

BHARAT HEAVY ELECTRICALS LIMITED
INDUSTRIAL VALVES PLANT, GOINDWAL

Tender Enquiry No. - BHE:IVP:SC:08-09-OT-01/Dated 07.11.2008

Due date - 03-12-2008

Time of submission - Latest by 1500 hrs. on due date of tender

Time of opening (Part I Techno Comml Bid) - 1530 hrs.

Tender Document cost - Free

Description - Machining/ Welding and Assembly of Valve Components as Per BHEL drawings/ Scope of work.

Name & address of contact person - Ajit Singh
Dy Manager/Sub-Contracting,
Bharat Heavy Electricals Limited
Industrial Valves Plant, Goindwal Sahib-143 423
Distt. Taran Taran
Phone-01859-223345
Fax – 01859-222061
e-mail- as @ivp.bhel.co.in

Ajit Singh
Dy,Manager(Sub-Contracting &TEC)

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Bharat Heavy Electricals Limited

433, Industrial Valves Plant, Goindwal Sahib, Distt. Tarn Taran, (Punjab)
Ph. No. 01859-223345, Fax 01859-222061, Mob.: 9815995101
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(SUB CONTRACTING DEPARTMENT)

NOTICE INVITING TENDER FOR JOB WORK

(No: NIT:BHE:IVP:SC: 08-09:OT-01)

Sealed Two Part Bids for Annual Rate Contract for Job Work of Valve Assys. involving Machining / Welding of Components of 3" to 6" Gate Valves (Approx. 5000 Nos.), as per BHEL Drawings/ Specifications and Terms & Conditions are invited from Vendors having their Works within Punjab.

Detailed tender documents can be downloaded from our website www.bhel.com or can be obtained from the undersigned free of cost on any working day between **10 a.m.** to **4 p.m.**

BHEL reserves the right to reject/accept any tender in full or part.

Last date of submission of Sealed Bids : **03.12.2008** upto **3.00 p.m.**

Opening of Part-I Techno Comm. Bids : **03.12.2008** upto **3.30 p.m.**

Dy Manager (Sub-Contracting & TEC)

Size 8x6 cm

**BHARAT HEAVY ELECTRICALS LIMITED
INDUSTRIAL VALVES PLANT,GOINDWAL**

(SUB-CONTRACTING DEPARTMENT)

ANNEXURE-A

TERMS AND CONDITIONS FOR RATE CONTRACT
(Enquiry Ref : BHE:IVP:SC:08-09:OT-01/24.10.2008)

1.0 GENERAL REQUIREMENTS:

- 1.1 Minimum Rates are to be quoted as per **Scope and BHEL Drawings (ANNEXURE-1) and as per Rate Schedule format (ANNEXURE-2) by Vendors having Works within Punjab**, for entering into Rate Contract for Machining/ Welding and Assembly of Valve Components. The items which will be ordered for machining are to be strictly manufactured as per the BHEL drawings & Scope of work. These items will have one or more number of machining / welding processes. Vendor may quote rates for One or more assemblies.
- 1.2 It will be a Two part bid. Part –I will be Techno-Commercial Bid and Part –II will be Price Bid. Part-I and Part-II shall be sealed separately in two Envelops and shall be further enclosed in One overall Cover. Enquiry No. & Due Date shall be super scribed on each Envelop apart from mentioning Part-I and Part-II. Rate Contract shall be valid for a period of ONE year from date of finalization of the contract.
- 1.3 Minimum rates are to be quoted by the Vendor (hereinafter referred as Sub-Contractor) on per piece (number) and F.O.R.D BHEL IVP Goindwal basis and should be inclusive of all statutory levies applicable if any except service tax which will be paid extra on submission of proper documents. Sub-Contractor should quote rates for each item with retention of turning/ boring ferrous scrap.
- 1.4 Sub Contractors should have the CNC machining facilities for machining of Valve Body, Wedge and Seat Rings preferably for Body. Sub- Contractors are required to furnish detail of Machining/ Welding & other facilities which they will be using for BHEL's Job work. Apart from this Vendor's organizational set up detail is to be furnished by Vendors as per BHEL's **Vendor Registration Form** as per **ANNEXURE-3** in **Part-I Bid**.
- 1.5 Sub Contractors preferably should have IBR qualified Welder or should have the IBR qualified contractor for carrying out welding of Seat Rings into Body. For welding/ hard facing of Wedge & Seat Rings following shall be ensured :
 - a) Components shall be welded in accordance to relevant BHEL WPS. Refer **ANNEXURE-7**
 - b) Welding of Seat Rings into Body shall be carried out by IBR approved welder.

