

ANNEXURE - 1

Commercial terms and conditions

Name of the Bidder :
Enquiry No.& Date : **77/09/6297/AK dt. 18.02.10**

Project : Inplant Coal Handling System near Chennai

Scope of Work : Design, engineering, manufacture and supply of Vibrating screen feeder for CHP Mechanical package

SL No	Clause	BHEL Requirement	Suppliers Acceptance / Remarks
1.0	Price basis for Supply	Firm till completion of the project, FOR –Site basis, inclusive of packing , forwarding and Freight. MCE insurance by BHEL. Any new taxes / duties imposed by Government after placement of PO shall be reimbursed as per actuals on documentary evidence. CIF value of import content is to be declared by the vendor only in the price bid. Vendor will furnish documentary evidence for CD / CVD / SAD as applicable, paid for imported components and same will be reimbursed. In case vendor does not indicate CIF value in the price bid, then it is presumed that no imported item is envisaged / no custom duty is to be reimbursed.	
2.0	Sales Tax	Govt. of India has advised the State Governments to exempt supplies made to Mega Power Projects from Sales Tax and Local Levies. In case the State Governments do not provide the exemptions then BHEL shall reimburse CST against form "C" or Local sales tax limited to ceiling value indicated in price bid. No other form other than 'C' form can be issued by BHEL. Hence, vendor shall consider full sales tax / VAT in case of dispatches within Tamil Nadu. Documentary proof required in case of VAT payment. E1 form to be issued by supplier to BHEL for availing C form	
3.0	Excise Duty	ED exempted against Mega Power Project Certificate to be issued by GOI for this project. In case the same is not available then ED is payable against original buyer's copy of EDGP/INVOICE cum EDGP limited to ceiling limit indicated in price bid. Transporter's copy of EDGP/EDGP cum INVOICE must be sent along with consignment. ED gate pass to be submitted for the ED claimed (even for sub-vendor's bills).	

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4.0	Payment terms for Supply	<p>a) For indigenous suppliers :</p> <ol style="list-style-type: none"> 1. 90% of supply value against approval of GA drgs, data sheets and calculation sheets of all the equipments as per the list of drawings indicated in the specifications and supply of equipments against dispatch documents with 100% taxes and duties, within 60 days from the date of dispatch. 2. 5% of supply value against Trial run of the equipment, within 60 days. In case of delay in Trial Run, this amount can be paid after six months from the last date of supply on submission of BG of equivalent amount valid initially for 12 months and then till completion of Trial run. 3. 5% of supply value against Final Acceptance Certificate from the customer, within 60 days. <p>b) For foreign suppliers :</p> <ol style="list-style-type: none"> 1. 90% of supply value against approval of GA drgs, data sheets and calculation sheets of all the equipments as per the list of drawings indicated in the specifications and supply of equipments against irrevocable L/C with a usance period of 60 days from the date of dispatch, to be opened after receipt of inspection call along with internal TCs. Getting the consignment cleared at the port of arrival and forwarding the same till final destination shall be in the scope of the supplier. LC opening charges shall be respective account. However LC amendment charges shall be to vendor's account. 2. 5% of supply value against irrevocable L/C with a usance period of 60 days from the date of opening of LC against Trial run of the equipment. In case of delay in Trial Run, this amount can be paid after six months from the last date of supply on submission of BG of equivalent amount valid initially for 12 months and then till completion of Trial run. 3. 5% of supply value against irrevocable L/C with a usance period of 60 days from the date of opening of LC against Final Acceptance Certificate from the customer. 	

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5.0	Payment Terms for Mandatory Spares	<p>a) For indigenous suppliers :</p> <p>100% against receipt at site and against invoices and shipping documents along with MDCC issued by BHEL, within 60 days from the date of receipt of materials at site.</p> <p>b) For foreign suppliers :</p> <p>100% of For-Site price component of the mandatory spares against receipt at site and against invoices and shipping documents along with MDCC issued by BHEL, against irrevocable L/C with a usance period of 60 days from the date of receipt of materials at site, to be opened after receipt of inspection call along with internal TCs. Getting the consignment cleared at the port of arrival and forwarding the same till final destination shall be in the scope of the supplier. LC opening charges shall be respective account. However LC amendment charges shall be to vendor's account.</p>	
6.0	Payment Terms for E&C site supervision	<ol style="list-style-type: none"> 1. 90 % against certification by BHEL Engineer. 2. 5 % against trial run of the system duly certified by BHEL Engineer 3. 5% against FAC. 	
7.0	LIQUIDATED DAMAGES	<p>7.1 LD for Delay in Completion of supply</p> <p>0.5% of the total order value per week of delay beyond the contractual delivery, limited to 5% of the total order value.</p> <p>Inspection call with internal TCs shall be treated as delivery date for LD purposes, provided the material is found ready during inspection.</p> <p>7.2 LD for Short fall in Capacity</p> <p>LD for shortfall in Vibrating Screening Feeder capacity for deficiency of 1% or part thereof in Guaranteed Capacity shall be US \$ 1350</p> <p>LD shall be assessed on the basis of conveyor stream flow path/equipment having the poorest performance. The LD for only one of the two paths having poorest performance shall be payable.</p>	

