

Instructions to bidders and Terms and conditions for Rate Contract (RC) / Framework Agreement (FA) for purchase of Double Glass Lapped (DGL) Polyestrimide Varnish Bonded Rectangular Copper Winding Wire for one-year requirement on finished basis under enquiry E-7033016.

1. The supplies against this framework agreement enquiry shall be subjected to our general terms and conditions of the enquiry (GTC) / 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.
2. **General:** - Material will be supplied on finished basis where no material will be free issued from BHEL. Suppliers shall upload only **fabrication cost in Rs / kg** (inclusive of cost of Mica Tape, tooling, packing and forwarding etc.) on FOR destination basis on e-procurement portal.
DGL Copper 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 **12 months** after its finalization with an option to extend RC/short close it at any stage if required.
3. **FA Quantity & Technical Parameters:**
 - a) Our total estimated requirement is as follows which shall be purchased progressively as per our requirement under the framework agreement. The quantity mentioned is nominal.

Item no.	Description	Size	Qty (In kgs)	
			BHEL Bhopal	BHEL Jhansi
1	Double Glass Lapped Polyesteramide Varnish Bonded Rectangular Copper Winding Wire to AA28113 rev 03 and Annexure A Rev 00	5 to 60 sq.mm (Bare)	4,00,000 +/-30%	24,000 +/-30%
2	Double Glass Lapped Polyesteramide Varnish Bonded Rectangular Copper Winding Wire to AA28113 rev 03 and Annexure A Rev 00	61 to 90 sq. mm (Bare)	0	50,000 +/-30%

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.

The size of the conductor and grade of covering shall be as mentioned in the individual purchase order. Test Certificates of raw materials used for manufacturing specific PO item as per purchase specification must accompany each lot. Third party/BHEL shall carry out the inspection at supplier works. However final inspection for acceptance shall be at BHEL, Bhopal. BHEL may also conduct process audit or surveillance checks at the vendor's works, if required.

Quality plan QA/HG/552 Rev 00 dt 11.07.2018 should be strictly followed and the same has been enclosed along with the tender documents. Purchase specification to be followed is **AA28113 rev. 03** along with Annexure A and the same have also been enclosed with the tender documents.

- b) Test Certificates of items used for manufacturing specific PO item should be provided along with the consignment. TC's reference of raw material should appear in main TC of specific PO item for traceability. Material is liable for rejection in case this is not complied with.

c) **Supply Conditions:**

The material is to be supplied in good quality non-returnable wooden or returnable plastic bobbins. Each vendor shall be allotted a distinctive colour for plastic bobbins. The plastic bobbins shall be returnable and available empty plastic bobbins shall be collected by the vendor every third working day in a week on "as is where is" basis else they may be scrapped by CIM division of BHEL Bhopal. The empty wooden drums are not-returnable. The copper received in broken or damaged bobbin shall be rejected as it is.

Complete identification / Labelling / tagging of each bobbin as per PO item should be done in the enclosed format (**Annexure C**).

Net weight of each bobbin may lie between 30 Kg to 120 Kg (approx.) and will be specified in the individual PO placed under the finalized RC. POs where conductors are required in different lengths in such cases vendor to provide clearly visible colour identification for each length on the flanges of the drum.

Length per drum is very important. It should not be less than the specified length for each drums mentioned in PO in any case.

4. **Procedure for Bid submission: Offer shall be submitted by the bidders in two parts -**

Bid Part - I - Technical cum Commercial bid

Bid Part – II - Price bid

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) "Instructions to bidders and Terms and conditions for rate contract (RC) / framework agreement (FA) for purchase of Double Glass Lapped (DGL) Polyestrimide Varnish Bonded Rectangular Copper Winding Wire on finished basis under enquiry E-7033016" – Annexure I
- b) Purchase Specifications and QAP at clause 3 above.
- c) "Terms and conditions of indigenous enquiry" - General Terms & Conditions of Enquiry (GTC) BP200102A.
- d) "BHEL PO Terms and Conditions (Indigenous)" MM5527.

5. **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) 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."

6. **Bid evaluation:** The bids shall be evaluated on item wise, total delivered cost to BHEL on overall economy basis 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 SBI 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 bank** working day.

Bidders may note that quoted rates shall be loaded for any deviation from the terms & conditions given in this enquiry, to arrive at landed cost to BHEL

For item 1, supplier to quote for both BHEL Bhopal and Jhansi qty, else their offer may not be considered for item 1.

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.*

7. **Pricing Terms:** - Price to be quoted on FOR Destination basis for both enquiry item. The quoted rates should be inclusive of packing, forwarding, Freight and insurance, etc.

