



BHARAT HEAVY ELECTRICALS LTD.
(A Government of India Undertaking)
CORPORATE FINANCE DEPARTMENT
BHEL HOUSE, SIRI FORT
NEW DELHI – 110 049

TENDER ENQUIRY

No.: AA/FS/23-24/LC-01/RC

Dt.: 31.10.2023

To
Branch Manager,
(BHEL Consortium Bank/s)

Sub: Rate Contract for Award of Letters of Credit with Tenure of 6 Months (LCs validity for maximum of 8 Months – Including Usance period)

Dear Sir/ Madam,

1. BHEL intends to enter into a Rate Contract for its requirement of issuing Usance Letter of Credits (LCs) from **BHEL consortium banks (list of BHEL consortium banks is enclosed in Annexure IV)**. BHEL seeks the Rates/ charges for issuance of Letter of Credit as per details mentioned in the tender document.
2. The Rate Contract will be valid for a period of **Six Months** wherein BHEL's requirements for issuance of LCs arising during the period in line with BHEL's contractual terms will be covered. The validity of the Rate Contract may be increased further for a period of Three Months with mutual agreement at the same terms and conditions.
3. The LCs issued under the Rate Contract will be valid upto the period specified in line with the contracts entered into by BHEL with its vendors including extensions, if any, as individually specified/advised later. Normally, the LCs are issued for a tenor ranging from 1 month to 6 months. However, the following LCs shall not be covered under the scope of rate contract and shall be dealt separately by BHEL on requirement basis.
 - a) Confirmed LCs requiring confirmation from a Bank outside India;
 - b) LCs with validity period more than 6 months;
 - c) Revolving LCs; and
 - d) Sight LCs.
4. Tentative requirement for LCs for next 6 months is approximately Rs. 800 crs (80 nos.) as summarized in Table A below:

TABLE A

S. No.	Validity & Usance Period	Category	Tentative No. of LCs	Amount (Rs. Crs.)
1	Total validity Upto 8 Months (Including usance period of maximum 121 days)	ILC	40	400
2	Total validity Upto 8 Months (Including usance period of maximum 121 days)	FLC	40	400
	Total		80	800



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5. LC issuance shall be subject to RBI guidelines in this regard and accordingly applicable on both BHEL and banks. The successful bidder shall be provided the necessary documents as mutually agreed to by bank and BHEL for opening the LC.
6. The information provided at Table A for total value of LC required is only tentative and actual requirement may change depending on actual orders placed by BHEL during the year for procurement of material, equipment etc. Banks are required to submit their quote considering the information in Table A above only which alone shall form the basis for evaluation of tender. However, in view of BHEL's increased requirement for LC, Banks shall accommodate the variation upto +20% of total LC amount at the quoted rate/s, within the validity period of Rate Contract.
BHEL, however does not, in any way guarantee any minimum business under this Rate Contract to the successful bidder(s).
7. Bidders are requested to quote for the LCs in line with their new enhanced limits.
8. The bidders are required to specify the limits i.e. Amount for which quotes are being provided in respect of LCs at **Annexure III**. However, it may be noted that a minimum bid requirement of **Rs. 200 crores** for either category of LCs (ILC or FLCs) & Rs 400 Crs in case bank is participating for both categories of LC is stipulated. Any offer below the threshold limits is liable to be rejected. BHEL decision in this regard is final and binding on all the bidders.
9. Tenders are invited from Banks in two parts- **Part-I (Techno-commercial)** and **Part-II (Price Bid)**.
- a) **Part I- Declaration Sheet (Annexure-I) and Bank Branch details (Annexure-II) are to be submitted in Part I.**
- b) **Bidders to specify the LC Charges in the PART II - Price Bid (Annexure-III). Please note that BHEL shall not bear any charges not indicated upfront by your bank in your response**
10. In case the Bank wishes to mention any of its conditions / disclaimer, the same may be mentioned in **Part I Bids only**. The decision for acceptance / rejection of conditions, if any, mentioned by the bidders shall be at the sole discretion of BHEL. **If any of the conditions / disclaimer is stated in Part II Bid, the same shall not be given any cognizance and will be treated as null & void.**

11. SUBMISSION OF OFFERS

The Offers may be submitted by any of the following modes latest by **15:00 HRS on 02.11.2023**.

