

ANNEXURE-I

Instructions to bidders and Terms and conditions for rate contract for purchase of Copper Sections on finished basis under enquiry no. E-7033015

The supplies against this rate contract enquiry shall be subject 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 annex, the latter shall prevail.

1. Procurement will be carried out progressively as per BHEL's requirement under the rate contract valid for ordering for two (02) years after its finalization. BHEL reserves right to short close the FA / RC at any point of time during 02 years for which this contract is valid.

2. **Procedure for Bid submission:**

Offer shall be submitted by the bidders in two parts:

Bid Part - I Technical cum Commercial bid – Annexure – I & II. Annexure II (Techno-commercial Bid Form) to be filled in e – procurement module using Class III digital signature.

Bid Part - II Price bid – to be filled in separately for respective GROUP's in e-procurement module only using Class III digital signature.

Bidders to mandatorily put sign and seal on documents before uploading in e – procurement site.

The bid – part – I & bid part - II should be uploaded on the site before due date / time.

Part-I of the bid shall contain complete details of the product offered, acceptance to the specification, all techno commercial terms & conditions and deviations (if any) as below:

- a) Deviations from this “Instruction to bidders and terms & conditions for purchase of Copper Sections” – Annexure – I.
- b) Deviations from Purchase Specifications at clause 7, QAP & drawing applicable for this tender enquiry.
- c) Deviations from BHEL Bhopal ‘General Terms and conditions of enquiry’.
- d) Deviations from BHEL Bhopal ‘BHEL PO Terms and Conditions’

In case it becomes necessary to deviate in any of the above, the deviations must be clearly brought out in bid Part-I of the offer. Any deviation to INTEGRITY PACT' is not acceptable.

3. **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. Clarifications wherever required on this part shall be obtained from the bidders for their evaluation. The Price bid Part-II of such vendors alone shall be opened on a later date whose techno- commercial bids are found acceptable. The date of ‘Price bid -Part II’ opening shall be intimated to you later after completion of techno – commercial scrutiny.

“BHEL shall be resorting to Reverse Auction (RA) (Guidelines as available on www.bhel.com) for this tender. RA shall be conducted among the techno-commercially qualified bidders. Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered for 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.”

4. **Bid Evaluation:** The bids shall be evaluated on total delivered cost to BHEL (-cost to BHEL basis-) on overall L-1 basis for respective GROUPS i.e. **a single L-1 shall be established on weighted average basis for GROUP AA, a separate L-1 for GROUP BB and a separate L1 for GROUP CC shall be established.** Total quantity variation shall be of + 30% and the tentative split up of quantities into various items/type/size range given below shall vary to extent of +/- 50% based on assignment actually taken in hand by BHEL. Bidders may note that quoted rates shall be loaded for any deviation from the terms & conditions given in this enquiry, to arrive at HESG rate.

For purpose of evaluation, LME CSP & SBI TT selling rate of the date of bid part – I opening shall be taken. Please note that bidders are to quote for each of the items in respective group for consideration of their offer for that group.

NOTE: 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.

5. **No. Of Vendors & Qty. Allocation:** We need 2 suppliers and quantity distribution amongst L1 & L2 would be in ratio of **65:35** for each GROUP. This distribution of quantity and number of suppliers required to execute this contract shall subject to committed capacity and also acceptance to counter offer, if any, made by BHEL.

In case number of qualified suppliers available for quantity distribution are equal to or less than the number of suppliers required, 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.

| No. of vendors | L1 | L2 | L3 | L4 | Total |
|----------------|-----|----|----|----|-------|
| 1 | 100 | | | | 100 |
| 2 | 65 | 35 | | | 100 |
| 3 | 48 | 32 | 20 | | 100 |
| 4 | 37 | 29 | 19 | 15 | 100 |

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.

6. **Pricing terms:**

Material will be supplied on finished basis. The bidders shall quote the price on door delivery FOR destination (BHEL Bhopal) basis. The FOR destination rate/ PO rate shall consist of basic copper and fabrication rates detailed as below:

| Rate Schedule | | |
|---------------|--------------------|---|
| A | LME CSP rate | 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) | 70 USD / MT (Fixed) |
| | Copper Rate | (LME CSP + Premium) x (FBIL+10Paise) x M.F. (as per notional customs duty, presently it is 1.055). Note: If FBIL + 10 paise rate is not available on 3rd LME working day, same of previous bank working day shall be taken to arrive at Copper rate. |
| B | Fabrication Rate | In Rs / kg – (inclusive of all possible extras to be quoted in e-procurement) |
| C | PO Rate | Sum of A + B |

Premium & quoted fabrication rates shall be firm throughout the validity of the contract. The quoted 'fabrication rate' shall be inclusive of all tooling cost, packing & forwarding charges and no extra charges shall be payable on whatsoever account.

