



निविदा / Enquiry

भारत हेवी इलेक्ट्रिकल्स लिमिटेड / BHARAT HEAVY ELECTRICALS LIMITED
परिषण व्यापार समूह / Transmission Business Group
सामग्री प्रबंधन / Materials Management

Project : PHPA BHUTAN PUNATSANGCHHU-1 HYDROELECTRIC PROJECT BHUTAN

Enquiry No	Enquiry Date	Rev No	Rev Date	PI No	Enquiry Type	Inspection by	Due Dt	Commercial Comments	Technical Comments	Signing Authority
40Q2100326	29-Jan-21	0		40I2100272	Package		14-Feb-20	AS per NIT	As per Technical Specification	Ghanshyam Laspal

Equipment Detail

SN	Material Code	Equipment	HSN Code	Phy Unit	Qty	Plan Dt	Comments
1	TB9400000014	SUPPLY- LATTICE STRUCTURE : MILD STEEL YIELD STRESS E250, ZINC COATING 610GMS/SQM	0	MT	110.0000		

Instructions to Bidders

You are requested to submit your most competitive offer so as to reach us positively by the tender opening date & time. THE TENDERS NOT RECEIVED WITHIN SCHEDULED DATE AND TIME ARE LIKELY TO BE IGNORED. BHEL shall not be responsible for any postal delay.

In your own interest, you are advised to carefully read "the instructions to bidders". Incomplete bids and/or bids not complying with tender conditions shall be treated as non-responsive and are likely to be ignored.

In case Tender Documents are not received within 7 days of this E-mail message, intimate BHEL accordingly. If no intimation is received, it will be considered that you have received tender enquiry and delay in submission offer due to late receipt of tender documents will not be entertained.

You are requested to submit your most competitive offer as stated in Terms & conditions.

BHEL reserves the right to opt for reverse auction for obtaining best prices.

Offers Through E-MAIL / FAX / E-Procurement Portal: WHOSOEVER DESIRES TO SEND OFFERS ON THEIR OWN RISK (COMPLETE IN ALL RESPECTS) VIA E-MAIL or FAX HAVE TO SEND THE OFFERS TO THE COMMON E-MAIL ADDRESS tenderbox@bhel.in or 0120-6748581 FAX or bhel.abc.procure.com as instructed. THE RECEIVED EMAIL OFFERS WILL BE PRINTED BY PURCHASE COORDINATOR AND PUT THEM INTO COVERS AS PER CONVENTIONAL METHOD FOR TENDER OPENING I.E., TECHNO COMMERCIAL & PRICE OFFER SHALL BE PUT INTO TWO SEPARATE COVERS AND BOTH THE COVERS ARE KEPT IN THIRD COVER DULY SUPER SCRIBING ENQY. NO. AND DUE DATE. OFFERS SENT TO ANY OTHER E-MAIL ID or FAX NO AND INCOMPLETE OFFERS SHALL NOT BE CONSIDERED FOR EVALUATION PURPOSE. The venders who has sent offers with password, the passwords are to be forwarded to email id: tenderbox@bhel.in

It is suggested that the bidders are advised to send the files with 'password protection'.

भारत हेवी इलेक्ट्रिकल्स लिमिटेड के लिए / for BHARAT HEAVY ELECTRICALS LTD

Please acknowledge the receipt of tender enquiry and e-mail/fax back this letter by ticking the appropriate item below.

We acknowledge the receipt of tender.

(a) The offer against subject enquiry shall be submitted by the scheduled date and time.

(b) We regret to quote. The item in reference is out of our manufacturing range.

(c) We regret because of our prior commitments.

(d) Any other reason.

To
Ghanshyam Laspal
Bharat Heavy Electricals Limited
Transmission Business Group
Tower-A,5th Floor,
Advant Navis IT Business Park,
Plot No-7,Sector-142,Expressway Noida
Noida-201305
Distt. Gaut am BudhNagar,U.P
Ph: 0120-6748137

हस्ताक्षर और निविदाकार की सील / Signature and Seal of Tenderer

Enquiry No : 40Q2100326 Enquiry Date: 29-Jan-21

1. **Clause No. 1.3 of GTC** – Enquiry is floated through E-procurement system and hence Offer has to be submitted through EPS portal only (<https://eprocurebhel.co.in/>).
2. **Offer Submission/ Opening Time:** Offer Submission Time: **13:00 Hrs IST** / Offer Opening Time: **16:00 Hrs IST**
3. **Clause No. 1.7 of GTC** – For any technical clarification, please contact Mr. Shyam Vihari, Manager (TBEM); Contact No. 0120-674-8544; e-mail: svihari@bhel.in
4. **Clause No. 1.8 of GTC** - For any commercial clarification, please contact Mr. Ghanshyam Laspal, Sr. Engineer (TBMM); Contact No.0120- 6748486; e-mail: ghanshyam@bhel.in
5. **Clause No. 2.1 of GTC** - The prices as quoted in price schedule shall be on **Firm basis**.
6. **Clause No. 3 of GTC - Payment Terms:** Payment of supply shall be applicable as per **Cl. 3.1** of BHEL/TBG/GTC/2016 Rev.01.
7. **Destination-** Punatsangchhu-I Hydroelectric Project Authority (PHPA-I) Contract Package MEM-2/2012 Punatsangchhu-I Hydroelectric Project Authority, Bhutan
8. **Project Status:** Export. GST: @0.1 % (Supply against letter of Undertaking, export within 90 days from Invoice.)
9. **Scope of Custom clearance:** In the scope of bidder. All necessary documentation shall be provided by BHEL.
10. **PRE-QUALIFICATION REQUIREMENT-** Technical Pre-Qualifying Criteria is specified in NIT (Annexure-I). Bidder to comply the same as per NIT.
11. **Acceptance of Offer-** Acceptance of offer is subjected to approval from end customer.
12. **Delivery Period-(Clause-12 of GTC)-** Delivery requirement is **immediate**. Bidder to quote their best possible delivery plan in activity schedule as per Annexure-II to meet immediate delivery requirement.
Note: In case, BHEL's delivery requirement is not met by vendor(s), then a chance may be given to all such vendors to review their quoted delivery schedule in line with BHEL's delivery requirement. However, if vendor fails to meet the requisite delivery plan, then BHEL reserves the right not to consider the offer of such vendor(s).
13. **Liquidated Damage for Supply (Clause no. 13 of BHEL/TBG/GTC/2016 Rev.01):**
As per Addendum to General Terms and Conditions (GTC-2016) clause no. 11.
14. **Clause No. 33 of GTC for Reverse Auction of NIT:** Reverse Auction applicable for this tender. As per Addendum to General Terms and Conditions (GTC-2016) clause no. 13.
15. **Clause No. 34 of GTC: Integrity Pact:** Not Applicable

16. Technical Specification- TB-xxx-618-002-LS Rev 00. No permissible Technical Deviation has been envisaged. Bidders to quote as per Technical Specification.

17. Quantity Variation: BHEL shall have the right to variation in quantities of items within **+/- 20%** of the total Purchase Order / Contract value at the time of placement of PO or award of Contract on overall basis for all amendments together within two years from the date of original Purchase Order the purchaser shall have the right to increase or decrease quantity and scope up to the above extent of value and seller/contractor shall be bound to accept the same at the contracted prices without any escalation.

Note:

In case of package is broken into purchase orders of main supply, services and spares, quantity variation clause shall be applicable on cumulative sum of such individual orders.

18. Evaluation Criteria:

(a) Evaluation criteria shall be **Overall L1 basis.**

(b) Evaluation in case of more than one L-1 bidders.

In the course of evaluation, if more than one bidder happens to occupy L-1 status, effective L-1 will be decided by soliciting discount from respective L-1. 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).

(c) Ranking will be done accordingly. BHEL decision in such situations shall be final and binding.

19. PRICE BID FORMAT: Bidder to quote each and every cell as per specified price format of NIT, otherwise their offer shall be liable to be rejected.

20. Make in India (Clause No. 15 of Addendum to General Terms and Conditions (GTC-2016)):

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, 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 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.

"Bidder to specify the percentage of local content as per the format of self-declaration for local content" as per Annexure-V."

"This tender is not a global tender and only Class-I suppliers as defined under the DPIIT order no. P-45021/2/2017-PP (BE-II) dated 04.06.2020 are eligible to bid in this tender. Bids received from Class II & Non-Local supplier shall be rejected."

21. IMPORTANT INSTRUCTION: GeM Seller ID- GeM seller ID is mandatory for the bidders and must be mentioned in their offer. In case at the time of submission of offer GeM seller ID is not available with bidder, then successful tenderer should ensure to have GeM Seller ID prior to award of contract. Department of Expenditure (DOE) OM no. 6/9/2020-PPD dated 24.08.2020 may be referred in this regard.

22. In case any discrepancy between the requirements mentioned under special terms & conditions and general terms & conditions, special terms and conditions shall prevail.

(Sign and seal of Bidder)

Addendum to General Terms and Conditions (GTC-201)

1	Offer Submission/ Opening Time	Offer Submission Time: 14:00 Hrs IST Offer Opening Time: 14:30 Hrs IST
2	Instruction to Bidder(s)	(a) For Supply where Supervision of Erection, Testing & Commissioning (ETC) at Site is in the scope of the supplier or Supply where Testing & Commissioning (T&C) at Site is in scope of the supplier, minimum 10% of total ex-works value shall be quoted under supervision of ETC/T&C. In case bidder quotes less than 10%, then 10% of Total PO value excluding GST and F&I shall be allocated to the supervision of ETC/T&C scope. Service charges shall be back calculated to keep 10% of total cost to BHEL (without GST). This price adjustment shall be done from supply Ex works prices only on prorata basis for all supply line items. (b) For Supply where Erection, Testing & Commissioning (ETC) at Site is in the scope of the supplier, minimum 20% of total ex-works value shall be quoted under ETC. In case bidder quotes less than 20%, then 20% of Total PO value excluding GST and F&I shall be allocated to the ETC scope. Service charges shall be back calculated to keep 20% of total cost to BHEL (without GST). This price adjustment shall be done from supply Ex works prices only on prorata basis for all supply line items. (c) Bidder's offer will be technically acceptable subject to final acceptance of vendor by ultimate customer as approved supplier. Price Bid will be opened only for those bidders in respect of which vendor approval is received from respective customer. Necessary credentials/documents to be submitted to customer for approval.
3	Offer Submission Mode	Clause No. 1.3 of GTC – Tender is invited through e-Procurement System only. The bidder shall submit their bid through e-Procurement platform at https://bhel.abcpocure.com. Vendors participating through e-procurement portal for this tender should have Class-III Digital Signature Certificate (DSC) for Signing & Encryption of bids issued by any of the valid Certifying Authorities (approved by Controller of Certifying Authorities) in India.
4	Validity of Purchase Order	Purchase order shall be valid for two years from date of Purchase Order.
5	Work Address	Bidder to mention their works address below from where material will be supplied Works Address----- ----- -----
6	Pre- Qualification Requirement(PQR)	As per Annexure-I The bidder must ensure that they are meeting the PQR (Technical) and should submit all the requisite credentials as per PQR.
7	Deviation	<u>Technical Deviation</u>: No Technical Deviation is envisaged. <u>Commercial Deviation</u>: No Commercial Deviation envisaged except defined in GTC.
8	Delivery Plan	As per Activity Schedule-Annexure-II
9	Terms of Payment	As per clause 3.1 to 3.7 of GTC (as applicable). Supplier to submit bills alongwith billing checklist as per Annexure-III
10	Performance Bank Guarantee (PBG)	Clause No. 7 of GTC, If no option is specified by the bidder, by default option – B for Bank Guarantee shall be considered. BG for Main supply items and Spares shall be submitted separately alongwith first bill. Note: BG should be submitted on non-judicial stamp paper of appropriate value by the supplier alongwith first submission of bill to BHEL.

Addendum to General Terms and Conditions (GTC-201)

11	Liquidated Damage	Clause no. 13 of GTC - In case of delay in execution of Purchase Order beyond the contractual delivery time, an amount of 0.5% of delayed lot value (Ex Works and F&I charges) for supply per week of delay or part thereof subject to a maximum of 10% of delayed lot value (Ex Works and F&I charges) shall be deducted as Liquidated Damages (LD) along with applicable GST (if any) on LD. LD will calculated for lotwise and Manufacturing Clearance (MFC) date will be the last date of inputs for that particular lot Lot-1: items for which MFC is issued from 1-15 days of calendar month Lot-2: items for which MFC is issued from 16-30/31 days of calendar month Lot-3: items for which MFC is issued from 1-15 days of next calendar month, Lot-4: items for which MFC is issued from 16-30/31 days of next calendar month and so on...
12	Arbitration	As per Annexure-IV
13	Reverse Auction	"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 in 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." Abridged Version of "Guidelines for Reverse Auction-2020" may also be seen at BHEL website (www.bhel.com) on "Supplier Registration" Page.
14	Splitting of Contract	Splitting of Contract not applicable for this tender.
15	Make In India (PPP-MII)	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, 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 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. "Bidder to specify the percentage of local content as per the format of self-declaration for local content" as per Annexure-V." "This tender is not a global tender and only class-I and Class II suppliers as defined under the DPIIT order no. P-45021/2/2017-PP (BE-II) dated 04.06.2020 are eligible to bid in this tender. Bids received from Class-II & Non-Local supplier shall be rejected."
16	Compliance to GOI Order for restrictions under Rule 144 (xi) of General Financial Rules (GFRs), 2017	Refer Clause at Annexure-VI and Certification at Annexure-VII / Annexure-VIII (whichever is applicable) regarding restrictions under Rule 144 (xi) of General Financial Rules (GFRs), 2017. Bidder to comply the clause and submit the certification. Non-compliance/ Non-submission of certification will lead to rejection of Offer.
17	MOP Circular	Bidder to comply the MOP circular dated 02-07-2020 (Annexure-IX) and its subsequent amendment, if any, in prescribed format (Annexure-X). Non-compliance/ Non-submission will lead to rejection of Offer [Not Applicable for cases where local content is 100%]. Vendor to quote as per specified price format of NIT, otherwise their offer shall be liable to be rejected. Following confirmation to be provided by vendor: "We confirm that we have quoted as per specified price format provided along with this tender".
18	Integrity Pact	As per Annexure-XI.
19	Risk and Cost	As per Annexure-XII.
20	Prevention for cartel formation	The Bidder declares 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.

Addendum to General Terms and Conditions (GTC-201)

21	Docuemts Required for Customer approval	Bidders to submit below documents alongwith their offer but not limited to: (a) PAN, GST, Certificate of Incorporation (b) Factory Registration Certificate (c) Overall organization Chart with Manpower Details (Design/Manufacturing/Quality etc.) (d) List of Plant and Machinery (e) List of Testing and Measuring equipment (f) Third party approval, if any (viz. ISO, BIS) (g) Pollution clearance wherever applicable (h) Energy conservation & Efficiency Report(Applicable to industries having contact load more than 100KVA) (i) Manufacturing Quality Plan (MQP) (j) List of past supplies references along with copy of major PO (k) Performance certificate from end user (l) Photographs of factory, plant and machinery & testing facilities
22	BHEL Supplier Registration Portal	The link for Online Supplier registration Portal is https://supplier.bhel.in/ The link for Online Supplier Registration Portal may also be seen at BHEL website (www.bhel.com) on "Supplier Registration" Page.

The Notice Inviting Tender (NIT)/ the tender requirement of BHEL will not be henceforth published in newspapers. All the concerned are hereby notified that tender enquiries of BHEL will be published on BHEL tender website (www.bhel.com) and Government's Central Public Procurement Portal (<https://eprocure.gov.in/>).

(Sign and seal of Bidder)

**BHARAT HEAVY ELECTRICALS LTD.
(TRANSMISSION BUSINESS GROUP)**

GENERAL TERMS AND CONDITIONS FOR TENDER ENQUIRY / CONTRACT

This is to be submitted duly signed by bidder in original. Clause-wise deviations and / or additional conditions / clarifications, if any, are to be brought out clearly in “Schedule of Commercial Deviation”. Deviations and / or additional conditions / clarifications, if any, mentioned elsewhere in the bid / offer, shall not be considered.

