



BHARAT HEAVY ELECTRICALS LIMITED भारत हैवी इलेक्ट्रिकल्स लिमिटेड
(A GOVT. OF INDIA UNDERTAKING) (भारत सरकार का उपक्रम)
PROJECT ENGINEERING MANAGEMENT परियोजना अभियांत्रिकी प्रबंधन

निविदा आमंत्रण सूचना
NOTICE INVITING TENDER (NIT)

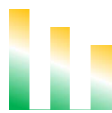
Enquiry No-77/26/6116/AMI

Date: 13-Aug-26

BHEL invites offers from reputed Suppliers as per following terms and conditions -

1. Tender Type	Open Tender (Domestic-Indian)		
2. Package	VENTILATION SYSTEM		
3. Projects	2X660 MW KORBA WEST STPP		
4. Executing Agency	BHEL-PSWR		
5. End Customer	Chhattisgarh State Power Generation Company Limited		
6. Mode of Enquiry	E - PROCUREMENT		
7. Numbers of Part bid	2-Part bid (Techno-commercial and Price bid)		
8. Due Date & Time	For offer submission	24-Aug-26	12:00 PM
	For P-1 bid opening	24-Aug-26	04:00 PM
9. Earnest Money Deposit (EMD) (Refer S.no- 27 for details)	Applicable	EMD Amount (Rs)	6,00,000
10. Tender Cost	NIL		
11. Eligibility of Local Supplier as per MII (Refer S.no- 35 for details)	Nature of Package: Non - Divisible Only Class I Supplier (with local content 60% and above)		
12. Technical Scope	As per Technical specification No: PE-TS-530-554-A001		
13. Pre-bid Clarification	Last Date for Seeking Clarification	18-Aug-26	
	Suppliers to contact BHEL-PEM (over phone/ mail/ visit-BHEL-PEM) for any clarification (Technical or Commercial) at least 05 days before the due date of Tender opening & get it clarified well before the due date, so that offers by the Suppliers may be submitted within the due date & time. BHEL reserves the right not to respond to pre-bid clarifications received after last date of seeking clarification. Bidders to furnish the pre-bid queries in editable format also.		
14. Schedule of Pre-bid Discussion	Based on Bidder's Request, if required, Pre-Bid Meeting shall be arranged.		
15. Prequalification Requirements	Financial PQR- YES	Technical PQR- YES	
	This item/package /system falls under the list of items defined in para 3 of ministry of finance guideline dated 20.09.16 (Procurement of items related to Public safety, Health, Critical Security operations & Equipment's etc.) & hence criteria of prior experience/Turnover shall be same for all the Suppliers including Start-up/MSME.		
16. CIF Content	Not Available		

17. Mode of Price Finalisation	BHEL shall be resorting to Reverse Auction (RA) (Guidelines as available on www.bhel.com) for this tender. RA shall be conducted among all the techno-commercially qualified bidders. Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered as initial bids of bidders 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. In case of single qualified bid, price bid of single qualified bidder shall be opened.
18. HSE Guidelines	Applicable. Please refer the below link to download https://pem.bhel.com/Documents/GCC/HSE%20Plan%20Rev02.pdf
19. Delivery Schedule	Design & Engineering: 6 months from date of LOA. Drawing/documents submission/ resubmission schedule shall be as per Technical specification. Delay (if any) in BHEL's comment/approval beyond 18 days shall be in BHEL's account and will also be considered for delay analysis. Main Supply (along with commissioning spares): - 26 months from the date of LOA. Drawing/ documents submission and re-submission shall be Technical Specification. E&C: - 30 month from date of LOA or 7 months from the date of front clearance, whichever is later. Mandatory Spares: - 6 months from manufacturing clearance.
20. Delivery terms	FOR Despatch Station for supply
21. Payment Terms	Design & Engineering: 50% of price of Design/engineering Charges shall be made against basic engineering (i.e. Preparation, submission & approval of basic drawing/ documents as indicated in tender specification) and the remaining payment shall be made for the balance engineering part on pro-rata basis. Bidder to submit additional BG of equivalent amount which shall be valid till completion of main supply. Main Supply: As per clause no-9.2.1 of GCTC of GCC BOP Rev-00. E&C: As per clause no-9.3 of GCTC of GCC BOP Rev-00. Mandatory Spares: As per clause no-9.1.1 of GCTC of GCC BOP Rev-00. Note: Clause no 9.5 (excluding notes) of GCTC of GCC BOP Rev. 00 shall be read as- "Vendors shall submit billing documents for payment directly to BHEL. Payment will be released within days as mentioned below after submission of complete documents as per clause no 9.6.2 – 9.6.5: a. 90 days for non MSME. b. 45 days for vendors qualified and registered as Micro and Small Enterprises MSEs as per MSMED Act c. 60 days for vendors qualified as Medium Enterprises as per MSMED Act."