7. Technical Specification & RC Qty:

The estimated requirement of **781.9 MT** (+ 30%) for two years shall conform to the latest revision of the purchase specifications mentioned below as under:

| Requirement Of Copper Sections – Round Bars / Damper Bars / Flats / Rotor Bars For Procurement Under Two years Rate Contract On Finished Basis | | | | |
|---|---|--|------------------------------|---|
| PARTICULARS | | | Requirement in MT | Purchase specification / QAP |
| | | | TOTAL | |
| GROUP AA | ROUNDS -RODS/ DAMPER BAR | | | Applicable Specs: AA12023, BP12077, BP12088, OR any other similar PS within this range // AA12001, AA12003, AA12005, AA12007, AA12008, AA12022, AA12023, AA12030, AA12026, AA12030, BP12071, BP12079, BP12080, BP12083, BP12088, OR Any Other Similar PS within this range // BP12079, BP12080, OR Any other Similar PS within this Range. Specn HG-04002. Applicable QAP : QA/MT/BOI052, QC/TCB/QAP/BO/14, QSP/HG/105. |
| | 1 | Upto 50 mm dia | 13.1 | |
| | 2 | Above 50 mm dia | 8 | |
| | 3 | Damper Bar Upto 50 mm dia with champering at both end as per drawing. | 41 | |
| | | | | |
| | FLATS -Upto 12 mm Thick | | | |
| | 4 | Width Upto 100 mm | 300 | |
| | 5 | Width Above 125 mm & Upto 150 mm. | 2 | |
| | 6 | Width Above 150 mm & Upto 200 mm. | 20 | |
| | | | | |
| | Above 12 mm thick & upto 30 mm thick | | | |
| | 7 | Width Upto 100 mm | 35 | |
| | 8 | Width Above 100 mm & Upto 125 mm. | 6.6 | |
| | | | | |
| | 9 | ROTOR BARS & SPECIAL SECTIONS | 280 | |
| | | | | Actual specification and QAP to be followed shall be specified separately in the individual order against the rate contract. |
| GROUP BB | 10 | COPPER PLATE SIZE 8 MM X 800 MM X 3000 MM TO SPEC AA12001 | 13.7 | |
| | | | | |
| GROUP CC | Above 30 mm thick & upto 50 mm thick | | | |
| | 11 | Width Upto 100 mm | 62.5 | |
| | | TOTAL | 781.9 | |

IMPORTANT NOTE:

➤ **3 (three) separate L-1 bidder on weighted average basis shall be established, i.e. ONE L-1 bidder for GROUP "AA", ONE L-1 bidder for GROUP "BB" & ONE L-1 bidder for GROUP "CC". Quantity variation in each group be subjected to a variation of + 30% and the tentative split up of quantities into various items/type/size range given above can however vary to extent of +/- 50% based on assignment actually taken in hand by BHEL.**

➤ **Offers of bidders who do not quote for all ranges in a particular group shall not be considered.**

8. **Inspection of Material:** Pre-dispatch / source inspection will be carried out by BHEL/TPI/Customer. Hard punched identification on each piece is to be done by the successful bidders along with sample piece with dimensions as per QA plan applicable. Bidders to maintain all relevant systems/records of their internal inspection. BHEL may conduct quality audit at supplier works for ensuring implementation of quality system. Successful bidders shall have to submit in house TCs of the conductors stating all mechanical properties, raw material TCs and chemical composition including oxygen content of the intermediate material (if any) certified by NABL lab / accredited agency to BHEL along with each lot of supply.

Test Certificates as per annexures, purchase specifications, QA plan etc. must accompany each lot. Final inspection for acceptance of quality and quantity shall be done at BHEL's works after receipt of material and results shall be binding on the suppliers.

Inspection call is to be raised 7 days prior to planned inspection date in case of inspection by BHEL, BHEL's customer or TPIA. Inspection of material shall require 1 - 3 days if done at vendor works by BHEL/TPIA/customer. Vendors to raise inspection call accordingly.

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 starting from 1% as per BHEL quality / engineering recommendations (Quality deficiency Review Committee – QDRC) depending on the nature and gravity of quality issue.