- c) Recommended electrodes as per BHEL drawing/WPS and from BHEL approved sources, refer **ANNEXURE-7** shall only be procured and used. Test Certificates from supplier for the same shall be submitted.
 - d) After completion of welding of Seat Rings with Body, dressing of welded joints be done by grinding and all the finished components must be spatter free.
- 1.6 Sub- Contractors to submit type and number of machines installed and operating at their premises at the time of submitting the bid which will be used for carrying out BHEL Jobs. If any offer is found without the availability of machines at the vendors' premises, the entire offer will be rejected. Sub Contractor must specify in the bid the machining capacity which can be spared for BHEL Job Work in terms of Body- Wedge assemblies per month.
- 1.7 BHEL team shall pay preliminary visit to Sub- Contractor's works for assessing the requisite qualification to carry out the job. Price Bids of those Sub-Contractor's shall only be opened who will qualify PRE QUALIFICATION REQUIREMENTS as per ANNEXURE-4.**
- 1.8 Excise duty and other taxes, if any, applicable on scrap retained by Sub-Contractor shall be borne by the Sub-Contractor.
- 1.9 Excise duty/ VAT for materials lying at Sub- Contractor's works for a period more than ninety days, whatsoever may be the reason for retention of the material, if any, shall be borne by the Sub-Contractor.
- 1.10 Raw materials shall be supplied by BHEL, IVP, Goindwal Sahib and shall be collected by the Vendor from BHEL Works.
- 1.11 Transportation charges for collection of raw material from our works and delivering the finished assemblies at our works i.e. at BHEL, IVP, Goindwal, shall be borne by the Sub-Contractor.
- 1.12 Loading / Unloading charges of raw material and finished assemblies shall be borne by the Sub- Contractor.
- 1.13 Sub-Contractors to provide the maximum size and weight of the raw materials and components that could be machined at their works.
- 1.14 Standard tools and gauges are to be arranged by vendors themselves.
- 1.15 Sub-Contractors to submit their quotations as above, in a sealed cover addressed to Dy Manager (Sub-contracting), Bharat Heavy Electricals Limited, Industrial Valves Plant, Goindwal Sahib (Distt. Tarn Taran (Punjab), duly super scribing the above Enquiry No. & Due Date under Registered Post with Acknowledgement. The offers, subject to the acceptance of Terms and Conditions enclosed, should reach him before 03.00 PM on the Due Date. The Tenders will be opened at 03.30 PM on the Due Date in the presence of Tenderers.

1.14 Quotations received after the prescribed time for Tender opening on the Due Date will not be considered.

2.0 INSPECTION :

2.1 Inspection of the finished components/ assemblies will be done as per **QUALITY PROCEDURE (QP) (ANNEXURE-5)** at Sub- Contractor's premises after receipt of inspection request along with copy of dimension report by BHEL Inspector and / or authorized Inspection agencies for which dimensional report record will be maintained at vendor's works and the vendor shall provide all the required facilities free of cost. The Inspection results will be given in IR (Inspection Report) that would be raised by BHEL Inspector. No deviation unless authenticated by authorized BHEL Officials will be allowed. The inspection request and the dimensional report shall be in the format prescribed by Quality Department.

2.2 BHEL reserves the right to carry out inspection at its premises as and when required.

2.3 The items requiring first-off clearance for bulk production shall be offered for Inspection immediately after sample pieces have been completed. Only on getting the approval from BHEL Inspector / Authorized agency in writing, further work on bulk production is to be started.

2.4 In case of partial or full raw materials supplied by BHEL, for rejections that may take place during the course of machining due to defective raw materials, BHEL will allow proportionate payment to the extent of machining carried out. The vendor shall stop machining operation as soon as the defect is noticed.

2.5 For rejections due to operator's fault, BHEL will recover the cost of raw materials at prevailing rate of Materials plus Statutory levies (ED., ST etc.)