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1.	INSTRUCTION TO BIDDERS : 1.1 Sealed bids are invited for the items mentioned in the tender enquiry conforming to the NIT including Technical Specifications. Bids should be typed and free from overwriting and erasures. Corrections or additions / deletions, if any, must be clearly written and attested, otherwise offer may be rejected. 1.2 Bidder must ensure that their bid is submitted / dropped in the tender box on or before 14-00 Hrs. IST on the due date of opening, unless otherwise specified in the NIT, at the address as follows :- Tender Box, Materials Management, Transmission Business Group, Bharat Heavy Electricals Limited, 5th Floor, Tower-A, Advant Navis IT Business Park, Plot-7, Sector-142, Noida Expressway, Noida, Dist. G. B. Nagar, U. P. 201305 1.3 In case tender enquiry is floated through the e-procurement system, offer / bid has to be submitted through the e-procurement system ONLY as per instructions given in the e-procurement portal (https://bheleps.buyjunction.in). 1.4 The bids shall be opened at 14-30 Hrs. IST on the due date of opening, in the presence of participating bidders who may like to be present, unless otherwise specified in the NIT. Bids received late are liable for rejection. Bidders sending bids by courier or post will have to ensure that it is timely delivered at the above address. 1.5 Bids are to be submitted duly signed with seal in two parts :- a) Techno-commercial Bid (Part-I) To be submitted in 2 sets (original + copy). A copy of Price Bid (Part-II) clearly mentioning all the necessary information as per format without prices Un-Priced Bid is also to be enclosed in Part-I Bid. b) Price Bid (Part-II) To be submitted only in one set in a separate sealed envelope. This should not contain any Technical and / or Commercial Terms and Conditions. The rates should be quoted both in figures and words. 1.6 The Part-I and Part-II Bids are to be sealed in separate envelopes and marked

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	as Techno-commercial Bid (Part-I) and Price Bid (Part-II) respectively. Both the envelopes are to be kept in another common envelope and marked as BID . Each envelope should be sealed and super scribed with tender enquiry no., item / package name, project name and due date of opening. Bidder's name and address shall also be mentioned on each envelope. 1.7 For any technical clarification, please contact official mentioned in the tender enquiry / NIT. 1.8 For any commercial clarification please contact official issuing tender enquiry / NIT. 1.9 Price bid (Part-II) should not contain any additional information / description other than given in Un-Priced Bid submitted with Techno-commercial Bid (Part-I) except prices, otherwise bid is liable for rejection. 1.10 Price Bid submitted along with the bid shall remain valid up to validity of offer. Any discount / revised offer submitted by the bidder on its own shall be accepted provided it is received before the due date and time of offer submission (i.e. Part-I Bid). The discount shall be applied on pro-rata basis to all items including optional items, if any, unless specified otherwise by the bidder. Discount offered shall be valid for full duration of validity of the offer including extension of validity, if any. Unsolicited Supplementary / Revised Price Bid submitted after the due date and time of offer submission (i.e. Part-I Bid), during validity period of offer, unless asked by BHEL, shall not be considered. Withdrawal of quotation by the bidder, at any stage after its opening, may entail suitable action against such bidder by BHEL. 1.11 The consultants / firm (and any of its affiliates) shall not be eligible to participate against tender enquiry for the related goods or works or services for the same project, if they were engaged by BHEL-TBG for the consultancy services. 1.12 In case any Foreign OEM / Foreign Principal insists on engaging the services of an agent, such agent shall not be allowed to represent more than one manufacturer / supplier in the same tender. Moreover, either the agent could bid on behalf of the manufacturer / supplier or the manufacturer / supplier could bid directly but not both. In case bids are received from the manufacturer / supplier and the agent, bid received from the agent shall be ignored. 1.13 Non-conformities / errors / discrepancies in quoted prices in price bids shall be dealt as follows :- a) If, in the price structure quoted for the required goods / services / works, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of BHEL there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly. b) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected. c) If there is a discrepancy between words and figures, the amount in

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	words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above. d) If there is such discrepancy in an offer as mentioned in (a), (b) & (c) above, the same shall be conveyed to the bidder with target date upto which the bidder has to send his acceptance on the above lines and if the bidder does not agree to the decision of the BHEL, the bid is liable to be ignored. 1.14 In case the scope of the successful bidder / supplier against this tender enquiry includes Erection, Testing and Commissioning (ETC) of the equipment / material at site in addition to Supply, Purchase Order shall be placed for Supply Portion and Contract shall be separately awarded for ETC at Site Portion. General Terms and Conditions for Tender Enquiry / Contract mentioned herein shall be applicable for both Supply & ETC at Site. Additional Terms and Conditions for Tender Enquiry / Contract for Erection, Testing and Commissioning at Site BHEL/TBG/GTC-ETC/2016 Rev. 01 shall be applicable for ETC at Site only which is to be read in conjunction with General Terms and Conditions for Tender Enquiry / Contract mentioned herein. However, any breach of either the Purchase Order or the Contract shall be deemed to be breach of the other. 1.15 Taxes and Duties payable extra as per Clause No. 2.3 in NIT, if not specified/quoted clearly as extra shall be considered as included in Ex-works Price and therefore shall not be reimbursed. Taxes and duties not payable extra as per NIT shall be deemed to be included in Ex-works Price. 1.16 If the rates for taxes and duties in respect of the quoted materials and / or services assumed by the Supplier are less than the tariff prevailing at the time of tendering, Supplier will be responsible for such under quotations. However if the rates assumed are higher than the correct rates prevailing at the time tendering, the difference will be to the credit of BHEL. Note : Representative / official deputed by the bidder to witness tender opening must produce authorization letter for the same.
2.	PRICES : 2.1 Unless specifically indicated in the NIT, all prices shall be FIRM. No enhancement of rate for whatsoever reasons unless and until asked by BHEL shall be allowed. 2.2 Unless specifically indicated in the NIT, the prices shall be on INR basis. 2.3 Unless specifically indicated in the NIT, the prices are to be quoted on FOR (Site / Destination) basis excluding GST. The break-up of prices shall be as under :- a) Ex-works Price: Ex-works price including packing & forwarding charges. b) Freight: Freight for door delivery up to destination / site / store are to be quoted separately. c) Insurance: Insurance for door delivery up to destination / site / store are to be quoted separately.

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	d) Type Test Charges: If asked in the technical specification, it is to be quoted separately for each test. e) Charges for Supervision of Erection, Testing & Commissioning (ETC) at Site: To be quoted separately if specified in NIT/Price Schedule. f) Charges for Testing & Commissioning at Site: To be quoted separately if specified in NIT/Price Schedule. g) Charges for Erection, Testing & Commissioning at Site: To be quoted separately if specified in NIT/Price Schedule. h) Training Charges: To be quoted separately if specified in NIT/Price Schedule. 2.4 GST rates along with HSN/SAC code as applicable on Sr No (a) to (h) above is to be mentioned separately in percentage in both un-priced bid and price bid. Note : i) Unless otherwise specified in the NIT, the purchase order shall be placed on Ex-works basis for Indian bidders. ii) Prices quoted by Indian bidders shall be in Indian Rupees only. iii) In case Supervision of Erection, Testing & Commissioning (ETC) at Site or Testing & Commissioning at Site or Erection, Testing & Commissioning at Site is also in scope of the bidder along with supply, bidder has to ensure that prices quoted for such services also are in line with special terms & conditions of the NIT, if any. iv) Unless otherwise specified in the NIT, Unloading at Site / Destination shall not be in the scope of the supplier. v) Prices in respect of Sr No (a) to Sr No (h) of Clause 2.3 above are to be quoted inclusive of all taxes & Duties, charges. Levies, royalty etc. if any, excluding GST.
3.	TERMS OF PAYMENT : 3.1 For Supply only in scope of the supplier 100% of payment within 60 days from the date of receipt of complete invoice along with documents in 3 sets (original + 2 copies) as follows : · LR / GR duly endorsed by BHEL Site Official. · Material Receipt Certificate issued by BHEL Site Official. · GST Compliant Tax Invoice · Packing List (Case-wise) · Copy of Transit Insurance Certificate from underwriters. · Material Inspection Clearance Certificate (MICC) issued by BHEL Quality Management · Guarantee Certificate · Copy of Performance Bank Guarantee (PBG) · Certificate of acceptance of Type Test Reports issued by BHEL Engineering Management wherever specifically mentioned in the Purchase Order. 3.2 For Supply where Supervision of Erection, Testing & Commissioning (ETC) at Site is in scope of the supplier or Supply where Testing & Commissioning at Site is in scope of the supplier

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	a) 95% of payment within 60 days from the date of receipt of complete invoice along with documents in 3 sets (original + 2 copies) as follows : · LR / GR duly endorsed by BHEL Site Official. · Material Receipt Certificate issued by BHEL Site Official. · GST Compliant Tax Invoice · Packing List (Case-wise) · Copy of Transit Insurance Certificate from underwriters. · Material Inspection Clearance Certificate (MICC) issued by BHEL Quality Management · Guarantee Certificate · Copy of Performance Bank Guarantee (PBG) · Certificate of acceptance of Type Test Reports issued by BHEL Engineering Management wherever specifically mentioned in the Purchase Order. b) 5% of payment within 60 days from the date of receipt of complete invoice along with documents in 3 sets (original + 2 copies) as follows : · Certificate of successful completion of Supervision of Erection, Testing & Commissioning at Site if it is in the scope of the supplier or Certificate of successful completion of Testing & Commissioning at Site if it is in the scope of the supplier. · Certificate of completion of final documentation as per Purchase Order / Technical Specification issued by BHEL Engineering Management 3.3 For Supply where Erection, Testing & Commissioning (ETC) at Site is in scope of the supplier a) 90% of payment within 60 days from the date of receipt of complete invoice along with documents in 3 sets (original + 2 copies) as follows : · LR / GR duly endorsed by BHEL Site Official. · Material Receipt Certificate issued by BHEL Site Official. · GST Compliant Tax Invoice · Packing List (Case-wise) · Copy of Transit Insurance Certificate from underwriters. · Material Inspection Clearance Certificate (MICC) issued by BHEL Quality Management · Guarantee Certificate · Copy of Performance Bank Guarantee (PBG) · Certificate of acceptance of Type Test Reports issued by BHEL Engineering Management wherever specifically mentioned in the Purchase Order b) 10% of payment within 60 days from the date of receipt of complete invoice along with documents in 3 sets (original + 2 copies) as follows : · Certificate of successful completion of Erection, Testing & Commissioning at Site issued by BHEL Site Official / Construction Management · Certificate of completion of final documentation as per Purchase Order / Technical Specification issued by BHEL Engineering Management 3.4 For Type Test Charges 100% payment along with applicable GST within 60 days from the date of receipt of complete GST compliant Tax invoice along with copy of Certificate of acceptance of Type Test Reports issued by BHEL Engineering Management in 3 sets (original + 2 copies) on completion of delivery (at site, if F&I is in scope of

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	supplier) of main supplies (excluding spares) for which Type Tests are applicable. List of main supplies (excluding spares) for which Type Tests are applicable shall be certified by BHEL Engineering Management. 3.5 For Charges for Supervision of Erection, Testing & Commissioning at Site 100% payment along with applicable GST within 60 days from the date of receipt of complete GST compliant Tax invoice along with certificate of successful completion of Supervision of Erection, Testing & Commissioning at Site issued by BHEL Site Official / Construction Management in 3 sets (Original + 2 copies). 3.6 For Charges for Testing & Commissioning at Site 100% payment along with applicable GST within 60 days from the date of receipt of complete GST compliant Tax invoice along with certificate of successful completion of Testing & Commissioning at Site issued by BHEL Site Official / Construction Management in 3 sets (Original + 2 copies). 3.7 For Training Charges 100% payment along with applicable GST within 60 days from the date of receipt of complete GST compliant Tax invoice along with certificate of completion of training issued by BHEL Engineering Management in 3 sets (original + 2 copies). Note : i) Supplier has to submit invoice(s) as per PO or approved billing break-up of prices (if applicable as per NIT). ii) In case of supplies for overseas project, Material Receipt Certificate issued by BHEL Authorized Representative shall also be acceptable. iii) In case of Transit Insurance under Open Insurance Policy, Intimation / Declaration of Transit Insurance as per terms of the relevant Open Insurance Policy along with copy of Open Insurance Policy from underwriters shall also be acceptable. iv) Supplier has to ensure commencement of transit insurance from the date not later than LR / GR date. v) Supplier has to submit Tax Invoice(s). Supplier should ensure that Tax Invoice should comply all statutory requirements under GST Law to enable BHEL to avail input credit vi) MSMED Act, 2006 and the rules made thereunder as amended from time to time shall be applicable for release of payment to suppliers qualified & registered as Micro & Small Enterprises based on documents mentioned in the NIT for MSME. vii) Supplier has to submit PBG (as per BHEL format) & Guarantee Certificate as per PO terms. viii) In case any shortages and / or damages in supplies, an amount calculated

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	based on comments against Material Receipt Certificate issued by the BHEL Site Official shall be withheld from the supply payment against 3.1(a) or 3.2(a) above to be deemed fit by BHEL subject to a minimum of 10% of the total ex-works value of the invoice corresponding to the LR / GR against which any shortages and / or damages are reported. The withheld amount shall be released after the shortages and / or damages in supplies are supplied / replenished against Certification by BHEL Site Official. ix) Payment of GST component shall be made only if vendor has deposited the Tax and credit for the same is reflected in GSTN (GST Network). In case credit of the same is not reflected in GSTN , vendor may alternatively furnish BG of GST Amount for a period valid for not less than 1 month .In case of disallowance of credit /non reflection of credit in GSTN , amount will be recovered from supplier along with applicable Interest , penalty etc from any of his dues. x) If GST is payable by BHEL on reverse Charge Mechanism basis, vendor should ensure the submission of GST compliant Tax invoice immediately on dispatch/ performance of service. In case of non-compliance any additional charges towards interest, penalty etc, will be to vendors account. xi) TDS under GST Act, if applicable, shall be deducted unless Exemption Certificate If applicable, from the appropriate authority is furnished to BHEL along with Invoice.
4.	INTEREST LIABILITY : In case of any delay in payment due to any reason, BHEL shall not pay any interest on delayed payment. Also, no interest shall be payable by BHEL on the bank guarantee / deposit amount or balance payment or any other money which may become due owing to difference or misunderstanding or any dispute before any quasi judicial authority between BHEL and the Supplier / Contractor.
5.	GUARANTEE : The equipment / material supplied and services rendered (if applicable) shall be guaranteed to be free from all defects and faults in design & engineering, material, workmanship & manufacture and in full conformity with the Purchase Order / Contract, Technical Specifications & approved drawings / data sheets, if any, for 18 months from the date of last delivery or 12 months from the date of commissioning, whichever is earlier. Wherever Erection, Testing & Commissioning at Site are also in the scope of the Supplier, the guarantee period shall be 18 months from the date of last delivery or 12 months from the date of commissioning, whichever is later. The defective equipment / material / component shall be replaced free of cost at site. Freight & Insurance during transit shall also be in the scope of the supplier / contractor. Any expenditure for dismantling and re-erection of the replaced equipment / material / component shall be to supplier's / contractor's account. All replacements during the guarantee period shall be delivered at site promptly and satisfactorily within a period not more than 45 days from the date of reporting the defect / rejection etc. In the event of the supplier / contractor failing to replace the defective equipment / material / component within the time period mentioned above, BHEL may proceed to undertake the replacement of such defective equipment / material / component at the risk and cost of the supplier / contractor without prejudice to any other rights under the contract and recover the same from PBG / other dues of this Purchase

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	Order / Contract or any other Purchase Order / Contract executed by the supplier / contractor. Note : i) In case of Illumination System, items viz. Lamps, Tubes, Ballast, Starters, Capacitors & Fuses will not be under Guarantee after commissioning. ii) In addition to the above guarantee period, Extended Guarantee / Warranty, if any, shall be as per NIT / Technical Specifications. iii) In case offer of agent of Foreign OEM / Foreign Principal is considered, as per Clause No. 1.12 above, Guarantee as mentioned above has to be provided by the Foreign OEM / Foreign Principal also.
6.	LATENT DEFECT : Liability for latent defects shall be for defects inherently lying within material or arising out of design deficiency which does not manifest itself during guarantee period but later and shall be limited to five years from the expiry of the guarantee period.
7.	PERFORMANCE BANK GUARANTEE (PBG) : Supplier shall arrange to submit Performance BG / Deposit on a non-judicial stamp paper of appropriate value along with first invoice or within 60 days from placement of Purchase Order (PO) whichever is earlier, in line with one of the applicable options as follows :- <u>Option A</u> A single rolling PBG for Rs. 50 Lakhs initially valid for 18 months with claim period of 3 months extra over and above 18 months for all the Purchase Orders being executed for Transmission Business Group, BHEL. However, validity of the PBG shall be extended till 18 months from the date of last delivery with 3 months claim period extra over and above 18 months. Single Rolling PBG option shall not be applicable in case Ex-works value of the PO at the time of placement of PO exceeds Rs. One Crore. <u>Option B</u> PBG for 10% of the total Ex-works PO value, valid for 18 months from the date of last delivery with claim period of 3 months extra over and above 18 months. Ex-works PO value at the time of placement of PO shall be considered for calculation of the PBG amount. <u>Option C</u> In case the total Ex-works PO value at the time of placement of PO does not exceed Rs. Ten Lakhs, interest free Deposit of 10% of the total Ex-works PO value at the time of placement of PO in form of Demand Draft favouring Bharat Heavy Electricals Limited and payable at New Delhi / Delhi / Noida shall also be acceptable to BHEL in lieu of PBG, which shall be released after expiry of 21 months from the date of last delivery after deduction, if any, within 60 days from receipt of invoice in 3 sets (original + 2 copies) to be submitted by the supplier. Note : i) The Bank Guarantee shall be from any bank as per Annexure for List of Banks (32 Nos.). The original PBG should be sent by issuing Bank directly to AGM (Finance), TBG, BHEL, Noida. ii) Extension of validity of the PBG in original, as per above clause, should be sent by issuing Bank directly to AGM (Finance), TBG, BHEL, Noida at least 45 days before expiry of validity of the PBG. iii) Unless otherwise specified in the NIT, deviation taken for non-submission of PBG / Deposit, as applicable, shall not be accepted.

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	iv) Supplier has to confirm one of the applicable options for submission of PBG / Deposit before placement of PO. v) In case of non submission PBG / Deposit, as applicable, BHEL reserve the right for Risk Purchase as per terms of the NIT and impose Suspension of Business Dealings with the Supplier / Contractor. vi) BHEL reserve the right to encash the Bank Guarantee and forfeit the amount in the event of any default, failure or neglect on part of the Supplier in fulfilment of performance of the Purchase Order. vii) Value of the Bank Guarantee (at the time of submission) shall remain unchanged for any subsequent variations in Purchase Order value up to $\pm 20\%$. Beyond this variation of $\pm 20\%$, the Supplier shall arrange to enhance or may reduce the value of the Bank Guarantee accordingly for the total variation promptly. viii) Vendor to ensure submission of Certificate of Final Documentation /Confirmation regarding Non applicability of Final Documentation, as the case may be, as referred in clause No 9 regarding Final Documentation. BG shall be released only after submission of the same to BHEL TBMM.
8.	SUBMISSION OF DRAWINGS / DOCUMENTS FOR APPROVAL : Supplier shall submit the master document list within 7 days from date of Purchase Order / Contract, unless otherwise specified in the NIT, with planned dates for submission which shall be in line with activity schedule as per Purchase Order / Contract and shall be finalized with BHEL Engineering Management. Date of first submission of drawings / documents shall be certified by BHEL Engineering Management after the receipt of applicable drawings / documents (e.g. project specific cover sheet, GTP, OGA drawings, schemes, type test reports etc.) by BHEL. During detailed engineering stage, necessary hard copies of the engineering drawings / documents shall also be submitted by the supplier as per the Purchase Order / Contract requirement. The supplier shall also submit the packing drawings as per technical specifications. In case item(s) offered require any interface details of other item (not in the scope of supplier & required for operating the equipment), the supplier has to submit interfaces schedule along with submission of engineering drawings / documents. It shall be responsibility of the supplier to get the details of the interfaced item from BHEL before manufacturing to avoid any mismatch at site.
9.	FINAL DOCUMENTATION : Final documentation as called in the Technical /contract specification is to be submitted within 3 months from the date of first delivery of respective equipment, item/material. After submission of Final Documentation, BHEL Engineering Management (TBEM) will issue a Certificate of Completion of Final Documentation. Wherever Final Documentation is not applicable, BHEL Engineering Management (TBEM) will issue confirmation regarding the same, Vendor to submit the Certificate of Final Documentation /Confirmation regarding Non applicability of Final Documentation, as the case may be, to BHEL TBMM. In case of Non Submission of Certificate of Final Documentation /Confirmation regarding Non applicability of Final Documentation, BG will be liable for encashment.
10.	INSPECTION : BHEL / customer / third party shall inspect equipment / material before despatch. Stage inspection during manufacturing may also be carried out. Material to be despatched only after getting Material Despatch Clearance Certificate (MDCC) / MICC issued by BHEL. Supplier shall send inspection call on prescribed format / web site only, with an advance notice of 15 days. Supplier to ensure submission of all routine / acceptance test reports, inspection