	Important Note for MSME Bidders- In respect of procurement of goods or services from Micro, Small and Medium enterprises (MSMEs), the settlement of invoice shall be only through any of the TReDS platform ((i.e RXIL, Mlxchange, Invoicemart, KReDX, C2FO), authorised by the Reserve Bank of India. Such MSME suppliers to select their preferred TReDS platform before award of contract so that the data is captured in the Order /Contract database of the Unit. They also will have the option to change the TReDS platform from the drop-down menu on Suvidha portal of BHEL, at the time of invoice submission. Wherever the Trade Receivable is accepted by BHEL, the same shall be validated by the Unit on the respective TReDS platform selected by the supplier. The routing of invoices through the TReDS platform shall not be construed as mandating discounting of such invoices and the MSMEs supplier shall have the option to avail or not avail financing or discounting of its receivables on the TReDS platform. In case discounting is not availed by the supplier on TReDS, the trade receivables will be paid through TReDS as per the payment timelines indicated in the contract."
22. Guarantee Period	Guarantee shall be as per clause no -12.0 of GCTC of GCC BOP Rev-00
23. Price Basis	PVC Applicable, Refer Annexure-A for PVC
24. Variation of contract value as per clause no 6.0 of ITB of BOP GCC.	+/-30% (Refer Annexure-XIII of GCC BOP Rev-00)
25. Integrity Pact Applicability - Yes	In line with cl. No. 12 of (ITB) BOP-GCC, following Independent External Monitors (IEMs) have been appointed by BHEL. a) Dr. Sarat Kumar Acharya, Ex-CMD, NLC (iem1@bhel.in) b) Shri R. Mukundan, IRPS (Retd.) (iem2@bhel.in) c) Shri Madan Lal Meena, IAS (Retd.) (iem3@bhel.in)
26. Tender Evaluation	Evaluation will be done on overall L1 (Total Cost to BHEL excluding GST) basis with necessary loading as applicable. The evaluation currency for this tender shall be INR. In RA, the loading (technical/commercial), if any, shall be added by bidder while submitting the bid in reverse auction portal. Ordering shall be done after de-loading the commercial/ technical loading from bidder's final price. 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 L-1 bidder shall be decided by a toss/draw of lots, in the presence of the respective L-1 bidder (s) or their representative(s). Ranking will be done accordingly. BHEL's decision in such situations shall be final & binding.
27. Earnest Money Deposit (EMD): EMD is to be submitted by all the bidders along with their bids (except Micro and Small Enterprises (MSEs) or Start-ups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT)).	
Modes of deposit The EMD shall be accepted only in the following forms:	



- i) Electronic Fund Transfer credited in BHEL account (before tender opening): <https://pem.bhel.com/Documents/SupplierSection/BHELBANKER.pdf>
 - ii) Banker's cheque/ Pay order/ Demand draft, in favor of BHEL-PEM, Noida (along with the offer).
 - iii) Fixed Deposit Receipt (FDR)
 - iv) Bank Guarantee from any of the Scheduled Banks (refer EMD Annexure of NIT)
 - v) Insurance Surety Bonds.
- Scanned copy of EMD shall be uploaded by Supplier in the online bid and hard copy of the same (excluding EFT at s.no (i) shall have to be submitted to the bidder within 7 (Seven) working days of bid opening, failing which the bid shall be rejected by giving a suitable cut-off date.

Validity period of EMD: The EMD shall remain valid for a period of 45 (forty-five) days beyond the final bid validity period.

EMD shall not carry any interest.

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 (abridged version of guidelines is available on www.bhel.com)" and forfeited/ released based on the action as determined under these guidelines.

Return of EMD: -

- I. Bid securities of the unsuccessful bidders shall be returned to them after expiry of the final bid validity period and latest by the 30th day after the award of the contract. However, Bid securities of unsuccessful bidders during first stage i.e. technical-commercial evaluation etc. shall be returned within 30 days of declaration of result of first stage i.e. technical-commercial evaluation.
- II. Bid security shall be refunded to the successful bidder on conclusion of the order/ receipt of a performance security.

28. Performance Security: Clause no. 11 (excluding notes) of GCTC of GCC-BOP regarding CPBG is not applicable. Successful bidder is required to submit Performance Security to respective executing agencies as below within 14 days from the date of LOA:

- i. Initially 10% of the contract value (total Ex-works price excluding PVC). 5% of the contract value (excluding PVC) will be released after completion of E&C based on certification by Project Group/Purchaser. However, 5% of the contract value (excluding PVC) will be released on completion of all contractual obligations, including guarantee/warranty obligations based on certification by Project Group/Purchaser.

OR

- ii. 5% of the contract value (total Ex-works price excluding PVC). Additional 5% of the contract value will be retained from first bill & subsequent bill(s) of the same contract. The retention amount will be released after completion of E&C based on certification by Project Group/Purchaser. However, 5% of the contract value (excluding PVC) will be released on completion of all contractual obligations, including guarantee/warranty obligations based on certification by Project Group/Purchaser.

Validity of PS: Validity of PS: As per GCC BOP Rev-00, Validity mentioned in clause 11.3 of GCC BOP shall be applicable for all allowed instruments of performance security.

Modes of deposit: Performance security may be furnished in the following forms:

- a) Local cheques of Scheduled Banks (subject to realization)/ Pay Order/ Demand Draft/ Electronic Fund Transfer in favour of BHEL.

- b) Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL.
- c) 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).
- d) 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).
- e) Insurance Surety Bond.

(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)

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.

Notes/Remarks

- a) The performance security will be forfeited and credited to BHEL's account in the event of a breach of contract by the supplier.
- b) 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.

The Performance Security shall not carry any interest.