Option	Particulars	PART I (Techno-commercial Bid)	PART II (Price Bid)	Other Conditions
Option 1	Through email to be submitted at	technicalbid-corp@bhel.in	pricebid-corp@bhel.in	Bids are sent through email with sufficient time margin so as to reach us within given timelines. Bids are sent <u>ONLY on e-mail Ids provided for the purpose and not to any other id of BHEL officials</u> Bidders may please take care that Part I & Part II are sent only to respective email ids and not interchanged, otherwise the bids are liable to be rejected.
		Subject to be mentioned: Techno-Commercial bid for Rate Contract for LC	Subject to be mentioned: Price Bid for Rate Contract for LC	



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Option 2	In Sealed Cover and sent through Registered Post or Courier or By Hand	Envelope 1: "PART I TECHNO-COMMERCIAL BID for Rate Contract for LC	Envelope 2: "PART II PRICE BID for Rate Contract for LC	<p>1. These envelopes may please be put in a larger envelope superscribing on this envelope "PART I and PART II BIDS for Rate Contract for LC. <i>No. & Due date of Tender Opening also must be superscribed on all the envelopes containing Bids/Tenders.</i></p> <p>2. The bids shall be addressed to the official inviting tenders by designation (as below) and shall be submitted/dropped in the Tender box placed at the 5th Floor (outside B-Wing) of BHEL House, Siri Fort, New Delhi.</p> <p>Dy. MANAGER (FINANCE) CORPORATE FINANCE-FSD, BHARAT HEAVY ELECTRICALS LIMITED SIRI FORT, NEW DELHI-110049.</p>
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12. The Tender received after the Due Date and time of Submission are liable to be rejected.
13. Clarifications, if any, on the tender shall be sought by bidders on or before **02.11.2023**

Contact details are as follows:
Phone No. 011-66337315, 011-66337260
Email: mminocha@bhel.in; meenal@bhel.in

14. **The offer submitted by a Bank shall be kept valid for acceptance for a period of 30 days from the date of opening of PART II bids.**
15. **Bid Opening-** Part I shall be opened at **15:15 Hrs on 02.11.2023** in the presence of such of those Bidders or their authorized representatives who may choose to be present at that time. In case, there is no deviation in Part-I Bids, Part II Bid is likely to be opened immediately after opening of Part-I Bid. However, if bids are received with deviations, the date of opening Part II bids will be intimated subsequently. Bidders are requested to keep in touch with BHEL for knowing the date and time of opening part-II bids.
16. **Evaluation Criteria-** Party quoting lowest total LC Charges for each category individually in the Price Bid (**Annexure-III**) and adhering to tender stipulations in an unqualified manner will be declared L-1 for the respective category. The Evaluation Criteria for arriving at the ranking of the bidders for each category separately has been specified in the price bid format itself.

"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 for both categories individually. BHEL's decision in such situations shall be final and binding."



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17. Business Sharing:

- 17.1. Based on the rates quoted for the LCs at **Annexure 3**, the L1 bidders will be arrived at by BHEL as per the evaluation criteria specified at para 16.
- 17.2. The business will be allocated to the L1 bidder upto the LC Value quoted by the L1 bidder in its quote. **BHEL, however reserves the right to request respective L1 bank to increase its share upto the tentative requirement indicated by BHEL.**
- 17.3. In case, after allocation of business to L1 bidder(s) upto the amount quoted/ agreed by them, any amount remains to be tied up as per the indicated expected requirement of LCs, BHEL will offer the L1 rates to the L2 Bidder of respective category. In case, if L2 fails to accept L1 rates, BHEL will counter offer the L1 rates to L3/L4 Bidders and so on, in the same order.
- 17.4. The bidders who agrees to match the rates quoted by L1 bidder will be treated as the qualified bidders for the purpose of business sharing as per para 17.5.
- 17.5. BHEL intends to empanel maximum of 4 banks for issuance of LC under the rate contract. **The share of business to such qualified bidder(s) (other than L1 bidder) shall however be restricted to the balance LC amount considering amount quoted by L1 bidder or the enhanced LC amount, if any, agreed with L1 bidder in terms of para 17.2 & 17.3 for the respective category.**
- 17.6. However, in case there are no qualified bidders as per para 17.4 above, BHEL reserves the right to not to allocate the balance business share to any of the banks.

