

BHARAT HEAVY ELECTRICALS LIMITED
(A Government of India undertaking)
PROJECT ENGINEERING & SYSTEMS DIVISION,
RAMACHANDRAPURAM, HYDERABAD – 502032, INDIA

**NOTICE INVITING
EXPRESSION OF INTEREST (EOI) FOR
EMPANELMENT OF ENGINEERING SUB-CONTRACTORS
FOR
EPCC PACKAGES IN DOWNSTREAM OIL & GAS**

**TECHNICAL CONDITIONS OF CONTRACT
PY51690**

LETTER OF INVITATION

Project Engineering & Systems Division (PE&SD), Hyderabad - unit of Bharat Heavy Electricals Limited (BHEL) (India), invites Expression of Interest from prospective Engineering Sub-Contractors who wish to be empaneled with BHEL for Residual Process Design and Detailed Engineering of EPCC Packages in Downstream Oil & Gas.

I. The EOI includes the following documents:

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|-----------|---|
| Section 1 | Disclaimer |
| Section 2 | Schedule of EOI Process & Contact Details. |
| Section 3 | Details of EOI |
| Section 4 | Pre-Qualification Criteria. |
| Section 5 | Broad Scope of Work and Conditions of Contract. |
| Section 6 | Details of Documents to be submitted along with proposal. |

SECTION-1

DISCLAIMER

1. The information contained in this Expression of Interest (EOI) document provided to the Applicants(s), by or on behalf of Bharat Heavy Electricals Limited (BHEL) or any of its employees or advisors, is provided to the Applicant (s) on the terms and conditions set out in this EOI document and all other terms and conditions subject to which such information is provided.
2. The purpose of this EOI document is to provide the Applicant (s) with information to assist the formulation of their Proposals. This EOI document does not purport to contain all the information each Applicant may require. This EOI document may not be appropriate for all persons, and it is not possible for BHEL, its employees or advisors to consider the business/investment objectives, financial situation and particular needs of each Applicant who reads or uses this EOI document. Each Applicant should conduct his own investigations and analysis and should check the accuracy, reliability and completeness of the information in this EOI document and where necessary obtain independent advice from appropriate sources.
3. BHEL, its employees and advisors make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the EOI document.
4. BHEL may, in its absolute discretion, but without being under any obligation to do so, modify, amend or supplement the information in this EOI document.
5. An applicant means a Business Entity or Proprietor firm who has sufficient experience in accordance with the Conditions of Eligibility as detailed in EOI is permissible.
6. The issue of this EOI does not imply that BHEL is bound to select and shortlist Applicants to enter into tie-up agreements with shortlisted Applicants.
7. The respondent shall bear all costs associated with the preparation, technical discussion/presentation and submission of EOI, BHEL shall in no case be responsible or liable for these costs regardless of the conduct or outcome of the EOI process.
8. Canvassing in any form by the respondent or by any other agency on their behalf may lead to disqualification of their EOI.

SECTION-2

SCHEDULE OF EOI PROCESS & CONTACT DETAILS

A. SCHEDULE OF EOI PROCESS

Refer NIT

B. CONTACT DETAILS:

Refer NIT

SECTION-3

DETAILS OF EXPRESSION OF INTREST (EOI)

1.1 ABOUT BHEL

Bharat Heavy Electricals Limited (BHEL) (www.bhel.com) is a Government of India Undertaking and a Maharatna Company, Established in 1964. BHEL is an integrated power plant equipment manufacturer and one of the largest Engineering and Manufacturing Company of its kind in India. The company is engaged in the Design, Engineering, Manufacturing, Construction, Testing, Commissioning and servicing of a wide range of products and services for core sectors of the economy, viz. Power, Transmission, Industry, Transportation (Railways), Renewable Energy, Oil & Gas, Water and Defence with over 180 products offerings to meet the needs of these sectors. BHEL has been the bedrock of India's Heavy Electrical Equipment industry.

BHEL has a widespread network of 17 Manufacturing Divisions, 2 Repair Units, 4 Regional Offices, 8 Service Centres, 6 Overseas Offices, 6 Joint Ventures, 15 Regional Marketing Centres and current project execution at more than 150 project sites across India and abroad corroborates the humungous scale and size of its operations.

Adding to its achievements, BHEL has joined the elite club of select global giants having an installed base of over 170 GW of power generating equipment globally. BHEL also has a widespread overseas footprint in 78 countries with cumulative overseas installed capacity of BHEL manufactured power plants nearing 10,000 MW.