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	reports and all other documents related to inspection, immediately to BHEL. BHEL representative is authorised to carry out audits along with Third Party Inspection Agency at vendor's / supplier's works before clearing the items for despatch.
11.	DESPATCH DOCUMENTS : Despatch documents to be immediately sent to BHEL on despatch are as follows :- • Copy of Invoice • Copy of LR / GR in case of Indian suppliers or BL / AWB in case of foreign suppliers • Copy of Packing List (Case-wise) • Copy of Transit Insurance Certificate from underwriters • Copy of Guarantee Certificate
12.	DELIVERY PERIOD : Delivery / Completion requirement shall be mentioned in the NIT. Bidder to specify best delivery / completion period possible in weeks from the date of LOI / PO as per activity schedule for consideration by BHEL. Time required for type test, if applicable, is to be separately indicated. Note : LR / GR date or invoice date (whichever is later) for indigenous supplies and BL / AWB date for FOB / CIF (if applicable) contracts shall be considered as delivery date.
13.	LIQUIDATED DAMAGES FOR DELAYED DELIVERY: In case of delay in execution of Purchase Order beyond the contractual delivery time, an amount of 0.5% of the total Purchase Order value for supply (incl. taxes and duties, freight & insurance as applicable) per week of delay or part thereof subject to a maximum of 10% of the total Purchase Order value for supply (incl. taxes and duties, freight & insurance as applicable) shall be deducted as Liquidated Damages (LD) along with applicable GST (if any) on LD. However, in case of staggered (lot-wise) contractual delivery schedule, an amount of 0.5% of the total Purchase Order value for supply (incl. taxes, duties, freight & insurance as applicable) of delayed lot per week of delay or part thereof subject to maximum of 10% of the total Purchase Order value. (Incl taxes, duties, Freight & Insurance as applicable) shall be deducted as Liquidated Damages (LD) along with applicable GST (if any) on LD. Note : i) In case of any amendment / revision in PO /WO, the LD shall be linked to the amended / revised Purchase Order / Contract value and delivery / completion time / schedule, if applicable. ii) LR / GR date or invoice date (whichever is later) for indigenous supplies and BL / AWB date for FOB / CIF (if applicable) for imported supplies shall be treated as the date of dispatch for levying LD as above. iii) However, for indigenous supply, if time period between date of receipt of material at site / destination by Site Official & the date of LR / GR or invoice (whichever is later) is more than 30 days, where distance from place of despatch as per LR / GR is upto 1000 Kms or if time period between date of receipt of material at site / destination by Site Official & the date of LR / GR or invoice (whichever is later) is more than 45 days, where distance from place of despatch as per LR / GR is more than 1000 Kms, such excess period shall also be considered for LD purpose. iv) If, as per supplier, delay is not attributable to the supplier, delay analysis with documentary evidence may be submitted by the supplier at the earliest but not

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	later than six months from the end of the financial year in which the payment is withheld. Based on the above details / documents submitted by the supplier, BHEL shall take final decision and if considered appropriate by BHEL, withheld amount (full or part as the case may be) shall be released, otherwise, full or balance withheld amount shall be treated as deduction of Liquidated Damages (LD) towards delayed delivery.
14.	VALIDITY OF OFFER : The offer shall be valid for 120 days from the due date of opening of tender (i.e. techno-commercial bid unless otherwise specified in the NIT). Prices of Spares, wherever they optional items, shall be valid till two years from the date of placement of PO.
15.	ACCEPTANCE / REJECTION OF TENDER : BHEL reserve the right to reject in full or part, any or all tender without assigning any reason thereof. BHEL also reserve right to vary the quantities as mentioned in the NIT. Acceptance of offer is subject to vendor approval by customer before opening of price bid. BHEL shall not be bound by any power of attorney granted by tenderer or by changes in composition of the firm made subsequent to award of order / contract. BHEL may however recognize such power of attorney and changes after obtaining proper legal advice, cost of which will be chargeable to the seller / contractor concerned. If the tenderer deliberately gives wrong information, BHEL reserves the right to reject such an offer at any stage or cancel the order / contract, if awarded, and forfeit the security deposit and bank guarantee.
16.	DEVIATION : The bids having deviation(s) w.r.t. tender are liable for rejection. However, BHEL, at its discretion, may load the prices for evaluation of offer with prior intimation to bidder.
17.	TENDER EVALUATION : Comparative statement shall be prepared and evaluated on total cost basis at destination/site (as per terms of NIT) considering overall quantity indicated in NIT unless contrary to same is specifically mentioned in the tender enquiry / NIT. Total cost for this purpose shall include cost of scope of work as mentioned in NIT along with applicable taxes & duties, and other services etc. (if applicable). GST input credit available to BHEL shall be reduced from prices while determining L1 status. In case all bidders are foreign & Port of Import (destination port) is same for all the bidders, evaluation of offers shall be done on CIF (Port of Import) basis. Otherwise, evaluation of offers shall be done on the basis of delivered cost at site /destination to BHEL. Further, in case of foreign bidders, marine freight & insurance are to be quoted separately & the purchase order may be placed on FOB basis with an option for delivery on CIF / CFR basis, if required, later. In case of foreign bidders, Exchange Rate (TT selling rate of State Bank of India) as on date of tender opening (Part-I Bid in case of two part bid) shall be considered. 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 for tender evaluation.
18.	LOADING CRITERIA : List of permissible deviations & loading criteria thereof are as follows :- a) Payment Terms Base rate of SBI (as applicable on the date of bid opening / techno-commercial bid opening in case of two part bids) + 6% shall be considered for loading for the period of relaxation sought by bidder(s) against terms of payment in the NIT. b) Liquidated Damages (LD) for Delayed Delivery

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	Loading on LD clause shall be to the extent to which it is not agreed to by the bidder (at offered value). c) In case of foreign bidders, if the quoted prices is on CIF basis only, it shall be loaded to arrive at total FOR (Site / Destination) price, as applicable, by factors as follows :- i) Port handling / clearing charges: @ 1% of CIF value to arrive at Customs Assessable Value. ii) Custom Duty (including CVD & SAD) as per NIT prevailing on date of price bid opening. iii) Inland Freight & Transit Insurance: @ 5% of CIF value where distance between site / destination and Port of Discharge is upto 1000 Kms or @ 7% of CIF value where distance between site / destination and Port of Discharge is more than 1000 Kms. Note : Additional deviations (if considered acceptable by BHEL) & the loading criteria shall be communicated to all the qualified bidders before price bid opening.
19.	ARBITRATION : In the event of any dispute emanating from and relating to this contract, the matter shall be referred to the sole arbitration of the person appointed by the competent authority of BHEL. Subject to aforesaid, the provisions of The Arbitration and Conciliation Act, 1996 and the rules made thereunder as amended from time to time in India shall apply to the arbitration proceedings. The venue of arbitration shall be in New Delhi. Further there shall be no claim for any pre-reference or pendente-lite interest on the claims and any claim for such interest made shall be void. However, in case of contract with Public Sector Enterprise / Undertaking (PSE/PSU) or Govt. Dept., the extant guidelines of Govt. of India shall be followed.
20.	LEGAL SETTLEMENT : Indian Courts at New Delhi / Delhi shall have exclusive jurisdiction to decide the dispute, if any, arising out of or in respect of the contract(s) to which these conditions are applicable. Contract, including all matters connected with contract, shall be governed by the Indian Law, both substantive and procedural, for the time being in force including modification thereto.
21.	SUB-CONTRACTING : In case further subcontracting of BHEL Purchase Order / Contract or part thereof is envisaged by supplier, the same can be done after written permission is obtained from BHEL. However it shall not absolve the Supplier / Contractor of the responsibility of fulfilling BHEL Purchase Order / Contract requirements. In case of subcontracting of Purchase Order / Contract awarded by BHEL or part thereof without such permission, BHEL reserve the right to cancel the Purchase Order / Contract and source such material / component / equipment / system from any other agency at the risk and cost of the Supplier / Contractor. If Supplier / Contractor is an individual or proprietary concern and the individual or the proprietor dies or the partnership is dissolved or substantially affected, then unless BHEL is satisfied that legal representative of individual Supplier / Contractor or proprietor of proprietary concern and surviving partners of partnership firm are capable of carrying out and completing the Purchase Order / Contract, BHEL shall be entitled to cancel the Purchase Order / Contract as to its incomplete portion and without being in any way liable to payment of any compensation to legal representative of Supplier / Contractor and / or to surviving partners of Supplier's / Contractor's firm on account of cancellation of the Purchase Order / Contract. Decision of BHEL that legal representatives of deceased Supplier / Contractor or

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	surviving partners of the Supplier's / Contractor's firm cannot carry out and complete the Purchase Order / Contract shall be final and binding on the parties hereto. Terms and Conditions shall not get affected in case of de-merger / amalgamation / taking-over / re-constitution etc.
22.	RISK PURCHASE : In case the Supplier / Contractor fails to supply or fails to comply with terms & conditions of the Purchase Order / Contract or delivers equipment / material not of the contracted quality or fails to adhere to the contract specifications or fails to perform as per the activity schedule and there are sufficient reasons even before expiry of the delivery / completion period to justify that supplies shall be inordinately delayed beyond contractual delivery / completion period, BHEL reserve the right to cancel the Purchase Order / Contract either in whole or in part thereof without compensation to Supplier / Contractor and if BHEL so desires, may procure such equipment / material / items not delivered or others of similar description where equipment / material / items exactly complying with particulars are not readily procurable in the opinion of BHEL which is final and in such manner as deemed appropriate, at the risk and cost of the Supplier / Contractor and the Supplier / Contractor shall be liable to BHEL for any excess cost to BHEL. However, the Supplier / Contractor shall continue execution of the Purchase Order / Contract to the extent not cancelled under the provisions of this clause. Recovery amount on account of purchases made by BHEL at the risk and cost of Supplier / Contractor shall be the difference of total value of new Purchase Order (PO) value and total value of old Purchase Order for applicable items, where the total value of new PO is more than total value of old PO for applicable items, plus additional 15% of the total ex-works value of new PO as overheads. The Supplier / Contractor shall on no account be entitled to any gain on such risk & cost purchase. In case the purchase order (PO) value of the new PO is less than the PO value of the old PO, 15% of the total ex-works value of the new PO shall be recovered as overheads and the difference between the PO value of the old PO and the new PO shall not be considered for calculation of the recovery amount.
23.	ADJUSTMENT OF RECOVERY : Any amount payable by the Supplier / Contractor under any of the condition of this contract shall be liable to be adjusted against any amount payable to the Supplier / Contractor under any other Purchase Order / Contract awarded to him by any BHEL unit. This is without prejudice to any other action, as may be deemed fit, by BHEL.
24.	FORCE MAJEURE CONDITION : If by reason of war, civil commotion, act of god, Government restrictions, strike, lockout which are not in control of Supplier / Contractor the deliveries / services are delayed, Supplier / Contractor shall not be held responsible. If at any time during the continuance of the Purchase Order / Contract, the performance in whole or in part by either party of any obligations under the Purchase Order / Contract is prevented or delayed by reason of any war hostilities, acts of the public enemy, restrictions by Govt. of India, civil commotion, sabotage, fires, floods, explosion, epidemics, quarantine restrictions, strike, lock-outs or acts of God (hereinafter referred to as event), which are not in control of Supplier / Contractor or BHEL, then provided notice of the happening of such event is given by either party to the other within fifteen (15) days from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate the Purchase Order / Contract nor shall have any claim for damages against each other in respect of such non-performance and delay in performance. Performance under the Purchase Order / Contract shall be resumed immediately after such event has come to an end or

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	ceased to exist and decision of BHEL as to whether the deliveries have to be resumed or not shall be final, conclusive and binding on the parties hereto. In the event of the parties hereto not able to agree that a force majeure event has occurred, the parties shall submit the disputes for resolution pursuant to the provisions hereunder, provided that the burden of proof as to whether a force majeure event has occurred shall be upon the party claiming such an event. Notwithstanding above provisions, BHEL shall reserve the right to cancel the Purchase Order / Contract, wholly or partly, in order to meet the overall project schedule and make alternative arrangements for completion of delivery and other schedules.
25.	MANUFACTURING QUALITY PLAN (MQP) : Supplier to submit approved MQP in line with requirement of BHEL/customer.
26.	SUPPLIER PERFORMANCE MONITORING AND RATING SYSTEM : BHEL reserve the right for evaluation of Supplier Performance Rating as per Supplier Performance Monitoring and Rating System of BHEL for necessary action. Details are available at BHEL Website www.bhel.com for reference.
27.	DEALING WITH BANNED SUPPLIERS / CONTRACTORS IN BHEL : Offers of the bidders, who are on the banned list, as also the offers of the bidders who engage the services of the banned firms, shall be rejected. The list of banned firms is available on BHEL website www.bhel.com for reference.
28.	ORDER OF PRECEDENCE : The order of precedence shall be as follows :- - Special Terms & Conditions (STC) for Tender Enquiry / Contract, if any - General Terms & Conditions (GTC) for Tender Enquiry / Contract & Additional General Terms & Conditions (GTC) for Tender Enquiry / Contract for Erection Testing & Commissioning (ETC) at Site, if applicable Provisions in (a) above shall prevail over (b). In case of conflict, between Technical Specifications and STC / GTC, bidder to seek necessary clarifications from BHEL concerned official as specified in NIT.
29.	PACKING : Packing shall be in conformity with specifications and shall be such as to ensure prevention of damages, corrosion, deterioration, shortages, pilferage and loss in transit or storage. In case of shipment by sea or air, the packing shall be sea-worthy or air-worthy respectively and of international standards. Different types of spares i.e. start-up / commissioning spares and initial spares (mandatory spares and recommended O&M spares) are to be packed separately. Packing List shall be submitted as per standard format along with advance set of documents for claiming payment which shall also indicate :- - Case / Packing size (as applicable). - Gross weight and net weight of each package. - Detailed contents of the package with quantity of each item separately. Project, Item / Package Description, BHEL's PO No. with date & Case / Packing Mark should also be clearly mentioned on the Case / Packing and Packing List for identification. Also, Packing List must be duly signed & should include respective Invoice No. & LR No. Note : Foreign suppliers to furnish details to arrange inland transportation by BHEL, if applicable, as follows :- - No. of Packages - Size with Weight (Gross & Net) of each Package - No. of Containers with type & size required for inland transportation

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	iv) Type of Cargo (Break Bulk / LCL / FCL) v) Customs Tariff No.
30.	COLOUR CODING : Aluminium stickers are required to be attached to large components but plastic sheet tags should be tied with small components, giving details like purchase order, description of the component, quantity etc. Tags should be of the colour as follows :- a) Main equipment : Yellow or White tag b) Start-up / Commissioning spares : Blue tag c) Mandatory spares : Pink or Red tag d) Recommended / O&M spares : Green tag
31.	MICRO, SMALL & MEDIUM ENTERPRISES (MSME) : MSMED Act 2006 as amended from time to time & extant regulations of Govt. of India for MSME will be applicable. Micro & Small Enterprises (MSE) can avail the intended benefits only if they submit along with the offer / bid, attested copies of either Acknowledgement of Entrepreneur Memorandum Part-II (EM-II certificate) having deemed validity (five years from the date of issue of acknowledgement in EM-II) or valid NSIC certificate or EM-II certificate along with attested copy of a CA certificate (As per BHEL format where deemed validity of EM-II certificate of five years have expired) applicable for the relevant financial year (latest audited). Date to be reckoned for determining the deemed validity will be the date of opening (for Techno-commercial Bid : Part-I in case of two part bid). Non-submission of such documents will lead to consideration of their bid at par with other bidders. No benefit shall be applicable for this enquiry if any deficiency in the above required documents are not submitted before price bid opening. If the tender is to be submitted through e-procurement portal, then the above required documents are to be uploaded on the portal. Documents should be notarized or arrested (in original) by a Gazetted officer. Copy of Udyog Aadhaar Memorandum with Acknowledgement of Ministry of Micro, Small & Medium Enterprises should also be furnished.
32.	BUSINESS ETHICS / SUSPENSION OF BUSINESS DEALINGS WITH SUPPLIERS / CONTRACTORS : If any bidder / supplier / contractor during pre-tendering / tendering / post tendering / award / execution / post-execution, indulges in malpractices cheating, bribery, fraud or other misconduct or formation of cartel so as to influence the bidding process or influences the price or fails to perform or is in default without any reasonable cause etc or performs any act considered objectionable as per extant guidelines, action may be taken against such bidders/supplier/contractor as per extant Guidelines for Suspension of Business Dealings with Suppliers/Contractors . Abridged version of same is available at BHEL website (www.bhel.com) on Supplier Registration Page.
33.	REVERSE AUCTION : BHEL reserve the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder or price bid submitted by the bidder through e-procurement system. This will be decided after techno-commercial evaluation. All bidders to give their acceptance for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA. In case BHEL decides to go for Reverse Auction, only those bidders who have given their unconditional acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit online sealed bid in the Reverse Auction. Non-submission of online sealed bid by the bidder will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue. General Terms and Conditions of RA are available at Annexure. Business Rules for

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	RA shall be sent to the bidders before conducting RA. Abridged Version of Common Guidelines for Conducting Reverse Auction may also be seen at BHEL website (www.bhel.com) on Supplier Registration Page & Tender Notifications Page.
34.	INTEGRITY PACT : Bidders shall have to enter into Integrity Pact with BHEL, duly signed with seal in original, if specified in NIT / RFQ failing which bidder's offer shall be liable for rejection.
35.	TERMINATION OF CONTRACT : BHEL shall have the right to cancel the Purchase Order / Contract without any financial implication to BHEL if vendor approval by end user / customer is withdrawn or in case of Suspension of Business Dealings with the Suppliers / Contractors by BHEL. BHEL shall have the right to cancel Purchase Order / Contract, wholly or in part, in case they are obliged to do so on account of any decline, diminution, curtailment or stoppage of their business and in that event, the Supplier's / Contractor' compensation claim shall be settled mutually. In case of cancellation of Purchase Order / Contract for main supply, all other associated Purchase Orders / Contracts like those for Mandatory Spares / Recommended Spares / Erection, Testing & Commissioning (ETC) / Supervision of ETC, if any, would also get cancelled.
36.	SHELF LIFE : Supplier has to inform the list of the items / sub-items which have limited shelf life like consumables or those required for the first fill and shall indicate the corresponding shelf life period in the offer. Such items / sub-items shall be manufactured / despatched only after getting formal clearance from BHEL.
37.	LIMITATION OF LIABILITY : Notwithstanding any other provisions, except in cases of wilful misconduct and / or criminal negligence / acts, a) Neither the Supplier / Contractor nor BHEL shall be liable to the other, whether in Purchase Order / Contract, tort, or otherwise, for any consequential loss or damage, loss of use, loss of production or loss of profits or interest costs, provided however that this exclusion shall not apply to any obligation of the Supplier / Contractor to pay Liquidated Damages to the BHEL and b) Notwithstanding any other provisions incorporated elsewhere in the contract, the aggregate liability of the Contractor in respect of this contract, whether under the Contract, in tort or otherwise, shall not exceed total Contract Price, provided however that this limitation shall not apply to any obligation of the Vendor to indemnify BHEL with respect to Patent Infringement or Intellectual Property Rights.
38.	SHORTAGES / DAMAGES : a) Against Supply only or Supply where Supervision of Erection, Testing & Commissioning (ETC) at Site or Supply where Testing & Commissioning at Site is in scope of the supplier : Any shortages and / or damages in supplies shall be supplied / replenished free of cost by the supplier as early as possible but not later than 30 days from the date of intimation by BHEL to the supplier. b) Against Supply where Erection, Testing & Commissioning (ETC) at Site is in scope of the supplier :

