

SECTION - II

SPECIAL CONDITIONS of CONTRACT

1. INTRODUCTION

- 1.1. The terms and conditions mentioned in this section are in addition to what are stated in Section – I (General Conditions of Contract) of the tender document. In case of any contradiction between the terms and conditions given in Section - I and those specified in this Section- II, the terms and conditions of this Section–II shall prevail.

2. SCOPE OF SUPPLY & SERVICES

- 2.1. The scope of supply and services consists of **design, manufacture, supply and erection & commissioning of Three (03) Nos. Screw Type Air Compressor Unit with minimum air delivery 1465 CFM at BHEL, Jagdishpur works.**
- 2.2. The Vendor shall also quote for the following as per Section III (Price Format) only:
- 2.2.1. Recommended spares for **2 (two) years** (as specified in clause no. 8.1 of Technical specification) of trouble free operation.
- 2.3. The scope of supply and services is given in detail in Section – IV (Technical Specification).
- 2.4. Any item not included in the prescribed price schedule format and shown separately will not be taken in to account and shall be ignored while evaluation.
- 2.5. Unsolicited Items (Bidders Optional Item) shall also be ignored while evaluation.

3. COMPLETION SCHEDULE

- 3.1. The Equipment with its auxiliaries and spare parts shall be supplied FOB Port of Despatch as per Incoterm 2000 (for foreign supplies) / FOR Site BHEL Jagdishpur (for Indigenous supplies) with in **seven (7) months** from the date of Letter of Intent.
- 3.2. After receipt of the Equipment at BHEL Works and availability of the erection fronts, BHEL will inform the Vendor about readiness for start of erection work in writing. Vendor shall depute his staff for erection & commissioning work within **2 (two) weeks** of the date of issue of letter.
- 3.3. The work of erection & commissioning shall be completed by the Vendor within **Four (4) weeks** from the date of issue of letter informing readiness for erection / availability of inputs as per agreed terms. The date of completion of erection & commissioning shall be the date on which acceptance of Equipment is given by BHEL.

4. PRICES

- 4.1. The prices shall be **firm** and shall be quoted as per Price Schedule given in Section III.
- 4.2. The price for foreign supplies shall be inclusive of all taxes and duties up FOB port of shipment. The price for domestic supplies shall be inclusive of all taxes and duties (including excise duty and sales tax/ VAT) up to FOR BHEL Site (Jagdishpur).
- 4.3. The price for erection and commissioning shall be inclusive of all taxes and duties **except Service Tax**. Service tax on erection and commissioning, if applicable, will be payable extra.
- 4.4. Any other taxes and duties payable as extra to the quoted price shall be specifically stated in the Offer. The Purchaser will not be liable for payment of taxes and duties not specifically mentioned in the Offer.
- 4.5. The excise duty and sales tax/ VAT will be paid at the rate applicable on the day of dispatch. However, if the Equipment is delayed and amount of excise duty and/ or sales tax/ VAT on the day of dispatch is higher than the amount applicable on the scheduled delivery date, the amount applicable on the scheduled delivery date will be payable.

5. TERMS OF PAYMENT

5.1. Indian Bidders:

- 5.1.1. 80% payment (alongwith 100% of taxes and duties) against despatch documents and balance 20% payment after acceptance of the Equipment at BHEL works and after submission of letter of Acceptance of Equipment and Performance Bank Guarantee. **Freight charges shall be payable separately after receipt of material at site.**
- 5.1.2. Lump sum erection and commissioning charges shall be payable after acceptance of the Equipment at BHEL works after acceptance of the Equipment at BHEL works and after submission of letter of Acceptance of Equipment.

