



STANDARD TERMS & CONDITIONS FOR PROCUREMENT OF CAPITAL EQUIPMENT
[FORMAT TO BE FILLED-UP BY THE SUPPLIER]

VENDORS HAVE TO OFFER THEIR TERMS IN THE ALLOTTED COLUMN AND SHALL IDENTIFY DEVIATIONS DISTINCTLY.

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
01	Terms of Delivery:		
(a)	Indigenous Supplies : FOR - Destination means FOR - B.H.E.L. Hyderabad stores. (Packing & Forwarding, Freight & Insurance are in Supplier's scope i.e. included in the quoted prices) . Ex-works is not acceptable.		
(b)	Foreign Supplies : Foreign supplies have to be made on Incoterm CIF basis (i.e. Inclusive of Sea/Air worthy packing and inclusive of all freight and Insurance upto Mumbai Sea Port . Foreign supplies will be loaded with 2.1% towards inland freight & insurance from Mumbai to BHEL Hyderabad stores for tender evaluation purpose. Notes: i)Offer with terms of delivery other than CIF are liable for rejection. ii)Trans-shipment strictly not permitted.		
(c)	In case,any shortage is noticed viz-viz PO requirement in the main equipment/spares,such shortage shall be replenished by supplier on FOR destination basis without any cost implication to BHEL i.e. Custom Duty and freight charges etc.upto destination for such short supplies shall be borne by the supplier. Please also note that any short supply will attract imposition of penalty on the total P.O. value.(Supply+E&C).		
02	Delivery Period:		
	Bidder shall quote their lowest firm Delivery period against the specified delivery schedule (if any), with effect from the date of PO/LOI upto the quoted Terms of delivery. The delivery period in no case shall be linked with extraneous conditions/stipulations such as approval of drawings.		
	Any offer beyond the "max.acceptable delivery period" shall be rejected .All offers which do not confirm to the specified delivery period mentioned in tender schedule , but are within the "max. acceptable delivery period" shall be loaded for the delayed delivery beyond 'X' @ 0.5% per week or part thereof subject to a maximum of 10% of the supply value.	NOT APPLICABLE	NOT APPLICABLE
03	Payment Terms : Offer with deviations to BHEL Payment Terms will be loaded as under.a)Bench Mark Prime Lending Rate (BPLR) of SBI as applicable on the scheduled date of Tender Opening +2%, for the amount and period of relaxation sought by the bidder.b)On account of payment through LC, if insisted by bidder, bank charges shall also be loaded for the deviation in i)opening of LC by BHEL ii)period and amount of LC w.r.t NIT norms, as per the prevailing bank rates. Offers withinsistence of advance payment are liable to be rejected. In no case BHEL shall accept liability towards interest. Payment terms mentioned here under for Indigenous and Imported Offers.		
(a)	Terms of payment for Indigenous Offer:(E&C is to be done by vendor)		
(i)	(i) Despatch of Goods on door delivery basis only. Goods despatched with documents presented through Bank will be loaded with corresponding bank charges. (ii) 80% payment of supply value will be made on 45th day from the date of receipt of material at BHEL (date of goods receipt (GR)). Balance 20% of supply value + 100% E & C portion of P.O. value will be paid after successful commissioning of the equipment and subjected to submission & acceptance of Performance Bank Guarantee of 10% of contract value valid for 30 days beyond the guarantee period and Joint Protocol signed by both the parties (i.e BHEL and Vendor) .		