29. **Breach of contract, Remedies and Termination** - Clause no. 27.0 of GCTC of GCC-BOP is not applicable. However, in case of Breach of Contract, BHEL shall recover 10% of the contract value from the Vendor using following instruments:
 - i. Encashment of security instruments like EMD, Security Deposit with BHEL -PSWR against the said contract.
 - ii. balance amount (if value of security instruments is less than 10% of the contract value) from other financial remedies i.e. available bills of the contractor, retention amount etc with BHEL - PSWR.
 - iii. balance amount from security instruments like EMD, Security Deposit and other financial remedies i.e. available bills of the contractor, retention amount etc. with other units of BHEL.
 - (iv) If recovery is not possible then legal remedies shall 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
30. GST shall be payable extra at actual.
31. Purchase preference would be applicable to MSE bidders as per GOI circular (No. F.1/4/2021- PPD dtd. 18.05.2023) and any other subsequent circulars / clarifications.
All the bidders are required to declare their ownership status (SC/ ST or Women-owned or others) along with their MSE category in format enclosed with NIT. This declaration, along with the Udyam Certificate, shall be mandatory for bidders to avail benefits under the Public Procurement Policy.
32. GeM Seller ID shall be mandatory before placement of order/award of contract to the successful bidder.
33. Bidder to quote non-zero freight charges in percentage (%) of their quoted Total Ex-Works prices of supply.
34. Bidder to submit declaration regarding Insolvency/ Liquidation/ Bankruptcy proceedings as per the format enclosed with NIT.

35. **Make in India:** For this procurement, the local content to categorize a supplier as Class I local supplier/ Class II local supplier/ Non-Local supplier and purchase preference to Class I local supplier shall be as defined in Public Procurement (Preference to Make India), Order 2017 Rev dated 19.07.2024 issued by DPIT. In case of subsequent order issued by nodal ministry changing the definition of local content for item in NIT, the same shall be applicable even if issued after issue of this NIT but before opening of part-II bids against this NIT. Bidders shall comply with all provisions of the Public Procurement (Preference to Make India), Order 2017 Rev dated 19.07.2024.

The margin of purchase preference shall be as per above mentioned order dtd. 19.07.2024. For this tender, offer from only Class-I Local Suppliers shall be considered.

Bidders are required to provide the following along with the part-1 bid:

- i. Provide a certificate (as per format available in NIT) giving the percentage of local content.
- ii. Provide the details of the location(s) at which the local value addition shall be made.

36. **Insurance Deductibles/Excess:** As per s.no-14B of SCC Rev-01.

37. **Construction water** shall be as per clause no 24 of SCC REV 01. However, following shall supersede the clause for **Construction Power**

"Construction power (three phases, 415 V/ 440 V) will be provided free of cost at one point near the site (within project premises) at a distance of approx. 500M, within 06 months from the date of start of work at site. Further distribution shall be arranged by the contractor at his own cost and services. For initial 06 months, contractor has to arrange construction power (including DG sets) at his own cost.

Note: Construction power point as above shall be made available for each Construction location as well as batching plant and steel yard as per above provision. For any other construction power point (within project premises) which may be required at site, contractor may request BHEL Project Director / Construction Manager, who shall review the requirement based on availability / suitability and decide."

38. Supplier to note that this is an Open Tender enquiry & consideration of their offer for price bid shall be subjected to the following conditions:

- a) Qualifying Technical & Financial Pre-Qualification Requirement.
- b) Techno-Commercial acceptance of offer by BHEL-PEM.
- c) Approval of bidder by End Customer: - Same shall be taken up with end customer based on the latest credentials/reference list furnished by bidder. Accordingly, bidders are requested to submit credential as per the format enclosed herewith along with their technical bid

It is suggested that suppliers participating in the tender get themselves registered with BHEL-PEM as a "Regular Supplier". Regular Suppliers for the package are informed about the floated tender enquiries by BHEL-PEM. Suppliers to apply online through registration portal available at www.pem.bhel.com - Supplier Zone- Online Supplier Registration. All credentials and/or documents duly signed and stamped related to registration can be uploaded & submitted online through the website.

39. All corrigenda, addenda, amendments, time extensions, clarifications, etc. to the tender will be hosted on BHEL website (www.bhel.com) & BHEL-PEM website (www.pem.bhel.com) and GePNIC portal. Suppliers should regularly visit websites to keep themselves updated.

40. **Grievance Redressal Mechanism:** To promote transparency and ensure fair treatment of all bidders, a structured Grievance Redressal Mechanism is in place to address any concerns or issues arising during the tendering process or in subsequent business dealings with the company:

Suppliers/Contractors are requested to follow the below escalation process for grievance resolution:

- *First Level: Any grievance should initially be addressed to the designated Dealing Officer, whose contact details are provided in the Notice Inviting Tender (NIT)/Contract.*



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• *Second Level: If the issue remains unresolved, it may be escalated by lodging a formal grievance through the SUVIDHA Portal: <https://suvidha.bhel.in/suvidha/>. Responses will be provided in accordance with the defined escalation matrix.*