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		<p>Supplier's aggregate liability to pay LD for failure to attain the functional guarantee shall not exceed 25% of the Contract Price and such amount shall be recoverable by operating the PBG of the supplier or deduction from the contract price .</p> <p>7.3 LD for Increase in Guaranteed Power consumption</p> <p>The supplier shall guarantee the total power consumption of Vibrating Screen feeder drive motors (when plant is operating at Guaranteed Capacity) at the switchgear terminals. The drive motors to be considered for levying LD shall be path wise as per Technical Bid. However, independent & Path wise Guaranteed power shall not exceed the following;</p> <ul style="list-style-type: none"> a. Vibrating Screen feeder drive motor for VSF-1: 59kw b. Vibrating Screen feeder drive motor for VSF-2: 59kw <p>Path wise in stacking path 1A when Both Vibrating Screen feeder VSF-1&2 working together : 118kw.</p> <p>If the total power consumption of Drive Motors exceed the Guaranteed power consumption then LD @ US \$ 1350 per KW shall be deducted from the contract price.</p> <p>7.4 LD for Mandatory Spares</p> <p>Half Percent (0.5%) of Contract price of the delayed Mandatory Spares per week or part thereof of delay , subject to maximum of 5 % of the Total contract price of Mandatory Spares covered under this package.</p> <p>7.5 LD for Delay in submission of Drawings</p> <p>In case of any Delay in submission of Drawings against Sl. No.1.0 of Time Schedule , LD @ of Rs. 5.0 Lakhs per week of Delay shall be levied if delay is attributable to contractor . However this LD amount deducted shall be refunded in full if the contractor completes the project as per the Time schedule.</p>	
8.0	PBG	<p>10% of the total contract value (Supply + E&C supervision) to be submitted <u>within 10 days from the date of LOA</u>, valid till the Guarantee Period + 3 months claim period.</p> <p>Initially this BG shall be with validity of 24 months from the date of LOA + 3 months claim period and the same</p>	

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		<p>shall be extended as required later to suit guarantee period.</p> <p>This BG shall be strictly as per the prescribed format of BHEL enclosed.</p> <p>BGs of PSU Banks in addition to consortium banks are only acceptable (List of consortium banks enclosed) .</p> <p>In case of BGs issued by non consortium PSU banks, the same are to be enforceable in Bangalore.</p> <p>BGs to be submitted directly by the issuing bank to DGM/MM/BG-1A, under registered post (A/D).</p>	
9.0	Contract schedule for Supply	<p>a) Drawing submission with 1 month from the date of LOI.</p> <p>b) Drawing approval by BHEL / Customer within 1 month of submission.</p> <p>c) Delivery within 6 months from the date of LOI. If the drawing approval is delayed beyond 2 weeks, the delivery schedule shall be extended accordingly.</p>	
10.0	Guarantee	18 Months from the date of Completion of Facility or 12 Months from the date of Operational Acceptance whichever is earlier.	
11.0	Drawing submission & approval	<p>a) Drawing submission with 1 month from the date of LOI.</p> <p>b) Drawing approval by BHEL / Customer within 1 month of submission.</p>	
12.0	Transit Insurance	The project is covered by MCE Insurance by BHEL. Any procedure / documentation required for claims in case of damage / theft / loss etc is to be taken care by vendor.	
13.0	Validity of the offer	90 Days from the date of the opening of the tender. In case revised price bids are sought due to revision in BOM / scope during technical evaluation, then the revised price bids shall also be valid for another 60 days from the revised due date.	
14.0	Inspection	<p>At manufacturer's works prior to dispatch by BHEL/Customer/Consultant. Inspection call with internal TC's to be given 15 days in advance.</p> <p>Penalty for items not ready after inspection call : The expenses incurred by Customer / BHEL for travel, stay etc. shall be recovered from the vendor's bills.</p>	

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15.0	Arbitration	Subject to Bangalore jurisdiction only based on Indian Arbitration Act 1996.	
16.0	Risk Purchase	In case of default/ late delivery, purchaser reserves the right to make alternate arrangement/ procurement at supplier's risk and cost.	
17.0	Income Tax Deductions	As per the prevailing rules.	
18.0	Pre-qualification Criteria (Technical)	As per the Tender specification Enclosed	
19.0	Pre-qualification Criteria (Financial) above referred package	Average Annual Financial Turnover during the last 3 years ending 31 st March of the previous financial year , should be atleast Rs. 20 Crores.	
20.0	Income tax clearance certificate for the previous 3 years	To be furnished by the bidder along with the Techno-commercial Bid	
21.0	Bankers solvency certificate issued from the bank	To be furnished by the bidder along with the Techno-commercial Bid.	
22.0	Audited balance sheets for 2005-06, 2006-07 & 2007-08	To be furnished by the bidder along with the Techno-commercial Bid.	
23.0	Approval of sub-vendors	The supplier shall furnish the list of sub-vendors for approval, along with the Techno-commercial Bid.	
24.0	Evaluation of vendor	L1 Vendor for above enquiry (whether indigenous or foreign vendor) will decided based on total cost to BHEL Exchange rate shall be as published by <u>"Economic Times"</u> on the date of opening of price bids.	

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25.0	Other Terms	<p>Part-1: Technical Bid: Please enclose this BHEL Commercial terms & Conditions accepting all the clauses along with your technical offer in a separate sealed envelop and superscribe as technical bid. Unpriced bid shall also be submitted along with the technical bid.</p> <p>Part-2: PRICE BID: Please mention the price and enclose in a separate sealed envelop. Price bid shall strictly be submitted in " PRICE SCHEDULE FORMAT" enclosed along with specification.</p> <p>a) Last day and time for submission of the tender : 18.03.2010, 11.00AM b) Time of collection of tenders from the tender box by MM / Finance Team : 2:30 PM c) Time of tender opening : 3 PM d) Venue of tender opening : Committee room.</p> <p>Please superscribe the cover with the Enquiry Number & date and the due date.</p>	

Note:

- 1. Deviations will not be accepted by BHEL. Bids with deviations will be rejected.**
- No prices to be filled in this format. All prices are to be filled up in the enclosed price bid Formats.
- Un priced price bid to be enclosed with the techno - commercial bid.

Signature of the bidder with seal & Date