Sr. No.	
	Any shortages and / or damages in supplies and during handling / storage, erection, testing and commissioning at site shall be supplied / replenished free of cost by the Supplier / Contractor, as early as possible, to meet the contractual completion time / schedule. Note: There shall not be any extension in the contractual delivery time / schedule due to any shortages and / or damages in supplies.
39.	VARIATION OF CONTRACT VALUE / QUANTITY VARIATION : BHEL shall have the right to variation in quantities of items within $\pm 30\%$ of the total Purchase Order / Contract value at the time of placement of PO or award of Contract on overall basis for all amendments together within two years from the date of original Purchase Order / Contract or completion of execution of the Purchase Order / Contract whichever is earlier but quantities of individual items may vary to any extent or may get deleted unless otherwise specified in the technical specifications. No compensation is payable due to variation in the quantities and the Supplier / Contractor shall be bound to accept the same the contracted prices / rates without any escalation. However, if the Purchase Order / Contract is on Lumpsum basis, no variation of Purchase Order / Contract value shall be admissible to the Supplier / Contractor within the scope of Purchase Order / Contract, as long as the inputs remain unchanged.
40.	STATUTORY VARIATION : GST rates prevailing at the time of dispatch of goods / completion of services shall be payable by BHEL. All other taxes, duties, charges, royalty, cess, other levies shall be deemed to be included in the Ex Works Prices / Charges quoted by bidders and no variations shall be payable in respect thereof. No other variations such as on customs duty, exchange rate, minimum wages, prices of controlled commodities, any other input etc. shall be payable by the BHEL. Notwithstanding anything above, where the actual completion of the supply / services occurs beyond the period stipulated in the Purchase Order / Contract or any extension thereof, variations referred to above, will be limited to the rates prevailing on the dates of such agreed completion periods only. For variations after the agreed completion periods, the Supplier / Contractor alone shall bear the impact for the upward revisions and for downward revisions BHEL shall be given the benefit of reduction in applicable taxes /GST. This will be without prejudice to the levy of liquidated damages for delay in delivery / completion. If new tax is introduced by Central/ State Govt / Municipality becomes directly applicable on items specified in Bill of Quantities/Purchase Order/Contract, full reimbursements shall be made provided it becomes applicable on items specified in Bill of Quantities. However, any additional tax implication due to delay in delivery, beyond the Contractual Delivery, attributable to supplier shall be borne by supplier.
41.	MODE OF PAYMENT : Payment shall be made directly to the Supplier / Contractor by BHEL through NEFT / RTGS.
42.	CONFIDENTIALITY : Supplier / Contractor shall, at all times, undertake to maintain complete confidentiality of all data, information, software, drawings & documents etc. belonging to BHEL and also of systems, procedures, reports, input documents, manuals, results and any other BHEL documents discussed and / or finalized during the course of execution of Purchase Order / Contract.
43.	INDEMNIFICATION : The Supplier / Contractor shall indemnify and keep indemnified and hold harmless BHEL and its employees and officers from and against any and all claims, suits, actions or administrative proceedings, demands, losses, damages, costs and

Sr. No.	
	expenses and any other claim of whatsoever nature in respect of the death or injury of any person or loss of or damage to any property arising during the course and out of the execution of the Purchase Order / Contract.
44.	TITLE OF GOODS : a) Ownership of the equipment / material procured in India, shall be transferred to BHEL upon loading on to the mode of transport to be used for transportation of the said equipment / material from the works to the site / destination and upon endorsement of the dispatch documents in favour of BHEL. b) Ownership of the equipment / material to be imported into the country where the site is located, if not procured in India, shall be transferred to BHEL upon loading on the mode of transport to be used for transportation of the equipment / material from the country of origin to that country / destination and upon endorsement of despatch document in favour of BHEL. c) Notwithstanding the transfer of ownership of the equipment / material, the responsibility for care and safe custody thereof together with the risk of loss or damage thereto for whatsoever reason shall remain with the Supplier.
45.	COMPLIANCE OF STATUTORY REQUIREMENTS : The vendor shall comply with all State and Central Laws / Acts, Statutory Rules, Regulations etc., as may be enacted by the Government during the tenure of the Purchase Order / Contract and having in force and applicable to the Purchase Order / Contract and nothing shall be done by the Supplier / Contractor in contravention of any Law / Act and / or Rules / Regulations, thereunder or any amendment thereof. The Supplier / Contractor shall pay all taxes, fees, licence charges / deposits, duties, tolls, royalty, commissions or other charges which may be levied on account of any of his operations connected with the Purchase Order / Contract. In case BHEL is constrained to make any of such payments, BHEL shall recover the same from the Supplier / Contractor either from moneys due to him or otherwise as deemed fit.
46.	ACCEPTANCE OF ORDER : Supplier should acknowledge and accept the Letter of Award / Purchase Order issued by BHEL within 7 days of the issue of Letter of Award / Purchase Order. In case of any discrepancy / typographical error in issue of Purchase Order / Contract, the agreed terms & conditions, scope of work, rates / prices for placement of PO / award of contract shall be applicable and BHEL reserves the right to issue amendment(s) to PO / Contract for correction of discrepancies / typographical errors in the PO / Contract at a later date.
47.	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.

Signature of Bidder (Authorized Signatory) with Date & Seal

SCHEDULE OF COMMERCIAL DEVIATION

ENQUIRY No.

Date:

The following are the deviations/ variations exception from the General Terms and Conditions:

SL.NO.	CLAUSE NO. OF GENERAL TERMS AND CONDITIONS	STATEMENT OF DEVIATION

In case, this schedule is not submitted, it will be presumed that the equipment /material to be supplied under this contract is deemed to be in compliance with the General Terms and Conditions.

If there is NIL deviation,even then the format to be filled as NIL DEVIATION.

Note : 1. Continuation Sheets of like size and format may be used as per the Bidder's Requirement and shall be annexed to this schedule.

2 Deviation mentioned in this schedule shall only be considered.

This Format is to be submitted in original duly signed by bidder.

Reproduction of the same in any sort is not acceptable.

Place:
Date :

Signature of the authorised representative of

Bidder's name :.....
Designation:.....
Company Seal:.....

SCHEDULE OF TECHNICAL DEVIATION

ENQUIRY No.:

Date:

The following are the deviations/ variations exception from the Technical Specifications:

SL.NO.	CLAUSE NO. OF GENERAL TERMS AND CONDITIONS	STATEMENT OF DEVIATION
1		

In case, this schedule is not submitted, it will be presumed that the equipment /material to be supplied under this contract is deemed to be in compliance with the Technical Specifications,

If there is NIL deviation,even then the format to be filled as NIL DEVIATION.

Note : 1. Continuation Sheets of like size and format may be used as per the Bidder's Requirement and shall be annexed to this schedule.

2 Deviation mentioned in this schedule shall only be considered.

**This Format is to be submitted in original duly signed by bidder.
Reproduction of the same in any sort is not acceptable.**

Place:
Date :

Signature of the authorised representative of

Bidder's name :.....
Designation:.....



Help

Wise BoQ

Tender Inviting Authority: BHEL, TBG Noida

Name of Work: Supply of 110 MT (MILD STEEL YIELD STRESS E250, ZINC COATING 610 GMS/SQM) Lattice Structure for PHPA-I, Bhutan Project

Enquiry/NIT No: 40Q2100326 dated 29.01.2021

Name of the Bidder/ Bidding Firm / Company :															
<u>PRICE SCHEDULE</u> (This BOQ template must not be modified/replaced by the bidder and the same should be uploaded after filling the relevent columns, else the bidder is liable to be rejected for this tender. Bidders are allowed to enter the Bidder Name and Values only)															
NUMBER #	TEXT #	TEXT #	NUMBER #	TEXT #	TEXT #	NUMBER #	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER #	NUMBER #	NUMBER #	TEXT #
Sl. No.	Item Description	Item Code / Make	Quantity	Units	Quoted Currency in INR / Other Currency	Unit RATE In Figures To be entered by the Bidder in Rs. P	GST (in Percentage)	GST Amount (Unit Rate*Quantity*GST) Rs. P	Unit Freight & Insurance Charges in Rs. P	GST (in Percentage)	GST Amount on F&I (Unit Rate*Quantity*GST) Rs. P	HSN / SAC Code	TOTAL Ex-Works + F & I AMOUNT excluding GST in Rs. P	TOTAL Ex-Works + F & I AMOUNT including GST in Rs. P	TOTAL AMOUNT In Words
1	2	3	4	5	12	13	14	15	16	20	21	51	53	54	55
1.01	SUPPLY- LATTICES TRUCTURE : MILD STEEL YIELD STRESS E250, ZINC COATING 610 GMS/SQM	Item1	110	MT	INR			0.00			0.00		0.000	0.000	INR Zero Only
Total in Figures													0.000	0.000	INR Zero Only
Quoted Rate in Words		INR Zero Only													

INR Zero Only



BHARAT HEAVY ELECTRICALS LIMITED
TRANSMISSION BUSINESS ENGINEERING MANAGEMENT
TRANSMISSION BUSINESS GROUP, INDUSTRY SECTOR, NOIDA

DOCUMENT No.	TB xxx 618 002 LS	Rev 00	Prepared	Chkd	Rvwd	Appvd
TYPE OF DOC.	TECHNICAL SPECIFICATION	NAME	SV	BVG	PLK	AS
SPECIFICATION FOR RATE CONTRACT FOR LATTICE TYPE G. I. STRUCTURES		SIGN	<i>Shyam</i>	<i>SV</i>	<i>PLK</i>	
		DATE	<i>23/05/18</i>	<i>23/5/18</i>	<i>23/5</i>	
		GROUP	TBEM			
		W.O. No				
CUSTOMER	NTPC, PGCIL, SEBs and other Customers					

PROJECT		
<u>Contents:</u>		
Section No.	Description	No of Pages
SECTION-1	SCOPE, SPECIFIC TECHNICAL REQUIREMENTS and QUANTITIES	01
SECTION-2	STANDARD SPECIFICATION	08
SECTION-3	PROJECT DETAILS AND GENERAL SPECIFICATION	02

Rev	Date	Altered	Chkd	Rvwd	Appvd	
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SECTION - 1

SCOPE, SPECIFIC TECHNICAL REQUIREMENTS & QUANTITIES

1.1 SCOPE

The scope of this specification is to specify all details required by a supplier for preparation of shop drawings, fabrication, proto assembly, galvanising and supply of galvanized lattice type steel structures for projects being executed by BHEL on turnkey basis for NTPC, PGCIL, SEBs and other Customers.

The detailed scope of work is preparation of shop drawings, fabrication, proto assembly, galvanizing and supply of all towers, beams, lighting/lightning masts, equipment supporting structures (lattice type), platform ladders, chequered plates, base plates, stiffener plates, fixtures for supporting and operating mechanism boxes, control cabinets, junction boxes, surge monitors, and other such items required to complete the job excluding all fixtures, such as nuts, bolts, step bolts and washers. However, detailed and accurate bill of quantities for nuts, bolts, step bolts and washers shall be given by the supplier in the drawings & bill of materials of the structure submitted by him. **The detailed structure fabrication drawings shall be provided by BHEL after award of work.** *However, in certain cases, preparation of fabrication drawings in AUTOCAD, based on the PDF/hard copies of the structure drawings and inputs provided by BHEL, is in the scope of bidder.*

Submission of 1 set of shop drawings (AUTOCAD) for reference is also in the scope of the bidder.

1.2 SPECIFIC TECHNICAL REQUIREMENTS

The specific technical requirements shall be as per Standard Technical Specification (Refer Section 2).

1.3 QUANTITIES

The quantities indicated are tentative & it may vary upto any extent limiting to + 30% during detailed engineering at contract stage.

S. No.	Description	Quantity in MT
1	Supply of lattice type galvanized Steel structures including all material, labour, fabrication, galvanization, inspection, preparation of shop drawings based on approved fabrication drawings, proto assembly, submission of proto corrected drawings/ BOMs etc. (Zinc coating 610 gms/sqm)	
1a	Mild Steel (Yield Stress E250)	
1b	High Tensile Steel (Yield Stress E350)	
1c	Add extra on above for providing additional zinc coating of 100gms/sqm each or part thereof.	

SECTION – 2

STANDARD SPECIFICATION

2.0 GENERAL

This section covers the standard technical specification for GI Structures Lattice type.

2.1 STEEL MATERIAL

Steel materials shall conform to IS: 2062-2011 (Hot rolled Low, Medium and High Tensile structural steel) with **Yield Stress E250 for mild steel and Yield Stress E350 for High Tensile steel.**

Replacing MS/HT section with higher section or replacing MS section with HT section of same size due to non-availability of particular section shall not require BHEL/Employer's approval and this shall be done without additional financial implication to BHEL/Employer.

Steel shall not be pitted and should be free from scales and rust. If the rolled section and plates are bent or distorted, bend or distortion shall normally be removed by the cold treatment. Straightening under hot stage shall be resorted to only under specific permission from BHEL. If any rolling defects viz., laminations, cracks etc. are discovered in the steel during the processing, it is to be rejected.

TOLERANCE:

The dimensional and weight tolerances for rolled shapes shall be in accordance with IS: 1852-1985.

No rolled or fabricated member shall deviate from straightness by more than 1/1000 of the axial length or 10mm which ever is smaller.

2.2 FABRICATION

GENERAL:

All the workmanship and finish shall be of the best quality and shall conform to the best approved method of fabrication. All materials shall be finished straight and shall be machined true and square where so specified. All holes and edges shall be free of burrs. Shearing and chipping shall be neatly and accurately done and all portions of work exposed to view shall be neatly finished. Material at the shops shall be kept clean and protected from weather.

The fabrication of galvanized steel structures shall be carried out generally in accordance with IS: 802 part. II, IS: 800-1984. All materials shall be completely shop fabricated. Normally, butt splices shall be used. The components constituting the joint shall have a total strength greater than the heavier of the members connected. Lap splices may be used for connecting

members of unequal sizes. The inside angle of lap splice shall be grounded at the heel to fit the fillet of the outside angle. The splices shall develop full strength of the members connected through bolts. Butt as well as lap splices shall be made as close to the main panel points as possible.

Joints shall be so designed and detailed as to avoid eccentricity as far as possible. However, where joints are such that the elimination of gusset plates would result into eccentric joints, gusset plates and spacer plates may be used in conformity with modern practices. The thickness of gusset plates shall not be less than 6mm. Where a gusset plate is required to transmit stress; its thickness shall not be less than the thickness of the thickest plate plus 2mm.

The use of filler in the connections shall be avoided as far as possible. The diagonal members in tension may be connected entirely to the gusset plate where necessary to avoid the use of fillers. Each diagonal shall be in one piece without splices or center gussets, and it shall be connected at the point of intersection by one or more bolts.

The gap between the ends of two connected members in butt joints shall not be more than 6 mm and less than 4mm.

The switchyard structure members shall be accurately fabricated to bolt together easily at site without any undue strain on them or the bolts.

Drain holes shall be provided at all points where pockets or depressions are likely to hold water.

STRAIGHTENING:

For rolled steel material, if straightening or flattening is necessary, it shall be done by methods that will not injure the materials.

CUTTING:

Cutting may be effected by chopping, cropping, sawing or machine flame cutting. Sheared or cropped edges shall be dressed to a neat workmanlike finish and shall be free from distortion and burrs.

PUNCHING AND DRILLING:

Holes in members may be punched full size through material not over 12mm thick. Holes must be cleaned of burrs and ragged edges. Drilled holes shall be preferred. Holes made by drilling shall also be cleaned of burrs and ragged edges. Where several parts are to be drilled, they shall be first assembled, tightly clamped together and drilled through.

Punched holes must be square with plates and the walls of the holes shall be parallel. The following maximum allowance in accuracy of punched holes is permissible:

- i) Holes must be perfectly circular and no tolerance in this respect is permissible.

- ii) The maximum allowable difference in diameter of the holes on the two sides of plates or angle is 0.8 mm, i.e. the allowable taper in punched holes should not exceed 0.8 mm in diameter.
- iii) Holes must be square with the plates. Holes at angle or slant shall not be permitted.

The minimum spacing of bolts and edge distances shall be as given below:

Bolt Diameter	Minimum Bolt Spacing	Maximum edge distance	
		Hole center To rolled Edge (mm)	Hole center to cut/ flame edge (mm)
(mm)	(mm)	(mm)	(mm)
16	40	20	23

WELDING:

The work shall be done as per approved fabrication drawings, qualified welding procedure specifications (WPS) and by qualified welders. Procedure qualification records (PQR) shall be maintained. Electrodes for shielded arc manual welds shall comply with the requirements of IS: 814 - 1991. All welds shall be free from defects like blow holes, slag inclusions, lack of penetration, under cutting, cracks etc. All welds shall be cleaned of all slag or flux before galvanizing.

MARKING OF MEMBERS FOR IDENTIFICATION.

All members shall be marked for identification during erection. This mark shall correspond to distinguishing marks on approved erection drawings and shall be legibly painted and stamped on. The erection mark shall be stamped with a metal dye with figures at least 16 mm high and to such optimum depth as to be clearly visible, even after a member is galvanized. All erection marks shall be on outer surface of all sections and near one end, but clear of bolt holes. Marking shall be so stamped that they are easily discernible when sorting out members. The stamped marking shall be encircled boldly by a distinguishable paint to facilitate easy location.

Erection marks on like pieces shall be in identical locations. Members having lengths of 3.0 M or more shall have the erection mark at both ends.

PROTOTYPE ASSEMBLY:

Towers, beams, equipment structures, etc. shall be trial assembled at shop before galvanizing i.e. prototype assembly keeping in view the actual site condition prior to dispatch to erection site. The prototype assembly of each structure shall be got approved from BHEL/Customer as directed. Necessary match marks shall be made on each components before dismantling the

prototype assembly and galvanizing. Any error shall be rectified at the expense of the contractor.

