



An ISO 9001 Company

Bharat Heavy Electricals Limited
(High Pressure Boiler Plant)
Tiruchirappalli-620014, Tamil Nadu, India
CAPITAL PURCHASE/MM/MANUFACTURING

COMMERCIAL TERMS AND CONDITIONS FOR SUBMISSION OF OFFER

1.0 QUOTATIONS

Bidders shall submit the offer in **TWO INNER ENVELOPES** as indicated below which shall be sealed in one outer envelope.

Envelope I This sealed envelope should contain all the copies of technical bid together with un-priced commercial bid. This envelope should be clearly marked **"Part I - Technical and commercial bid"**, indicating Enquiry No., Due Date and Address & Reference of the Bidder.

Envelope II This sealed envelope should contain **price details**. This envelope should be clearly marked **"Part II - Price bid"**, indicating Enquiry No., Due Date and Address & Reference of the Bidder.

Both the envelopes (Part I & II) shall be put in one cover, duly sealed, superscribing as Part I and Part II of Enquiry No., due date of opening and the address and reference of the Bidder.

The above offer should reach this office on or before the due date by 14.00 Hrs (IST). Late offers will not be considered.

Tender should not be addressed to any Individual's name but only by designation to:

**Sr.DGM / CAPITAL PURCHASE / MM / MANUFACTURING
BHARAT HEAVY ELECTRICALS LIMITED
HIGH PRESSURE BOILER PLANT
TIRUCHIRAPALLI - 620 014
TAMIL NADU, INDIA**

Tenders should be free from **CORRECTION AND ERASURES**, Corrections if any, must be attested. All amount shall be indicated both in words as well as in figures. Where there is difference between amount quoted in words and figures, amount quoted in words shall prevail.

Offers should be in **ENGLISH** and accompanied by detailed technical literature, catalogue and detailed dimensional drawings in **ENGLISH** or otherwise, the offers will not be considered.

2.0 PART I (TECHNICAL & COMMERCIAL BID)

2.1 Technical

This part shall include / indicate the following :

2.1.1. Offer should contain complete scope of supply with all technical details, specifications, delivery and other commercial terms and conditions.

2.1.2. Point by point confirmation for the Technical Specification enclosed is to be provided. If there are any deviations, the same should be clearly specified. Offers received without confirmation to our specification will be rejected.

2.1.3. List of customers to whom same or similar equipment have been supplied along with performance certificates to be enclosed.

2.1.4. Relevant catalogues to be attached

2.1.5. List of spares parts (with part numbers) for two years operation and maintenance should be attached.

2.1.6. Information on shipping weight and cubage (length, width & height) to be provided.

2.2 Commercial

This part shall include / indicate the following :

2.2.1. Station of despatch

2.2.2. Terms of payment

2.2.3. Taxes & duties applicable.

2.2.4. Delivery Schedule

2.2.5. Offer validity

2.2.6. A copy of "Un-Priced Part II" i.e., a copy of the Price Bid **without the price details** to be enclosed.

3.0 PART II (PRICE- BID)

This part should contain the schedule of price particulars and to be co-related to the technical details provided in Part I.

4.0 OPENING OF TENDERS

The Part I - Technical & commercial bid alone would be opened on the Tender opening date.

The Part II - Price bid of Technically suitable Bidders alone would be opened. The Technically suitable Bidders would be informed about the tender opening date. Clarifications if any required by BHEL for Technical evaluation would be sought from Bidders before opening of Part II - price bid.

5.0 GENERAL

5.1. Incomplete offers will not be considered.

5.2. **Fixed price:** Prices quoted by the bidder shall be fixed and not subject to any escalation whatsoever during the period of bid validity and execution of the Purchase Order. A bid submitted with an adjustable price will be treated as non-responsive and rejected. Prices shall be written in words and figures. In the event of difference, the price in words shall be valid and binding. Unit prices shall be considered correct in the event of any discrepancy with regard to total price.

5.3. **Terms of Delivery:** Bidders are required to quote their best delivery period. Bidders should submit their offer for **FOR Despatching station**. Delivery shall be counted from the date of Letter of Intent.

