

Commercial Terms

(Pipe Natural Gas)

Name of Vendor

Confirmation/comments on the conditions given below are mandatory.

S. No.	Description	Vendor confirmation / comments
1	Billing cycle: The invoices shall be on monthly basis for supply of gas from 1 st to 30/31 st (i.e. last day of the month).	
2	Payment Terms:- Payment shall be made according to quantity of gas in MMBTU. Supplier have to submit bills timely, as per billing cycle, for the supply quantity and Payment will be made within 90 days (45 days in case of Micro and Small Enterprises) from invoice date subject to verification & acceptance of supplied quantity by BHEL. Note: MSE seller can avail the intended benefit only if they are manufacturer of quoted items and submit valid MSE certificate (UDYAM/NSIC etc.) along with the offer	
3	Payment Reconciliation:- The formula is based on indices (HH & JCC) and there may be slight changes in values at the end of final price settlement. Hence the reconciliation of payment amount shall be done on annual basis after final settlement of index prices (HH & JCC). The reconciliation shall be done for each calendar year in the month of March of the subsequent year.	
4	Penalty For Non-supply of Gas:- Relaxation period: Maximum two supply interruptions per calendar month limited to cumulative supply interruption time period of 3 hours. Supply Interruption period: Any Supply interruption beyond Relaxation period mentioned above. PENALTY: For the supply interruption period, penalty @ twice of prevailing rate (Rs./MMBTU) for quantity of 40 MU/hr on pro-rata basis shall be charged and it will be limited to 400 MU of gas per day. NOTE: Remaining Relaxation period of the previous month shall not be carried forward to current or subsequent calendar months.	
5	Contract Period:- The period of Contract Agreement shall be 36 months applicable from date of gas supply. The contract can be extended if mutually agreed based on performance & other terms of the contact. BHEL reserves right to terminate the contract early with 6 to 9 months' notice period to vendor, if performance is not satisfactory or without assigning any reason whatsoever.	
6	6.1) Performance Security:- The successful vendor shall have to furnish a Performance Security for 5% of the total PO value in the prescribed format within 30 days from the date of PO. Performance Security shall be from one of the consortium banks of BHEL. If the vendor fails to submit the Performance Security: even within 60 days from the date of PO, BHEL reserves the right to cancel PO and forfeit the	

	<p>EMD given by the supplier. In addition, in such case, action will be initiated in line with extant guidelines for Suspension of Business dealings with Suppliers.</p> <p>Performance Security should remain valid for a period of 60 (sixty) days beyond the date of completion of all contractual obligations of the supplier, including warranty obligations.</p> <p>The Performance Security shall not carry any interest</p> <p>All Bank Guarantees shall be strictly as per BHEL formats. No deviation will be accepted.</p> <p><u>6.2) Modes of deposit:</u></p> <p>A) Performance security may be furnished in the following forms:</p> <p>(i) Local cheques of Scheduled Banks (subject to realization)/ Pay Order/ Demand Draft/ Electronic Fund Transfer in favour of BHEL.</p> <p>(ii) Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL.</p> <p>(iii) Fixed Deposit Receipt issued by Scheduled Banks / Public Financial Institutions as defined in the Companies Act (FDR should be in the name of the Contractor, a/c BHEL).</p> <p>(iv) Securities available from Indian Post offices such as National Savings Certificates, Kisan Vikas Patras etc. (held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favour of BHEL).</p> <p>(v) Insurance Surety Bond.</p> <p>(Note: BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected therewith)</p> <p><u>6.3) Forfeiture of Performance Security:</u> The performance security will be forfeited and credited to BHEL's account in the event of a breach of contract by the supplier.</p> <p>6.4) Performance Security should be refunded to the contractor without interest, after he duly performs and completes the contract in all respects but not later than 60 (sixty) days of completion of all such obligations. including the warranty under the contract.</p> <p>6.4) The Performance Security shall not carry any interest.</p> <p>For Performance Security format, please refer https://bpl.bhel.com/mm/ , refer tab: 'Annexure-C Proforma of Bank Guarantee for Performance Security'.</p>	
7	<p><u>7.1) EMD (Earnest Money Deposit):</u> Bid Security or EMD of Rs. 40 lakhs to be furnished by all bidders along with their bids (except Micro and Small Enterprises (MSEs) or Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT)).</p> <p><u>7.2) Modes of deposit:</u></p> <p>A) The EMD may be accepted only in the following forms:</p> <p>(i) Electronic Fund Transfer credited in BHEL account (before tender opening).</p> <p>(ii) Banker's cheque/ Pay order/ Demand draft, in favour of BHEL (along with offer).</p> <p>(iii) Fixed Deposit Receipt (FDR).</p>	

	<p>(iv) Bank Guarantee from any of the Scheduled Banks. (v) Insurance Surety Bonds.</p> <p>B) In case the EMD is more than Rupees Two lakh, it may be in the form of a bank guarantee issued/ confirmed from any of the scheduled commercial bank in India in an acceptable form. The EMD shall remain valid for a period of 45 (forty-five) days beyond the final bid validity period. For Bank guarantee format, please refer https://bpl.bhel.com/mm/ , refer tab: 'Annexure-F Proforma of Bank Guarantee for earnest money'.</p> <p>7.3) Forfeiture of EMD: (i) A bidder's EMD will be forfeited if the bidder withdraws or amends its/his tender or impairs or derogates from the tender in any respect within the period of validity of the tender or if the successful bidder fails to furnish the required performance security within the specified period mentioned in the Tender. (ii) EMD by the tenderer to be withheld in case any action on the bidder is envisaged under the provisions of extant "Guidelines on Suspension of business dealings with suppliers/ contractors" and forfeited/ released based on the action as determined under these guidelines.</p> <p>7.4) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity period and latest by the 30th day after the award of the contract. However, in case of two packet or two stage bidding, Bid securities of unsuccessful bidders during first stage i.e. technical evaluation etc. should be returned within 30 days of declaration of result of first stage i.e. technical evaluation etc.</p> <p>7.5) Bid security should be refunded to the successful bidder on conclusion of the order/ receipt of a performance security (if called in the tender).</p> <p>7.6) EMD shall not carry any interest.</p> <p>Offer of suppliers except Micro and Small Enterprises (MSEs) or Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT)) will not be consider without EMD.</p>	
8	<p>Un-registered suppliers of BHEL, Bhopal :- Suppliers who are not yet registered with BHEL, Bhopal must submit following documents for one time code along with Part – A (Techno-commercial bid) of your offer:- I. Copy of PAN no. II. Copy GSTIN registration certificate. III. Copy of UDYAM certificate, if applicable RTGS/EFT details as per BHEL format must be submitted immediately after placement of order. Format of RTSG / EFT detail can be obtained from us or downloaded from link https://bpl.bhel.com/mm/EFTFormat.pdf</p>	
9	<p>Model conciliation clause for conducting conciliation proceedings under the BHEL conciliation scheme, 2018 is applicable as enclosed.</p>	

Note:- The Clauses outlined in the Annexure-II supersede those identical clauses stated in General Terms & Conditions (GTC).

Vendor should submit the confirmation and acceptance of the above points by submitting the signed & sealed copy of above Annexure sheet along with technical bid. If required separate sheet may be attached for further detailing/deviation.

Date:

Signature & Seal of the supplier