18. **Award of Contract-** BHEL will award the contract to the successful Bidder(s) whose Bid has been determined to be qualified and have offered the lowest total Bank Charges as per **Annexure 3** and have adequate non-fund based limits. BHEL reserves the right to award the tender to the evaluated L1 bidder(s) / **qualified bidder (s)** in full or in part. BHEL shall be under no obligation to accept the lowest or any other tender and shall be entitled to accept or reject any / all tender(s) in part or full without assigning any reason whatsoever. The decision of BHEL in this regard shall be final and binding on all the Banks and there shall not be any objections from any bidder in accepting the same.

19. Service related stipulations

- 19.1. The bank(s) to whom the business is allocated are required to finalise all the required formalities for opening the LCs immediately on award so that no difficulty of any kind is faced by BHEL Units at the time of establishing and operating the LCs.
- 19.2. The LCs are required to be issued at Unit/ Regions only. Further, all the LC operations will be carried out by the Units/ Regions directly. The list of Units and their addresses are placed at **Annexure 2**. Banks are required to provide the address of their Branches from which the LC are proposed to be serviced by them and submitted alongwith declaration sheet under **Part-I** bid.

20. LC related stipulations:

In respect of LCs in Foreign Currencies, at the time of retirement of bills, BHEL Corporate Office, New Delhi will normally make the payment, based on advice from our Unit/ Regions,



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through EEFC account / PCFC borrowings / Buyer's credit in FC. However, in case, BHEL decides to make payment by allocating necessary funds in BHEL's Main CC Account with the concerned bank, the Inter Bank Rate (without any margin) on the day of retirement will be applicable.

21. BASIS AND MODE OF PAYMENT OF BANK CHARGES

21.1. BHEL will pay the total Charges as per rates finalised for this contract for individual LCs for actual no. of completed days/months for which the LC is required. LCs charges will be payable on upfront basis. Banks to ensure that Bill/ Advice for payment of charges are sent to the concerned Region/ Unit sufficiently in advance before the due date.

21.2. All charges will be paid by the concerned region/Unit of BHEL.

21.3. The charges will be paid through NEFT / RTGS. In case agreed by concerned Unit/ Region of BHEL, the Bank may Debit the Bank Account of the respective BHEL's Units/ Regions/ Business Sectors for collecting the charges pertaining to the respective Units etc. The charges may be debited only on receipt of prior confirmation from them accepting the amount to be debited.

Wherever, GST is applicable, Bank to ensure that GST invoices / certificates (*with correct GST No. & Name of recipient of services*) are provided to the respective Units/ Regions/ Business Sectors in respect of all the charges paid by BHEL.

22. REFUND / ADDITIONAL PAYMENT DUE TO CHANGE IN VALUE/ TENOR

In case of increase / decrease in LC value or change in tenor, the payment of additional or refund of charges shall be as per rates at which the rate contract is awarded on pro-rata basis. In case of reduction in value of LC or its short closure, the commission charges will be refunded for amount lying unutilised under the LC for the remaining period of the LC from the date the request has been lodged in the Bank till the end of the period for which commission has already been paid.

Please note, that in case you are not interested in submitting the offer for any reasons, you may send a regret letter indicating reasons for the same immediately but not later than the due date.

Thanking you,

Yours Sincerely
For & on behalf of BHEL


(Manisha Minocha Gosain)
Dy. Manager (Fin)



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(To be submitted on the Letterhead of the Bank)

ANNEXURE – I

DECLARATION SHEET

It is hereby confirmed that (name of the bank) -

- a) Agree to issue the Letter of Credit as per BHEL's requirements for which the quotes have been provided as per PART II formats.
- b) Out of Allocated Limits from BHEL Consortium as on date, limit equivalent to Rs. 100 Crs. should be available with the bidder, in case the bank is bidding for one category (ILC or FLC) and limits of Rs. 200 Crs. should be available, in case bank is bidding for both the categories.
- c) The limits getting vacated in due course shall also be utilized for issuing the LC under the subject rate contract. If required, additional limits will be allocated by BHEL out of overall Consortium limits.
- d) Bank is submitting its price bid (**Annexure-III** for either or both) for an amount which is **equal to / higher than** the minimum bid amount i.e. Rs. 200 crs (Rs 400 Crs in case bank is participating for both categories of LC) as stated in clause 8 of the tender.
- e) No deviation will be taken in the Price Bid format provided in Annexure III.
- f) Bank has not taken any deviation in regard to any clause of the tender/ has taken the deviations in regard to following clauses of the tender:
 1.
 2.
 3.