5.2. Foreign Bidders:

- 5.2.1. An Irrevocable **Letter of Credit** shall be established for 80% net FOB value (**excluding Indian Agent's commission, if any**) 4 (four) months prior to shipment. Letter of Credit shall be opened through any one of the consortium bank listed with BHEL (list as per Annex –6 of GCC-A). Any charges for LC confirmation (if LC confirmation is insisted by the vendor), shall be borne by the vendor himself. Balance 20% of net FOB value shall be paid through sight draft after acceptance of the Equipment at BHEL works and after submission of letter of Acceptance of Equipment and Performance Bank Guarantee. All bank charges outside India shall be to

Vendor's account.

- 5.2.2. Lump sum erection and commissioning charges, if any, shall be payable by sight draft after acceptance of the Equipment at BHEL works and after submission of letter of Acceptance of Equipment.

5.3. Common to both Indian & Foreign Bidders:

- 5.3.1. Erection and commissioning charges will be released after deduction of Income Tax as per the Govt. of India rules in force and after deduction of Works Contract Tax as per Govt of UP rules, if applicable. The Tax Deduction at Source (TDS) certificate will be issued by BHEL. Applicable service tax on Erection & Commissioning charges, if any, will be payable extra.
- 5.3.2. Bank charges for opening of Letter of Credit by Purchaser's bank in India shall be borne by the Purchaser. All other bank charges shall be to vendor's account. Any charges towards extension of LC shall be to vendor's account if such extension is necessitated for reasons attributable to the vendor,

6. TAXES AND DUTIES ON ERECTION & COMMISSIONING

6.1. Service Tax

- 6.1.1. The Service Tax on erection & commissioning services as applicable for this Contract will be paid by Purchaser separately. Therefore contractor's price/ rates shall be **exclusive of service tax** on output services.
- 6.1.2. The Indian Contractor shall submit to Purchaser documentary evidence of service tax registration and remittance records of such tax immediately after depositing the tax with the concerned authorities. Contractor shall obtain prior written consent from Purchaser before billing the amount towards such taxes.
- 6.1.3. In case the Purchaser is asked to deduct any such tax and deposit the same with the appropriate authorities, the proof of such payment shall be provided to the Contractor. However, any penalty etc for any default by the Contractor imposed by the authorities shall be the sole responsibility of the Contractor.

6.2. Works Contract Tax

- 6.2.1. Although it is expected that the works contract tax will not be applicable as per laws in force in UP state, the Contractor shall make himself fully aware of the taxation requirements and take appropriate steps for complying with the regulations such as registering with the sales tax authorities of the state and paying the required tax, if applicable. Deduction of tax at source shall be made by the Purchaser, if required by law.
- 6.2.2. Contractor has to make his own arrangement at his cost for completing the formalities, if required, with Sales Tax Authorities, for bringing their materials, plants, and equipment at site for the execution of the work under

this Contract and their return after execution of the work to the satisfaction of the Purchaser.

6.3. Income Tax

- 6.3.1. Income Tax at the prevailing rate on gross value of work done and applicable surcharge/ cess shall be deducted from the bills as per relevant rules unless exempted by the Income Tax Authorities.

7. NEW TAXES/ LEVIES

- 7.1. In case the Indian Government (Central/ State) imposes any new tax/ levy on the output services/ goods / work after the award of work, the same shall be reimbursed by BHEL at actuals. Similarly, any statutory variation on such score shall be to the account of BHEL. All necessary documents as required by BHEL shall have to be provided by the Contractor. However, in the event of delay in work execution attributable to the Contractor, the new taxes/ levies imposed during the delay period shall not be reimbursed to the Contractor.
- 7.2. In case any tax/levy/duty etc becomes applicable after the date of Bidder's offer, the Bidder/ Contractor must convey its impact on his price duly substantiated by documentary evidence in support of the same before opening of the Price Bid. Claim for any such impact after opening the price bid will not be considered by BHEL for reimbursement of tax or reassessment of offer.
- 7.3. No reimbursement on account of increase/ decrease in the rate of taxes, levies, duties etc on input (goods/ services/ work) shall be made. Bidder has to make his own assessment of the impact of future variation if any, in rates/ duties/ levies etc in his price bid.

