

**BHARAT HEAVY ELECTRICALS LIMITED, BHOPAL.
(CMM-COPPER)**

Instructions to Bidders and Techno-Commercial Terms & Conditions to enquiry No. E-7013024 for rate contract of CC rods with new vendors.

Aim of this enquiry is to develop new sources to enhance vendor base. Bids shall be submitted in two part bid system by the manufacturers i.e. principals and not their authorized agents. In exceptional cases only, if due to any constraint the principals are unable to submit the quotation themselves, they should give an undertaking that the quotation shall be submitted by their authorized agent (specifying the name & address) and the commitments made by such agent shall be honored by them.

The supplies against this rate contract enquiry shall be subject to our general terms and conditions of the enquiry / P.O. In addition, the following techno-commercial terms and conditions shall specifically apply to this enquiry. Should there be any conflict between the general conditions and these specific conditions, the specific conditions shall prevail.

- 1. Procedure for Bid submission:-** Separate sealed envelopes containing the Bid part -I and Bid part - II shall be super scribed enquiry number and due date and shall be submitted before 11:00 hrs (IST) of the due date. The bids shall be submitted in two parts, in separate sealed covers as under

Bid part - I, **Technical Cum Commercial** (Techno-Commercial) bid with filled in Annexure-II and filled in copy of 'INTEGRITY PACT' dully signed by the authorized signatory of the vendor who signs the bid.

Bid part - II, **Price bid**.

a) BID PART – I : Techno- Commercial bid (In one separate envelope)

The techno-commercial bid part – I shall contain complete commercial offer with description of the product offered, clause by clause acceptance to all the specifications, acceptance to all the clauses of this annexure-I, BHEL's general terms and conditions of enquiry and Purchase Order (PO) and **the filled in Annexure-II contained in this document**. However in case it becomes necessary to deviate, such deviations must be clearly brought out in bid part-I of the offer under the following heads:-

Deviations from Purchase Specification AA 12024 Rev 06.

- Deviations from this "Instruction to bidders and Techno-Commercial Terms & Conditions applicable to this enquiry" i.e **Annex. I to III**.
- Deviations from BHEL Bhopal terms and conditions of Indigenous enquiry and "BHEL PO Terms and Conditions (Indigenous)" (-applicable to indigenous suppliers-).

OR

- Deviations from Terms and conditions of Foreign enquiry and General Terms and conditions for overseas Purchase order (-applicable to foreign suppliers only-).

Any deviation to INTEGRITY PACT' is not acceptable.

b) BID PART – II : Price Bid (In another separate envelope)

Price bid should be submitted in Annexure "III". No other enclosure should be placed in this envelope nor should any condition be introduced. Price bid of only techno-commercial acceptable bidder(s) shall be opened at a later date, which shall be informed to techno-commercially acceptable bidders only. The price bid part-II submitted along with bid part-I should have validity of 90 days from the date of its opening.

Alternatively: BHEL reserves the right to go for a **REVERSE AUCTION** i.e. "Online Bidding on Internet" instead of opening the price bid in which techno-commercially acceptable bidders only would be allowed to participate. For this purpose, BHEL's authorized service provider will contact the qualifying suppliers separately. In such case sealed price bids submitted along with bid part-I will not be opened.

In case reverse auction mode is not resorted to / not conducted or not successful or the results of the reverse auction are not acceptable to BHEL, the price bid Part-II to be sent along with techno-commercial bid as per **Annexure-III** of techno-commercial acceptable vendors shall only be opened later on.

2. Technical / Purchase Specification:-

Material under enquiry shall conform to purchase specification AA 12024 Rev -06. Bidders are requested to submit a sample Test Certificates showing chemical composition as well as well mechanical properties for any of the lot recently produced for our evaluation along with the offer in bid part -I.

3. RC Enquiry Quantity and Size of CC Rod:-

Lot wise quantity and delivery schedule indicated in the enquiry sheet is tentative. Size wise & Unit wise estimated requirement is indicated in the below table. Actual procurement will be carried out progressively as per BHEL's requirement under the rate contract valid for 12 months after its finalization with an option to extend the same up to further 12 months with or without increase in quantity with mutual consent of the parties. The rates quoted shall be valid regardless of the quantity that may be awarded at the sole discretion of BHEL.

Our general requirement for CC rods is of 8 to 26 mm dia or above. Bidders are requested to indicate the complete range of CC Rods that they manufacture and can supply to BHEL.