BHEL has technology tie-ups with leading companies in the world including General Electric Company, Alstom SA, Siemens AG and Mitsubishi Heavy Industries Ltd., supported by technology developments in its own R&D centres. The quality & reliability of BHEL products at par with other Global players and adheres to international standards.

1.2 ABOUT PROJECT ENGINEERING & SYSTEMS DIVISION, HYDERABAD

Project Engineering & Systems Division (PE&SD), located at BHEL-Hyderabad, Ramachandrapuram, India is primarily responsible providing EPC solutions to various business areas like Power Projects upto 150MW, Captive Power & Co-generation Plants in Industry, PV Solar based Grid interactive Power Plants, large scale Water Treatment plants (WTPs) in Municipal Segment etc in national as well as international markets. This division has established excellent track record both in India and Overseas market by successfully commissioning the various projects on EPC basis.

1.3 OBJECTIVE OF EOI

BHEL is now planning to enter the EPCC Business in Downstream Oil & Gas Field, for which we are required to engage a qualified Engineering Sub-Contractor who has the requisite experience in Residual Process Design and Detailed Engineering of these EPCC packages.

BHEL-PE&SD will lead the Engineering of these Packages from BHEL's end and will engage the competent Engineering Sub-Contractor (ESC).

The objective of this EOI is to shortlist competent "Engineering Sub-Contractors" and empanel them for future requirements in order to avail their Engineering services for Residual Process Design and Detailed Engineering of EPCC Packages in Downstream Oil & Gas during Pre-bid and Post order stage of project. The scope of work and services of ESC have been broadly defined in Section-5.

1.4 PROCESS OF EMPANELLING AND AVAILING SERVICES:

- ❖ Prospective ESCs, who are meeting the Pre-Qualification Criteria (PQC) as per Section- 4 shall submit their proposal for EOI .
- ❖ Prospective ESCs shall furnish all the filled in formats/ information/ documents/ credentials etc. as per Section-6.
- ❖ All the documents shall be submitted in English Language only. If, the reference documents are in other language, the English translated copy of the same duly certified, stamped and signed by local chamber of commerce of bidder's country shall be furnished along with the copy of original document.
- ❖ In case separate proposals are received from different Divisions of the same Organisation, BHEL reserves the right to consider proposal of any one of these Divisions for empanelment. BHEL decision on this shall be final.
- ❖ BHEL shall intimate the shortlisted "Engineering Consultants" for further discussions, presentations, etc. on their proposals. BHEL at their discretion shall inspect ESC's works/offices/project site premises for the purpose of evaluation, as deemed necessary, before empanelment. BHEL decision on this shall be final.
- ❖ The selected agencies will be empaneled with BHEL under the Category "Engineering Sub-Contractors for Downstream Oil & Gas Business" for availing their Services either for proposal engineering during bidding stage or detailed engineering during project execution stage or both.
- ❖ Subsequent to empanelment, whenever required in future Tenders issued by Customers, BHEL shall float a formal enquiry along with Tender/ Project specific requirements/ scope of work/ purchase terms & conditions etc. Bidder with lowest quotation in Project Specific Tender will be selected as ESC for entering into MOU for the specific Tender and in case of receipt of order in the Tender from Customer, BHEL will place Work Order for Detailed Engineering on the ESC subsequently.
- ❖ The performance of the empaneled ESCs shall be evaluated periodically as per BHEL SEARP guidelines. Delisting of these agencies shall be at the discretion of BHEL based on performance feedback criteria.
- ❖ *This Expression of Interest (EOI) is not an agreement and is not an offer or invitation to enter into an agreement/ tie-up/MOU of any kind with any party by BHEL.*

SECTION-4
PRE-QUALIFICATION CRITERIA

The Applicant desiring for empanelment should meet all the Pre-Qualification Criteria mentioned below:

- 4.1 The Applicant must be a registered firm or a company having Engineering Establishments to carry out Residual Process Design and Detailed Engineering for Process Packages of Downstream Oil & Gas Field.
- 4.2 The applicant should have experience of Residual Process Engineering and Detailed Engineering, for any one of the following list of new process plants:

