

Ref: BHE/PW/PUR/UKH-GEN/1193/Corrigendum 04

Date : 09/12/2013

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To

ALL BIDDERS

Sub: Corrigendum -04

JOB: Dismantling of existing Generator stator assembly, erection, magnetic centre correction of rotor w.r.t stator, Commissioning and testing of new wound stator of Ukai Hydro Unit No.4.

Tender Specification Number: BHE/PW/PUR/UKH-GEN/1193

Bidders to kindly take note of the following:

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AA) Issue of Tender Conditions –(Broad Terms & Conditions of Reverse Auction)

The following Conditions shall be applicable for the referred tender & to be read as part of NIT, Annexure-4 –‘Important information’.

In continuation to Clause 18.0 of NIT (Notice Inviting Tender) following are the broad terms and conditions of Reverse Auction:

7. Terms & Condition of Reverse Auction

7.1. BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. All bidders to give their acceptance for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids. In case BHEL decides to go for Reverse Auction, only those bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit „online sealed bid“ in the Reverse Auction. Non-submission of „online sealed bid“ by the bidder will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.

7.2. The philosophy followed for reverse auction shall be English Reverse (No ties). English Reverse (No ties) is a type of auction where the starting price and bid decrement are announced before start of online reverse auction. The interested bidders can thereupon start bidding in an iterative process wherein the lowest bidder at any given moment can be displaced by an even lower bid of a competing bidder, within a given time frame. The bidding is with reference to the current lowest bid in the reverse auction. All bidders will see only the current lowest quoted price. The term „No ties“ is used since more than one bidder cannot give an identical price, at a given instant, during the reverse auction. In other words, there shall never be a tie in the bids.

7.3. Technically and commercially acceptable bidders only shall be eligible to participate.

7.4. BHEL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line bidding on internet. Business rules for Reverse Auction and other information like event date, time, bid decrement, extension etc. also will be communicated through service provider for compliance.

7.5. After receipt of “online sealed bids” by the participating bidders, start price & bid decrement will be decided by BHEL, before the online Reverse Auction. Only those bidders who have submitted the “on-line sealed bid” within the scheduled time shall be eligible to participate further in RA process. **However, the H1 bidder (whose quote is highest in online sealed bid) may not be allowed to participate in further RA.** Once participating bidders have given ‘Online Sealed Bid’ and ‘start price’ & ‘bid decrement’ is decided by BHEL, Bidding for RA will start as per RA schedule specified in business rules. Bidders

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may then submit their bids (current L-1 price(s) lowered by multiple decrements). If the 'start price' decided by BHEL is same as the 'Online Sealed Bid' price of any bidder, then that bidder shall be reckoned as current L1 automatically at the start of

Reverse Auction and no acceptance of that price is required i.e (RA shall deemed to have started at this stage for further bidding)

7.6. If the Bidder or any of his representatives are found to be involved in Price manipulation/ cartel formation of any kind, directly or indirectly by communicating with other bidders, action *as per extant BHEL guidelines*, shall be initiated by BHEL and the results of the RA scrapped/ aborted.

7.7. The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.

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All other Terms and conditions of the Tender Specification shall remain unaltered unless expressly amended by BHEL in writing.

Bidders are requested to submit a copy of this corrigendum duly countersigned by the authorized signatory and stamped with the Official seal as a token of Bidder's unqualified acceptance of this corrigendum.

This letter is hosted as file titled "Corrigendum-04" against NIT-15577 in BHEL web page (www.bhel.com→Tender Notifications → View Corrigendum).

Thanking you,
Yours faithfully,

AGM (Purchase)