41. Verification of PQR documents: Bidders to ensure that Third party/customer issued certificates being submitted as proof of PQR qualification have verifiable details of document/certificate issuing authority such as name & designation of Issuing Authority and its organization contact number and e-mail Id etc. In case the same is not available, then purchaser has right to reject such document(s) from evaluation
42. All Bidders to comply Govt. of India, Ministry of Power, order no-25-111612018-PG dtd 02/07/2020 regarding mandatory testing of all the imported items/equipment's/components
43. Self-declarations/ Auditor's/ Accountant's Certificates submitted by the manufacturer/ supplier may be verified randomly by the committee constituted as per MoP Order 28-07-2020. In case of false documents/misrepresentation of the facts requisite action against such manufacturer/ supplier will be taken based on the recommendation of the Committee.
44. If Supplier mentions Not Applicable / Not required / Not Quoted in BHEL price format, the same to be substantiated by the Supplier. If such item is required to be supplied for system completion in future, same will be supplied free of cost.
45. All bidders to declare that they will not enter into any illegal or undisclosed agreement or understanding, whether formal or informal with other Bidder(s). This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process. In case, the Bidder is found having indulged in above activities, suitable action shall be taken by BHEL as per extant policies/ guidelines.
46. At Sl.no. 17 of ITB of GCC BOP Rev.00, "Base rate of SBI on the date of bid opening, (Techno-commercial bid, in case of 2-part bids) + 6%" may be read as "Repo Rate on the date of bid opening, (Techno-commercial bid, in case of 2-part bids) + 4%"
47. **Conflict of interest:** All bidders are required to submit the declaration regarding conflict of interest in the format enclosed with the NIT signed by the authorized signatory of the bidder
48. Conciliation & Arbitration shall be as per **Annexure-B** to NIT.
49. Terms & Conditions: - The terms & conditions shall be as per enclosed special conditions of the contract (copy enclosed), General Conditions of Contract (GCC)-BOP Rev 00 along with its Corrigendum-01 (available on www.pem.bhel.com)) and other Terms and Conditions included in this Enquiry Letter.
Bidders to agree with all the clauses of GCC BOP along with its Corrigendum-01 except clause no-27.0 of GCTC of GCC-BOP (available on www.pem.bhel.com) & respective project SCC and other Terms and Conditions included in this Enquiry Letter.
50. All the above terms and conditions, post-bid agreements/MoMs (during Techno- Commercial evaluation) shall automatically become a part of the Order/Contract after its finalisation.
51. Suppliers to note that offers shall be submitted strictly in accordance with the requirements of tender documents. Suppliers shall upload their complete offer meeting the requirements of the tender documents on e-procurement portal <https://eprocurebhel.co.in/nicgep/app>.
Following documents need to be uploaded:
 - Offer forwarding/ covering letter with Un-price bid, Deviation Sheet (Cost of Withdrawal)
 - Documents required for meeting Technical & Financial PQRs
 - Integrity Pact
 - Local Content Certificate in line with Make in India circular
 - Land Border Certificate
 - Declaration regarding Insolvency/ Liquidation/ Bankruptcy proceedings
 - Mandatory declaration by MSE bidders
 - Mandatory declaration by bidders regarding conflict of interest



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- **Price Bid on e-procurement portal - <https://eprocurebhel.co.in/nicgep/app>**

52. It shall be the responsibility of the Supplier to ensure that the tender complete in all respects is uploaded on or before the due date and time. Incomplete/late offers shall not be considered.

53. All other correspondence thereof shall be addressed to the undersigned by name & designation and sent at the following address:

Sanjeev Kumar /Engineer-BOP
M/s Bharat Heavy Electricals Ltd.,
Project Engineering Management,
BHEL Sadan,
HRD & ESI Complex,
Plot No 25, Sector-16 A, Noida-201301
E-mail: Sanjeev_k@bhel.in
Contact No.: 0120-2218522

Upendra Chaudhary/DGM – BOP
M/s Bharat Heavy Electricals Ltd.,
Project Engineering Management,
BHEL Sadan
HRD & ESI Complex,
Plot No 25, Sector-16 A, Noida-201301
E-mail: upendrachaudhary@bhel.in
Contact No.: 0120-2218557

Note - In case you are not making an offer against this enquiry, you are requested to send a regret letter so as to reach us on or before the due date

Thanking You.

For and on behalf of BHEL

Amit Kumar

Sr. Manager/ BOP/ PEM Noida

Enclosures: -

1. SCC of the Project
2. Technical & Financial PQR
3. Technical Specifications
4. Integrity Pact
5. Annexure-A for PVC
6. Annexure-B for Conciliation & Arbitration
7. Price format
8. Abridged version of applicable RA guidelines

PRICE ADJUSTMENT FOR SUPPLY AND MANDATORY SPARES

- (i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of material in accordance with the provisions described below
- (ii) The price adjustment provisions shall be applicable separately for price components relating to Supply of Equipment as per price break-up furnished by the Contractor.
- (iii) Only following components of the Contract Price will be subject to Price adjustment:
 - (a) Ex-Works supply price of Plant and Equipment including commissioning spares, Mandatory spares.
- (iv) Price adjustment amounts towards aforesaid components of Contract Price shall be paid in the respective currencies of Contract (INR).
- (v) The indices for price adjustment shall be as elaborated hereunder.
- (vi) The price adjustment formula for the components of the Contract Price, as mentioned at Sl. No. (iii) above, shall be as stipulated hereinafter.
- (vii) Ex-Works Price Component of Plant and Equipment including Mandatory Spares

The amount of price adjustment towards variable portion payable/recoverable on each item shall be computed as under:

Indices to be used for each item shall be as per Economic advisor WPI data for finished goods published at www.eaindustry.nic.in for respective month.