(Authorized representative's signature with seal)

Name:.....
Contact No.:
Email:.....



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Annexure – II

DETAILS of BHEL UNITs and the List of Respective Branches proposed by Banks to service BHEL Units

S. No.	BHEL Unit	Bank Branches
1	BAP, Ranipet	
2	HEP BHOPAL	
3	CFFP, Haridwar	
4	CFP, Rudrapur	
5	EDN, Bengluru	
6	EMRP, Mumbai	
7	SBD, Bengluru	
8	FSIP, Jagdishpur	
9	HEEP, Haridwar	
10	HERP, Varanasi	
11	HPVP, Vishakhapatnam	
12	HPEP Hyderabad	
13	ISG, Bengluru	
14	IVP, Goindwal	
15	TP JHANSI	
16	PE&SD, Hyderabad	
17	PSNR, Noida	
18	PSER, Kolkata	
19	PSWR, Nagpur	
20	PSSR, Chennai	
21	PEM, Noida	
22	R&D, Hyderabad	
23	TBG, Noida	
24	HPBP Trichy	
25	IS/IO/Corp. Office, New Delhi	



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Annexure – III

PRICE BID FORMAT FOR EVALUATION

Bidder quoting the lowest effective % p.a. rate shall be the L1 bidder for the respective category

TENDER INFORMATION						QUOTED BY BANKS						
Category	Validity & Usance Period	Category	Tentative No. of LCs	Tentative amount of LC (Rs. Crs.)	Maximum Tenor of LC incl usance period (No. of Months)	LC Amount (Rs. Crs.)	% Rate p.a. (excluding GST)	Charges to be calculated Daily/ monthly / quarterly	Amount of Charges (Rs.)	Swift / P&T (Rs.) Per LC	Other charges (Rs.) Per LC Incl. Retirement & Acceptance	Total Amount of Charges (Rs.)
A	B	C	D	E	F	G	H	I	J	K	L	M
1	Total validity Upto 8 Months (Including usance period of maximum 121 days)	ILC	40	400	8							
1	Total validity Upto 8 Months (Including usance period of maximum 121 days)	FLC	40	400	8							

NOTES

- Bidders are requested to fill all the yellow highlighted cells (Column G,H & I) and review the evaluation part also for accuracy of information before submitting the signed copy of the same
- Bidders are required to quote the LC amount and % p.a. rate against each category in Table above. Rates quoted should be excluding GST.
- BHEL shall not bear any charge not indicated upfront by the bank in their response.
- The business will be allocated as per Business Sharing Criteria as per Para 17 of the tender.
- On actual LC issuance, charges will be paid to the Banks based on the rates and terms as mentioned in the award letter for Rate Contract. GST, as applicable, shall be paid extra.
- In case of FLC, no bank charges incurred on account of deductions made by intermediary bank due to non RMA relationship while funding Nostro A/c will be paid over and above charges mentioned in the above table.

(Signature of the authorized official along with seal)

OTHER TERMS NOT TO BE CONSIDERED FOR EVALUATION		
S. No.	Description	
a	Amendment charges – Financial	Rs./ (%)
b	Amendment charges - Non-Financial Amendments	Rs. Per LC
c	In case of foreclosure (closed before actual expiry/validity), Bank Charges will be refunded to BHEL on pro rata basis.	
d	In case of extension of LC, Bank Charges will be paid by BHEL on Pro-rata basis for extended period	

(Signature of the authorized official along with seal)



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Annexure – IV

LIST OF BHEL CONSORTIUM BANKS: -

Sl. No.	Name of the bank
1	State Bank of India
2	Canara Bank
3	HDFC Bank Limited
4	IDBI Bank Limited
5	Punjab National Bank
6	Union Bank of India
7	ICICI Bank Limited
8	Axis Bank Ltd.
9	IndusInd Bank Limited
10	Bank of Baroda
11	Export-Import Bank of India
12	Indian Bank
13	Yes Bank Limited
14	RBL Bank Ltd.
15	Indian Overseas Bank
16	Kotak Mahindra Bank Limited
17	The Federal Bank Limited

