserves the right to reject such offer)

CHECK-LIST FOR FOREIGN VENDORS

Description of the Equipment:	Water – Wash Spray Painting Booth
BHEL Tender No. & Date:	2620900242 dated 16.11.2009

Sl No	Description
1	**Price Bid:** Price Bid should contain the schedule of price particulars and to be co-related to the technical details provided in Part I. Techno-commercial bid alone without the Price Bid will be rejected. The prices contracted shall be firm till the execution of the contract in full and in all respects.
	Vendor's confirmation: Accepted.
2	**Currency of payment**: Foreign vendors to indicate the currency like Euro (€) / US$ / GBP / JY etc. in the confirmation below. In case the foreign vendor sources some components from India for direct supply to BHEL, the payment for those components shall only be in Indian Rupees
	Vendor's confirmation:
3	**Validity:** Validity of the offer should be 120 days from the date of tender opening. Please mention the validity period in the confirmation below. BHEL reserves the right not to consider offers from vendors with validity less than 120 days from the date of tender opening.
	Vendor's confirmation:
4	**Release of Purchase Order, submission of CEBG & PBG and terms of Payment:** ➢ Purchase Orders (separate for supply and service portion) will be released on the successful vendor. ➢ The successful vendor shall have to provide a Contract Execution Bank Guarantee (CEBG) only from any one of the 'Consortium Banks' of BHEL (list enclosed) for 5% of the Purchase Order value in the format enclosed within 30 days from the date of Purchase Order. BHEL reserves the right to cancel Purchase Orders in case the supplier fails to submit the CEBG within 30 days from Purchase Order date. ➢ The payment terms for the supply Purchase Order shall be 80% against shipment and 20% after commissioning of the equipment in BHEL. ➢ An Irrevocable unconfirmed L/C will be opened for 24% of the supply Purchase Order value after receipt of CEBG. ➢ The above L/C would be enhanced to 80% of the supply Purchase Order value 2 months before the shipment date. ➢ The above L/C can be negotiated after shipment against submission of B/L or AWB and such other documents as mentioned in the Purchase Order. The above L/C will be valid for a period extending 21 days beyond the shipment date for negotiation of documents. ➢ The second Irrevocable unconfirmed L/C will be opened for a value equal to

	20% of the supply Purchase Order value plus 100% of the service Purchase Order value, 15 days prior to the arrival of the foreign technicians in BHEL. The validity of the L/C would be sufficient to cover the service period required for completion of the commissioning plus 21 days as negotiation period. This L/C can be negotiated after commissioning of the equipment in BHEL against commissioning certificate jointly signed by BHEL and the vendor and submission of Performance Bank Guarantee (PBG) only from any one of the 'Consortium Banks' of BHEL (list enclosed) for 10% of the Purchase Order value in the format enclosed. Offers from vendors not accepting to receive at least 20% payment of the supply Purchase Order value after commissioning of the equipment will be rejected.
	Vendor's confirmation: Accepted to BHEL's above terms.
5	**Taxes & Duties:** All Taxes, Duties etc. as required to be paid in the country of export shall be included in the price quoted by the foreign vendor. All duties (like customs duty etc.) payable in India will be paid by BHEL (however, the same would be loaded to the offer during the evaluation process). For the supplies made from India taxes & duties payable shall be clearly mentioned in the offer, failing which such taxes and duties shall have to be borne by the vendor. **Income Tax applicable.** Any service charges payable towards supervision of E&C, training, performance prove-out etc., will be released after deduction of Income Tax as per Indian Income Tax Act / as per the Govt. of India rules and TDS certificate will be issued by BHEL for such deductions.
	Vendor's confirmation: We confirm that our offer has been made considering the above and we also confirm acceptance for deduction of Income tax as applicable.
6	**Contract Execution Bank Guarantee:** The successful vendor shall have to furnish a Contract Execution Bank Guarantee (CEBG) from any one of the 'Consortium Banks' of BHEL (list enclosed) for 5% of the Purchase Order value in the format enclosed covering the agreed delivery period (FOB delivery) with additional 2 months as claim period. The CEBG shall be furnished within 30 days from the date of Purchase Order. BHEL reserves the right to cancel Purchase Orders in case the vendor fails to submit the CEBG within 30 days from Purchase Order date. All bank charges incurred in India and outside India on account of issuance of CEBG will have to be borne by the foreign vendor. Offers from vendors not accepting to submit CEBG will be rejected.
	Vendor's confirmation: CEBG will be provided in line with above.
7	**Performance Bank Guarantee:** The vendor shall submit a Performance Bank Guarantee (PBG) only from any one of the 'Consortium Banks' of BHEL (list enclosed) for 10% of the Purchase Order value in the format enclosed covering the agreed Guarantee period (with additional 2 months as claim period). All bank charges incurred in India and outside India on account of issuance of PBG will have to be borne by the foreign vendor. Offers from vendors not accepting to submit PBG will be rejected.
	Vendor's confirmation: PBG will be provided in line with above.
8	**Liquidated damages (LD):** Delivery of the goods specified in the purchase order should be made within the time prescribed. Failure to dispatch the materials in the time as per the delivery indicated in our Purchase Order would make the supplier liable to an un-conditional penalty @ **½% of the value of goods for each week of delay subject to a maximum of 10%** of the Purchase Order value.