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

Fabrication Rate: Fabrication rate (including tooling, Copper packing - forwarding and other 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 the 3rd LME working day from the date of issue of Letter of Intent (excluding date of LOI)
	Premium (USD / MT)	190 USD / MT (Fixed)
	Copper Rate	(LME CSP + Premium) x (FBIL + 10 paise) exchange rate x M.F ± in Rs / MT
B	Fabrication rate (Rs / kg)	The fabrication rate, inclusive of all possible extras to be quoted in price bid on e-procurement portal
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

8. **FA Qty. Allocation:** Bidders to note that BHEL shall require 3 suppliers for uninterrupted supply against both item 1 & 2. Quantity distribution of both item 1 & 2 shall be in the ratio 48:32:20 among L1, L2 and L3 respectively. This distribution of quantities shall be subjected to committed capacity to BHEL, acceptance to counter offer etc. 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 and distribution shall be as under:

No. of qualified vendors available for quantity distribution	L1	L2	L3	Total
1	100	0	0	100
2	65	35	0	100
3	48	32	20	100

Counter offer: L1 rate shall be counter offered to L2/L3 for acceptance. On non-acceptance of the counter offered rates, the L1 rate shall be counter offered to L4, L5 and so on.

9. **Delivery Period:** - The material is required at BHEL Bhopal and Jhansi within 4 weeks from the date of LOI. Delivery period to be reckoned from the date of LOI (Letter of Intent) upto BHEL Bhopal/Jhansi delivery date i.e. CN date. Bidders shall commit suitable delivery period on FOR destination basis. 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. In case of hold on project after PO placement, the copper booking of corresponding size may be utilized for other available sizes as decided by BHEL. Bidders may note that delivery beyond committed schedule will attract penalty for delayed performance.
10. **Terms of delivery:** - FOR Destination for BHEL Bhopal and Jhansi. **For item 1, supplier to quote for both BHEL Bhopal and Jhansi requirements, else their offer may not be considered for item 1.**
11. **Transit Insurance:** By supplier. All transit risk shall be covered under clause Inland Rail and Road - A (IRR - A).
12. **Quantity Tolerance:**

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.

Against RC Quantity: $\pm 30\%$ on both Item 1&2.

13. **Replacement of rejected Goods:** - Third Party Inspection will be done at vendors' works by customer / TPIA. Final inspection for acceptance of quality shall be at BHEL's works Bhopal/Jhansi after receipt of material and results shall be binding on the suppliers. Quality plan (**QA/HG/552 rev 00**) along with **BHEL Spec AA28113 rev 03** and **Annexure A rev 00** shall be strictly complied with for material acceptance at BHEL. BHEL may conduct quality audit at supplier works for ensuring implementation of quality system. In case of rejection due to noncompliance 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 within 10 days on receipt of PMIR/rejection intimation. The rejected 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 "FOR BHEL works basis" including inter alia 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.

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 may 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.

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 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.

15. **Payments Terms:**

Payment shall be made **within 90 days against receipt and acceptance of material 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).* 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 NSIC certificate or EM II certificate along with CA certificate (Format enclosed) applicable for the year and Udyog Aadhar 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 UAM 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 MSEs Order, 2012 for tenders invited electronically through CPPP.

16. **Validity of Framework agreement:** 12 months from the date of finalization of framework agreement (FA) by BHEL for ordering with additional time of three months for supplies. Further BHEL will have an option to short close the framework agreement within the validity of the FA/RC, if required by BHEL. BHEL may also extend the rate contract for further 12 months with mutual consent.
17. **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.
18. **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".
- 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. **Guarantee:** Copper Wire 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.
20. **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.
21. **Risk and Cost:** In case of non-supply of quality material as per Purchase order within reasonable time as per BHEL policies / 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, etc, if any, incurred by BHEL in this regard from the supplier as per extant BHEL norms.
22. Bidders to give acceptance to **Conciliation clause** as per annexure IV.
23. **Integrity Pact - Independent external monitors (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 Tantuway	Yogesh Edla
Department	CMM Copper	CMM Copper
Address	BHEL Bhopal	BHEL Bhopal
Phone No.	9489202841	9425604823
Email	tantuway@bhel.in	yedla@bhel.in

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. **CA certified MII declaration to be submitted along with the offer.**

25. In addition to above our General Terms and Conditions of enquiry (GTC) & PO 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. Format for declaration is attached as annexure V.

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 III) shall be considered. Bidders to submit all supporting documents in compliance with each requirement.

28. 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.

29. In case of breach of contract, wherever the value of security instruments like performance bank guarantee available with BHEL against the said contract is atleast 10% of the contract value, the same be encashed. In case the value of the security instruments available is less than 10% of the contract value, the balance amount be recovered from other financial remedies (i.e. available bills of the contractor, retention amount, etc. with BHEL) or legal remedies be pursued. The balance scope shall be got done independently without Risk & Cost of the failed supplier/ contractor.

Further, levy of liquidated damages, debarment, termination, de-scoping, short-closure, etc., shall be applied as per provisions of the contract.

(Prakash Tantuway)
Manager / CMM-Copper