



ISG, Bangalore

BHEL-ISG, BANGALORE

BUSINESS GROUP III & IV

TENDER Ref: IS-1-08-2004 /AVR

Date: 11. 07.2008

Sub: Notice inviting Tender for Joint working with BHEL / ISG as single source partner on Long Term Contract basis for PLC/AC Drive systems required for various Steel Plant Projects .

I) Proposal:

Industrial Systems Group (ISG) is one of the Divisions of Bharat Heavy Electricals Limited, a 3.5 billion US \$ company in India and addresses Tenders/Enquiries from most of the areas in Steel Sector for design, supply, erection & commissioning of electrics and automation. ISG is a well known solution provider in Steel Industries in India.

ISG is addressing enquiries and executing projects from Steel Plants and Mill Builders for engineering, supply, erection & commission of Electrics and Automation for various applications, in all areas of steel plants viz., Raw Material Handling, Iron Making, Steel Making, Casters and Rolling mills.

At present, ISG is executing various orders by procuring PLC System & AC Drive systems from vendors like Siemens, ABB, Rockwell Automation, Converteam (formerly Alstom), Ing Electric and others.

In order to give quicker response to customer, ISG seeks to standardize the source of supply of electronics and electrical hardware and is looking for Vendors, who have state of art technology in the following equipments for Steel Plant applications.

- a. PLC System
- b. AC Drive System

It is proposed to have two separate **Long-Term Contracts** for these two items from the respective Vendor on technical and commercially viable conditions. The Long-term contract Vendor shall give the following:

- Technical support for the Product
- Discounted Price list
- Warranty Support
- System Integration support
- System Software support for engineering software.



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Long term contract for PLC/Drives shall be for all electronic modules, Power supplies, Communication Modules, Racks and all other special accessories.

Panels, Switch gears, wiring of panels shall be quoted as optional items as given in the price format.

The selected vendors shall have a **Long-Term Contract** with BHEL/ISG for joint working for all the tenders / projects requiring these products, for a fixed period of **two years**, which can be reviewed further and extended for an additional period of one year.

This will provide

- a) Access to the Vendor's technical Specifications, Catalogues, Contracted Price List, Configuration and selection guidelines, based on which BHEL/ISG will be making the technical offers and price estimation.
- b) Standardization of in-house developed Engineering software Modules for various Steel Plant Automation applications, on selected make of PLC / drives hardware, which will enable in reducing the Engineering time and improvement in the process of software development.
- c) Back to back technical support from Vendor.

II) Selection criteria of Long Term Contract vendor:

The selection criteria of the Vendor shall be on the basis of state of the art technology and lowest price. In order to arrive at a price, the following basis shall be considered:

1. Interested Vendors shall acknowledge by way of Letter to participate in the tender within 10 days from the date of the tender posted on web site www.bhelisg.com.
2. Interested Vendors shall submit separate sealed envelopes for Techno-Commercial Bid and Price Bid for each of the following **Systems individually**:
 - PLC configuration for three varied applications. (Ref: Specification No. IS:BG4:08/01 Rev:00 Dated 12/07/2008.)
 - AC Drive requirements for four varied applications. (Ref: Specification No. IS:BG4:08/02 Rev:00 Dated 12/07/2008 .)
3. The parties will also submit detailed BOQ of the above configurations in techno-commercial and comprehensive unit prices for the modules considered , with discount factor in price bid.