No extra charge on account of erecting the assemblies or getting them inspected will be permissible. It is however to be mentioned that the responsibility for proper fitting of various members for the erection of the structure in the field will rest with the supplier and any discrepancy found at the time of erection will have to be rectified by the contractor at his cost.

2.3 GALVANISING:

All structural steel works and single pipe supports shall be hot dip galvanized after fabrication. Galvanizing of each member shall be carried out in one complete immersion and double dipping shall not be permitted.

Zinc required for galvanizing will have to be arranged for by the Contractor. Purity of zinc to be used for galvanizing shall be 99.5% as per IS:209-1992.

All burrs and irregular edges shall be ground smooth before galvanizing.

After all shop work is complete, all structural materials shall be punched with the Erection Mark and be hot dip galvanized. Before galvanizing the steel section shall thoroughly be cleaned of any paint, grease, rust, scale, acid/alkali or such other foreign matters as are likely to interfere with the galvanizing process or with the quality and durability of the zinc coating. Pickling shall be carefully done and shall be proper.

Minimum weight of zinc coating shall be 610gms/sqm. However, higher coating may be provided as per requirement.

The galvanized surface shall consist of a continuous and uniformly thick coating of zinc, firmly adhering to the surface of steel. The finished surface shall be clean and smooth and shall be free from defects like discolored patches, bare spots, unevenness of coating, spelter which is loosely attached to the steel, globules, spiky deposits, blistered surface flaking or peeling off, etc. The presence of any of these defects noticed on visual or microscopic inspection shall render the material liable to rejection.

There shall be no flaking or loosening when struck squarely with a chisel faced hammer. The galvanized steel member shall withstand minimum four one minute dips in copper sulphate solution as per IS: 2633 - 1986.

When the steel section is removed from the galvanizing kettle excess spelter shall be removed by 'bumping'. The processes known as 'wiping' or 'scrapping' shall not be used for this purpose.

Defects in certain members indicating presence of impurities in the galvanizing bath in quantities larger than that permitted by the specification, or lack of quality control in any manner in the galvanizing plant shall render the entire production in the relevant shift liable to rejection.

All the galvanized structural steel members and accessories shall be treated with sodium dichromate or an approved equivalent solution after galvanizing, so as to prevent white storage stains.

If the galvanizing of any member is damaged, BHEL shall be shown of the extent of damage and if so directed the galvanizing may have to be redone in the similar manner as stated above at no extra cost.

Contractor shall also furnish sufficient quantity of appropriate paint, free of cost, for repairing galvanized surfaces damaged in transit, and minor modifications done at site during erection.

Galvanizing tests shall be made from time to time on as many samples as may be considered necessary. The supplier shall supply all samples and equipment and carry out the tests without any extra cost.

2.4 INSPECTION OF MATERIALS

GENERAL:

Contractor shall give notice to BHEL in advance for inspection of materials. All rejected material shall be promptly removed from the shop and replaced with new material for BHEL approval/ inspection. The fact that certain material has been accepted at Contractor's shop shall not invalidate final rejection at site by BHEL if it fails to be in proper condition or has fabrication inaccuracies which prevents proper assembly. No materials shall be painted, galvanized or dispatched to site without the inspection and approval by BHEL unless such inspection is waived off in writing by BHEL.

Shop inspection by BHEL, for submission of test certificates and acceptance there of by BHEL shall not relieve contractor from the responsibility of furnishing material conforming to the requirements of these specifications, nor shall it invalidate any claim which BHEL may make because of defective or unsatisfactory material and workmanship.

Contractor shall provide all the testing and inspection services and facilities for shop work. For fabrication work carried out in the field the standard of supervision and quality control shall be maintained as in shop fabricated work. The inspection and testing shall be conducted in a manner satisfactory to BHEL.

The inspection and tests shall be as given below and the minimum requirement shall be as per quality plan attached. The final Quality plan shall be decided between Supplier, BHEL and Customer/ Owner.

MATERIAL TESTING

If mill test reports are not available for any steel materials the same shall be got tested by the contractor and demonstrate conformity with the relevant specification to the full satisfaction of BHEL. The cost of such tests shall be borne by the contractor.

DIMENSIONS AND WORKMANSHIP:

The Structural Steel members shall be inspected at all stages of fabrication and assembly to verify that dimensions, tolerances, alignment and surface

finish, are in accordance with the requirements shown in Contractor's approved shop drawings.

INSPECTION OF TEST FAILURE:

In the event of any failure of structural steel members to meet an inspection or test requirement, contractor shall inform BHEL and must obtain permission from the BHEL before repair is undertaken. The quality control procedures to be allowed to ensure satisfactory repair shall be subject to approval by BHEL.

2.5 PACKING TRANSPORTATION AND DELIVERY

After completion of final inspection and marking, the fabricated galvanized structural items shall be packed and loaded for transportation.

Packing must be adequate to protect items against bending and any mechanical injuries and damage to galvanized film during loading and unloading. As far as possible, like member should be bundled together and tied.

Proper lifting devices shall be used for loading at shop and unloading at site in order to protect items against bending, mechanical injuries and damage to galvanized film.

Loading, transporting and unloading shall be done in compliance with transportation rules.

Slender and projected parts shall be braced properly with additional spacer steel bars, spacer wood etc, before loading for transportation, to protect against bending or any other damages during transportation.

If certain parts cannot be transported in the lengths stipulated in the design drawing, the position and type of additional splice joints shall be got approved from BHEL.

Items must be carefully loaded and tied up properly to prevent bending, falling etc. during transportation.

The small parts such as plates, gussets, cleats etc. shall be securely tied with the wire, and packed in double gunny bags and cased as per the actual requirements..

As far as possible the delivery of fabricated galvanized structural steel shall be as per the order stipulated by BHEL and to suit the erection sequence.

Contractor shall make good/ replace at his own cost any damage occurred during loading, transporting, unloading and stacking of fabricated galvanized steel structures as directed by BHEL. No extra payment on this account shall be entertained under any circumstances.

2.6 APPLICABLE STANDARDS

Unless otherwise specified, materials, and workmanship shall conform to the following standards (**latest**):-

- | | | |
|-----|---|---|
| 1. | IS : 209 - 1992 | - Zinc Ingot. |
| 2. | IS : 228 - 1959 | - Method of chemical analysis of pig iron, cast iron, plain carbon and low alloy steel. |
| 3. | IS : 406 - 1964 | - Methods of analysis of zinc (Spelter). |
| 4. | IS : 800 - 1984 | - Code of practice for general construction. |
| 5. | IS : 802 - Part1 - 1977
- Part1/Sec.2/1992
- Part2 - 1978
- Part3 - 1978 | - Code of Practice for use of structural in over head Transmission line towers. |
| 6. | IS : 806 - 1968 | - Code of practice for use of steel tubes in general building construction. |
| 7. | IS : 808 - 1989 | - Dimensions for hot rolled steel beam, column, channel and angle sections. |
| 8. | IS : 814 - 1991 | - Covered electrodes for manual metal arc welding of carbon and carbon manganese steel. |
| 9. | IS : 816 - 1969 | - Code of Practice for use of metal arc welding for general construction in mild steel. |
| 10. | IS : 817 - 1966 | - Code of practice for training & testing of Metal Arc welders. |
| 11. | IS : 1161 - 1979 | - Steel tubes for structural purposes. |
| 12. | IS : 1599 - 1985 | - Method of bend test |
| 13. | IS : 1608 - 1972 | - Method of tensile testing of steel products. |
| 14. | IS : 1852 - 1985 | - Rolling and cutting tolerances for hot rolled steel products. |
| 15. | IS : 1978 - 1982 | - Line pipe |

- | | | |
|-----|------------------|--|
| 16. | IS : 2062 - 2011 | - Hot rolled Low, Medium and High Tensile structural steel. |
| 17. | IS : 2074 - 1992 | - Ready Mixed Paint, air drying red oxide zinc, chrome, priming. |
| 18. | IS : 2629 - 1985 | - Recommended practice for hot dipped galvanising on Iron & Steel. |
| 19. | IS : 2633 - 1986 | - Methods for testing uniformity of coating on zinc coated articles. |
| 20. | IS : 3502 - 1981 | - Steel chequered plates. |
| 21. | IS : 4759 - 1984 | - Hot dip zinc coating on structural steel and other allied products. |
| 22. | IS : 6745 - 1972 | - Method for determination of mass of zinc coating on zinc coated iron and steel articles. |

SECTION - 3

PROJECT DETAILS AND GENERAL SPECIFICATIONS

3.0 GENERAL

This section stipulates the General Technical Requirements under the contract and will form an integral part of the Technical Specification.

The provisions under this section are intended to supplement general requirements for the materials, equipment and services covered under other sections and is not exclusive. However in case of conflict between the requirements specified in this section and requirements specified under other sections, the requirements specified under respective sections shall hold good.

3.1 QUALIFYING REQUIREMENT

The contractor shall have adequate galvanizing facilities to galvanize the longest single steel member of 6.5m length in one dip.

All structural assembly drawings shall be prepared in Auto Cad (2004 or better).

3.2 SITE INFORMATION

SL.NO.	DESCRIPTION	
3.2.1	PROJECT INFORMATION	
	a) Customer	
	b) Project	
	c) Project location	
	d) Transport facilities Nearest Railway Station/Gauge Distance from Railway Station	
	e) Access roads	

3.3 STANDARDS

All materials shall comply in all respect with the requirement of the latest edition of the relevant codes as listed in Section 2.

3.4 UNIT

Metric (System International) units of measurements shall be used in all drawings.

3.5 DRAWINGS, BILL OF MATERIALS AND CDs

After approval of proto type assembly of structures, the drawings shall be updated as per proto and marked "PROTO CORRECTED". The following set of proto corrected fabrication drawings/ Bill of materials shall be submitted for approval.

- i) Proto Corrected Fabrication Drawings : 4 sets
- ii) Bill of Materials : 4 sets

After final approval of proto –type assembly of structures, the drawings shall be updated as per proto and marked "PROTO CORRECTED". The following sets of fabrication drawings/shop drawings/bill of materials/CDs shall be submitted for distribution:-

- | | | |
|------|--------------------------------------|----------|
| i) | Proto Corrected Fabrication Drawings | : 1 set |
| ii) | Shop Drawings | : 1 set |
| iii) | Bill Of Materials | : 1 set |
| iv) | CDs | : 2 sets |

3.6 CATEGORIES OF APPROVAL

- | | |
|--------------|---|
| CATEGORY I | This means that the documents/drawings is approved. |
| CATEGORY II | This means that the document/drawing is approved with comments i.e, some corrections are required but the contractor can go ahead for manufacturing after incorporating comments. |
| CATEGORY III | This means that the document/drawing is not approved i.e major revisions are required and the contractor cannot proceed with the manufacture. |

3.7 ERRORS

Any error in fabrication work preventing proper assembly and fitting up of parts in the field, shall be classified as defective workmanship. All changes incurred by BHEL either directly or indirectly because of this shall be deducted from the amount due to the contractor.

3.8 PURCHASE ORDER NUMBER

The P.O No. shall be mentioned on all documents and drawings.

Annexure-I

TECHNICAL PRE QUALIFICATION REQUIREMENT (PQR)

Name of Project: - PHPA BHUTAN PUNATSANGCHHU-1 HYDROELECTRIC PROJECT BHUTAN

Name of Item : - SUPPLY OF LATTICE TYPE GALVANISED STEEL STRUCTURE

PI No : - 4012100272 Dated: - 04.12.2020

PQR Sr. No	PQR Description	Supporting Document to be attached
01	The bidder should have successfully fabricated, PROTO tested and supplied the LATTICE TYPE GALVANISED STEEL STRUCTURE with bolted connections for switchyard, Transmission Lines towers, communication towers to any public sector enterprises or state government utility or multinational company or international projects.	Copy of proof of supply of LATTICE TYPE GALVANISED STEEL STRUCTURE to be submitted (Purchase Order, Receipted LR, Material dispatch clearance certificate, Inspection Clearance certificate/ MDCC/ MICC/ Performance Certificate or any other document acceptable to BHEL)

Note: This pre-qualification criterion covers the technical requirement only.

DGM (TBEM-Civil)

DGM (TBEM/GH-Civil)

Shyam Vihari
Manager (TBEM-Civil)

Annexure-II

ACTIVITY SCHEDULE FOR LATTICE STRUCTURE

SN	ACTIVITY	ACTIVITY TIME [in weeks]	SCOPE
1.	Manufacturing of Proto along with Proto Inspection call from the date of complete input by BHEL		BY SUPPLIER
2.	Proto Inspection by BHEL/ Customer	2	BHEL SCOPE
3..	Submission of BOM & Proto corrected Drawings and documents		BY SUPPLIER
4.	Approval of BOM & Proto corrected Drawings and documents	2	BHEL SCOPE
5.	MASS / FINISHED manufacturing Time and Inspection call		BY SUPPLIER
6.	Inspection by BHEL / Customer	2	BHEL SCOPE
7.	Issue of Dispatch clearance	1	BHEL SCOPE
8.	Dispatch		BY SUPPLIER

1. Inspection call to be issued 2 weeks in advance.
2. Supplier must ensure the completeness and correctness of the requisite documents before submission for approval. Delay in approval on account of incomplete / inadequate information shall be the responsibility of supplier.
3. Inspection call should be given in the prescribed format only. Inspection calls not in the prescribed format shall not be entertained.
4. Qty to be offered for inspection should be in accordance within Delivery-schedule – lot. BHEL reserves the right not to entertain multiple inspection calls for a Delivery – lot and delay on this account shall be the responsibility of Supplier.
5. Bidder to comply/reply the comments given by BHEL/Customer within 7 days on submitted Drg. and Documents.

Signature & Seal of

Supplier

Date:

Check List for Supply bills

Name Of the Project							
Package Description							
Invoice No. & Date							
PO No. & date							
Sr. No	Documents Required	Copies	Check Points	Page no.	Vendor Remarks	Verification by MM	Verification by Fin
					(Y/N/NA)	(Y/N/NA)	(Y/N/NA)
1	Original for Buyer Invoice - GST compliant invoice	1 Original+2 Copy	1. Please ensure GST complaint invoice in original 2. Consignee address : BHEL C/o followed by site address 3. Item description and unit of quantity are matched with PO 4. Buyer address and GSTN No as required (TBG Noida or Nodal 5. PO No and date, LR No and date, Vehicle No and Project name 6. Invoiced quantity are not more than th PO quantity and MICC 7. Ex works unit rate , Taxes and F&I rates are same as per PO 8. Signed and stamped by vendor				
2	Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/ Boxes	1Original+2 Copy	1. Consignee address : BHEL C/o followed by Site address 2. In case of material purchased from sub vendor , Consignee address Vendor's name C/o BHEL C/o Site address 3. Vendor's Invoice no and Vehicle No are mentioned 4. No of boxes/No of packages are same as per Packing list 5. In case of and adverse remark on LR (Like shortages/damages/broken etc) , clarification from site/TBMM/TBCM is nedded 6. LR is readable 7. In case of photo copy, LR is verified by TBMM 8. LR date is after the date of MICC/(MDCC if issued) or same date				
3	Packing List - showing number of packages, and gross weight/net Weight (if applicable)	1Original+2 Copy	1. PO No and date, LR No and date, Invoice No and date, Site Name and address, Consignor and consignee address are mentioned 2. Item description and quantity are matched with Invoice and PO 3. Signed and stamped by vendor 4. No of packages/ Item descriptions are matched with MRC and LR				
4	MICC from BHEL	1Original+2C opy	1. BHEL MICC has been issued prior to the date of dispatch or on same date 2. In case where MICC date is after the date of dispatch then MDCC date is same or prior to the date of dispatch 3. Project Name, PO,Po Date, Vendor's name and address is correct 4. Item description, Quantity and unit of quantity are same as per PO 5. All hold point in MICC , if any, have been resolved before submission of bill 6. Signed and stamped by BHEL Executive 7. MICC and MDCC quantity are not less than Invoice quantity and cover all invoiced items.				
5	Guarantee Certificate	1 Original+2 Copy	1. Project Name, PO No., Invoice No , LR No and date are mentioned 2. Guarantee Certificate is strictly matched with PO T&C 3. Signed and stamped by vendor				
6	Bank Guarantee	1 Copy	1. Ensure submission of BG directly from Bank before supply of material so that BG confirmation may be arranged before processing 2. Bill can be processed only after receipt of BG confirmation directly from bank 3. It should be in the name of BHEL , TBG Noida with registered office address Siri Fort, New Delhi 4. It should be in prescribed format. 5. BG value and valdity plus claim period should be minimum as specified in PO / RC. Please check before supply . If BG extension is required please arrange the same 6. Vendor's name address should be same as per PO 7. Po No / RC No and date should be correct				
7	Insurance Certificate	1 Original+2 Copy	1. Invoice No and date, Vendor's Name,Place from Consignor to Consignee are mentioned 2. It has not been issued later than the LR date 3. Insured value is not less than the Invoice value 4. Signed and stamped by Insurance Company 5. In case of Open Insurance Policy, declaration has been submitted to Insurance Company as per declaration clause of Open policy and 6. In case of any discrepancy , consent of TBCM is required for processing the bill and amount will be deducted for invalid Insurance				
8	PVC (If applicable) Invoice is submitted along with the Despatch Invoice	1Original+2C opy	PVC (If applicable) Invoice is submitted along with the Despatch Invoice 1. PVC invoice is attched along with supply Invoice 2. Calculation sheet and applicable PVC indices are also enclosed 3. If delay in delivery, then PVC indices are as per PO conditions.				
9			1. LR No and date, Invoice No and date, Vehicle No and date , Site Name an address are mentioned 2. Date of receipt of material				

Check List for Supply bills

Name Of the Project							
Package Description							
Invoice No. & Date							
PO No. & date							
Sr. No	Documents Required	Copies	Check Points	Page no.	Vendor Remarks	Verification by MM	Verification by Fin
	Material receipt Certificate		3. Item description and quantity are same as per Invoice / Packing List		(Y/N/NA)	(Y/N/NA)	(Y/N/NA)
			4. It is signed and stamped by Site executive				
			5. In case of any shortages / damages / adverse remark , clarification is needed				
10	Other Documents		To be seen as per specific requirement of PO.				
To be filled by BHEL (MM) only							
10	Date Of Submission of Last Billing Document		Date to be mentioned		Not to be filled by vendor		
11	LD Calculation, if applicable, as per PO.		Calculation Sheet of LD due to delay in delivery is attached				
12	Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/ Boxes	1 Copy	Damages if any mentioned in the Receipted LR have been accounted for. Withhel amount if any _____				
13	Packing List - showing number of packages and gross weight & net Weight (If applicable)	1 Original	If Packing list does not match with Purchase order (with ref to sl 4 above), Engg/MM acceptance as to the completeness is enclosed.				
14	PO copy	1 Copy	PO copy with original seal and signature is attached along with amendment if any				
15	Dan	1 copy	Relevant DANs are attached duly signed by TBMM representative.				
Note*	Every Field to be ticked. If some document is not applicable, same should be mentioned, All Pages to be numbered upward from the bottom Page						
	Invoice control No				Vendor Signature	MM Signature	Finance Signature
					Date:	Date:	Date:

Check List for Freight(Exclusive as per Transportation contract)							
Name Of the Project							
Package Description							
Invoice No. & Date							
PO No. & date							
Sr. No	Documents Required	Copies	Check Points	Page no.	Vendor Remarks	Verification by MM	Verification by Fin
					(Y/N/NA)	(Y/N/NA)	(Y/N/NA)
1	Invoice	1 Original	Freight Invoice Invoice for the Main Supply submitted				
2	Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/ Boxes	1 Copy	1. Consignee address : BHEL C/o followed by Site address				
			2. In case of material purchased from sub vendor , Consignee address Vendor's name C/o BHEL C/o Site address				
			3. Vendor's Invoice no and Vehicle No are mentioned				
			4. No of boxes/No of packages are same as per Packing list				
			5. In case of and adverse remark on LR (Like shortages/damages/broken etc) , clarification from site/TBMM/TBCM is needed				
			6. LR is readable				
			7. In case of photo copy, LR is verified by TBMM				
			8. LR date is after the date of MICC/(MDCC if issued) or same date				
3	Transporter's document indicating the freight amount. Original money receipt to be submitted if required as per SCC	1 Original	As per Rate Contract (if any)/ WO.				
4	PVC (If applicable) Invoice is submitted along with the Despatch Invoice		1. PVC invoice is attached along with supply Invoice 2. Calculation sheet and applicable PVC indices are also enclosed 3. If delay in delivery, then PVC indices are as per PO conditions.				
5	LD Calculation, if applicable		Calculation Sheet of LD due to delay in delivery is attached				
6	MRC		1. LR No and date, Invoice No and date, Vehicle No and date , Site Name an address are mentioned 2. Date of receipt of material 3. Item description and quantity are same as per Invoice / Packing List of supply 4. It is signed and stamped by Site executive 5. In case of any shortages / damages / adverse remark , clarification is needed				
	Invoice control No				Vendor Signature	MM Signature	Finance Signature
					Date:	Date:	Date:

			Applicable check list for MRC Bills:					
Name Of the Project								
Package Description								
Invoice No. & Date								
PO No. & date								
Sr. No	Documents Required	Copies	Check Points	Page no.	Vendor Remarks	Verification by MM	Verification by Fin	
					(Y/N/NA)	(Y/N/NA)	(Y/N/NA)	
1	Invoice	1 Original	MRC Bill enclosed					
2	Material Receipt Certificate	1 Copy	1. LR No and date, Invoice No and date, Vehicle No and date , Site Name an address are mentioned					
			2. Date of receipt of material					
			3. Item description and quantity are same as per Invoice / Packing List of supply					
			4. It is signed and stamped by Site executive					
			5. In case of any shortages / damages / adverse remark , clarification from site/MM/CM is needed					
3	Submission of all final documents for the packages as detailed in Anx-10 of GCC rev 00, duly certified by Engg. Deptt. of purchaser or As per PO	1 Copy	Certificate as per PO requirement is attached					
Note*	Every Field to be ticked. If some documents is not applicable, same should be mentioned, All Pages to be numbered starting from the Last Page.							
	Invoice control No				Vendor Signature	MM Signature	Finance Signature	
					Date:	Date:	Date:	

(A) CONCILIATION (MODEL CONCILIATION CLAUSE FOR CONDUCTING CONCILIATION PROCEEDINGS UNDER THE BHEL CONCILIATION SCHEME, 2018)

The Parties agree that if at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which term shall mean and include any dispute, difference, question or disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the agreement, contract or the Memorandum of Understanding (whichever is inapplicable), which the Parties are unable to settle mutually), arise inter-se the Parties, the same may, be referred by either party to Conciliation to be conducted through Independent Experts Committee to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators.

Notes:

1. No serving or a retired employee of BHEL/Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.
2. Any other person(s) can be appointed as Conciliator(s) who is/are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.

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 **Annexure-A to this GCC (Enclosed)**.

The Annexure-A together with its appendices will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in these GCC.”

(B) ARBITRATION (WITH SOLE ARBITRATOR)

- 1.1. Except as provided elsewhere in this Contract, in case amicable settlement is not reached between the Parties, 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, then, either Party may, by a notice in writing to the other Party refer such dispute or difference to the Sole Arbitrator and such Arbitrator appointed by Head of the BHEL Unit/Region/Division issuing the Contract.
- 1.2. The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the Parties.
- 1.3. Subject as aforesaid, the provisions of Arbitration and Conciliation Act 1996 (India) and amended in 2015 and further amendment passed in 2019 or statutory modifications or re-enactments thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceedings under this clause. The seat of arbitration shall

be New Delhi. The language of arbitration shall be English and the documents shall be submitted in English.

- 1.4. The cost of arbitration shall initially be borne equally by the Parties subject to the final apportionment of the cost of the arbitration in the award of the Arbitrator.
- 1.5. Notwithstanding the existence or any dispute or differences and/or reference for the arbitration, the Contractor shall proceed with and continue without hindrance the performance of its obligations under this Contract with due diligence and expedition in a professional manner except where the Contract has been terminated by either Party in terms of this Contract.

1.6. **SETTLEMENT OF COMMERCIAL DISPUTES BETWEEN CPSES INTER SE AND CPSE(S) AND GOVERNMENT DEPARTMENT(S)/ ORGANISATION(S) – ADMINISTRATIVE MECHANISM FOR RESOLUTION OF CPSES DISPUTES (AMRCD) – REGARDING**

Vide Dept. of Public Enterprises OM No. F. No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22.05.2018 it has been conveyed that *"To make the mechanism more effective and binding on the disputing parties, a new mechanism namely Administrative Mechanism for resolution of CPSEs Disputes (AMRCD) having two level (tier) structure has been evolved in consultation with various stakeholders to replace the existing PMA mechanism which stands wound up from the date of issue of this OM."* Accordingly, the existing Permanent Machinery of Arbitration (PMA) stands wound up with effect from 22.05.2018 and cases relating to disputes or differences relating to the interpretation and application of the provisions of commercial contract(s) between CPSEs / Port Trust / Central or State Government Department / Organisations (excluding disputes concerning Railways, Income Tax, Customs and Excise Departments) shall be taken up by either party for its resolution through Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

(C) JURISDICTION AND GOVERNING LAWS

The Courts at New Delhi shall have exclusive jurisdiction over any matter arising out of or in connection with this Contract. This Contract shall be construed as per and be governed by the Laws of India.

**ANNEXURE TO MODEL CONCILIATION CLAUSE FOR CONDUCT OF
CONCILIATION UNDER THE BHEL CONCILIATION SCHEME, 2018**

BRIEF PROCEDURE FOR CONDUCT OF CONCILIATION PROCEEDINGS

1. 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 herein:
2. The party desirous of resorting to Conciliation shall send an invitation/notice in writing to the other party to conciliate specifying all points of Disputes with details of the amount claimed. The party concerned shall not raise any new issue thereafter. Parties shall also not claim any interest on claims/counter-claims from the date of notice invoking Conciliation till the conclusion of the Conciliation proceedings.
3. The party receiving the invitation/notice for Conciliation shall within 30 days of receipt of the notice of Conciliation intimate its consent for Conciliation along with its counter-claims, if any.
4. The Conciliation in a matter involving claim or counter-claim (whichever is higher) up to Rs 5 crores shall be carried out by sole Conciliator nominated by BHEL while in a matter involving claim or counter-claim (whichever is higher) of more than Rs 5 crores Conciliation shall be carried out by 3 Conciliators nominated by BHEL.
5. The Parties shall be represented by only their duly authorized in-house executives/officers and neither Party shall be represented by a Lawyer.
6. The first meeting of the IEC shall be convened by the IEC by sending appropriate communication/notice to both the parties as soon as possible but not later than 30 days from the date of his/their appointment. The hearings in the Conciliation proceeding shall ordinarily be concluded within two (2) months and, in exceptional cases where parties have expressed willingness to settle the matter or there exists possibility of settlement in the matter, the proceedings may be extended by the IEC by a maximum of further 2 months with the consent of the Parties subject to cogent reasons being recorded in writing.
7. The IEC shall thereafter formulate recommendations for settlement of the Disputes supported by reasons at the earliest but in any case within

15 days from the date of conclusion of the last hearing. The recommendations so formulated along with the reasons shall be furnished by the IEC to both the Parties at the earliest but in any case within 1 month from the date of conclusion of the last hearing.

8. Response/modifications/suggestions of the Parties on the recommendations of the IEC are to be submitted to the IEC within time limit stipulated by the IEC but not more than 15 days from the date of receipt of the recommendations from the IEC.
9. In the event, upon consideration, further review of the recommendations is considered necessary, whether by BHEL or by the other Party, then, the matter can be remitted back to the IEC with request to reconsider the same in light of the issues projected by either/both the Parties and to submit its recommendations thereon within the following 15 days from the date of remitting of the case by either of the Parties.
10. Upon the recommendations by the Parties, with or without modifications, as considered necessary, the IEC shall be called upon to draw up the Draft Settlement Agreement in terms of the recommendations.
11. When a consensus can be arrived at between the parties only in regard to any one or some of the issues referred for Conciliation the draft Settlement Agreement shall be accordingly formulated in regard to the said Issue(s), and the said Settlement Agreement, if signed, by the parties, shall be valid only for the said issues. As regards the balance issues not settled, the parties may seek to resolve them further as per terms and conditions provided in the contract.
12. In case no settlement can be reached between the parties, the IEC shall by a written declaration, pronounce that the Conciliation between the parties has failed and is accordingly terminated.
13. Unless the Conciliation proceedings are terminated in terms of para 22 (b), (c) & (d) herein below, the IEC shall forward his/its recommendations as to possible terms of settlement within one (1) month from the date of last hearing. The date of first hearing of Conciliation shall be the starting date for calculating the period of 2 months.

14. In case of 3 members IEC, 2 members of IEC present will constitute a valid quorum for IEC and meeting can take place to proceed in the matter after seeking consent from the member who is not available. If necessary, videoconferencing may be arranged for facilitating participation of the members. However, the IEC recommendations will be signed by all members. Where there is more than one (1) Conciliator, as a general rule they shall act jointly. In the event of differences between the Members of IEC, the decision/recommendations of the majority of the Members of IEC shall prevail and be construed as the recommendation of the IEC.
15. The Draft Settlement Agreement prepared by the IEC in terms of the consensus arrived at during the Conciliation proceedings between the Parties shall be given by the IEC to both the parties for putting up for approval of their respective Competent Authority.
16. Before submitting the draft settlement agreement to BHEL's Competent Authority viz. the Board Level Committee on Alternative Dispute Resolution (BLCADR) for approval, concurrence of the other party's Competent Authority to the draft settlement agreement shall be obtained by the other party and informed to BHEL within 15 days of receipt of the final draft settlement agreement by it. Upon approval by the Competent Authority, the Settlement Agreement would thereafter be signed by the authorized representatives of both the Parties and authenticated by the members of the IEC.
17. In case the Draft Settlement Agreement is rejected by the Competent Authority of BHEL or the other Party, the Conciliation proceedings would stand terminated.
18. A Settlement Agreement shall contain a statement to the effect that each of the person(s) signing thereto (i) is fully authorized by the respective Party(ies) he/she represents, (ii) has fully understood the contents of the same and (iii) is signing on the same out of complete freewill and consent, without any pressure, undue influence.
19. The Settlement Agreement shall thereafter have the same legal status and effect as an arbitration award on agreed terms on the substance of the dispute rendered by an arbitral tribunal passed under section 30 of the Arbitration and Conciliation Act, 1996.
20. Acceptance of the Draft Settlement Agreement/recommendations of the Conciliator and/or signing of the Settlement Agreement by BHEL shall

however, be subject to withdrawal/closure of any arbitral and/or judicial proceedings initiated by the concerned Party in regard to such settled issues.

21. Unless otherwise provided for in the agreement, contract or the Memorandum of Understanding, as the case may be, in the event of likelihood of prolonged absence of the Conciliator or any member of IEC, for any reason/incapacity, the Competent Authority/Head of Unit/Division/Region/Business Group of BHEL may substitute the Conciliator or such member at any stage of the proceedings. Upon appointment of the substitute Conciliator(s), such reconstituted IEC may, with the consent of the Parties, proceed with further Conciliation into the matter either de-novo or from the stage already reached by the previous IEC before the substitution.
22. The proceedings of Conciliation under this Scheme may be terminated as follows:
- On the date of signing of the Settlement agreement by the Parties; or,
 - By a written declaration of the IEC, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or,
 - By a written declaration of the Parties addressed to the IEC to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or,
 - By a written declaration of a Party to the other Party and the IEC, if appointed, to the effect that the Conciliation proceedings are terminated, on the date of the declaration.
 - On rejection of the Draft Settlement Agreement by the Competent Authority of BHEL or the other Party.
23. The Conciliator(s) shall be entitled to following fees and facilities:

Sl No	Particulars	Amount
1	Sitting fees	Each Member shall be paid a Lump Sum fee of Rs 75,000/- for the whole case payable in terms of paragraph No. 27 herein below.
2	Towards drafting of settlement agreement	In cases involving claim and/or counter-claim of up to Rs 5crores. Rs 50,000/- (Sole Conciliator)

Sl No	Particulars	Amount
		In cases involving claim and/or counter-claim of exceeding Rs 5 crores but less than Rs 10 crores. Rs 75,000 (per Conciliator) In cases involving claim and/or counter-claim of more than Rs 10 crores. Rs 1,00,000/- (per Conciliator) Note: The aforesaid fees for the drafting of the Settlement Agreement shall be paid on Signing of the Settlement Agreement after approval of the Competent Authority or Rejection of the proposed Settlement Agreement by the Competent Authority of BHEL.
3	Secretarial expenses	Rs 10,000/- (one time) for the whole case for Conciliation by a Sole Member IEC. Where Conciliation is by multi member Conciliators –Rs 30,000/- (one time)- to be paid to the IEC
4	Travel and transportation and stay at outstation i) Retired Senior Officials of other Public Sector Undertakings (pay scale wise equivalent to or more than E-8 level of BHEL)	As per entitlement of the equivalent officer (pay scale wise) in BHEL.
	Others	As per the extant entitlement of whole time Functional Directors in BHEL.

Sl No	Particulars	Amount
		Ordinarily, the IEC Member(s) would be entitled to travel by air Economy Class.
5	Venue for meeting	Unless otherwise agreed in the agreement, contract or the Memorandum of Understanding, as the case may be, the venue/seat of proceedings shall be the location of the concerned Unit / Division / Region / Business Group of BHEL. Without prejudice to the seat/venue of the Conciliation being at the location of concerned BHEL Unit / Division / Region / Business Group, the IEC after consulting the Parties may decide to hold the proceedings at any other place/venue to facilitate the proceedings. Unless, Parties agree to conduct Conciliation at BHEL premises, the venue is to be arranged by either Party alternately.

24. The parties will bear their own costs including cost of presenting their cases/evidence/witness(es)/expert(s) on their behalf. The parties agree to rely upon documentary evidence in support of their claims and not to bring any oral evidence in IEC proceedings.
25. If any witness(es) or expert(s) is/are, with the consent of the parties, called upon to appear at the instance of the IEC in connection with the matter, then, the costs towards such witness(es)/expert(s) shall be determined by the IEC with the consent of the Parties and the cost so determined shall be borne equally by the Parties.
26. The other expenditures/costs in connection with the Conciliation proceedings as well as the IEC's fees and expenses shall be shared by the Parties equally.
27. Out of the lump sum fees of Rs 75,000/- for Sitting Fees, 50% shall be payable after the first meeting of the IEC and the remaining 50% of the Sitting Fees shall be payable only after termination of the conciliation proceedings in terms of para 22 hereinabove.

28. The travelling, transportation and stay at outstation shall be arranged by concerned Unit as per entitlements as per Serial No. 3 of the Table at para 23 above, and in case such arrangements are not made by the BHEL Unit, the same shall be reimbursed to the IEC on actuals limited to their entitlement as per Serial No. 4 of the Table at Para 23 above against supporting documents. The IEC Member(s) shall submit necessary invoice for claiming the fees/reimbursements.
29. The Parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of its implementation and enforcement or as required by or under a law or as per directions of a Court/Governmental authority/regulatory body, as the case may be.
30. The Parties shall not rely upon or introduce as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the Disputes that is the subject of the Conciliation proceedings:
- a. Views expressed or suggestions made by the other party in respect of a possible settlement of the Disputes;
 - b. admissions made by the other party in the course of the Conciliator proceedings;
 - c. proposals made by the Conciliator;
 - d. The fact that the other Party had indicated his willingness to accept a proposal for settlement made by the Conciliator.
31. The Parties shall not present the Conciliator(s) as witness in any Alternative Dispute Resolution or Judicial proceedings in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
32. None of the Conciliators shall act as an arbitrator or as a representative or counsel of a Party in any arbitral or judicial proceeding in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
33. The Parties shall not initiate, during the Conciliation proceedings, any arbitral or judicial proceedings in respect of a Disputes that is the subject matter of the Conciliation proceedings except that a Party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights including for preventing expiry of period of limitation. Unless terminated as per the provisions of this Scheme, the Conciliation proceedings shall continue

notwithstanding the commencement of the arbitral or judicial proceedings and the arbitral or judicial proceedings shall be primarily for the purpose of preserving rights including preventing expiry of period of limitation.

34. The official language of Conciliation proceedings under this Scheme shall be English unless the Parties agree to some other language.

Format 2 to BHEL Conciliation Scheme, 2018

**FORMAT FOR SEEKING CONSENT FOR REFERRING THE DISPUTES TO
CONCILIATION THROUGH IEC**

To,

M/s. (Stakeholder's name)

Sub: Resolution of the Disputes through conciliation by Independent Expert Committee (IEC).

Ref: Contract No/MoU/Agreement/LOI/LOA& date _____.

Sir,

With reference to above referred Contract/MoU/Agreement/LOI/LOA, you have raised certain Disputes/claims. Vide your letter dated_____ you have requested BHEL to refer the Disputes/claims to IEC for Conciliation.

We are enclosing herewith Format (3) for giving consent and the terms and conditions of BHEL Conciliation Scheme, 2018 governing conciliation through IEC. You are requested to give your unconditional consent to the said terms and conditions of the Scheme by returning the same duly sealed and signed on each page. On receipt of your consent, matter will be put to the Competent Authority for consideration and decision.

Please note that BHEL has also certain claims against you (if applicable). BHEL reserves its right to agree or not to agree conciliation of the said disputes through BHEL and this letter is being issued without prejudice to BHEL's rights and contentions available under the contract and law.