9. **Replacement of Rejected Goods:** Final inspection for acceptance of quality shall be at BHEL's works after receipt of material and results shall be binding on the suppliers. In case of rejection due to noncompliance to agreed specification and for the reasons attributable to the vendor, the materials shall be replaced by vendor free of charge on "FOR BHEL works basis" including interalia cost elements such as total transportation, insurance and other taxes / levies etc. as applicable. The rejected goods shall be subsequently returned to the vendor at his cost. The rejected goods will have to be collected by supplier within 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.
10. **Transit Insurance:** Transit insurance shall be by supplier. All transit risk shall be covered under clause Inland Rail and Road – A (IRR – A).
11. **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 is 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.

12. **Payment Terms:** Payment shall be made within 90 days against receipt and acceptance of material at BHEL, without overdue 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). BHEL reserves the right to reject offers with payment term other than the above standard payment terms. Such offers if accepted, the 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 NSIC certificate or EM II certificate along with CA certificate (Format enclosed) applicable for the year and Udyam registration copy, certifying quantum of investment in plant and machinery within the permissible limit as per the act for relevant status (Micro or small) where the deemed validity of EM II is over. Date to be reckoned for determining the deemed validity will be the due date of tender. Non submission of such documents will lead to consideration of their bids at par with other bidders and MSE status of such suppliers shall be shifted to Non MSE supplier till the supplier submits these documents.

Note: Please ensure declaration of Udyam registration number by MSE bidders (indigenous bidders) on CPPP, failing which such bidders will not be able to enjoy the benefits as per Public Procurement Policy for MSE's Order, 2012 for tenders invited electronically through CPPP.

However, payment terms other than the above will be loaded at the rate of SBI base rate + 6% for price comparison purposes on HESG basis as per present practice.

13. **Delivery Period:** The material is required at BHEL as per delivery mentioned in individual PO. The desired delivery period against individual PO item shall be within 2-3 weeks to be reckoned from the date of issue of **Letter of Intent (LOI)**. Delivery period in the purchase order shall be as per accepted delivery period quoted by the vendor or required delivery period by BHEL, whichever is later. Bidders shall commit suitable delivery period on FOR destination basis. Bidders may note that delivery beyond committed schedule will attract penalty for delayed performance.

14. **Terms of delivery:** F.O.R. Destination - BHEL Bhopal on door delivery basis.

15. **Quantity Tolerance:** Against individual P.O. items shall be $\pm 2\%$. However, no. of pcs & weight is to be strictly adhered to. RC quantity variation shall be + 30%.

16. **Validity of Rate Contract:** Two (02) years from the date of finalization of rate contract by BHEL with additional time of three months for supplies.

17. **Short closure:** In addition to above (Sl.no. 16), BHEL reserves right to short close the Rate Contract at any point during the tenure of the RC.

18. **Penalty for Delay:** "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".

Failure on the part of the bidder to accept this clause will attract the loading of maximum 10% on the quoted price for the purpose of evaluation. LD recovery, the applicable GST shall also be recoverable from vendors. Receipt of material at BHEL (CN date) will be taken as proof of delivery.

19. **Validity of the offer:** Offer should be valid for a period of 120 days from the date of technical bid opening date for finalization of the contract.

20. Integrity Pact – Independent external monitor (IEM):

- a) 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 |

- b) 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.
- c) 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 | Prakash Tantuwai | Yogesh Edla |
| Department | CMM Copper | CMM Copper |
| Address | BHEL Bhopal | BHEL Bhopal |
| Phone number | 9489202841 | 9425604823 |
| Email | tantuwai@bhel.in | yedla@bhel.in |

21. **Fraud prevention policy:** Bidders are requested to provide specific acceptance to fraud prevention policy of BHEL as per attached annexure. 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.
22. **Pre-qualification criteria applicable for material under section AA, BB & CC:** Any deviation from the PQR shall render offer submitted by bidder as rejected. Further it may be noted that vendor to confirm inspection by BHEL Team for verification of manufacturing facilities and BHEL reserves the right to verify the information submitted by the vendor. In case the information submitted is found false or incorrect, the offer will be rejected and the action as per extant guideline shall be taken.

23. **Guarantee:** Material 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** or until testing of BHEL finished product using material supplied under this enquiry, whichever occurs earlier.
24. **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.
25. In addition to above our 'General Terms and Conditions of enquiry, BP200102A' and 'BHEL PO Terms and Conditions' for indigenous shall also be applicable to this tender. **Bidders may note that suitable loading will be done for arriving at the Landed cost to BHEL Bhopal price for any deviation from these general Terms & Conditions.**
26. **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 (Price Bid) against this NIT. "
27. 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. Format for declaration is attached as **Annexure V**.
28. Bidders to give acceptance to **Conciliation clause** as per annexure IV.
29. **Bidder registration:** 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://www.bhelbpl.co.in/mm/supplier_forms.html