Tentative annual requirement of various BHEL units (Bhopal, Jhansi , Haridwar etc.) is as under :-
(All Qtys. in MT)

Unit	8 mm		10 to 13 mm		Above 13 & upto 23 mm		Grand Total
	Merit	DEEC	Merit	DEEC	Merit	DEEC	
Bhopal	475	325	300	250	75	0	1425
Jhansi	312.5	62.5	437.5	87.5	87.5	12.5	1000
Haridwar	0	0	25	13	0	0	38
Total	787.5	387.5	762.5	350.5	162.5	12.5	2463

The above size wise quantity breakup is tentative and can vary to any extent within the sizes as per BHEL's customer requirement. In case the CC Rod of exact dia indicated above is not available, bidders are to indicate & quote for the nearest size of CC Rod offered.

4. Qty. variation for rate contract :-

The contracted quantity shall be subjected to a variation of $\pm 30\%$.

5. Pricing Terms :-

This shall comprise of basic copper price, exclusive of duties & taxes, in terms of LME CSP of Gr. "A" copper in US \$ of Quotational period (QP), Premium and C & F charges etc, if any, as detailed hereunder :-

- LME CSP Rate:-** This shall be the unknown average LME CSP of gr. A Copper in US \$ of corresponding QP.
- Quotational Period (QP) :-** Generally QP shall be fortnight of booking (First fortnight will be from 1st to 15th day of the calendar month where as second fortnight shall be from 16th day to the last day of the calendar month). BHEL can also consider opting for booking of any 15 days average, Forward, Spot & Futures if so desired by BHEL in the course execution of the RC.
- Premium:-** Bidders are requested to quote premium in US \$ / MT for each size / size range as per price format Annexure – III.
- Clearing & Forwarding Charges:-** These shall be payable wherever delivery of the material at our job worker's premises is advised by BHEL.

The Seller shall furnish their price calculation sheet duly supported by a statement showing LME rates, TT selling rates of the quotational period certified by the authorized signatory along with invoice in case of award of rate contract to the indigenous bidders.

6. Evaluation of Bids :-

Bids shall be evaluated on delivered cost basis (HESG cost). Bids will be evaluated the bids considering the size range given in Sl. No. 3 above as one item. Bidder to note that the bids shall be suitably loaded for any deviation from the terms and conditions contained in this enquiry, to arrive at the delivered cost. Bids shall be evaluated considering LME of grade 'A' copper & the exchange rate, the premium quoted, discount offered and the prevailing Import duty & other taxes etc. as applicable as per practice in vogue.

In case of foreign bidder's bids are invited both on FOB basis (-with destination port as JNPT/ Mumbai) and also on C&F/CIF JNPT Nhava Sheva /Mumbai basis. **However for the purpose of evaluation of bids, Sea freight rates of BHEL rate contract from the country of origin up to JNPT Nhava Sheva / Mumbai port shall be added to the FOB rates to arrive at the C&F / CIF rates.** Further, operation on C&F/CIF basis shall be subject to permission of the concerned department of Govt. of India.

7. Purchase of CC rods against DEEC licenses (Nil Duty benefit) :-

As per Govt. rules & regulation, duty benefit can be availed by the indigenous suppliers for supply of CC rods on 'NIL Duty' through ARO / Invalidation route in line with present practice. Invalidation letters from time to time will be taken from DGFT taking annual requirement license number, IEC details etc. available with BHEL and it will be binding on the part of the supplier to first complete the supplies against available invalidation letter/AROs with the supplier.

8. Terms of delivery :-

- (i) **For Indigenous Bidders:-** F.O.R destination basis, including P & F, Insurance and freight upto any destination within India. Normally CC Rod shall be delivered at our job worker's works as per the instructions in the delivery order issued by BHEL in line with the present practice.
- (ii) **For Foreign Bidders:-** FOB port of shipment (please indicate name of the load port) including P & F, any duty / taxes, THC, freight upto the load port. Bidders can also quote on C&F / CIF delivery basis indicating Sea freight in US \$ / MT added to the FOB rate to arrive at C&F / CIF quote. In the event of C&F/CIF contract, the bidder shall ensure minimum 15 days detention free period at the discharge port.

9. Delivery Period :-

Material is generally required from the ready stock and the bidders shall accordingly indicate the best possible delivery period. Date of inspection of material at seller's works (in the event of inspection) / or despatch ex-works/FOB (LR / BL date shall taken as proof of delivery) will be reckoned as committed delivery for all contractual purposes. The operation of penalty clause will also be governed accordingly with reference to this committed delivery.