5.4. **Taxes and Duties :** All Taxes and Duties payable as extra to the quoted price should be specifically stated in offers along with CST & TNGST No / Tariff No. etc., failing which the purchaser will not be liable for payment of such Taxes and Duties. Our TNGST No. 356005 Dt. 04-04-1995, CST. No. 239383 Dt. 11-06-1991.

5.5. **Validity** : The offers for main equipment and spares shall be kept open for acceptance for **120 days (one hundred and twenty days)** from the date of opening of the tender (Part I).

5.6. **Terms of Payment** :

5.7. The preferred payment terms are indicated below :

100% payment, within 45 to 90 days, after receipt / acceptance / commissioning of equipment at BHEL, Tiruchi, against submission of 10% Performance Bank Guarantee on total order value.

or

80% payment against documents through bank within 45 to 90 days, (after pre-despatch inspection) and balance 20% payment after receipt / acceptance / commissioning of the equipment within 45 to 90 days, against submission of 10% Performance Bank Guarantee on total order value.

5.8. **Performance Bank Guarantee (PBG)**: The supplier shall furnish a Bank Guarantee from an Indian Bank approved by BHEL, at no extra cost in a proforma prescribed by BHEL (which shall be sent along with the order), for an amount equivalent to **10% (Ten percent)** of the value of the contract. The PBG shall be valid for period of **12 months** from the date of acceptance of the equipment at BHEL, Tiruchirappalli, with additional claim period of 2 months.

The Performance Bank Guarantee shall be obtained from any one of the following banks that is a member bank in our consortium of banks.

1) State Bank of India, 2) State Bank of Hyderabad, 3) State Bank of Travancore, 4) State Bank of Mysore, 5) Canara Bank, 6) Bank of Baroda, 7) Punjab National Bank, 8) Deutsche Bank, 9) HDFC Bank, 10) Standard Chartered Bank, 11) Citi Bank, 12) Standard Chartered Grindlays Bank, & 13) Bank of America or any Nationalised Bank

5.9. **Liquidated damages** : It is clearly understood among the parties to the contract the **" Time is the essence of the contract "**. Therefore, the delivery of the goods specified in the purchase order should be made within the time prescribed. Failure to dispatch the materials in the time as per the delivery quoted in our Purchase Order would make the supplier liable to an un-conditional penalty at the rate of 1/2% of the value of goods for each week of delay subject to a maximum of 15% of the order value.

5.10. **Risk purchase** : Alternatively the purchaser at his option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or despatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefor. The supplier shall be liable for any loss, which the Purchaser may sustain by reason of such risk purchases.

5.11. **Short shipment / Warranty replacement**: In case of any short shipment in the main equipment / spares, customs duty levied on such supplies, shall be borne by the supplier. Any warranty replacement during the warrantee period shall be on FOR., BHEL, Tiruchirappalli, basis.

5.12. **Inspection & Testing**: All goods shall be subject to inspection by BHEL or its authorized representatives at supplier's works or at BHEL stores or at any other place

in India indicated by BHEL as the case may be. The supplier will not charge for the facilities provided for inspection of goods. In case of machine tools, the machine would be inspected and proved at supplier's works prior to dispatch however, final inspection and acceptance of the machine will be carried after installation of the machine at BHEL, Tiruchirappalli.

5.13. **Test certificates** : The Bidders shall provide Test Certificates along with despatch.

5.14. **Modvat credit** : (for Indian Bidders only) The quotation must indicate Tariff item number and rate of Excise Duty applicable. The original Excise Duty Gate Pass will be required to be furnished in case charged to us. If the tender is availing **MODVAT** credit for his input materials, the effect of proforma credit should be passed on to the purchaser.

5.15. **Packing**: The Supplier shall arrange for packing suitably in all respects considering the peculiarity of the material involved for normal transport by sea / rail / road and suitably protected against effect of tropical salt laden atmosphere in the event of shipment being delayed at ports.