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4. The vendor shall also quote the List price & Discount factor for all the standard modules in their product range for PLC/ Drives, which the vendor wish to include in the contract.
5. Panels, Switch gears, wiring of panels shall be quoted as optional items as given in the price format
6. The technical offer should be enclosed with all the credentials of the firm, with all technical catalogues and Reference List in Steel Sector.
7. After ensuring that techno-commercial bids of the parties are at par with various technical and commercial terms & conditions of the tender, the sealed price bids of the selected parties will be opened in-camera.
8. Technically & commercially accepted lowest price bid will be selected and the party price will be verified with the unit rate and discount factor by applying these on the BOQ of the configurations. In the event that the verification of price quoted against tender and the price build by applying unit rate and discount factor on the BOQ of the configuration fails, the party will be disqualified, and second lowest party will be selected.
9. The evaluation shall be done separately for PLC system and AC drives. The vendor shall submit bids for PLC system or AC drive system or both. However the bids shall be submitted separately as follows:
 - Bids for PLC System shall be given in two separate sealed envelopes for Techno-Commercial Bid and Price Bid
 - Bids for AC Drive System shall be given in two separate sealed envelopes for Techno-Commercial Bid and Price Bid
10. The list price will be the final agreed document for the entire range of products of PLC and AC drive systems required for all steel plant applications, even for those which are not included in the typical configuration enclosed, as this will serve the purpose for future Projects.
11. After satisfying the list price and the discount, a Long Term Contract will be signed with the party to work with on Single Vendor basis and it will be for a fixed period of two years which can be reviewed and extended for an additional period of one year.



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III) The selected Vendor shall have to agree to the following conditions:

- A Long Term contract to be signed, valid for **two years**, which can be reviewed further and extended for an additional period of one year, whose terms and conditions shall be mutually discussed and agreed for supply of above Systems.
- The Vendor shall give all technology help to ISG for System Integration for the application using the Modules / Sub-Modules of the Vendor.
- Vendor shall part with all necessary technical documentation to ISG Engineers and the copyrights to part with the information to ISG's customer.

BHEL/ISG will utilize the final unit prices of the respective product range for the requirement of all Projects as per Long Term Contract condition, subsequent to signing of Long Term Contract between the party and BHEL. It is deemed that BHEL and the party who sign the Long Term Contract with BHEL is the final party, unless otherwise the Contract is terminated on the precondition mentioned in the Long Term Contract terms for the duration mentioned. The party thus joined will work together with BHEL for mutual benefits of business interest.

- II. In case of any clarification, the Vendor may please contact in writing by email or Fax to
Business Manager (BG II,III & IV),
BHEL/ISG,
Prof. C.N.R.Rao circle,
Malleswaram, Bangalore – 560012.

Email : sp@bhelisg.com ; FAX : 080 –23563435.

Prompt response of Vendor is very much solicited.

Encls: 1) PLC configuration for three varied applications. (Ref: Specification No. IS:BG4:08/01 Rev:00 Dated 12/07/2008.) and AC Drive requirements for four varied applications. (Ref: Specification No. IS:BG4:08/02 Rev:00 Dated 12/07/2008 .)

2) Price Format

3) Commercial Terms & Conditions.



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COMMERCIAL TERMS & CONDITIONS	

Sl.No.	Clause	BHEL'S REQUIREMENT	
		For indigeneous supply	For Imported supply
1.0	PRICE	Firm - FOR BHEL FACTORY including Packing & Forwarding	FOB price port/airport of entry, including Packing & Forwarding.
2.0	SALES TAX/ CVD/AUX.Duty	CST is Payable extra against form'C' E1 form to be issued by vendor against 'C' form. Kindly indicate the CST % considered.	Present rate of CVD/ Aux. Duty to be indicated.
3.0	EXCISE DUTY / CUSTOMS DUTY	Present rate of ED to be indicated. ED is payable extra as per rates applicable at the time of despatch(within PO delivery period) against original buyers copy of EDGP/Invoice cum EDGP. Transporters copy EDGP/EDGP cum Invoice must be sent along with the consignment.	Present rate of CD to be indicated.
4.0	FREIGHT	Equipment to be despatched by road on freight prepaid and on door delivery basis. Consignee copy of LR to be sent with truck. Freight charges to be indicated separately in price bid only. This will be reimbursed at actuals against documentary proof(Original of stamped receipt from transporter) limited to the amount indicated. Consignment shall be despatched by our authorised transporter only.	Equipment to be despatched by air/ship n freight prepaid basis. Freight charges to be indicated separately in price bid only.
5.0	TRANSIT INSURANCE	Will be arranged by BHEL/Customer(Advance intimation to be given by Supplier)	Will be arranged by BHEL/Customer(Advance intimation to be given by Supplier)