10. Transit Insurance:-

Suitable transit insurance cover from the time the cargo is loaded on board the vessel will be arranged by BHEL in the event of FOB contract. The bidder shall also render all necessary assistance needed by BHEL to recover the damages from the insurers, in the event of claim arising under BHEL's policy. However Transit Insurance, in case of indigenous bidders will be in their scope only as per practice in vogue.

11. Allocation of RC Quantity :-

Since the aim of this tender enquiry is to develop new sources, tendered qty shall be distributed amongst all the successful bidders. The techno-commercial acceptable lowest bidder would get major share depending upon his supply capacity. However, initially order for relatively small qty. will be placed. Bulk ordering shall be considered only after successful completion of the initial lots.

12. Payment terms & Bank Charges :-

With all bank charges, wherever applicable to bidder's account, 100% payment will be considered against receipt and acceptance of material within 90 days without any interest or within 45 days as per MSMED act whichever is applicable. **No loading of price with regard to preferential payment within 45 days will be done for the bidders covered under MSMED act.**

13. Taxes and Duties :-

All taxes and duties levy-able within India as on the date of dispatches of the goods shall be reimbursed by BHEL against documentary evidence. Bidders are requested to indicate the taxes & duties applicable on the date of bid submission. All taxes and duties levy-able outside India shall be to the bidder's account and the same will not be borne by BHEL in any circumstances.

14. Levy of Penalty for delayed performance :-

Bidders to note that penalty @ 0.5% per week or part thereof subject to 10% maximum shall be applicable for delay in supply beyond contractual delivery period. LR / BL date shall be taken as proof of delivery for calculating penalty.

15. Validity of Rate contract :-

Validity of RC shall be 12 months (one year) after its finalization for ordering with additional lead time of 3 months for supply with an option to extend the rate contract validity up to one year with or without any increase in the quantity with mutual consent of parties involved.

16. Inspection of material :-

BHEL reserves the right to inspect material at source through its own Engineers/ Customer / Third party inspection agency. It is expected that the charges for preparing the ordered goods for TP inspection shall be borne by the bidder. Seller shall however submit the test certificates in duplicate for the chemical composition and the physical/ mechanical properties. Final inspection of the goods shall be on receipt of material at the works of BHEL and/or the job workers.

17. Replacement of rejected Goods :-

Final inspection for acceptance of quality shall be at BHEL's works after receipt of material and results shall be binding on the suppliers. In case of rejection due to non compliance to agreed specification and for the reasons attributable to the vendor, the materials shall be replaced by vendor free of cost on "F.O.R. BHEL works basis"; including inter-alia cost elements such as total transportation, insurance, all duties & taxes port clearance etc. as applicable. The rejected goods shall be subsequently returned to the vendor at their cost.

18. Integrity Pact – Independent external monitors (IEM) :-

With a view to maintain transparency, Integrity Pact has to be signed by all bidders as already stated at Sl. No. 1 above. Shri Kanwarjit Singh, IRS (Retd.), D-6/12, Ground Floor, Vasant Vihar, New Delhi PIN 110 057 (email id : kanwarfeb@gmail.com) is the independent external monitor (IEM) for the pact of this enquiry.

19. Performance Bank Guarantee:-

New bidders to note that the CC rods to be purchased from them shall be issued directly to our job workers located any where in India for processing / making conductors as per BHEL requirement. All successful bidders have to furnish order wise performance bank guarantee for 10% of the order value. Supplier's liability shall be with material / manufacturing defects only and not for other factors such as transit damage / reasons not attributable to the supplier. Order value shall consist of {material value + (freight + duties + stores incidental charges etc.)}. The validity of BG shall be one year from the date of issue. Supplier shall extend the BG as & when required, in case the validity falls short on a/c of testing of equipment or one year from the date of LR / BL, whichever is early.

20. Vendor Registration :-

All the new bidders (-who are not already registered with BHEL, Bhopal for this product-) are requested to fill up the enclosed registration form with all the enclosures and send the same along with the bid part-I. The registration form can also be down loaded from our web site www.bhel.com.

21. Validity of the Offer :-

The priced offers shall be valid for a period of 120 days from the date of techno-commercial bid opening. However BHEL we intend to finalize the tender quickly.

22. The rate contract shall be operated by all the BHEL units (e.g. Bhopal, Jhansi Haridwar etc.) independently as per their requirements.