(Check List - to be filled and submitted along with Offer)

BHEL Commercial Terms and Conditions applicable for Indian bidders	Bidder's Confirmation (Yes / No) / Comments
Technical confirmation to BHEL's Specification as called for in BHEL Format is furnished.	
Prices have been quoted item wise only as per the model format enclosed.	
Prices have been quoted on "FIRM PRICE" basis only. The prices are on FOR/Dispatching Station basis inclusive of Packing & Forwarding charges if any. Applicable % of ED, Sales Tax & any other taxes have been mentioned.	
Validity of offer is for a minimum period of 120 days from the date of Tender opening	
Delivery period from the date of Letter of Intent has been mentioned in the offer.	
Confirmation for acceptance of Liquidated damages @ ½% per week subject to a maximum of 15% of the order value has been given in the offer.	
Confirmation for acceptance of the following Risk Purchase clause is available in the offer: The Purchaser at his option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the time stipulated or if the same were not available, the best and the nearest available substitute therefore. The supplier shall be liable for any loss, which the Purchaser may sustain by reason of such risk purchases.	
Confirmation for acceptance of Payment terms is available in the offer: 100% payment, within 45 to 90 days, after receipt / acceptance / commissioning of equipment at BHEL, Tiruchi, against submission of 10% Performance Bank Guarantee on total order value. or 80% payment against documents through bank within 45 to 90 days, (after pre-despatch inspection) and balance 20% payment after receipt / acceptance / commissioning of the equipment within 45 to 90 days, against submission of 10% Performance Bank Guarantee on total order value. All bank charges to vendor's account only.	
Commissioning charges if any has been mentioned in the offer or else confirmation that commissioning shall be done at free of cost is available in the offer.	

Confirmation for submission of Performance Bank Guarantee (PBG) is available in the offer: Vendor should provide a performance Bank Guarantee(PBG) for 10% of the total Purchase order value valid for a period of 12 months from the date of acceptance with an additional claim period of 2 months. This PBG is to be submitted for effecting the balance 20% payment. The Performance Bank Guarantee shall be submitted in Non-judicial stamp paper value not less than Rs. 100/- issued by any one of the following banks. 1) State Bank of India, 2) State Bank of Hyderabad, 3) State Bank of Travancore, 4) State Bank of Mysore, 5) Canara Bank, 6) Bank of Baroda, 7) Punjab National Bank, 8) Deutsche Bank, 9) HDFC Bank, 10) Standard Chartered Bank, 11) Citi Bank, 12) Standard Chartered Grindlays Bank, & 13) Bank of America or 14) Any one of the Nationalised Banks.	
Confirmation that any warranty replacement during warranty period shall be supplied free of charge on FOR BHEL, Tiruchirappalli basis is available in the offer.	
Confirmation that all Equipment ordered will be inspected and proved at vendor's works prior to dispatch. However final inspection and acceptance of equipment will be after installation at BHEL, Tiruchirappalli.	
Confirmation that the equipment shall be guaranteed for a period of 12 months from the date of acceptance.	
Confirmation that the vendor shall provide necessary drawings, Test Certificates and Operating Maintenance Manuals etc., as called for in the Technical Specification, in the required number of copies at no extra cost.	

NOTE:-

- a) It is confirmed that all the terms and conditions stipulated in the Enquiry have been fully understood by us and all clarifications & details have been obtained.
- b) Confirmation for acceptance to Payment terms, LD, Risk Purchase Clause & Submission of PBG are mandatory and essential for consideration of offer.