Sl.No.	Clause	BHEL'S REQUIREMENT	
6.0	TERMS OF PAYMENT FOR SUPPLY ONLY	A) 85% Payment against delivery at BHEL Factory and Original/copy of LR and other despatch documents presented directly to us with a credit period of 60 Days.	A) 100% Payment through LC
		B) Balance 15% Payment by 3 to 6 months from the date of delivery at BHEL Factory	
7.0	DELIVERY	Within 90 days from the date of LOI/PO	Within 90 days from the date of LOI/PO
8.0	WARRANTEE PERIOD	24 Months from the date of delivery at BHEL Factory	24 Months from the date of delivery at BHEL Factory
9.0	LIQUIDATED DAMAGES	Any delay in PO Delivery will attract LD at 0.5% value of contract price per week or part thereof subject to a maximum 5% of the total order value.	Any delay in PO Delivery will attract LD at 0.5% value of contract price per week or part thereof subject to a maximum 5% of the total order value.
10.0	PBG	PBG for 10% of order value is to be submitted against receipt of Purchase Order. This BG is to be kept valid for a period of 3 Months more than the Guarantee Period (24 + 3 Months). In case of delay in despatch vendor to extend the validity.	PBG for 10% of order value is to be submitted before opening of LC. This BG is to be kept valid for a period of 3 Months more than the warrantee Period (24 + 3 Months). In case of delay in despatch vendor to extend the validity.
11.0	INSPECTION	Inspection at Manufacturers works by BHEL before dispatch, whenever required. Inspection call with internal TC's along with approved data sheet and drawings shall be given 10 Days in advance.	Inspection at Manufacturers works by BHEL before dispatch, whenever required. Inspection call with internal TC's along with approved data sheet and drawings shall be given 30 Days in advance.
12.0	SPLIT ORDER	Shall be governed by MOU. Confirm acceptance of split order .	Shall be governed by MOU. Confirm acceptance of split order.

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Sl.No.	Clause	BHEL'S REQUIREMENT	
13.0	NO.OF CONSIGNMENTS	Shall be indicated by vendor.	Shall be indicated by vendor.
14.0	ARBITRATION	Subject to Bangalore Jurisdiction only based on Indian Arbitration Act 1940.	Subject to Bangalore Jurisdiction only based on Indian Arbitration Act 1940.
15.0	DRAWING SUBMISSION	All drawings/data sheet/documents shall be submitted within 1 week from the date of MOU.	All drawings/data sheet/documents shall be submitted within 1 week from the date of MOU.
16.0	VALIDITY OF OFFER	90 Days from Price Bid Opening Date.	
17.0	CONSIGNEE ADDRESS	Will be intimated at the time of despatch clearance.	Will be intimated at the time of despatch clearance.
18.0	LOCATION OF Factory	Bangalore ; India.	Bangalore ; India.
19.0	OTHER TERMS	Please submit your quotation as per our enquiry confirming all points in the item description otherwise your offer may be rejected.	Please submit your quotation as per our enquiry confirming all points in the item description otherwise your offer may be rejected.
		In case any deviation from BHEL requirement the same has to be clearly stated.	In case any deviation from BHEL requirement the same has to be clearly stated.
		In case the terms and conditions are accepted your offer is likely to be rejected or price will be loaded. Confirm terms and conditions as per our requirement.	In case the terms and conditions are accepted your offer is likely to be rejected or price will be loaded. Confirm terms and conditions as per our requirement.
20.0	Mode of Transport	By air/ By road as applicable.	By air/ By road as applicable.



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Sl.No.	Clause	BHEL'S REQUIREMENT	
21.0	Rejection of Offer	BHEL reserves the right to reject the offer, incase the bidders past performance in any of the BHELs previouscontract is not found to be satisfactory.	BHEL reserves the right to reject the offer, incase the bidders past performance in any of the BHELs previouscontract is not found to be satisfactory.