23. Enclosure:- Following documents are being enclosed;

- i. Purchase specification No. **AA12024 Rev-06**.
- ii. Integrity Pact
- iii. Annexure I to III.
- iv. General Terms and conditions of indigenous enquiry (No. MM5505 Rev 06) and BHEL PO Terms and Conditions (No. MM 5527 Rev 03 for indigenous,) OR
General Terms and Conditions of Foreign Enquiry (No. 5534 Rev 01) and Overseas purchase order (No. 5533 Rev 02 for foreign bidders only)

24. Following BHEL established suppliers have already been asked to quote against enquiry No. E7013004 and need not to quote against this enquiry.

1. M/s Hindustan Copper Ltd., Taloja
2. M/s Hindalco Industries Ltd., Mumbai
3. M/s Sterlite (India) Ltd., Mumbai
4. M/s Norddeutsche Affinerie, Germany
5. M/s Societe Lensoise Du Cuivre (S.L.C.), France

Offer, if any, from the established suppliers will not be considered, as this tender is for development of additional new sources. All other competent bidders whether registered with BHEL or not are requested to quote in this tender enquiry with complete details including registration form duly filled in, if not registered with BHEL.

25. Submit Information/documents required as per annexure-II dully filled and signed by authorized signatory along with bid part-I.

(A. K. VERMA)
Sr. Manager (CMM-Copper)

Rate Contract for Supply of Copper CC Rods under Enquiry No. E7013024

S.NO.	DESCRIPTION	TO BE FILLED-IN BY THE BIDDER						
1.	Name of the supplier with Web site address, if available							
2.	Address of the Regd. Office							
3.	Tel.No. / Fax nos. (With STD code)							
4.	Name & designation of the contact person.							
5.	E-mail address of the contact person							
6.	Address of the works at which inspection / delivery is offered.							
7.	(i) Name of the place where delivery of CC Rods required. (Only for indigenous suppliers)	At job worker's premises anywhere in India						
	(ii) Name of the load port. (Only for foreign suppliers)							
8.	Acceptance to Purchase/Technical Specs enclosed with the enquiry. Enclose specimen test certificate.							
9.	Acceptance to all Terms & conditions of Tender enquiry contained in the Annex-I							
Please enclose request for deviation wherever becomes necessary to deviate for Sl. No. 8 & 9								
10.	Acceptance for finalization of Price bid part-II through on line bidding (Reverse Auction).							
11.	Delivery period offered EX-works / FOB load port in no. of days to be reckoned from the date of LOI / Delivery Order etc.							
12.	Delivery Terms offered							
13.	Additional freight charges per MT over FOB rates indicated in the price bid for C&F/CIF JNPT Nhava Sheva / Mumbai Sea port deliveries. (Only for foreign suppliers)							
14.	No. of days committed for detention free period at the discharge port. (Only for foreign suppliers)							
15.	Acceptance for supply of CC Rod under ARO / invalidation root with benefit equivalent to duties / taxes as applicable (Only for indigenous suppliers)							
16.	Acceptance to NIT Payment terms.							
17.	Acceptance of penalty clause No. 14 of Annex. –I.							
18.	Validity of the offer to be reckoned from the date of bid opening).							
19.	Acceptance for QP which shall be the calendar fortnight OR any 15 days as advised by BHEL.							
20.	Sizes of the CC rods that are being manufactured and can be supplied to BHEL (Please indicate all possible size of CCR in below table).							
21.	S. No.	1	2	3	4	5	6	7
	Size of CCR							

Signature of the Authorized Signatory
Name & Designation of Authorized Signatory

Price Format for Supply of Copper CC Rods under Enquiry No. E7013024

SL. NO.	DESCRIPTION	TO BE FILLED-IN BY THE BIDDER					
1.	Name & Address of the supplier						
2.	Name of the currency for this bid						
3.	Quantity discount offered in Rs./MT or US \$ / MT.						
4.	C & F Charges, if any, in Rs./MT or US \$ / MT.						
5.	Sizes of the CC rods that are being manufactured and can be supplied to BHEL (Please indicate all possible size of CC Rods in below table).						
Sl. No.	1	2	3	4	5	6	7
Size of CC Rods							
Premium in US \$/ MT							

NOTE:-

1. Please mention nominal dia of CC Rod that you have indicated in bid part – I and quote the Premium accordingly.
2. The quantity discount as offered shall be applicable from the first transaction and shall be adjusted in the invoices itself, irrespective of R/C quantity allocated.
3. For the purpose of evaluation the size range would be taken as per the range indicated at Sl. no. 3 of Annex.-I.

Signature of the Authorized Signatory
Name & Designation of Authorized Signatory