Major list of Indices to be used for HVAC are specified in table A below

Wherever indices of items are not directly specified in WPI data, Indices for the same shall be suitably decided during execution of contract.

EC against each item shall be calculated as per following formula

$$EC = \frac{(P1 - P0) \times EC0}{P0}$$

Where

EC = Adjustment to Ex-Works supply Price Component expressed in the currency of The Contract (INR) payable/recoverable to the contractor for each shipment/dispatch.

EC0 = Ex-Works supply Price for the plant and equipment in the currency of the Contract (INR), shipment/dispatch wise.

P1 = Refers to indices of the month of reckoning the variated price which shall be the month before the month in which dispatch is made

P0 = Refers to indices of Base Month for PVC which shall be taken as the month before the month of the price bid opening.

The latest available indices are to be extrapolated to the above defined month wrt the base month.

Note:

- 1) The price adjustment i.e. either increase or decrease shall be applicable upto the contractual date of completion of supplies. Contractual delivery/dispatch date would mean the delivery/dispatch date mentioned in the order including amendments in delivery/dispatch date (if any). PVC will not be applicable for the period beyond the contractual delivery/dispatch date where delay is attributable for supplier.
- 2) Though the calculation shall be done for each Billing Break up (BBU) item at the time of dispatch as per formula mentioned above, Total/Net price variation of package shall be calculated and settled at the end of all required supplies of the package and shall be limited to (+) 20% of Total Ex-Works Supply Price including Mandatory spares. There shall be no limit on negative value of PVC.

TABLE A

Chillers
Cooling Towers
Steel pipes, tubes & poles
Cold Rolled (CR) Coils & Sheets, including Narrow Strip
Steel Container
Air Conditioner
Manufacture of plastics products
Centrifugal Pumps
Manufacture of Fabricated Metal Products, Except Machinery and Equipment
Manufacture of other fabricated metal products
Manufacture of lifting and handling equipment
Manufacture of electronic components
Manufacture of measuring, testing, navigating and control equipment
Salt
Manufacture of Water purifier
Manufacture of Electric heaters
Manufacture of steam generators, except central heating hot water boilers
Manufacture of Fan
Hand tools
Processed rubber
Air Coolers
Manufacture of AC motor
GC/GP sheets
Manufacture Of Electrical Equipment
Industrial Valves

PRICE ADJUSTMENT FOR SERVICE PART (E&C)

- (i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour in accordance with the provisions described below:
- (ii) The price adjustment provisions shall be applicable for price components relating to service part (E&C) as per price break-up furnished by the Contractor.
- (iii) Only following components of the Contract Price will be subject to Price adjustment:
 - (a) Service part (E&C) component of Contract Price.
- (vi) The indices for price adjustment shall be as elaborated hereunder.
- (v) The price adjustment formula for the components of the Contract Price, as mentioned at Sl.No. (iii) above shall be as stipulated hereinafter.

a) Indian Rupee Portion of the Installation Services

$$ER = ER1 - ER0$$

ER1 will be computed as follows:

$$ER1 = ER0 (0.15 + Lb \times (L1/ Lo))$$

Where:

- 1. ER = Adjustment to Erection & Commissioning price component of contract price expressed in Indian Rupees payable to the contractor for each billing.
- 2. ER1 = Adjusted amount of Erection & Commissioning price component of contract price expressed in Indian Rupees payable to the Contractor.
- 3. ER0 = Value of the Erection & Commissioning work done in the billing period, which shall be calculated as under:

For the purpose of computing ER0, each Erection & commissioning bill (service part) during the E & C period up to the 'Completion of the Facilities' shall be calculated as described in this document.

- 4. Lb – Coefficient of labour (for all categories) content in the Indian Rupee portion of the erection & commissioning =0.85
- 5. L=Indian field labour index namely, all India consumer price index for industrial workers (All India Monthly Average) as published labour bureau, Shimla, Government of India.

For the indices,

- 5a. Subscript '0' refers to indices of the Base Month which shall be taken as the month before the month of the price bid opening.
- 5b. Subscript '1' refers to indices of the month in which service / E&C is carried as per the Purchase Order or its amendments issued.

The latest available indices are to be extrapolated to the above defined month wrt the base month.

Note:

- 1) The price adjustment i.e. either increase or decrease shall be applicable upto the contractual date of completion of supplies. Contractual delivery/dispatch date would mean the delivery/dispatch date mentioned in the order including amendments in delivery/dispatch date (if any). PVC will not be applicable for the period beyond the contractual delivery/dispatch date where delay is attributable for supplier.
- 2) The price variation shall be limited to +20% of total E&C price (excluding taxes). There shall be no limit on negative PVC.

Annexure-B to NIT

CONCILIATION

Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement (including its interpretation) between the Parties, and so notified in writing by either Party to the other Party (the "Dispute") shall, in the first instance, be attempted to be resolved amicably in accordance with the conciliation procedure as per BHEL Conciliation Scheme 2018. The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided in - "Procedure for conduct of conciliation proceedings" (as available in www.bhel.com)).

Note: Ministry of Finance has issued OM reference No. 1/2/24 dated 03.06.2024 regarding "Guidelines for Arbitration and Mediation in Contracts of Domestic Public Procurement. In the said OM it has been recommended that Government departments/ Entities/agencies are to encourage mediation under the Mediation Act. 2023. The said Act has not yet been notified by the Government. Therefore, the clause "Settlement of Disputes" shall be modified accordingly as and when the Mediation Act 2023 gets notified.