	For the purpose of Imposing LD, the FOB delivery (B/L date) shall be considered. BHEL reserves the right not to consider offers from vendors not accepting for the above LD clause, with maximum LD as 10%.
	Vendor's confirmation: We confirm acceptance to the above LD clause.
9	**Risk Purchase:** If the supplier fails to deliver the goods within the delivery specified in the Purchase Order, BHEL will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the delivery period mentioned in the Purchase Order. BHEL reserves the right not to consider offers from vendors not accepting the above Risk Purchase terms.
	Vendor's confirmation: We confirm acceptance to the above Risk Purchase clause (without any modification).
10	**Delivery terms, delivery period required and evaluation process:** **Delivery terms:** Vendors should quote for delivery on CFR Chennai Sea Port / Air port as the case may be based on Incoterms 2000. However, price break-up details like FOB price, ocean freight/air freight etc., should be indicated in the offer. The transfer of title of the goods supplied by the vendor takes place in line with the Incoterms 2000. **Delivery period:** The equipment enquired forms a part of an expansion program (Scheme) and the delivery period of 6 months has been derived keeping in view of the Scheme completion date. Vendor shall have to confirm compliance for meeting the above delivery period. During evaluation of the offers, for vendors not confirming the requested delivery period, a grace period of 8 weeks (maximum) would be allowed. However, **a loading @ ½% of the purchase order value per week will be done for the grace period requested**. For evaluation 4 weeks will be considered as one month. Vendors are required to indicate the best delivery period i.e., time period required for dispatch (B/L or AWB date) from the date of Purchase Order in the "Vendor's confirmation" below. Order acceptance, submission of CEBG, drawings etc., should not be linked to the delivery period. Vendors quoting a delivery period beyond the 'requested delivery plus the allowed grace period' will be rejected.
	Vendor's confirmation: We confirm our delivery shall be __ months from the date of Purchase Order to date of B/L or AWB.
11	**Guarantee:** Vendors shall provide a guarantee for a period of 12 months from the date of commissioning of the equipment or 18 months from date of supply, whichever is earlier. The date of B/L or AWB shall be taken as the date of supply. Also, a PBG has to be given which shall cover the guarantee period (with additional 2 months as claim period). Offers from vendors not accepting to the requested guarantee period will be rejected.
	Vendor's confirmation: We confirm to provide guarantee as requested above.
12	**Reverse Auction (RA):** BHEL reserves their right to conduct on-line internet Reverse Auction for finalizing the Tender. This decision will be communicated to the technically qualified vendors after technical evaluation. Details / General terms / guidelines for conduct of RA have been given in the 'General guidelines & instructions to bidders' enclosed as a part of NIT. Vendors are requested to confirm their acceptance for BHEL proceeding with RA route for finalization of the enquiry. BHEL reserves the right not to consider offers from vendors not accepting to the RA process for finalization of the enquiry.
	Vendor's confirmation: We confirm participation in the RA process.

13	**Agency Commission:** Vendors to specify the percentage agency commissioning payable to their Indian Agent in the vendor confirmation space below. If agency commission is not applicable, vendors to state the same clearly in the confirmation below.
	Vendor's confirmation:
14	**Contacts:** Details of contact person's name, designation, department with complete postal and email address along with phone and fax numbers to be mentioned
	Name: Designation: Email ID: Phone No.: Fax No.: Address:
15	**Country of origin:**
16	**Port of loading:**
17	**Free Period for Container shipments:** Vendors should indicate the mode of shipment Viz. break-bulk basis or container basis. Vendors should ensure that shipping lines carrying their cargo will allow a minimum free period of 14 days from the date of berthing of the vessel for clearing the consignment at the discharge port in case shipments are made using containers.
	Vendor's confirmation: We shall ensure the shipping lines allow a free period of minimum 14 days from the date of berthing of the vessel for clearing the consignment
18	**Weight & Cubage of package:** Approximate Net weight of the total consignment: Approximate Gross weight of the total consignment: Approximate volume of the total consignment:
19	The vendor to provide Business Information Report (BIR) incorporating the rating of the company by international credit rating agencies, viz., DUNS number of M/s DUN & Bradstreet (D&B) etc.
	Vendor's confirmation: We have enclosed BIR and our DUNS No. is:

We have gone through and understood the 'General guidelines & instructions to bidders for submitting offer' enclosed as a part of the NIT and confirm that our offer has been made in line with the same.