Yours faithfully,

Representative of BHEL

Format 3 to BHEL Conciliation Scheme, 2018
FORMAT FOR GIVING CONSENT BY
CONTRACTOR/VENDOR/CUSTOMER/COLLABORATOR/CONSORTIUM PARTNERS FOR REFERRING THE DISPUTES TO CONCILIATION THROUGH IEC

To,

BHEL

.....

Sub: Resolution of Disputes through Conciliation by Independent Expert Committee (IEC).

Ref: Contract/MoU/Agreement/LOI/LOA No & date ____

With reference to above referred contract, our following bills/invoices/claims submitted to BHEL are still unpaid giving rise to Disputes:

SL. no.	Claim Description	Bill submitted to BHEL (no. and date)	Amount of the bill/claim	Amount received from BHEL	Outstanding Amount

Accordingly we request you to kindly refer the Disputes in respect of above claims to IEC for Conciliation.

We hereby agree and give our unconditional consent to the terms and conditions of BHEL Conciliation Scheme, 2018 governing conciliation through IEC. We have signed the same on each page and enclosed it for your consideration.

Yours faithfully,

(Signature with stamp)

Authorized Representative of Contractor

Name, with designation

Date

Format 5 to BHEL Conciliation Scheme, 2018
STATEMENT OF CLAIMS/COUNTER CLAIMS TO BE SUBMITTED TO
THE IEC BY BOTH THE PARTIES

1. Chronology of the Disputes
2. Brief of the Contract/MoU/Agreement/LOI/LOA
3. Brief history of the Disputes:
4. Issues:
5. Details of Claim(s)/Counter Claim(s):

Sl. No.	Description of claim(s)/Counter Claim	Amount (in INR)Or currency applicable in the contract	Relevant contract clause

6. Basis/Ground of claim(s)/counter claim(s) (along with relevant clause of contract)

Note– *The Statement of Claims/Counter Claims may ideally be restricted to maximum limit of 20 pages. Relevant documents may be compiled and submitted along with the statement of Claims/Counter Claims. The statement of Claims/Counter Claims is to be submitted to all IEC members and to the other party by post as well as by email.*

Item/Package Name :	
Enquiry No.:	
Project:	
Type of project	
Percentage of Local Content	<i>(Bidder to enter the applicable % of local content)</i>

Self-certification to be submitted in INR 100/- non judicial stamp paper

Format of Self certification regarding Local Content in line with PPP-MII order, 2017 & its revision dated 04.06.2020.

Date:.....

I _____ S/o, D/o, W/o, _____ Resident of _____ hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of the Public Procurement (Preference to Make in India) Order, 2017 (*hereinafter PPP-MII order*) of Government of India issued vide Notification No: P-45021/2/2017-BE-II dated 15/06/2017, its revision dated 04/06/2020 and any subsequent modifications/ Amendments, if any.

That the information furnished hereinafter is correct to the best of my knowledge and belief and I undertake to produce relevant records before the procuring entity/ BHEL or any other Government authority for the purpose of assessing the local content of goods/services/works supplied by me for *(Enter the name of the Equipment/Item for Project)*.

That the local content for all inputs which constitute the said goods/services/works has been verified by me and I am responsible for the correctness of the claims made therein.

That the goods/services/works supplied by me for *(Enter the name of the Equipment/Item for Project)* **contains.....%** *(mention the Local content in %age)* Local Content.

That the value addition for the purpose of meeting the 'Minimum Local Content' has been made by me at *(Enter the details of the location(s) at which value addition is made)*.

That in the event of the local content of the goods/services/works mentioned herein is found to be incorrect and not meeting the prescribed supplier class categorization criteria as per said order, based on the assessment of procuring agency (ies)/ BHEL/ Government Authorities for the purpose of assessing the local content, action shall be taken against me in line with the PPP-MII order and provisions of the Integrity pact/ Bidding Documents.

I agree to maintain the following information in the Company's record for a period of 8 years and shall make this available for verification to any statutory authority.

i Name and details of the Local Supplier
(Registered Office, Manufacturing unit location, nature of legal entity)

ii. Date on which this certificate is issued

Item/Package Name :	
Enquiry No.:	
Project:	
Type of project	
Percentage of Local Content	<i>(Bidder to enter the applicable % of local content)</i>

Self-certification to be submitted in INR 100/- non judicial stamp paper

- iii. Goods/services/works for which the certificate is produced
- iv. Procuring entity to whom the certificate is furnished
- v. Percentage of local content claimed and whether it meets the Minimum Local Content prescribed
- vi. Name and contact details of the unit of the Local Supplier (s)
- vii. Sale Price of the product
- viii. Ex-Factory Price of the product
- ix. Freight, insurance and handling
- x. Total Bill of Material
- xi. List and total cost value of input used to manufacture the Goods/to provide services/in construction of works
- xii. List and total cost of input which are domestically sourced. Value addition certificates from suppliers, if the input is not in-house to be attached
- xiii. List and cost of inputs which are imported, directly or indirectly

For and on behalf of..... (Name of firm/entity)

Authorized signatory (To be duly authorized by the Board of Directors)

<Insert Name, Designation and Contact No.>

Clause regarding regarding restrictions under Rule 144 (XI) of the General Financial Rules (GFRs), 2017 as per Government of India order OM No.6/18/2019-PPD dated 23.07.2020

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.
- II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not failing in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. "Bidder from a country which shares a land border with India" for the purpose of this Order means:
 - a. An entity Incorporated, established or registered in such a country; or
 - b. A subsidiary of an entity Incorporated, established or registered in such a country; or
 - c. An entity substantially controlled through entitles incorporated, established or registered in such a country; or
 - d. An entity whose *beneficial owner* is situated in such a country, or
 - e. An Indian (or other) agent of such an entity; or
 - f. A natural person who is a citizen of such a country; or
 - g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above
- IV. The *beneficial owner* for the purpose of (iii) above will be as under:
 1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.
Explanation-
 - a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;
 - b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholder's agreements or voting agreements;
 2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
 3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of Individuals;
 4. Where no natural person is Identified under (1) or (2) or (3) above the beneficial owner is the relevant natural person who holds the position of senior managing official;
 5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- V. An Agent is a person employed to do any act for another or to represent another in dealings with third person.

Clause regarding restrictions under Rule 144 (XI) of the General Financial Rules (GFRs), 2017 as per Government of India order OM No.6/18/2019-PPD dated 23.07.2020

VI. The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

** The above clause is not applicable to the bidders from those countries (even if sharing a land border with India) to which the GoI has extended lines of credit or in which the GoI is engaged in development projects.*

* List of countries to which lines of credit have been extended or in which development projects are undertaken are available on the Ministry of External affairs website (<https://www.mea.gov.in/>)

Compliance to be submitted in INR 100/- non judicial stamp paper

Sub: Compliance to Government of India order OM No.6/18/2019-PPD dated 23.07.2020 regarding restrictions under Rule 144 (XI) of the General Financial Rules (GFRs), 2017

Sl No.	Description	Bidder's confirmation
<i>1</i>	<i>We, M/s_____ have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; We hereby certify that we are not from such a country.</i>	<i>Agreed</i>

(Note: Non-compliance of above said GoI Order and its subsequent amendment, (if any), by any bidder(s) shall lead for commercial rejection of their bids by BHEL)

Bidder's authorized signatory with stamp & seal

Compliance to be submitted in INR 100/- non judicial stamp paper

Sub: Compliance to Government of India order OM No.6/18/2019-PPD dated 23.07.2020 regarding restrictions under Rule 144 (XI) of the General Financial Rules (GFRs), 2017

SI No.	Description	Bidder's confirmation
1	<i>We, M/s_____have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India. We are from such a country which shares a land border with India & have been registered with the Competent Authority as specified in above said order. We hereby certify that we fulfil all requirements in this regard and are eligible to be considered.</i> <i>Evidence of valid registration by the Competent Authority is attached.</i>	Agreed

(Note: Non-compliance of above said GoI Order and its subsequent amendment, (if any), by any bidder(s) shall lead for commercial rejection of their bids by BHEL)

Bidder's authorized signatory with stamp & seal

RISK PURCHASE

1.1. In case the Supplier / Contractor fails to supply or fails to comply with terms & conditions of the Purchase Order / Contract or delivers equipment / material not of the contracted quality or fails to adhere to the contract specifications or fails to perform as per the activity schedule and there are sufficient reasons even before expiry of the delivery / completion period to justify that supplies shall be inordinately delayed beyond contractual delivery / completion period, BHEL reserve the right to cancel the Purchase Order / Contract either in whole or in part thereof without compensation to Supplier / Contractor and if BHEL so desires, may procure such equipment / material / items not delivered or others of similar description where equipment / material / items exactly complying with particulars are not readily procurable in the opinion of BHEL which is final and in such manner as deemed appropriate, at the risk and cost of the Supplier / Contractor and the Supplier / Contractor shall be liable to BHEL for any excess cost to BHEL. However, the Supplier / Contractor shall continue execution of the Purchase Order / Contract to the extent not cancelled under the provisions of this clause.

1.2. Risk & Cost Clause, in line with Conditions of Contract may be invoked in any of the following cases:

- i) Contractor/ supplier's poor progress of the work vis-à-vis execution timeline as stipulated in the Contract, backlog attributable to contractor/ supplier including unexecuted portion of work/ supply does not appear to be executable within balance available period considering its performance of execution.
- ii) Withdrawal from or abandonment of the work by contractor/supplier before completion as per contract.
- iii) Non completion of work/ Non-supply by the Contractor/ supplier within scheduled completion/delivery period as per Contract or as extended from time to time, for the reasons attributable to the contractor/ supplier.
- iv) Termination of Contract on account of any other reason(s) attributable to Contractor/ Supplier.
- v) Assignment, transfer, subletting of Contract without BHEL's written permission resulting in termination of Contract or part thereof by BHEL.
- vi) Non-compliance to any contractual condition or any other default attributable to Contractor/ Supplier.

1.3. Risk and Cost amount against Balance Work:

In case Risk & Cost is invoked, the amount of Risk & Cost against balance work shall be calculated as under:

$$\text{Risk \& Cost Amount} = [(A-B) + (A \times H/100)]$$

Where,

A= Value of Balance scope of Work/ Supply (*) as per rates of new contract

B= Value of Balance scope of Works/ Supply (*) as per rates of old contract being paid to the contractor/ supplier at the time of termination of contract i.e. inclusive of PVC & ORC, if any.

H = Overhead Factor to be taken as 5 (five)

In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero).

***(Balance scope of work/ supply)**

Difference of Contract Quantities and Executed Quantities as on the date of issue of Letter for 'Termination of Contract', shall be taken as balance scope of Work / Supply for calculating risk & cost amount.

Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities.

Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items total Quantities as per issued drawings would be deemed to be contract quantities.

Substitute/ extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute/ extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions.

However, increase in quantities on account of additional scope in new tender shall not be considered for this purpose.

NOTE: Incase portion of work is being withdrawn, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work/supply' for calculating Risk & Cost amount.

1.4. LD against delay in executed work/supply in case of Termination of Contract

LD against delay in executed Work /Supply shall be calculated in line with LD clause of the contract for the delay attributable to contractor/ supplier. For this purpose, contract value shall be taken as Executed Value of work/supply for the purpose of limiting maximum LD value.

Method for calculation of “LD against delay in executed Work/ supply” is given below:

- i) Let the time period from scheduled date of start of work till termination of contract excluding the period of Hold (if any) not attributable to contractor/ supplier= T1
- ii) Let the value of executed work/ supply till the time of termination of contract= X
- iii) Let the Total Executable Value of work/ supply for which inputs/fronts were made available to contractor/ supplier and were planned for execution till termination of contract = Y
- iv) Delay in executed work/ supply attributable to contractor/supplier i.e. $T2 = (1 - \frac{X}{Y}) \times T1$
- v) LD shall be calculated in line with LD clause of the Contract for the delay attributable to contractor/ supplier taking “X” as Contract Value and “T2” as delay attributable to contractor/ supplier.

Note: In case portion of service/ supply is withdrawn, no LD shall be applicable for portion of service/ supply withdrawn.

1.5. Recovery from Supplier

Recoveries from contractor/ supplier on whom risk & cost has been invoked shall be as per Clause No. 23 of GTC.

BANK GUARANTEE FOR PERFORMANCE SECURITY

Bank Guarantee No:

Date:

To

NAME

& ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of the Bharat Heavy Electricals Limited ¹ (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at _____ through its Unit at.....(name of the Unit) having awarded to (Name of the Vendor / Contractor / Supplier) having its registered office at _____ ² hereinafter referred to as the 'Contractor/Supplier', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns), a contract Ref No.....dated³ valued at Rs.....⁴ (Rupees -----)/FC.....(in words.....) for⁵ (hereinafter called the 'Contract') and the Contractor having agreed to provide a Contract Performance Guarantee, equivalent to% (.... Percent) of the said value of the Contract to the Employer for the faithful performance of the Contract,

we,, (hereinafter referred to as the Bank), having registered/Head office at and inter alia a branch at being the Guarantor under this Guarantee, hereby, irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer a maximum amount Rs ----- (Rupees -----) without any demur, immediately on a demand from the Employer, .

Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Contractor/ Supplier in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder and the contractors/supplier shall have no claim against us for making such payment.

We thebank further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged.

We BANK further agree with the Employer that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said Contractor/Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Contractor/Supplier and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor/Supplier or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Contractor/Supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall remain in force upto and including.....⁶ and shall be extended from time to time for such period as may be desired by Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor/Supplier but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof.

Unless a demand or claim under this guarantee is made on us in writing on or before the⁷we shall be discharged from all liabilities under this guarantee thereafter.

We, BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed.....⁸
- b) This Guarantee shall be valid up to⁹
- c) Unless the Bank is served a written claim or demand on or before¹⁰ all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, _____ Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

For and on behalf of
(Name of the Bank)

Dated.....
Place of Issue.....

¹ NAME AND ADDRESS OF EMPLOYER I.e Bharat Heavy Electricals Limited

² NAME AND ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER.

³ DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

⁴ PROJECT/SUPPLY DETAILS

⁵ BG AMOUNT IN FIGURES AND WORDS

⁶ VALIDITY DATE

⁷ DATE OF EXPIRY OF CLAIM PERIOD

⁸ BG AMOUNT IN FIGURES AND WORDS.

⁹ VALIDITY DATE

¹⁰ DATE OF EXPIRY OF CLAIM PERIOD

Note:

1. Units are advised that expiry of claim period may be kept 2/3 months after validity date.

2. In Case of Bank Guarantees submitted by Foreign Vendors-

- a. **From Nationalized/Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
- b. **From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
 - b.1 In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter- Guarantee by Foreign Bank in favour of the Indian Bank (BHEL's Consortium Bank). It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
 - b.2 **In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank** (e.g. if a BG is to be issued by SBI Frankfurt), the same is acceptable. However, the procedure at **sl.no. b.1** will required to be followed.
 - b.3 The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). In case, of Foreign Vendors, the BG Format provided to them should clearly specify the same.
 - b.4 The BG should clearly specify that the demand or other document can be presented in electronic form.



BHARAT HEAVY ELECTRICALS LIMITED
TRANSMISSION BUSINESS GROUP
MATERIAL RECEIPT CERTIFICATE

- a) Site:
b) LR No. with date:
c) Vehicle no.:
d) Date of receipt of material at site:
e) Material details (as mentioned below):

S.no.	Item Description	Type of Packages	Unit (MT/KM/NO.)	Qty as per packing list	Qty Received	Remarks

Other Remarks:

Signature with date: _____

Name & Designation: _____
(With Seal)

**No.11/05/2018-Coord.
Government of India
Ministry of Power**

**Shram Shakti Bhawan, New Delhi
Dated the 28th July, 2020**

ORDER

Sub: Public Procurement (Preference to Make in India) to provide for Purchase Preference (linked with local content) in respect of Power Sector.

Ref: Department for Promotion of Industry and Internal Trade (DPIIT) Notification No.P-45021/2/2017-PP (BE-II) dated 4th June, 2020.

The Government of India, Department for Promotion of Industry and Internal Trade (DPIIT) issued Public Procurement (Preference to Make in India), Order 2017 for encouraging 'Make in India' and promoting manufacturing and production of goods and services in India with a view to enhancing income and employment. Further, DPIIT vide order No.P-45021/2/2017-PP (BE-II) dated 4th June, 2020, have issued the revised Public Procurement (Preference to Make in India) Order 2017.

2. In the light of the Public Procurement (Preference to Make in India) Order 2017, this Ministry had notified purchase preference (linked with local content) for Hydro and Transmission sector vide Order No.11/05/2018-Coord. dated 20.12.2018, for Thermal sector vide Order dated 28.12.2018 and for Distribution sector vide Order dated 17.03.2020. Further, a combined order dated 04.04.2020 was also issued.

3. In furtherance of Para 19 of the DPIIT Notification No.P-45021/2/2017-PP(BE-II) dated 04.06.2020 and in supersession of all the aforementioned orders issued by this Ministry, the following has been decided:

- i. For the purpose of this order, the definitions of various terms used in the order, and provisions relating to (i) Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement, (ii) purchase preference, (iii) exemption to small purchases, and (iv) margin of purchase preference, shall be the same as in DPIIT order dated 04.06.2020, referred to above and extracts of the same given at **Appendix**.
- ii. In procurement of all goods and services or works in respect of which there is sufficient local capacity and local competition as in **Annexure-I**, only "Class-I local supplier", shall be eligible to bid irrespective of purchase value.
- iii. In procurement of all goods, services or works not covered by sub-para 3(ii) above, and with estimated value of purchases less than Rs.200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global Tender Enquiry (GTE) shall not be issued except with the approval of the competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier' shall be eligible to bid in procurement undertaken by procuring entities, except when Global Tender Enquiry has been issued. In Global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.
- iv. For the purpose of this order, 'Works' means all works as per Rule 130 of GFR-2017, and will also include 'turnkey works', Engineering, Procurement and Construction (EPC) contracts and service contracts including System Integrator (SI) contracts. This order shall be applicable to Tariff Based Competitive Bidding (TBCB) projects also.

4. The list of items, in respect of which, local capacity with sufficient competition exists as per **Annexure-I**, will be reviewed at regular intervals with a view to increase number of items in this list.

5. Purchase preference shall be given to local suppliers in accordance with **para 3A** of DPIIT Order dated 04.06.2020, and extracts of the same given at **Appendix**.