- ✓ Atmospheric Distillation and/or Vacuum Distillation Unit (AVU)/ Crude Distillation Unit
- ✓ Fluid Catalytic Cracking Unit/ RFCC (Residue Fluidised Catalytic Cracking) Unit/ Indmax Unit
- ✓ Isomerization Unit (ISOM)
- ✓ Hydro Cracker Unit/ Residue Hydrocracking Unit
- ✓ Naphtha Hydro-Treater / Continuous Catalytic Reforming Unit/Catalytic Reforming Unit
- ✓ Diesel Hydrodesulphurization / Diesel Hydro-Treating Unit
- ✓ Delayed Coker Unit
- ✓ Coker Gas Oil Hydro-treater Unit
- ✓ VGO Hydro-Treating Unit
- ✓ Hydrogen Generation Unit
- ✓ Naphtha Cracker Unit/ Gas Cracker Unit /Dual Feed Cracker
- ✓ Ethylene Cracker Unit
- ✓ Aromatic Complex (Comprising of Naphtha Hydro Treater/ Continuous Catalytic Reformer/ Isomerization/ Xylene Fractionation / Para-Xylene Recovery)
- ✓ Polymer Unit: Polypropylene (PP) or High-Density Polyethylene (HDPE) or Linear Low-Density Polyethylene (LLDPE) /Swing /LDPE
- ✓ Purified Terephthalic Acid (PTA) Unit
- ✓ Ethylene Glycol
- ✓ Linear Alkyl Benzene (LAB)
- ✓ Sulphur Recovery Unit (SRU)
- ✓ Fertilizer Plant (Ammonia / Urea)
- ✓ CGO Hydro-Treating Unit
- ✓ Paraxylene Unit
- ✓ Wax hydro treating
- ✓ Hydro Finishing
- ✓ Onshore Oil or Gas processing Facility
- ✓ Offshore Oil or Gas processing Facility
- ✓ LNG facility.

Revamp of the above units will not be considered as qualifying experience

Exclusive experience of Utility System / Utility block, waste water effluent treatment, offsite facilities, etc. shall not be considered as relevant experience.

- 4.3 The Unit(s) as referred at 4.2 above must have been commissioned within the last 10 years ending on last day of the month immediately previous to the month in which last date of bid submission falls (in case of extended bid submission date, original bid submission date shall be considered).

The units referred at 4.2 should also have been in operation for at least 1 (one) year after commissioning.

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Proof of commissioning from Owner/ End User shall be submitted by the intending Bidder along with the Technical Bid. In case proof of commissioning is in the name of EPC contractor who has employed ESC, the contract / supporting documents establishing the relationship between EPC contractor and ESC for the subject project to be furnished.

However, for operation for at least 1 (one) year after commissioning, any one of the following document is required to be submitted by the bidder along with the Bid:

- ✓ Certificate for Operation for 1 year from Customer
(OR)
- ✓ Certificate of Release of full Security Deposit (Bank Guarantee) by Customer against the defect liability period.
(OR)
- ✓ Certificate of Completion of Performance Guarantee and Test run (PGTR) with completion date at least 1 year prior to bid submission.
(OR)
- ✓ Certification by CEO/CFO with due notarization that Defect Liability Period is completed and there is no claim by Customer on account of performance of the Plant/Equipment.
(OR)
- ✓ For any job carried out for OWNER, in support of successful operation of one year, bidder need not submit any additional certificate. However, the qualification of the reference job order submitted by the bidder for the tender will be checked internally by OWNER based on the information submitted with the bid.

Note : The above said PQC shall be considered only for the empanelment of ESC. However, ESC shall meet the required PQC as per the Enquiry floated for a specific Tender by BHEL.

4.4 SUPPLIER REGISTRATION REQUIREMENTS

- 4.4.1 Refer enclosed BHEL's SEARP-2016 document for understanding the procedure of enlistment with BHEL as a Supplier
- 4.4.2 Bidder to fill-up and forward the formats enclosed there-in indicating 'Not Applicable' in field not relevant to them
- 4.5 Applicant shall not be under Holiday List/ Negative List/ Suspension List/ Banning List of Licensor or OWNER or its Administrative Ministry, MoP&NG.
- 4.6 Applicant shall singly meet the criteria at para 4.1, 4.2, 4.3, 4.4 and 4.5.
- 4.7 Applicant credentials for those UNITS which are not yet commissioned but for which Engineering is completed in all respects, shall also be considered based on BHEL's discretion.

