

## **GUIDELINES TO VENDORS FOR PREPARATION OF QUALITY ASSURANCE PLAN**

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1. QAP shall be made in landscape mode on A4 size paper as per the format enclosed.  
Font size shall be minimum 10.
2. Each page of QAP shall contain the following information.
  - a) Vendor's name & address.
  - b) Customer: BHEL, Hyderabad.
  - c) Project.
  - d) BHEL Product Standard Number/revision number as referred in P.O.
  - e) BHEL Purchase Order Number & Date.
  - f) Product as per P.O. description.
  - g) QAP Number (unique and shall not repeat)/revision number/date.
  - h) Page number and number of pages
  - i) Vendor signature & stamp
3. QAP shall contain four parts / stages as follows.
  - a) Raw materials and bought out items.
  - b) Inprocess Control / Inspection.
  - c) Final assembly, Inspection & Testing.
  - d) Painting, preservation & packing.
4. Under '**Component**', indicate name of the component (say casing, rotor, pressure gauge, etc).
5. Under '**Characteristics**', indicate appropriately (say chemical analysis, mechanical properties, NDT (UT,DP etc), Hydrostatic test, calibration check etc.)
6. Under '**Class**', indicate minor, major or critical depending on the importance of characteristic.
7. Under '**Type of check**', indicate appropriately (say chemical, mechanical, UT, DP etc.)
8. Under '**Quantum of check**', indicate appropriately (say 100%, 10%, sample, per melt, per heat, all pieces etc.)
9. Under '**Reference document**' and '**Acceptance norms**', appropriate National & International standards, BHEL standards, approved drg references etc should be indicated. It is not correct to mention as "Vendor's internal standards or Vendor's standard practise etc". If vendors' internal standards are referred, same shall be in line with BHEL Spec. indicated in the P.O. These may require review & approval by our Engineering dept.
10. Under 'Format of record', indicate appropriately supplier's Test certificate, calibration certificate, lab report, inspection report etc.
11. Please refer 'Agency' in QAP format.  
Under columns  
    P: Perform,  
    W: Witness,  
    V: Verify  
Indicate against each characteristic  
    1: BHEL CQS/Nominated inspection agency, OR  
    2: Vendor / Sub vendor  
**Note:**
  - Performing agency is normally vendor or his sub vendor (Legend 2).
  - Where witness points are indicated in specification, P.O., Drawing etc., for such operations, under Witness (W) column use 1.

- And for review of test certificates Under 'Verify' column, use code 1
12. Under 'D' please put ✓ (Tick) against each characteristic where vendor proposes to submit test certificate/report etc OR as required as per BHEL Spec.
  13. Vendor's signature & stamp should be available on each page of QAP.
  14. Vendor should read the BHEL Product Standard thoroughly and QAP should be made only inline and relevant to the Specification & Approved Drgs.
  15. The following operations/characteristics/check points may be included (**as appropriate**)
    - a) Visual check
    - b) Dimensional check
    - c) Mechanical and Chemical properties.
    - d) Surface preparation before painting (by chemical cleaning, sand blasting, shot blasting etc as the case may be.)
    - e) Painting check for shade, Dry Film Thickness (DFT), Adhesion/ peel off test etc.
    - f) Check for correctness for all components mounted as per General arrangement Drg, Bill Of Materials (BOM), etc for range, rating, make, color, size, location as per GA, quantity, label description including tag nos., annunciator facia, loose components, accessories, spares etc.
    - g) Verification of test certificate for protection class for the enclosures.
    - h) Mechanical functioning of switches.
    - i) Continuity of earthing and provision of earth points.
    - j) Colour coding of wiring, size, tightness & dressing of wiring.
    - k) Review of test certificates of assembled items, raw materials, internal test reports etc.
    - l) Witness of functional checks, which may include mechanical run & electrical run, H.V.test, IR measurement, Electrical and Mechanical tests etc.
    - m) PQR, WPS, Welder Qualification Record, welding records (fitup, DP) etc.
    - n) Material identification ( for punch marks of serial numbers, Heat No, Melt No, Inspector's stamp etc)
    - o) Hydraulic Pressure Test, Pneumatic Pressure Test, Liquid Penetration Examination and other Non Destructive Tests.
    - p) Tests on Galvanised items (Visual, Hammer Test, Knife Test, Thickness, Preece Test (Copper sulphate test), Hydrogen evaluation test, Stripping test (for Mass of Zinc coating)
    - q) All tests as per BHEL Product Standard & approved drawings including Type tests and Routine tests on individual items and on System as a whole.
    - r) Marking, Packing and Preservation.

## 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 <sup>1</sup> (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 \_\_\_\_\_ <sup>2</sup> 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.....dated .....<sup>3</sup> valued at Rs.....<sup>4</sup> ( Rupees -----)/FC.....(in words.....) for .....<sup>5</sup> (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 the .....bank 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.....<sup>6</sup> 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 the .....<sup>7</sup>we 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.....<sup>8</sup>
- b) This Guarantee shall be valid up to .....<sup>9</sup>
- c) Unless the Bank is served a written claim or demand on or before .....<sup>10</sup> 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.....

<sup>1</sup> NAME AND ADDRESS OF EMPLOYER I.e Bharat Heavy Electricals Limited

<sup>2</sup> NAME AND ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER.

<sup>3</sup> DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

<sup>4</sup> PROJECT/SUPPLY DETAILS

<sup>5</sup> BG AMOUNT IN FIGURES AND WORDS

<sup>6</sup> VALIDITY DATE

<sup>7</sup> DATE OF EXPIRY OF CLAIM PERIOD

<sup>8</sup> BG AMOUNT IN FIGURES AND WORDS.

<sup>9</sup> VALIDITY DATE

<sup>10</sup> 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.