ARBITRATION

- i. Except as provided elsewhere in this Contract, in case Parties are unable to reach amicable settlement (whether by Conciliation to be conducted as provided in Clause 2.21.1 herein above or otherwise) in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the Contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the Contract; or, in any manner touching upon the Contract (hereinafter referred to as the 'Dispute'), then, either Party may, refer the disputes to Arbitral Institution i.e. **"India International Arbitration Centre (IIAC) Delhi" for PSNR & PSER / "Mumbai Centre for International Arbitration (MCIA), Mumbai" for PSWR / "Nani Palkhivala Arbitration Centre (NPAC) Chennai" for PSSR** and such dispute to be adjudicated by Sole Arbitrator appointed in accordance with the Rules of said Arbitral Institution.
- ii. A party willing to commence arbitration proceeding shall invoke Arbitration Clause by giving notice to the other party in terms of section 21 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the 'Notice') before referring the matter to arbitral institution. The Notice shall be addressed to the **Head of the Region, Power Sector/ Unit, BHEL, executing the Contract** and shall contain the particulars of all claims to be referred to arbitration with sufficient detail and shall also indicate the monetary amount of such claim including interest, if any.
- iii. After expiry of 30 days from the date of receipt of aforesaid notice, the party invoking the Arbitration shall submit that dispute to the Arbitral Institutions and that dispute shall be adjudicated in accordance with their respective Arbitration Rules. The matter shall be adjudicated by a Sole Arbitrator who shall necessarily be a Retd. Judge having considerable experience in commercial matters to be appointed/nominated by the respective institution. The cost/expenses pertaining to the said Arbitration shall also be governed in accordance with the Rules of the respective Arbitral Institution. The decision of the party invoking the Arbitration for reference of dispute to a specific Arbitral institution for adjudication of that dispute shall be final and binding on both the parties and shall not be subject to any change thereafter. The institution once selected at the time of invocation of dispute shall remain unchanged.
- iv. The fee and expenses shall be borne by the parties as per the Arbitral Institutional rules.

- v. The Arbitration proceedings shall be in English language and the seat and venue of Arbitration shall be Delhi for PSNR/ Kolkata for PSER/ Nagpur for PSWR/ Chennai for PSSR.
- vi. Subject to the above, the provisions of Arbitration & Conciliation Act 1996 and any amendment thereof shall be applicable. All matters relating to this Contract and arising out of invocation of Arbitration clause are subject to the exclusive jurisdiction of the Court(s) situated at Delhi for PSNR/ Kolkata for PSER/ Nagpur for PSWR/ Chennai for PSSR.
- vii. Notwithstanding any reference to the Designated Engineer or Conciliation or Arbitration herein, a. the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree. Settlement of Dispute clause cannot be invoked by the Contractor, if the Contract has been mutually closed or 'No Demand Certificate' has been furnished by the Contractor or any Settlement Agreement has been signed between the Employer and the Contractor.
- viii. The Mechanism of resolution of disputes through arbitration shall be available only in the cases where the value of the dispute is less than Rs. 10 Crores.
- ix. In case the disputed amount (Claim, Counter claim including interest is Rs. 10 crores and above, the parties shall be within their rights to take recourse to remedies other than Arbitration, as may be available to them under the applicable laws after prior intimation to the other party. Subject to the aforesaid conditions, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment thereof as amended from time to time, shall apply to the arbitration proceedings under this clause.
- x. In case, multiple arbitrations are invoked (whether sub-judice or arbitral award passed) by any party to under this contract, then the cumulative value of claims (including interest claimed or awarded) in all such arbitrations shall be taken in account while arriving at the total claim in dispute for the subject contract for the purpose of above clause. Disputes having cumulative value of less than 10 crores shall be resolved through arbitration and any additional dispute shall be adjudicated by the court of competent jurisdiction.



GUIDELINES FOR REVERSE AUCTION - 2024

(AA:SSP:RA:00 dated 05.12.2024)

ABRIDGED VERSION

BHEL, New Delhi

Guidelines for Reverse Auction – 2024

Doc. No. AA:SSP:RA:00
Dated: 05.12.2024

1.0 Scope

This document describes the guidelines to be followed by BHEL for conducting Reverse Auction (RA) for procurement of material/ works/ services. The RA shall follow the philosophy of 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 the current lowest quoted price and their rank. 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.

3.0 Upfront declaration in NIT

Decision to go for RA would be taken before floating of the tender. In case it is decided to go for RA, same shall be declared upfront in NIT by inserting the following **clause**:

"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 price bid along with applicable loading, if any, shall be considered for ranking."

6.0 Business rules for RA

Model Annexure-I is attached.

7.0 Role of Service Provider

- (1) Acknowledge the receipt of mandate from BHEL.
- (2) Contact the bidders, provide business rules and train them, as required.
- (3) Get the process compliance form (annexure III) signed by all the

Guidelines for Reverse Auction – 2024

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- participating bidders before RA event.
- (4) Conduct the event as per the contract and business rules.
- (5) Submit the Login Reports, Results, History sheet and authorized final bid from the bidders.
- (6) To obtain price breakup from successful bidder and submit the same to BHEL.