SECTION-5

BROAD SCOPE OF WORK AND CONDITIONS OF CONTRACT

5.1 ENGINEERING SUB-CONTRACTOR'S SCOPE OF WORK:

5.1.1 Scope of Work During Proposal Stage (Phase-I) - PART-A (For Balance of Plant)

The roles, responsibilities and scope of work of ESC shall include the following, for the proposal stage engineering:

- ✓ Detailed study of Owner's tender documents. Preparation of Pre-Bid Queries/ Questionnaire for seeking clarifications from Owner/PMC on tender documents.
- ✓ Residual Process Design of the Process Package depending on the requirement.
- ✓ Proposal Engineering for the project including preparation of all the necessary documentation required for submission of Technical Offer.
 - Typically includes: Residual Process Design, Process PFDs/ Schemes/ P&IDs, Layouts, System Write-ups, Datasheets, Sizing of all Electrical/ Mechanical/ C&I Equipment & Systems, Bill of Materials for all Equipment & Systems, Schedule of Quantities (SOQ) of Civil/Structural/Architectural Works, Utility Consumptions, Electrical Load List, Bidding forms and any other documents that are required to be submitted as part of the Bid Documentation.
- ✓ Preparation of comprehensive consolidated Technical Offer inclusive of Scope of Supply & Services/ Terminal Points/ Exclusions, Technical Deviations & Clarifications on tender specifications, Filled-up Technical Schedules etc. as required.
- ✓ Finalising the optimised Performance Guarantees of the project considering bid evaluation criteria of tender specification.
- ✓ Provide broad specifications/ technical data sheets of applicable equipment / systems etc. and **suggest** suitable/ probable sub-vendors/ agencies for obtaining the budgetary quotations during proposal stage.
- 2 ✓ Provide support **in evaluating budgetary quotes** from probable sub-vendors.
- ✓ **Furnish the required MOU / Letter of Undertaking etc, as required by customer's Tender for enabling BHEL's offer submission as EPC Bidder**
- ✓ Support during proposal stage activities for technical closure and acceptance of the bid including providing technical clarifications to Owner's queries, participation in pre-bid/ post bid-meetings as required.
- ✓ Detailed requirements of such visits/ no. of days etc shall be indicated in project specific Purchase Enquiry.
- ✓ Re-Engineering in case of change in specifications or amendments issued by customer shall be carried out by ESC on mutually agreed terms at any stage during execution of pre-bid or Post order activities.

5.1.2 Scope of Work During (Post Order) Detailed Engineering Stage (Phase-II)

The roles, responsibilities and scope of work of ESC shall include the following, as a minimum, for the Detailed Engineering Stage.

- ✓ Comprehensive study of Owner's tender documents and Preparation of Detailed Scope of Supply, including scheduling/ planning of the design activities, identifying and defining the detailed engineering deliverables during contract stage execution.

- ✓ Carry out the detailed residual process design including process design calculations, sizing of various equipment and systems, finalising process flow diagrams, detailed P&IDs/Process Schematics, control and operation write-ups, process and electrical utility requirements, chemicals consumption requirements, O&M consumable requirements etc.
- ✓ Preparation of Mechanical and Electrical layouts (Plant/ Buildings/ Equipment/ Area/ Piping etc.)
- ✓ Detailed Electrical and C&I engineering.
- ✓ Detailed Civil, Architectural and Structural engineering.
- ✓ Procurement engineering including identifying all the bought outs, identifying probable suppliers in the market, preparation of suitable technical specifications for RFQs, evaluation of technical offers from the vendors in all sub-systems (Electrical/ Mechanical/ C&I).
- ✓ Provide Quality support in getting the Quality documentation approved by Owner/PMC, including Participation in technical/Quality discussions with them as required.
- ✓ Provide engineering support in getting the engineering documentation approved by Owner/PMC, including participating in technical discussions with them as required.
- ✓ Assisting BHEL in review and approvals of engineering/technical, Quality related documentation of Sub-vendors/Suppliers, as applicable.
- ✓ Assistance in Preparation of Plant Performance Guarantee Test Procedure and in conducting the Plant Performance Guarantee Tests.
- ✓ Finalize the requirements of O&M consumables & chemicals along with the BOM and technical specifications.
- ✓ Preparation of Plant Operations and Maintenance Manuals, Plant operation procedures for effective and efficient operation of plant.
- ✓ Deputation of Engineering Experts to project site for resolving engineering and technical issues, as required during execution of the project.