(AFFIX OFFICIAL SEAL HERE)

M/s

Signature with date:

Name:

Designation:

Department:

(PLEASE AFFIX YOUR SIGNATURE WITH SEAL ON EACH PAGE)

ACCEPTANCE OF COMMERCIAL TERMS AND CONDITIONS BY THE VENDORS.

(This should be essentially filled in and sent along with the techno-commercial offer without fail. If this check list is not filled and submitted along with techno-commercial offer or if the vendor does not confirm acceptance to the terms and conditions proposed, BHEL reserves the right to reject such offer)

CHECK-LIST FOR INDIGENOUS VENDORS

Description of the Equipment:	Water Wash Spray Painting Booth
BHEL Tender No. & Date:	2620900242 dated 16.11.2009

Sl No	Description
1	**Price Bid:** Price Bid should contain the schedule of price particulars and to be co-related to the technical details provided in Part I. Techno-commercial bid alone without the Price Bid will be rejected. The prices contracted shall be firm till the execution of the contract in full and in all respects.
	Vendor's confirmation: Accepted.
2	**Validity:** Validity of the offer should be 120 days from the date of tender opening. Please mention the validity period in the confirmation below. BHEL reserves the right not to consider offers from vendors with validity less than 120 days from the date of tender opening.
	Vendor's confirmation:
3	**Release of Purchase Order, submission of CEBG & PBG and terms of Payment:** ➢ Purchase Orders (separate for supply and service portion) will be released on the successful vendor. ➢ The successful vendor shall have to provide a Contract Execution Bank Guarantee (CEBG) only from any one of the 'Consortium Banks' of BHEL (list enclosed) for 5% of the Purchase Order value in the format enclosed within 30 days from the date of Purchase Order. BHEL reserves the right to cancel Purchase Orders in case the vendor fails to submit the CEBG within 30 days from Purchase Order date. ➢ The payment terms for the supply Purchase Order shall be 80% against receipt of the goods in BHEL and 20% after commissioning of the equipment in BHEL. ➢ An irrevocable unconfirmed domestic L/C will be opened for 24% of the supply Purchase Order value after receipt of CEBG. ➢ The above L/C would be enhanced to 80% of the supply Purchase Order value 2 months before the dispatch date. ➢ The above L/C can be negotiated after receipt of the equipment in BHEL against a certificate jointly signed by BHEL and the vendor (for safe receipt of the goods) and such other documents as mentioned in the Purchase Order. The above L/C will be valid for a period extending 21 days beyond the receipt (in BHEL) date for negotiation of documents. ➢ The balance 20% of the supply Purchase Order value plus 100% of the service Purchase Order value will be paid directly to the vendor after commissioning of the equipment in BHEL against commissioning certificate jointly signed by

	BHEL and the vendor and submission of Performance Bank Guarantee (PBG) only from any one of the 'Consortium Banks' of BHEL (list enclosed) for 10% of the Purchase Order value in the format enclosed. This payment would be released within 30 days from the date of commissioning certificate jointly signed by BHEL and the vendor. Offers from vendors not accepting to receive at least 20% payment of the supply Purchase Order value after commissioning of the equipment will be rejected.
	Vendor's confirmation: Accepted to BHEL's above terms.
4	**Taxes & Duties**: All Taxes, Duties, Service Taxes etc. payable as extra to the quoted price should be specifically stated in offers along with CST & TIN No / Tariff No. etc., failing which BHEL will not be liable for payment of such Taxes and Duties. Our TIN No. 33243560005, TNGST No. 3560005, CST. No. 239383 Dt. 11-06-1991 & BHEL ECC No. AAACB4146PXM012, Assessment circle Tiruverambur In case taxes and duties are indicated as inclusive in the quoted prices, it will be reimbursed only upon furnishing the documentary evidence for having paid such taxes and duties. Any difference in taxes (on account of reduction in the levies) between what has been paid by BHEL to the vendor (based on what has been indicated in the Purchase Order) and actually paid by vendor should be passed on to BHEL.
	Vendor's confirmation: We confirm our offer has been made considering the above.
5	**Contract Execution Bank Guarantee:** The successful vendor shall have to furnish a Contract Execution Bank Guarantee (CEBG) from any one of the 'Consortium Banks' of BHEL (list enclosed) for 5% of the Purchase Order value in the format enclosed covering the agreed delivery period (FOR works delivery) with additional 2 months as claim period. The CEBG shall be furnished within 30 days from the date of Purchase Order. BHEL reserves the right to cancel Purchase Orders in case the vendor fails to submit the CEBG within 30 days from Purchase Order date. All bank charges incurred on account of issuance of CEBG will have to be borne by the vendor. Offers from vendors not accepting to submit CEBG will be rejected.
	Vendor's confirmation: CEBG will be provided in line with above.
6	**Performance Bank Guarantee:** The vendor shall submit a Performance Bank Guarantee (PBG) only from any one of the 'Consortium Banks' of BHEL (list enclosed) for 10% of the Purchase Order value in the format enclosed covering the agreed Guarantee period (with additional 2 months as claim period). All bank charges incurred on account of issuance of PBG will have to be borne by the vendor. Offers from vendors not accepting to submit PBG will be rejected.
	Vendor's confirmation: PBG will be provided in line with above.