10.0 Reverse Auction Process

- 10.1. Reverse Auction will be conducted if two or more bidders are techno-commercially qualified.
- 10.2. Wherever RA is opted in a tender, the techno-commercially qualified H1 will not be allowed to participate in RA. In case more than one H1 bidder quote the same rate, the Price Offer received last, as per the time log of the Portal, shall be removed first, on the principle of last in, first out by the system.
- 10.3. However, H1 will be allowed to participate in RA in the following cases:
 - a) If number of techno-commercially qualified bidders are only 2 or 3.
 - b) In case Primary product of only one OEM is left in contention for participation in RA on elimination of H1.
 - c) For cases where there are more than 3 techno-commercially qualified bidders, if lowest bidder in sealed price bid is non-MSE and H-1 is eligible MSE and H-1 price is coming within price band of 15% of Non-MSE lowest bidder.
 - d) For cases where there are more than 3 techno-commercially qualified bidders, if lowest bidder in sealed price bid is non-MII and H-1 is eligible MII and H-1 price is coming within price band of 20% of Non-MII lowest bidder.
- 10.4. Only those bidders who submit the online sealed bid within the scheduled time shall be eligible to participate further in the RA process.
- 10.7. During RA, all bidders will see their rank and current L1 price on the screen. Once the RA is done, the ranking status would be based on the last quoted price of the bidder(s) irrespective of the quote received in RA or sealed price bid.

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- 10.8 No bidder shall be allowed to lower its bid below the current L1 by more than 5 decrements at one go.

13.0 Others

- 13.2 In case of enquiry through e-Procurement, the sealed electronic price bid (e-bid) is to be treated as sealed price bid.
- 13.3 BHEL will inform bidders the details of service provider who will provide business rules, all necessary training and assistance before commencement of online bidding.
- 13.4 Bidders will be advised to read the 'Business Rules' indicating details of RA event carefully, before reverse auction event.

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ABRIDGED VERSION

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Business Rules for Reverse Auction

Annexure – I

This has reference to tender no **{tender number....date...}**. BHEL shall finalise the Rates for the supply of **{item name}** through Reverse Auction mode. BHEL has made arrangement with M/s. **{Service provider}**, who shall be BHEL's authorized service provider for the same. Bidders should go through the instructions given below and submit acceptance of the same.

The technical & commercial terms are as per (a) BHEL Tender Enq. No. {...} dated {...}, (b) Bidders' technical & commercial bid (in case of two part bid) and (c) subsequent correspondences between BHEL and the bidders, if any.

1. Procedure of Reverse Auctioning

- i. Price bids of all techno-commercially qualified bidders shall be opened.
- ii. **Reverse Auction:** The 'bid decrement' will be decided by BHEL.
- iii. The lowest bidder in sealed price bid shall be shown as current L1 automatically by the system and no acceptance of that price is required. System shall have the provision to indicate this bid as current L1.
- iv. Bidders by offering a minimum bid decrement or the multiples thereof can displace a standing lowest bid and become "L1" and this continues as an iterative process. However, no bidder shall be allowed to lower its bid below the current L1 by more than 5 decrements at one go.
- v. After the completion of the reverse auction, the Closing Price shall be available for further processing.
- vi. Wherever the evaluation is done on total cost basis, after Reverse Auction, prices of individual line items shall be reduced on pro-rata basis.

2. Schedule for reverse auction: The Reverse Auction is tentatively scheduled on **{date}**: **{start time}**: **{Close Time}**: **}**.

3. Auction extension time: If a bidder places a bid in the last {...} minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for another {...} minutes,

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for the entire auction (i.e. for all the items in the auction), from the time that bid comes in. Please note that the auto-extension will take place only if a bid comes in those last {...} minutes and if that bid gets accepted as the lowest bid. If the bid does not get accepted as the lowest bid, the auto-extension will not take place even if that bid might have come in the last {...} minutes. In case, there is no bid in the last {...} minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.

The above process will continue till completion of Reverse Auction.

Complaints/ Grievances, if any, regarding denial of service or any related issue should be given in writing thru e-mail/ fax to M/s. {Service provider} with a copy to BHEL within 15 minutes prior to initial closing time of Reverse Auction.

4. **Bid price:** The Bidder has to quote the {...} Price inclusive of Packing & Forwarding charges, all the routine & type tests as per tender scope, taxes, duties, freight and insurance as specified in tender document, including loading (if indicated by BHEL due to deviations in technical/ commercial terms) for the Items specified. Details are as shown in Excel Sheet for calculation of total cost to BHEL (To be specified by Unit as per NIT conditions).
5. **Bidding currency and unit of measurement:** Bidding will be conducted in Indian Rupees per Unit of the material as per the specifications {...}

In case of foreign currency bids, exchange rate (TT selling rate of State Bank of India) as on scheduled date of tender opening (Part-I bid) shall be considered for conversion in Indian Rupees. If the relevant day happens to be a Bank holiday, then the forex rate as on the previous bank (SBI) working day shall be taken.

6. **Validity of bids:** Price shall be valid for {... days} from the date of reverse auction. These shall not be subjected to any change whatsoever.