The above is a typical minimum activity to be carried out by ESC as part of Post Order Detailed Engineering. However, the exact scope of ESC shall be as per Project Specific Tender Requirements and shall be governed by Owner's Tender Specification.

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Identifying the vendors/suppliers, floating of enquiries, receipt of offers, Techno-commercial evaluation, placement of PO, expediting, change orders, closure of PO/order, etc. shall be in scope of BHEL

Wherever the term CONTRACTOR is mentioned for / in the context of the Residual Process Engineering and Detailed Engineering related activities and responsibilities in the Owner's Bidding Document, same shall be the scope and responsibilities of Engineering Sub Contractor (ESC). Accordingly, the bidder shall interpret their scope as per the Owner's Bid Document while submitting their offer against Project Specific Tender for finalization of ESC.

Retendering of contract by End Customer:

In the event of retendering of Tender by end customer, the following methodology will be adopted:

Case-1: Retendering with change in scope of work::

ESC to provide the man hours applicable for all disciplines for the execution of tender. In case of retendering of Tender by customer, the man hours furnished shall be used to finalise the additional price required for the execution of the change order / additional scope during pre-bid stage and post order stage.

Case-2: Retendering without any change in scope of Work::

If there is no change in the scope of work during re-tendering, ESC shall furnish the new MOU to be submitted to customer as part of bidding document in line with the new tender references.

5.1.3 **Scope of Work During Proposal Stage (Phase-I) - PART-B (For STATIC AND ROTATING EQUIPMENT)**

Refer To Annexure-1

5.1.4 **Scope of Work During Post Order / Detailed Engineering Stage (Phase-II) - PART-B (For STATIC AND ROTATING EQUIPMENT)**


Refer To Annexure-1

5.2 QUALITY OF WORK AND GUARANTEES

5.2.1 ENGINEERING GUARANTEE

- ✓ Since Residual Process Design and Detailed Engineering is within ESC's scope and the work shall be executed and UNIT established based on the Engineering performed, it shall be the prime responsibility of ESC to carry out such design and engineering in accordance with good and sound engineering practices using International Standards and Indian Codes & Regulations wherever applicable to such design and/or engineering.
- ✓ In case any error or omission in design or engineering within ESC's scope i.e. the residual process design or detailed engineering requires re-engineering, which results in any new requirements for equipment/ materials, the same shall re-engineering by the ESC within the scope of relative work and within the contractual period without extra cost to the OWNER or entitlement of extension of time.
- ✓ ESC shall guarantee that the system design for the Unit / Plant shall meet and comply with the Licensor's package, if so applicable, and;
 - the equipment selected
 - the site criteria
 - the Engineering specifications, standard and design guides
 - the Front-end engineering data as mentioned in Bidding document.
- ✓ ESC shall check and satisfy themselves with Process Package, Front End Engineering Data for its accuracy, correctness and completeness to meet the agreed guarantees and in case of deficiency, ESC shall inform BHEL/OWNER/PMC the modifications proposed to be carried out to overcome the deficiency and rectify the same at no extra cost. ESC, if required, shall carry out corrective technical studies and engineering as may be required without any extra cost to BHEL/OWNER. Before proceeding with the re-work, Licensor approval, if applicable, shall be obtained.

5.2.2 PERFORMANCE GUARANTEE


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- ✓ ESC is not responsible for the process guarantees of the LICENSOR. ESC However guarantees its Engineering as set forth in clause 5.2.1. If the UNIT does not achieve the results set forth in the LICENSOR's process guarantees due to defect(s) or deficiency(ies) in ESC's Engineering, ESC shall within scope of their work and responsibilities, carry out re-engineering.
 - ✓ ESC's guarantees shall also cover the mechanical performance of such equipment/ materials and their efficiencies affected primarily due to defective engineering by ESC. ESC shall bear the cost of re-engineering of such Equipment which does not perform to the guarantees, primarily due to defective engineering by ESC, within the relative scope of services at no extra cost to BHEL and without entitlement of extension of time to ESC.

- 5.2.3 ESC's liabilities on account of not meeting the above said Engineering Guarantees and Performance Guarantees (because of Engineering related issues), **shall be limited to 5% (Five percent)** of the Post Order Engineering Work Contract value between BHEL and ESC, payment of which is reserved against issue of Commissioning and Performance Test Certificate by OWNER.