8. BANK GUARANTEES

- 8.1. The value of Contract Performance Bank Guarantee (CPBG) shall be 10% of the Contract Price. The CPBG shall be issued as specified in General Conditions of Contract.
- 8.2. The value of Performance Bank Guarantee (PBG) shall be 10% of the Contract Price. The CPBG shall be issued as specified in General Conditions of Contract.
- 8.3. The Contract price shall be as per clause no.1.11 of GCC-A

9. EQUIPMENT GUARANTEE

- 9.1. The Equipment shall be guaranteed by the Vendor for a period of **18 months from the date of commissioning or 24 (twenty four) months from the date of supply whichever is earlier.**

10. PENALTY FOR DELAY

- 10.1. The delivery of Equipment shall be made within the time prescribed. Failure to dispatch the Equipment in time as per the delivery specified above would make the Vendor liable to an un-conditional penalty at the rate of one half

percent (1/2%) of the Order value for delay of each week (or part thereof) subject to a maximum of ten percent (10%) of the Order Value.

- 10.2. The erection & commissioning of the Equipment shall be completed within the time prescribed. Failure to complete the work as per the time specified above would make the Vendor liable to an un-conditional penalty at the rate of one half percent (1/2%) of the Order value for delay of each week (or part thereof) subject to a maximum of ten percent (10%) of the Order Value.
- 10.3. However, if the supply of Equipment is delayed and the work of erection & commissioning of the machine is completed ahead of schedule, the penalty for delay will be reduced to the extent of the time saved during erection & commissioning.
- 10.4. The Order value shall be as per clause no. 1.11 of GCC-A

11. VARIATION IN SCOPE OF WORK

- 11.1. BHEL reserves the right to add or delete items of scope of work depending upon the final requirement. For such addition or deletion the Contract price shall be adjusted based on the quoted unit price. The price quoted by the Vendor shall be valid for such variation.

12. EXTRA WORK

- 12.1. The Vendor shall, when requested by BHEL, perform extra work at mutually agreed rates.

13. GENERAL

- 13.1. The evaluation of the offer will be strictly based on information submitted by the bidder. In view of this the bidder is requested to go through tender document carefully and furnish all details clearly. Missing information may not be asked by BHEL before evaluating the offer.
- 13.2. The vendor shall check that his offer is complete in all respect as per check list given in Annexure SCC-1. A signed copy of Annexure SCC-1, duly filled in, shall be submitted along with the Offer.
- 13.3. Unpriced Price Bid to be submitted along with Part-I offer along with detailed list of spare parts quoted.

Annexure- 1 of SCC

**Check List for Commercial Terms and Conditions
(To be filled and submitted along with Part-I Offer)**

Sr. No.	DESCRIPTION OF BHEL REQUIREMENT	SPECIFIED / CONFIRMED BY VENDOR	REMARKS
1	Technical confirmation to BHEL's Specification as called for in BHEL Format is furnished.		
2	Prices have been quoted item wise only as per the format in Section III.		
3	Prices have been quoted on "FIRM PRICE" basis only.		
4	Erection & commissioning charges have been mentioned in the offer.		
5	Validity of offer has been mentioned in the Offer.		
6	Delivery period from the date of Letter of Intent has been mentioned in the offer.		
7	Confirmation for acceptance of Penalty has been given in the offer.		
8	Confirmation for acceptance of the Risk Purchase clause has been given in the offer.		
9	Confirmation for acceptance of Payment terms is available in the offer:		
10	Confirmation to provide Contract Performance Bank Guarantee (CPBG) has been given in the Offer.		
11	Confirmation for submission of Performance Bank Guarantee (PBG) as available in the offer.		
12	Confirmation that any warranty replacement during warranty period shall be supplied free of charge on FOR BHEL, Jagdishpur basis is available in the offer.		
13	Confirmation that the Equipment ordered will be inspected and proved at vendor's works prior to dispatch. However final inspection and acceptance of equipment will be after erection at BHEL, Jagdishpur.		
14	Confirmation that the equipment shall be guaranteed for a period 18 months from the date of commissioning or 24 (twenty four) months from the date of supply whichever is earlier.		