Signature & Office Seal of the bidder

MODEL PRICE BID FORMAT FOR BIDDERS

Enquiry No. & Date:

Bidder's Offer No. & Date:

Sl No.	Description of item	Unit	Quantity	Rate in Rs.	Value in Rs.
	The price indicated shall be inclusive of all accessories, spares etc. as given in the scope of supply. Individual item-wise break-up price shall be attached as an annexure to this price bid format.				
	Ex-Works value in Rs.				
	Packing & Forwarding charges in Rs.				
	FOR Dispatching station value in Rs.				
	Freight charges from Dispatching station to BHEL, Tiruchirappalli				
	Excise Duty (indicate the % as well as value)				
	Taxes (indicate the % as well as value)				
	Surcharge on tax, if any (indicate the % as well as value)				
	Any other taxes/duties applicable (indicate the % as well as value)				
	Approximate transit insurance charges in Rs.				
	Commissioning Charges				
	Service tax for Commissioning Charges (indicate the % as well as value)				
	Approximate Net weight of the total consignment				
	Approximate Gross weight of the total consignment				

The price bid should be submitted only as per the above format. No row shall be left blank. Please indicate NA, in case the item is "not applicable"

A. PERFORMANCE BANK GUARANTEE

1. In accordance of M/s Bharat Heavy Electricals Limited (A Government of India undertaking, a Company incorporated under the Companies Act 1956 having its Registered Office at 'BHEL House", SIRI Fort, New Delhi 110 049) through its High Pressure Boiler Plant Division located at Tiruverumbur, Tiruchirapalli 620014 (hereinafter called "the Company") having entered into a contract with hereinafter called "the said contractor" which term includes 'suppliers' for the purpose of this Bond and under the terms and conditions of the Contract No: dated between BHEL, Tiruchirapalli and as per the contract, the contractor/supplier is to furnish a Performance Bank Guarantee for Rs for the due performance of the equipment to be supplied under the above referred contract and for the fulfilment of all the terms and conditions of the contract. We (indicate the name of the Bank) (herein after referred to as the Bank) at the request of (contractor(s)) do hereby undertake to pay the Company an amount not exceeding Rs against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said contractor (s) of any of the terms and conditions contained in the said agreement.
2. We (indicate the name of the Bank with full address), do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Company by reason of breach by the said Contractor(s) of any of the terms and conditions contained in the said Agreement or by the reason of the contractor(s) 'failure to perform' the said Agreement. 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
3. We undertake to pay unconditionally to the Company any money so demanded notwithstanding any dispute(s) raised by the Contractor in any suit, or proceedings pending before any Court or Tribunal or Arbitration or before any other authority relating thereto our liability under this present being absolute and unequivocal. The payment under this guarantee would not wait till the disputes have been decided by any Court or Tribunal or in the arbitration proceedings or by any other authority. The payment so made by us under this Bond shall be a valid discharge of liability for payment there under and the Contractor (s) shall have no claim against us for making such payment.
4. We (indicate the name of Bank), further agree that the guarantee herein contained shall remain in full force and effect during the period that would betaken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Company

under or by virtue of the said Agreement have been fully paid and its claim satisfied or discharged or till Office/Department/Division of the Company certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharges this guarantee.

5. (i) Unless a demand or claim under this guarantee is made on us in writing on or before the we shall be discharged from all the liability under this guarantee thereafter. But where such claim or demand has been preferred by the Company with the Bank before the expiry of the said date, the claim shall be enforceable notwithstanding the fact that the said enforcement is effected after the said date.

(ii) For the purpose of this clause, any letter making demand on the Bank by M/s BHEL will be dispatched by Registered Post with Ack. Due or by Telegram or by any Electronic media addressed to the above mentioned address of the Bank shall be deemed to be the claim/demand in writing referred to above irrespective of the fact as to whether and when the said letter reaches the Bank, as also any letter containing the said demand or claim is lodged with the Bank personally.
6. We (indicate the name of the Bank), further agree with the Company that the Company 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 agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Contractor (s) 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 any reason of any such variation or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating would, but for this provision, have effect of not so relieving us.
7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)
8. It shall not be necessary for the Company to proceed against the contractor before proceeding against the guarantor-Bank and the guarantee herein contained shall be enforceable against them notwithstanding any security, which the Company may have obtained or obtain from the Contractor shall, at the time when proceedings are taken against the guarantor hereunder be outstanding or unrealised.
9. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Tiruchirappalli.

10. The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authority granted to him/them by the guarantor
11. We (indicate the name of Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Company in writing.

In witness whereof we (indicate the name of Bank) have hereunto set out Bank Seal the Day month 200.