5.3 COMMERCIAL TERMS

5.3.1 No Advance payment shall be done for Pre-bid Engineering Work

5.3.2 Payment Schedule for Pre-bid Engineering Work:

 **5.3.2.A** 90% shall be made on submission of complete Purchase Specifications, BOQs, Technical Offer for OWNER Tender, filled-in formats applicable to ESC as required in OWNER Tender, etc as mentioned in cl 5.1.1 above and certification by BHEL Contracting Engineer and **acceptance by end customer - of MOU / Letter of Undertaking etc furnished by ESC as per the customer's Tender requirement for BHEL's technical offer.**

5.3.2.B 10% of payment for Pre-bid Engg work shall be made after price bid opening by OWNER or in case of cancellation of OWNER Tender.

5.3.2.C Payment will be made within 45 days from receipt of invoice with all supporting documents and certifications.

5.3.3 Bid Bond, Price Discount & Payment Schedule for Post-Order Engineering Work:



5.3.3. A The successful ESC on whom LOI will be placed for Post-Order Engg Work, shall deposit to BHEL within 30 days of signing the MOU, 1% of Final agreed Price of Post-Order Engineering Work, towards Bid Bond (in the form of Bank Guarantee or Security Deposit etc, for continued commitment during the validity period of MOU).



5.3.3. B In the event of price reduction during negotiation by BHEL with end Customer, corresponding reduction will be passed on to the successful ESC (on finalized Post-Order price).



5.3.3. C Major terms & conditions such as acceptance of LD/ Penalty, Guarantee/ warranty etc. should be on back-to-back basis with that of contract between BHEL and its customer.

Post-Order Payments shall be made **on back-to-back conditions** of expected tender as specified by BHEL's customer, which are **typically** as follows:

- (i) **35% (Thirty Five percent)** after completion of 30% 3D-Model review, on pro-rata basis on approval of construction drawings, P&IDs, other deliverables as per approved DCI and their approval under Code-B (i.e. issued for construction with comment) Code-2 (commented as noted) against the ESC's certified Running Account Bill(s).

Note: For the purpose of release of above payment towards civil / piling drawings, same shall be approval code "approved with no comments – Final".

- (ii) **40% (Forty percent)** after completion of 60% 3D-Model review, on pro-rata basis on submission of all approved for construction drawings, P&IDs, Other deliverable as per approved DCI and their approval under Code-A/ Code-D (i.e. Final approval without comments), against the ESC's certified Running Account Bill(s).

- (iii) **10% (Ten percent)** on completion of 90% 3D-Model review, submission of all “approved for construction drawings” and their approval in Code-A/Code-D (i.e. Final approval without comments) against the Contractor’s certified Running Account Bill(s) .
- (iv) **05% (Five percent)** on submission of the following on pro-rata basis;
 - a) All certificates and documents pertaining to the equipment comprised in Plant/works;
 - b) Operating and Instructions Manuals with respect to the Plant/Unit
 - c) Electronic files for all documents
 - d) Finalised 3-D modelagainst the ESC’s certified Running Account Bill(s)
- (v) **05% (Five percent)** on submission of As-built drawings for the plant/unit along with its electronic files against the ESC’s certified Running Account Bill(s).
- (vi) **05% (Five percent)** on successful Commissioning of the Plant/works and against issue of Commissioning and Performance Test Certificate by OWNER.

Completion of all the above milestones will be considered for payment only if, concerned deliverables are acceptable to BHEL and OWNER.

BHEL will release payment to ESC, within 15 days of release of corresponding payment to BHEL from OWNER.

5.4 DELIVERY SCHEDULE:

- 5.4.1 **Pre-bid Engineering (if applicable):** Pre-bid Engineering shall be completed within 4 weeks from date of issue of LOI / Work order by BHEL.
- 5.4.2 **Post-Order Engineering:** Delivery schedule for Post-Order Engineering Work shall be mutually agreed between BHEL and ESC to meet the L2 network for project execution, after receipt of order by BHEL. The schedule shall be as per Project Specific Tender.

5.5 PENALTY CLAUSE:

5.5.1 Pre-Bid Engineering Work (if applicable)

- ✓ BHEL will reserve the right of accepting the delayed deliverables by ESC, if suitable time period is available to it for submitting its offer to OWNER, by imposing the Penalty at the rate of 2% of the order value per week of delay or part thereof subject to a maximum of 10% of Pre-bid Engg work order value.
- ✓ ESC shall seek prior permission from BHEL to submit the deliverables with delay.
- ✓ Beyond the permitted delivery period, deliverables shall be accepted by BHEL at its discretion.