15	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.		
16	Other point: BHEL may decide to process the case through Reverse Auction. Vendor to give their confirmation for participation.		
17	Country of origin of Equipments		

NOTE: -

It is confirmed that all the terms and conditions stipulated in the Tender Enquiry have been fully understood by us and all clarifications & details have been obtained.

Signature & Office Seal of the bidder

SECTION - III
PRICE BID FORMAT FOR FOREIGN BIDDERS
(Air Compressor)

Tender No. & Date:

Bidder's Offer No. & Date:

S No	Description of item	Unit	Quantity	Price			
				Foreign Currency (FC), FOB for Overseas Supplies		FOR BHEL Jagdishpur Works for Indian Supply Portion in Indian Rs.	
				Rate (indicate FC)	Total Price (indicate FC)	Rate	Total Price
1	Design, manufacture, testing at vendor's work and supply of Screw Type air compressor unit with minimum air delivery 1465 CFM as per technical specification.	Number	3				
2	Supply of recommended spares for 2 years of trouble free operation. Itemized breakup with its prices of the offered spares shall be given.	Set	1				
3	Total Price (1 + 2)						
4	Erection & Commissioning	For all three Compressor Units					
5	Total Price (3+4)						

Note:

1. Insurance by BHEL.
2. Typical Format For Illustration to arrive at 'Cost to BHEL' is as per Annexure 7 of GCC –A
- 3. Unpriced Price Bid to be Submitted along with Part-I , Techno – Commercial Bid**
4. Detailed list of Spares to be given along with Part-I , Techno – Commercial Bid
5. 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”.

Further Details for Domestic Supplies:

S No	Description of item	Total Price in Indian Rs
1	Ex-Works Price	
2	Excise Duty	
3	Sales Tax/ VAT	
4	Any other Taxes/ Charges – Please Indicate	
5	Freight	
6	FOR Price (1+2+3+4+5)	

Additional information about packages

1	Number of Packages/ Dispatch-able Units for total consignment	Number		
2	Approximate Cubage of total consignment	Cubic Meter		
3	Approximate Gross weight of the total consignment	kg		
4	Approximate Net weight of the total consignment	kg		
5	Weight and dimensions of Heaviest Consignment	Kg & Cubic Meter		

Sign & Seal

PRICE BID FORMAT FOR INDIAN BIDDERS
(Air Compressor)

Tender No. & Date:

Bidder's Offer No. & Date:

Price in Indian Rs

S No	Description of item	Unit	Quantity	Price, Ex-Works		Excise Duty	Sales tax	Any Other Taxes/ Charges - Please Specify	Freight	FOR BHEL Jagdishpur Price
				Rate	Total Price					
1	Design, manufacture, testing at vendor's work and supply of Screw Type air compressor unit with minimum air delivery 1465 CFM as per technical specification.	Number	3							
2	Supply of recommended spares for 2 years of trouble free operation. Itemized breakup with its prices of the offered spares shall be given.	Set	1							
3	Total Price (1 + 2)									
4	Erection & Commissioning	For all three Compressor Units								
5	Total Price (3+4)									

Note:

1. Insurance by BHEL.
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5. 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”.

Additional information about packages

1	Number of Packages/ Dispatch-able Units for total consignment	Number		
2	Approximate Cubage of total consignment	Cubic Meter		
3	Approximate Gross weight of the total consignment	kg		
4	Approximate Net weight of the total consignment	kg		
5	Weight and dimensions of Heaviest Consignment	Kg & Cubic Meter		

Sign & Seal