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(b)	Terms of Payment for Foreign Offers:(E&C is to be done by vendor)		
(i)	Total supplies are to be from Foreign Source. Where the payments are through L.C (L.C opening charges are to be loaded) payment of supply value shall be 80% on dispatch and 20% on issue of E&C certificate.Payment of E&C value shall be made against E&C certificate issued by BHEL. E&C certificate shall be issued on satisfactory completion of Erection, Commissioning, Job proving, Performance tests, Training to operators etc. as envisaged in PO. The L.C. shall be opened by BHEL as per the following. 1) Within 30 days of receipt of acceptable CEBG, an irrevocable unconfirmed L/C will be opened for 30% of the payment towards supply, due on shipment i.e. 24% of the supply value of the P.O.(30% of 80%). Not earlier than 60 days before the shipment date, the value of this irrevocable unconfirmed L/C would be enhanced from 24% to 80% of the supply value of the P.O. The above L/C can be negotiated after the shipment against submission of B/L or AWB, and such other documents, as mentioned in the P.O.or L/C and submission of Pre Dispatch Inspection Report of BHEL. This L/C will be valid for a period extending 21 days beyond the shipment date for negotiation of documents.		
(ii)	When ever there is an Indian Agent to represent a Supplier, it is essential to give the details of services to be rendered by Indian Agent and / or the details of agreement between Supplier and Agent. Supplier to indicate the Agency Commission payable. Indian Agency Commission will be paid only in Indian Rupees, calculated at the rate of exchange prevailing on the date of the tender opening. This is payable on satisfactory completion of the contract. Note: In order to maintain sanctity of the tender system, it is essential that one Agent cannot represent two Suppliers or quote on their behalf in a particular tender enquiry. If any Agent represents more than one Suppliers, all the offers associated with the Agent will be rejected.		
(iii)	The second irrevocable & unconfirmed letter of credit for 20% & E&C Charges will be opened 15 days prior to the scheduled and confirmed arrival of the technicians of supplier with their names The validity of this L/C would be sufficient to cover the period required for the completion of E&C + 21 days as negotiation period. This L.C can be negotiated i)after completion of the E&C of the equipment in BHEL and ii) against submission of a Joint Protocol signed by both the parties (i.e BHEL and Vendor) for successful commissioning and job prove out. This is subject to the submission of Performance Bank Guarantee for 10% of contract value valid for 30 days beyond the Guarantee / Warranty period of 24 months from the date of commissioning. The bank guarantee is to be attested by Indian Embassy & to be registered in India. PBG confirmation charges shall be borne by vendor.		
(c)	Terms of payment for Indigenous Offer: (Pure supply, no E&C is envisaged in the NIT scope).	NOT APPLICABLE	NOT APPLICABLE
	Despatch of Goods on door delivery basis only. Goods despatched with documents presented through Bank will be loaded with corresponding bank charges.	NOT APPLICABLE	NOT APPLICABLE
	100% payment will be made on 45th day from the date of Goods Receipt, subjected to submission & acceptance of Performance Bank Guarantee of 10% of contract value valid for guarantee period.	NOT APPLICABLE	NOT APPLICABLE
(d)	Terms of payment for Foreign Offer: (Pure supply, no E&C is envisaged in the NIT scope).	NOT APPLICABLE	NOT APPLICABLE
	100% Payment will be made through L.C. , which shall be opened 1 month before the confirmed date of dispatch, valid for three months and is encashable against Shipping Documents, submission of Pre-inspection Report of BHEL and Performance Bank Guarantee of 10% of contract value valid for guarantee period, negotiated through bank .	NOT APPLICABLE	NOT APPLICABLE