5.5.2 Post-Order Engineering Work

- ✓ Penalty shall be 0.05% of the total order value per week of delay or part thereof, for the delay on the agreed delivery date for each particular deliverable milestones mentioned in cl 5.4.2 above, subject to a maximum of 1.0 % of the Order value for post-order engineering work.



5.6 OTHER INSTRUCTIONS

- 5.6.1 Since speedy completion of project is essential for a tight project schedule, it shall be responsibility of ESC to ensure timely delivery of all milestones.
- 5.6.2 ESC shall familiarize fully with the standard/ procedures/ practice of BHEL/OWNER, to avoid any dispute at later date and after order placement.
- 5.6.3 BHEL shall not pay any amount, other than the fee specifically agreed, towards any cost incurred by ESC by way of salaries to their employees (income and taxes), insurance of any nature, benefits/ bonus to the employees, etc. BHEL's liability is limited to the amount contracted for the services to be rendered under the scope of work defined.
- 5.6.4 ESC shall not commit any expenditure on behalf of BHEL without BHEL's consent in writing, during the execution of the work defined in the scope.
- 5.6.5 ESC shall bear all expenses/ fee penalties if it infringes on patents/ licenses of any persons/ organizations or in case of suits, court proceedings, damage claims etc., due to any reason whatsoever.
- 5.6.6 ESC shall ensure that it possesses the latest revisions of various national and international standards, codes of practices, statutory & environmental regulations etc. as applicable, for execution of the work. BHEL shall not provide any such documents to ESC. Engineers of ESC assigned for this project shall have familiarity on relevant documents as mentioned above for their use and applications.
- 5.6.7 ESC shall maintain at their own cost the personal accidents policy, life insurance and / or any such insurance required in respect of their personnel deputed to outstation visits for the given contract.
- 5.6.8 BHEL reserves the right to terminate or suspend the contract or withdraw part of the scope of the work at any stage of its execution, if it is found that ESC has not met its obligation for the performance / progress is not up to the expected standards and overall work is likely to suffer. In such an event, BHEL shall give 15 days' notice in writing. In such case all costs incurred accordingly by BHEL to complete any work forming part of the contract shall be recovered from ESC. In case of such premature termination of contract, BHEL reserves the right to claim damages from ESC including the initiation of judicial proceedings.
- 5.6.9 ESC shall keep all information/data/drawings etc. related to the work as confidential information and shall not divulge or use the information indirectly or directly in any way detrimental to the interest of BHEL. All drawings, documents, manuals, design calculations including all originals prepared or obtained during the work shall remain the property of BHEL and shall be handed over to BHEL on demand.
- 5.6.10 ESC shall comply with the laws and regulations of the country, the state and territories concerned, during the progress of the work.
- 5.6.11 ESC shall submit progress report on the status of the work entrusted to them periodically and as mutually agreed upon.
- 5.6.12 ESC shall ensure optimal & economic design while executing the work, but without sacrificing the customer specification requirements/ Statutory regulations/ code provisions/ safety aspects



5.6.13 Termination of the contract can be initiated by BHEL or ESC in following cases:

- i. Contract is not awarded to BHEL by its end customer.
- ii. Tender got cancelled entirely by BHEL's end Customer without retendering
- iii. Bankruptcy proceedings being initiated against either of the Parties
- iv. Mutual agreement between the "Parties"
- v. A prolonged suspension affects the whole of the Works;
- vi. BHEL or ESC is found, based on reasonable evidence, to have engaged in corrupt, fraudulent, collusive or coercive practice at any time in relation to the Works or to the Contract.

SECTION-6

DOCUMENTS TO BE SUBMITTED ALONG WITH PROPOSAL

6.1 LIST OF DOCUMENTS TO BE SUBMITTED ALONG WITH PROPOSAL FOR THIS ENQUIRY:

Sl No	Document Description
1	Documents in support of Reference Projects meeting PQC
2	Details of other Projects executed of similar nature
3	Filled-in Formats as enclosed along with NIT
4	List of Queries, Deviations, Clarifications
5	Acceptance of EOI Specification by sign & stamp