7	**Liquidated damages (LD):** Delivery of the goods specified in the purchase order should be made within the time prescribed. Failure to dispatch the materials in the time as per the delivery indicated in our Purchase Order would make the vendor liable to an un-conditional penalty @ **½% of the value of goods for each week of delay subject to a maximum of 10%** of the Purchase Order value. For the purpose of Imposing LD, the FOR Works delivery (LWB date) shall be considered. BHEL reserves the right not to consider offers from vendors not accepting for the above LD clause, with maximum LD as 10%.
	Vendor's confirmation: We confirm acceptance to the above LD clause.
8	**Risk Purchase:** If the vendor fails to deliver the goods within the delivery specified in the Purchase Order, BHEL will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the delivery period mentioned in the Purchase Order. BHEL reserves the right not to consider offers from vendors not accepting the above Risk Purchase terms.
	Vendor's confirmation: We confirm acceptance to the above Risk Purchase clause (without any modification).
9	**Delivery terms, delivery period required and evaluation process:** **Delivery terms:** Vendors should quote for delivery on FOR BHEL, Tiruchy basis only. However, price break-up details like Ex-Works price, freight charges, insurance charges, taxes & duties etc., should be indicated in the offer. The transfer of title of the goods supplied by the vendor takes place only when the goods are delivered in good condition in BHEL, Tiruchy. **Delivery period:** The equipment enquired forms a part of an expansion program (Scheme) and the delivery period of 6 months has been derived keeping in view of the Scheme completion date. Vendor shall have to confirm compliance for meeting the above delivery period. During evaluation of the offers, for vendors not confirming the requested delivery period, a grace period of 8 weeks (maximum) would be allowed. However, **a loading @ ½% of the purchase order value per week will be done for the grace period requested**. For evaluation 4 weeks will be considered as one month. Vendors are required to indicate the best delivery period i.e., time period required for dispatch (LWB date) from the date of Purchase Order in the "Vendor's confirmation" below. Order acceptance, submission of CEBG, drawings etc., should not be linked to the delivery period. Vendors quoting a delivery period beyond the 'requested delivery plus the allowed grace period' will be rejected.
	Vendor's confirmation: We confirm our delivery shall be __ months from the date of Purchase Order to date of LWB.
10	**Guarantee:** Vendors shall provide a guarantee for a period of 12 months from the date of commissioning of the equipment or 18 months from date of supply, whichever is earlier. The date of LWB shall be taken as the date of supply. Also, a PBG has to be given which shall cover the guarantee period (with additional 2 months as claim period). Offers from vendors not accepting to the requested guarantee period will be rejected.

	Vendor's confirmation: We confirm to provide guarantee as requested above.
11	**Reverse Auction (RA):** BHEL reserves their right to conduct on-line internet Reverse Auction for finalizing the Tender. This decision will be communicated to the technically qualified vendors after technical evaluation. Details / General terms / guidelines for conduct of RA have been given in the 'General guidelines & instructions to bidders' enclosed as a part of NIT. Vendors are requested to confirm their acceptance for BHEL proceeding with RA route for finalization of the enquiry. BHEL reserves the right not to consider offers from vendors not accepting to the RA process for finalization of the enquiry.
	Vendor's confirmation: We confirm participation in the RA process.
12	**Contacts:** Details of contact person's name, designation, department with complete postal and email address along with phone and fax numbers to be mentioned
	Name: Designation: Email ID: Phone No.: Fax No.: Address:
13	**Weight & Cubage of package:** Approximate Net weight of the total consignment: Approximate Gross weight of the total consignment: Approximate volume of the total consignment:
14	The vendor to provide Business Information Report (BIR) incorporating the rating of the company by international credit rating agencies, viz., DUNS number of M/s DUN & Bradstreet (D&B) etc.
	Vendor's confirmation: We have enclosed BIR and our DUNS No. is:

We have gone through and understood the 'General guidelines & instructions to bidders for submitting offer' enclosed as a part of the NIT and confirm that our offer has been made in line with the same.

(AFFIX OFFICIAL SEAL HERE)

M/s

Signature with date:

Name:

Designation:

Department:

(PLEASE AFFIX YOUR SIGNATURE WITH SEAL ON EACH PAGE)