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4	<p>CONTRACT EXECUTION BANK GUARANTEE(CEBG) The successful vendor shall have to furnish a CONTRACT EXECUTION BANK GUARANTEE(CEBG) for 10% (TEN percent) of the Total PO value in the prescribed format within 30 days from the date of PO but before LC opening. CEBG shall be from the one of the consortium banks of BHEL or from a reputed bank and confirmed by any consortium banks of BHEL. All bank charges on account of issuance and confirmation of CEBG whether incurred in India or outside India will have to be borne by the vendor. CEBG shall be kept valid until 30 days after the date of E&C certificate, which will be issued on completion of E&C of equipment which includes Erection, Commissioning, Job proving, Performance tests, Training to operators etc. as prescribed in PO. Under all circumstances, CEBG shall be kept valid, till the PBG becomes operational.</p> <p>If the supplier fails to submit the CEBG even within 60 days from the date of PO, BHEL reserves the right to cancel the PO . In addition, in such case, action will be initiated in line with extant guidelines for Suspension of Business Dealings with suppliers.</p>	NOT APPLICABLE	NOT APPLICABLE
1	CEBG may be given in the form of Cash/Demand Draft, to be deposited in favour of BHEL Ramachandrapuram	NOT APPLICABLE	NOT APPLICABLE
	Note : In case of non submission of CEBG within two months, BHEL shall charge @ 1.5% per month on the CEBG amount for the delayed period portion beyond 2 months and deduct the same in the final bill.	NOT APPLICABLE	NOT APPLICABLE
5	<p>Warranty / Guarantee Period: Equipments shall be guaranteed against workmanship, materials used, design and performance should be for a period of 24 months from the date of commissioning of equipment, unless otherwise stipulated in the specification.</p> <p>Loading Factor for non-acceptance of Guarantee Period: Less than 24 months from commissioning will attract loading of AMC charges for difference of quote with warranty / guarantee period. Example : If a Supplier provides 18 months guarantee period, in place of 24 months, then the difference of 6 months will be loaded with AMC charges of 4% per annum for difference period of 6 months i.e. 2% of total cost will be loaded for evaluating lowest bidder.</p>		
6	<p>Penalty for Delay in "Supply" : Delay in supply beyond the quoted delivery period will attract Penalty at a rate of 0.5% per week subject to max. of 10% of total PO value .In case any bidder is not accepting the above penalty for delayed supply the offer the bidder shall be loaded as follows.</p> <p>Loading Factor for non-acceptance of Penalty Clause: It will attract maximum 10% loading on the offer and accordingly proportionate percentage will be loaded for accepting less percentage of penalty clause. Example : If the Supplier has accepted for maximum 5% penalty clause, then balance 5% will be loaded on supply value for evaluating lowest bidder.</p>		
7	<p>Performance Bank Guarantee (PBG): The Supplier shall submit a PBG for 10% of the contract value valid for 30 days beyond Warranty / Guarantee period.</p> <p>Offers with non-acceptance of Performance Bank Guarantee clause are liable to be rejected. Offers with less acceptance of PBG than the specified period and or value shall be loaded proportionately, during evaluation of the lowest bidder.</p>		

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8	Erection & Commissioning (E & C) Schedule: Supplier to specify clearly the time period for erection & commissioning of the equipment starting with opening of cases against their supervision.		
9	Erection & Commissioning (E & C) Charges: Erection & Commissioning value will include services to be rendered at BHEL like Erection, Commissioning, Job proving, performance testing, training to operators etc. E&C value should be quoted separately by bidders.		
10	Essential / Mandatory Spares: Supplier to specify clearly the charges of Essential / Mandatory Spares in the form of Extra only (Itemized break-up shall be given). Requirement of technical specification need to be complied with.	NOT APPLICABLE	NOT APPLICABLE
11	Validity: Supplier to mention clearly the validity of the offer [Minimum 180 days from tender opening date].		
12	CREDIT RATING REPORT: The Supplier to provide Business Information Report incorporating the rating of the company by international credit rating agencies, viz., DUNS number of M/s. DUN & Bradstreet (D & B), etc. along with technical offer. Such Ratings reports shall not be older than one year from the date of submission of offer.	NOT APPLICABLE	NOT APPLICABLE
13	PERFORMANCE EVALUATION:Bidder shall be evaluated and qualified based on their past performance.To evaluate the performance rating, bidder to provide details .	NOT APPLICABLE	NOT APPLICABLE
14	Risk Purchase: If the vendor fails to deliver the goods beyond penalty period specified in the Purchase Order, BHEL will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the delivery period mentioned in the Purchase Order. <u>BHEL reserves the right not to consider offers from vendors not accepting the above Risk Purchase terms</u>		
15	DECLARATION:VENDORS SHALL GIVE A DECLARATION THAT PARTICULAR COLUMNS GIVEN IN THE NIT DOCUMENTS HAVE NOT BEEN ALTERED BY THEM		
16	PDI inspection :- PDI Invitation shall be given two months before the Purchase order delivery date and PDI shall be completed 15 days before the P.O. delivery date. Vendor to Confirm.	NOT APPLICABLE	NOT APPLICABLE
Note : The bidders should comply with the above Terms & Conditions. Non-adherence may lead to rejection.			