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7. **Lowest bid of a bidder:** In case the bidder submits more than one bid, the lowest bid at the end of Reverse Auction will be considered as the bidder's final offer to execute the work.
8. Unique user IDs shall be used by bidders during bidding process. All bids made from the Login ID given to the bidders will be deemed to have been made by the bidders/ bidders' company.
9. **Post auction procedure:** BHEL will proceed with the Lowest Bid in the Reverse Auction for further processing.
10. Any commercial/ technical loading shall be separately intimated to respective bidders prior to RA. The excel sheet provided in this regard shall cover all these aspects. Commercial/ technical loading if any, shall be added by the respective bidder in its price during Reverse Auction. Modalities of loading & de-loading shall be separately intimated to the bidders. The responsibility for correctness of total cost to BHEL shall lie with the bidders.
11. Reverse auction shall be conducted by BHEL (through M/s {Service Provider}), on pre-specified date, while the bidders shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by bidders themselves.

During the RA process if a bidder is not able to bid and requests for extension of time by FAX/ email/ phone then time extension of additional 15 minutes will be given by the service provider provided such requests come before 5 minutes of auction closing time. However, only one such request per bidder can be entertained.

In order to ward-off contingent situation of connectivity failure bidders are requested to make all the necessary arrangements/ alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the reverse auction successfully. Failure of power or loss of connectivity at the premises of bidders during the Reverse auction cannot be the cause for not participating in the reverse auction. On account of this, the time for the auction cannot be extended and neither BHEL nor M/s. {Service provider} is responsible for such eventualities.

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12. Proxy bids: Proxy bidding feature is a pro-bidder feature to safe guard the bidder's interest of any internet failure or to avoid last minute rush. The proxy feature allows bidders to place an automated bid in the system directly in an auction and bid without having to enter a new amount each time a competing bidder submits a new offer. The bid amount that a bidder enters is the minimum that the bidder is willing to offer. Here the software bids on behalf of the bidder. This obviates the need for the bidder participating in the bidding process until the proxy bid amount is decrementally reached by other bidders. When proxy bid amount is reached, the bidder (who has submitted the proxy bid) has an option to start participating in the bidding process.

The proxy amount is the minimum amount that the bidder is willing to offer. During the course of bidding, the bidder cannot delete or change the amount of a proxy bid.

Bids are submitted in decrements (decreasing bid amounts). The application automates proxy bidding by processing proxy bids automatically, according to the decrement that the auction originator originally established when creating the auction, submitting offers to the next bid decrement each time a competing bidder bids, regardless of the fact whether the competing bids are submitted as proxy or standard bids. However, it may please be noted that if a manual bid and proxy bid are submitted at the same instant manual bid will be recognized as the L1 at that instant.

In case of more than one proxy bid, the system shall bid till it crosses the threshold value of 'each lowest proxy bid' and thereafter allow the competition to decide the final L1 price.

Proxy bids are fed into the system directly by the respective bidders. As such this information is privy only to the respective bidder(s).

13. Bidders are advised to get fully trained and clear all their doubts such as refreshing of Screen, quantity being auctioned, tender value being auctioned etc from M/s {Service provider}.
14. M/s. {Service provider}, shall arrange to demonstrate/ train the bidder or bidder's nominated person(s), without any cost to bidders. M/s. {Service provider}, shall also explain the bidders, all the business rules related to the

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Reverse Auction. Bidders are required to submit their acceptance to the terms/ conditions/ modalities before participating in the Reverse Auction in the process compliance form as enclosed. Without this, the bidder will not be eligible to participate in the event.

15. Successful bidder shall be required to submit the final prices (L1) in prescribed format (Annexure – VI) for price breakup, quoted during the Reverse Auction, duly signed and stamped as token of acceptance without any new condition (other than those already agreed to before start of auction), after the completion of auction to M/s. {Service provider} besides BHEL within two working days of Auction without fail.
16. Any variation between the final bid value and that in the confirmatory signed price breakup document will be considered as tampering the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings (as available on www.bhel.com).
17. Bidders' bid will be taken as an offer to execute the work/ supplies the item as per enquiry no. {...} dt. {...}. Bids once made by the bidder, cannot be cancelled/ withdrawn and bidder shall be bound to execute the work as mentioned above at bidder's final bid price. Should bidder back out and not execute the contract as per the rates quoted, BHEL shall take action as per extant guidelines for suspension of business dealings (as available on www.bhel.com).
18. Bidders shall be able to view the following on their screen along with the necessary fields during Reverse Auction:
 - a. Leading (Running Lowest) Bid in the Auction (only total price of package)
 - b. Bid Placed by the bidder
 - c. Start Price
 - d. Decrement value
 - e. Rank of their own bid during bidding as well as at the close of auction.
19. BHEL's decision on award of contract shall be final and binding on all the Bidders.
20. BHEL reserves the right to extend, reschedule or cancel the Reverse Auction process at any time, before ordering, without assigning any reason, with

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intimation to bidders.

21. BHEL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause. In such cases, the decision of BHEL shall be binding on the bidders.
22. Other terms and conditions shall be as per bidder's techno-commercial offers and other correspondences, if any, till date.
23. If there is any clash between this business document and the FAQ available, if any, in the website of M/s. {Service provider}, the terms & conditions given in this business document will supersede the information contained in the FAQs. Any changes made by BHEL/ service provider (due to unforeseen contingencies) after the first posting shall be deemed to have been accepted if the bidder continues to access the portal after that time.
24. Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party. 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 for suspension of business dealings (as available on www.bhel.com), shall be initiated by BHEL.