6. Further, it has been decided to constitute a committee for independent verification of self-declarations and auditor's / accountant's certificates on random basis and in the case of complaints. The composition of the committee is given below:

Chairperson	Member (Planning), CEA
Member	Chief Engineer (PSETD), CEA
Member	Chief Engineer (HETD), CEA
Member	Chief Engineer (TETD), CEA
Member	Chief Engineer (DP&R), CEA
External Expert	As may be co-opted by CEA
Convener	Chief Engineer (R&D), CEA

7. Further, it has also been decided to constitute a committee to examine the grievances in consultation with stakeholders and recommend appropriate actions to the Competent Authority in MOP. The composition of the Committee is given below:

Chairperson	Chairperson, CEA
Member	Member (Hydro), CEA
Member	Member (Power System), CEA
Convener	Member (Thermal), CEA

8. The complaint fee of Rs.2 Lakh or 1% of the value of the local item being procured (subject to maximum of Rs.5 Lakh), whichever is higher, shall be paid in the form of online transaction or Demand Draft, drawn in favour of DDO, CEA. In case the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

9. All other conditions, not stipulated in this order, shall be as laid down in the DPIIT's order No.P-45021/2/2017-PP (BE-II) dated 04.06.2020.

10. This order shall be applicable in respect of the procurements made by all attached or subordinate offices or autonomous body under the Ministry of Power, Government of India including Government Companies as defined in the Companies Act, and /or the States and Local Bodies making procurement under all Central Schemes/ Central Sector Schemes where the Scheme is fully or partially funded by Government of India. The aforesaid orders shall also be applicable in respect of funding of capital equipment by PFC/ REC.

11. Procuring entities as defined in the DPIIT's Order dated 04.06.2020 are advised to revise their tender documents fully complying with the said DPIIT's Order and the subsequent Orders that would be issued in this regard by DPIIT/this Ministry from time to time.

12. All tenders for procurement by Central Government Agencies have to be certified for compliance of the PPP-MII Order by the concerned procurement officer of the Government Organization before uploading in the portal.

13. In pursuance of the provision of para 13 of the DPIIT Order, 2020, equipment used in the power sector which are manufactured under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology agreement are listed as under **Annexure-II**. However, Annexure-II will undergo regular review to check for those items in the list for which sufficient local manufacturing capacity and competition have got developed and which meet minimum local content of 50% now, so that these items become eligible for inclusion in Annexure-I of this order and the provisions as contained in para 3 above of this order start becoming applicable in respect of these items too.

14. In order to further encourage Make in India initiative and promote manufacturing and production of goods and services in India, general guidelines as enclosed at **Annexure-III** may be adopted in an appropriate manner according to the circumstances by the procuring entities in their tendering process.

15. This issues with the approval of Hon'ble MoS (IC) for Power and NRE.



(R.K. Das)

Under Secretary to the Government of India
Tel. No.011-23752495

To:

1. All Ministries/ Departments of Government of India (As per list)
2. Secretary (Coordination), Cabinet Secretariat
3. PS to PM, Prime Minister's Office
4. Vice Chairman, NITI Aayog
5. Chief Secretaries of all States/UTs
6. Director General, Comptroller and Auditor General of India
7. Secretary, DPIIT, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
8. Joint Secretary, DPIIT, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
9. Chairperson, CEA
10. CMDs of CPSEs/ Chairmen of DVC & BBMB/ MD of EESL
11. All JSs/ EA, MoP

Extracts of important provisions contained in DPIIT Order No.P-45021/2/2017-PP (BE-II) dated 4th June, 2020

1. Definitions:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under said Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

'Non-Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order.

'L 1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L 1 for the purpose of purchase preference.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include *turnkey works* '.

2. Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement

- (a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.
- (b) In procurement of all goods, services or works, not covered by 2(a) above, and with estimated value of purchases less than Rs.200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global Tender Enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global Tender Enquiry has been issued. In Global Tender Enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.
- (c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3. Purchase Preference

- (a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.
- (b) In the procurements of goods or works, which are covered by para 2(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
 - i. Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract for full quantity will be awarded to L 1.
 - ii. If L 1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L 1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L 1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L 1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L 1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L 1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L 1 bidder.
- (c) In the procurements of goods or works, which are covered by para 2(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
 - i. Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract will be awarded to L 1.
 - ii. If L 1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L 1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L 1 price.
 - iii. In case such lowest eligible 'Class-I local supplier' fails to match the L 1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L 1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L 1 price, the contract may be awarded to the L 1 bidder.
- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

4. Exemption of small purchases: Procurements where the estimated value to be procured is less than Rs.5 Lakh shall be exempt from this Order. However, it shall be ensured by procuring entities that **procurement is not split for the purpose of avoiding the provisions of this Order.**

5. Margin of Purchase Preference: The margin of purchase preference shall be 20%.

List of items of goods and services with sufficient local capacity and competition:

A. Transmission Sector- List of equipment pertaining to transmission system of 66 kV and above voltage level.

1. Transformers and Reactors (66 kV to 765 kV AC)
2. Air Insulated Switchgear (Circuit Breakers, Disconnectors), Surge Arrester, Wave trap (66 kV to 765 kV AC)
3. Gas Insulated Switchgear (66 kV to 400 kV AC)
4. Instrument Transformers (66 kV to 765 kV AC)
5. Bus Post Insulators
6. Substation structure material
7. Transmission line tower material
8. Conventional conductors and accessories
9. Porcelain Insulators and hardware fittings
10. Control & power cables
11. High Voltage Cables (upto 220 kV AC)
12. Control and Protection System including Substation Automation System
13. DG set
14. DC system (DC Battery & Battery Charger) in a substation
15. AC & DC Distribution Board for substation
16. Material for Grounding system
17. Items for illumination system

B. Hydro Sector- List of equipment pertaining to Hydro Generating Station.

1. Hydro Turbine & Associated equipment (Francis, Kaplan & Pelton Turbine)
2. Generator & Associated Equipment
3. Generator Transformer & Reactors
4. Main Inlet Valve & Associated Equipment
5. Penstock protection Valve and Associated Equipment
6. Governing system & Accessories

7. Gas Insulated Switchgear/ Gas Insulated Bus Ducts (Up to 400 kV)
8. Switchyard/Pothead Yard Equipment(excluding Transformer and Reactors)
9. Automation and Controls
10. Protection System
11. XLPE Cable (up to 400 kV)
12. Static Excitation System
13. SST,UAT & SAT
14. LV, MV & HV Switchgear
15. LV, MV & HVBus Ducts
16. DC System
17. Power and Control Cable
18. Illumination system
19. D.G. Set
20. PLCC
21. Grounding System
22. Workshop Equipment
23. EOT Crane
24. Cooling Water System
25. Compressed Air System
26. Drainage/Dewatering System
27. Fire Protection System
28. Heating, Ventilation & Air Conditioning System (HVAC)
29. Elevator
30. Oil Handling System
31. Mechanical BOP Items

C. Thermal Sector- List of equipment pertaining to Thermal Generating Station.

Coal/ lignite based thermal power projects/ plants:

1 Boiler Auxiliaries

- i) Air pre-heater
- ii) SCAPH
- iii) Steam soot blowers (wall blowers & LRSB)
- iv) Auxiliary Steam PRDS
- v) Mill reject system
- vi) Fuel oil system
- vii) Seal air Fan
- viii) Ducts and dampers

ix) Duct expansion joints

x) Blowdown tanks

2 Electro- static precipitators (ESPs)

i) Casing

ii) Electrodes

iii) Rapping system

iv) Hopper heaters

v) Transformer rectifiers

vi) Insulators

3 Turbine Auxiliaries

i) Condensate extraction pumps

ii) Condenser On line Tube Cleaning System (COLTC)

iii) Debris filters

iv) Deaerator

v) Drain cooler and flash tanks

vi) ECW pumps

vii) Plate heat exchangers

viii) Self- cleaning filters

ix) Condensate polishing units (CPUs)

x) Chemical dosing system

4 Generator Auxiliaries

i) Seal oil system

ii) Hydrogen cooling system

iii) Stator water cooling system

5 Electrical Works

i) Transformers

ii) Bus ducts

iii) Motors

iv) Switchgears

v) Power & control cables

vi) Control and metering equipment

vii) Protective relays

viii) Switch yard equipment - Insulators, Circuit Breakers, Isolators, Conductors, CTs, PTs, Bushings, surge arresters etc.

ix) Earthing & Lightning protection system

x) DC batteries & battery charger system

- xi) Electrical laboratory & testing equipment
- xii) Emergency DG sets
- xiii) Plant illumination system

6 Control & Instrumentation System (C&I System)

- i) Thermocouples
- ii) Measuring instruments
- iii) Burner management system
- iv) Flame scanners
- v) Actuators
- vi) Automation and Control Cards
- vii) PLC System
- viii) SWAS system
- ix) Vibration monitoring system
- x) Interplant communication/ public address system

7 Coal Handling Plant

- i) Conveyors
- ii) Hydraulic drives, hydraulic motor
- iii) Wagon Tippler
- iv) Side Arm Charger
- v) Paddle feeder
- vi) Crushers & Screens
- vii) Dust suppression (dry fog & plain water) system
- viii) Air Compressors
- ix) Magnetic separators & metal detectors
- x) Coal sampling system
- xi) Stacker cum reclaimers
- xii) Belt weighing & monitoring system.

8 Ash Handling System

- i) Clinker grinder
- ii) Water jet ejectors
- iii) Scraper chain conveyor
- iv) Dry fly ash vacuum extraction system
- v) Pressure pneumatic conveying system
- vi) Ash water & ash slurry pumps
- vii) Compressors, air dryers & air receivers
- viii) Ash water recovery system

9 Raw water intake & supply system

- i) Travelling water screens
- ii) Raw water supply pumps
- iii) Valves, RE joints etc.

10 Water Treatment System and Effluent Treatment System

- i) Clarification plant
- ii) Filtration plant
- iii) Ultra filtration plant
- iv) Reverse osmosis plant
- v) DM plant
- vi) Chlorination plant
- vii) Chemical dosing system
- viii) Effluent Treatment Plant

11 CW & ACW System

- i) CW & ACW Pumps
- ii) BF valves, NRVs etc.
- iii) RE joints
- iv) Air release valves

12 Cooling towers (NDCT/ IDCT)

- i) Water distribution system,
- ii) spray nozzles,
- iii) packing,
- iv) drift eliminators
- v) CT Fans (for IDCT)
- vi) Gear boxes, shafts & motors (for IDCT)

13 Air Conditioning & ventilation system

- i) Split & window air conditioners
- ii) Chilling/ condensing unit
- iii) AHU and Fresh air unit
- iv) Cooling towers
- v) AWUs, axial fans, roof extractors
- vi) Ducts, louvers & dampers

14 Cranes, EOT cranes, gantry crane & chain pulley blocks etc.

15 Fire Protection and Detection System

- i) Motor driven fire water pumps
- ii) Diesel engine driven fire water pumps
- iii) Hydrant system for the power plant.

- iv) High velocity water spray system
- v) Medium velocity water spray system
- vi) Foam protection system
- vii) Inert gas flooding system
- vii) Fire tenders
- viii) Portable fire-extinguishers
- ix) Automatic fire detection, alarm & control system
- x) Fire alarm panels

16 Flue Gas Desulphurization (FGD)

- i) Spray header
- ii) Mist eliminators

The items manufactured under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology.

A. Transmission Power sector-

1. Gas insulated switchgear (400 KV and above)
2. 400 KV XLPE cable
3. Numerical protection relays.
4. SCADA
5. Power Transformers, 765KV
6. HVDC Transformers
7. Reactors 400 KV and above
8. Composite Core Conductor
9. GAP Conductors
10. ACSS Conductor
11. INVAR Conductors
12. EHV Cables (up to 220 KV)
13. EHV Cables 400 KV
14. Composite Long Rod Insulators
15. HV Gas Insulated Switchgear (72.5 kV to 420 kV)
16. MV AIS Panels(incl. Circuit Breakers) up to 36 KV, indoor
17. MV Breakers up to 40.5 kV, Outdoor
18. MV GIS Panels (Up to 33kV)
19. RMUs (11kV)
20. RMUs (33kV)
21. Control & Relay Panels, SCADA, Sub-Station Automation etc

B. Hydro Power sector

1. Gas Insulated Switchgear/ Gas Insulated Bus Ducts (400 KV and above)
2. Automation and Controls
3. Protection System
4. 400 kV XLPE Cable

C. Thermal Power sector

D. Coal/ lignite based thermal power projects/ plants:

1 Boiler pressure parts

- i) Tubes
- ii) Steam pipes/ headers
- iii) Steam headers
- iv) Steam drum
- v) Separator

2 Boiler Auxiliaries

- i) Coal burners and oil burners
- ii) Coal mills
- iii) Coal feeders
- iv) PA /FD/ ID fans
- v) SCR

3 Steam turbine

- i) HP/ IP/ LP turbine
- ii) Bearings
- iii) Steam inlet valves
- iv) Generator

4 Steam turbine auxiliaries

- i) Gland steam condenser
- ii) Lub oil pumps
- iii) Oil filters
- iv) Oil purifiers
- v) Condensate extraction pumps
- vi) Condenser
- vii) HP & LP heaters
- viii) Boiler Feed Pumps (BFPs)
- ix) BFP hydraulic coupling
- x) BFP Drive turbines

5 Control & Instrumentation System (C&I System)

- i) Distributed digital control, Monitoring and Information System (DDCMIS)

6 Flue Gas Desulphurization (FGD)

- i) Spray nozzles
- ii) Oxidation Blowers
- iii) Limestone slurry handling pumps
- iv) Booster fans
- v) Vacuum belt filters

B. Gas based thermal power projects/ plants :

1 Gas turbine generating set and auxiliaries :

- i) Gas turbine unit Upto 44 MW
- ii) Combustion unit (Standard)
- iii) Compressor unit upto 145 MW
- iv) Lubrication and control oil system
- v) Oil purification and cooling system
- vi) Compressor cleaning system
- vii) Inlet air system

2. Exhaust gas system

- i) Ducting
- ii) Silencers
- iii) Bypass stack
- iv) Guillotine gates & Diverter damper
- v) Expansion joints

3. Heat Recovery Steam Generator (HRSG)

- i) Drums
- ii) Evaporators & superheaters
- iii) Condensate preheater
- iv) Feed regulating station
- v) Blow down tank
- vi) Chemical dosing system
- vii) HRSG Stack

General guidelines to be adopted selectively in an appropriate manner by the procuring entities in their tender documents.

1. The bidder shall have to be an entity registered in India in accordance with law.
2. The bids shall be in the language as prescribed by the tenderer/procurer.
3. The bids shall be in Indian National Rupees (INR) only in respect of local content only.
4. Indian subsidiaries of foreign bidders shall meet the qualifying criteria in terms of capability, competency, financial position, past performance etc.
5. The bidder shall follow Indian laws, regulations and standards.
6. To be eligible for participation in the bid, foreign bidders shall compulsorily set up their manufacturing units on a long term basis in India as may be specified by the tenderer/procurer.
7. Similar or better technology than the technology offered in respect of material, equipment and process involved shall be transferred to India. Along with the transfer of technology, adequate training in the respective field shall also be provided.
8. Country of origin of the equipment/material shall be provided in the bid.
9. For supply of equipment / material from the country of origin other than India, the bidder shall submit performance certificate in support of satisfactory operation in India or a country other than the country of origin having climatic and operational conditions including ambient temperature similar to that of India for more than --- years (to be specified by the procurer).
10. The technologies/ products offered shall be environmentally friendly, consuming less energy, and safe, energy efficient, durable and long lasting under the prescribed operational conditions.
11. The supplier shall ensure supply of spares, materials and technological support for the entire life of the project.
12. The manufacturers/ supplier shall list out the products and components producing Toxic E-waste and other waste as may be specified. It shall have an Extended Producers Responsibility (EPR) so that after the completion of the lifecycle, the materials are safely recycled / disposed of by the Manufacturer/ supplier and for this, the Manufacturer/supplier along with procurer has to establish recycling / disposal unit **or** as may be specified.
13. Domestic Content requirement (based on the cost of the product) shall be in accordance with the conditions laid down in respective Order(s) of the sectors on Public

Procurement (Preference to Make in India) to provide for purchase preference (linked with local content).

14. The equipment/ material sourced from foreign companies may be tested in accredited labs in India before acceptance wherever such facilities are available.
15. The Tender fee and the Bank Guarantee (BG) shall be in Indian Rupees only.
16. The bidder shall have to furnish a certificate regarding cyber security/safety of the equipment/process to be supplied/services to be rendered as safe to connect.
17. Applicable safety requirements shall be met. Regular safety audit shall be carried out by the manufacturer/ supplier.
18. Statutory laws/regulations including the labour and environmental laws shall be strictly complied with during supply, storage, erection, commissioning and operation process. A regular compliance report shall be submitted to the procurer/appropriate Authorities.
19. Formation of new joint venture in India shall be permitted only with the Indian companies.
20. Tendering by the agent shall not be accepted.
21. The original test report in the language prescribed by the procurer shall generally be accepted. Preferably the translated test report shall not be accepted. However, the notarized translation of test reports shall be accepted.
22. Certification/compliance as per the Indian Standards/ International Standards/ Indian Regulations/ specified Standards shall be mandatory, where ever applicable.
23. Quality assurance of the product shall be carried out by the procurer or an independent third party agency appointed by the procurer. Manufacturing Quality Plan as approved by the procurer shall be followed by the manufacturer/supplier.
24. Wherever required, the foreign supplier shall establish fully functional service centers in India and shall keep spares/material locally for future needs of utilities.
25. Arbitration proceedings shall be instituted in India only and all disputes shall be settled as per applicable Indian Laws.

No. P-45021/2/2017-PP (BE-II)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated: 04th June, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017– Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 9(a), 9(b) and 10(b) modified and Para 3A added] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018 and Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 04.06.2020 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

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'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

✓ 3. **Eligibility of 'Class-I local supplier' / 'Class-II local supplier' / 'Non-local suppliers' for different types of procurement**

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

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(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

✓ (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

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4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if any nodal Ministry/ Department finds that for any particular item, pertaining to their nodal ministry/department, the definition of Local Content, as defined in the Order, is not workable/ has limitations, it may notify alternate suitable mechanism for calculation of local content for that particular item.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

- d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
- e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

✓ **10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. Assessment of supply base by Nodal Ministries: The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. Increase in minimum local content: The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. Manufacture under license/ technology collaboration agreements with phased indigenization: While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

14. Powers to grant exemption and to reduce minimum local content: The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or

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- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

- 15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

- 16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

- Secretary, Department for Promotion of Industry and Internal Trade—Chairman
- Secretary, Commerce—Member
- Secretary, Ministry of Electronics and Information Technology—Member
- Joint Secretary (Public Procurement), Department of Expenditure—Member
- Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

- 17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee
 - a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - b. shall annually assess and periodically monitor compliance with this Order
 - c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - d. may require furnishing of details or returns regarding compliance with this Order and related matters
 - e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
 - f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
 - g. may consider any other issue relating to this Order which may arise.

- 18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

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19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



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