3.0 PAINTING, PACKING & PROTECTION OF FINISHED COMPONENTS :

3.1 All machined surfaces are to be applied with rust preventive as per SIP:PP:22

3.2 Supplier's Code No. allotted by BHEL should be punched and encircled with white paint on the finished components.

3.3 Any deviation from the scope of machining shall be suitably painted as per IR on the component at the appropriate place.

3.4 The finished components should be packed suitably before effecting dispatch so as to prevent breakage and damage to the machined surfaces either in transit or in handling.

3.5 In case of BW bodies D1 dimension shall be written with paint inside the bore of Body.

4.0 DELIVERY OF FINISHED ASSEMBLIES:

- 4.1 The inspected components/ assemblies shall be delivered at BHEL's Component Stores along with 4 copies of delivery Challan bearing seal of Main Gate Security and 2 copies of Inspection Report. Distribution of the Challan copies shall be as under;
- Main Gate – 1 Copy,
 - Component Store- 1 Copy,
 - Original Copy & Duplicate Copies to be returned to Sub Contractor after Acknowledgment by Component Stores of BHEL.
- 4.2 Delivery Challan should have the details like PO No., Inspection Report (IR) NO., D1 dim of BW Body (Special requirement of customer) , Component Code.
- 4.3 Component Code and Vendor Code shall be punched / stamped by permanent ink on each assembly.
- 4.4 Body assy and Wedge assy shall be match marked with paint/punch. Also matching sides of Wedge with Body be identified suitably.

5.0 GUARANTEE:

- 5.1 The components machined as per BHEL drawing should be free of machining defects. If the item is found defective after receipt during onward processing at BHEL Works, shall be repaired by Sub Contractor at his cost or if found not repairable then the total cost will be recovered from Sub-contractor as per clause 2.5.

6.0 PAYMENT:

- 6.1 **90%** Payment against 100% invoice will be made through EFT for which necessary bank details will be furnished by the vendor and payment will made within 30 to 45 days of the receipt of materials for complete work order against submission of following documents;
1. 100% Invoice in duplicate.
 2. Two copies of delivery Challan acknowledged by BHEL Stores.
 3. Inspection Report/ certificate (Original + one copy)
 4. Scrap Accountal statement for retained Ferrous Scrap, Rejected / Defective Raw Material duly verified by Sub- Contracting Deptt for completed Sub Contract Purchase Order.
- 6.2 The rejected material shall also be deposited along with the accepted material through Delivery Challan - 4 copies.
- 6.3 Final **10%** payment shall be made only on completion of the Sub Contract Purchase Order after duly accounting for rejections, short supplies (if any) and return of raw materials and submission of Materials Accountal Statement. Only one bill shall be raised for every Sub Contract Purchase Order after making the last dispatch.

7.0 CONFIDENTIALITY OF BHEL DRAWINGS/ DOCUMENTS:

7.1 Sub-contractor/s shall ensure confidentiality of BHEL drawings and documents issued to them and shall not pass on the same to any unauthorized agency/person. Violation of the same shall tantamount to cancellation of the contract of the Sub-contractor. The drawings/ documents shall be returned to BHEL after completion of Contract.

8.0 VALIDITY:

8.1 The contract will be in operation for **ONE YEAR from the date of finalization** and will be applicable for all Work Orders released during the currency of the contract. However, BHEL reserves the right to terminate the contract earlier also if the performance of the Vendor is not satisfactory.

9.0 FIRM PRICES:

9.1 The contract shall be on the basis of **Firm** prices. No variation in price shall be entertained during the validity of the contract.

10.0 DELIVERY SCHEDULE:

During the currency of the rate contract, BHEL will release Sub-contracting orders from time to time based upon the requirement/ availability of raw materials as well as capacity committed by Vendor. The Sub-contractors will be required to complete the order as per schedule given in the Sub Contg Purchase Order.

11.0 ACCESS TO MANUFACTURING PREMISES OF VENDORS:

11.1 During the currency of the contract and while Sub-contracting orders placed on the Sub-Contractor are under execution, authorized representatives of BHEL shall be allowed free access to the manufacturing facilities for the purpose of inspection or monitoring the progress of Sub-contracting orders. This access will also be extended to representatives of BHEL's customers accompanying the authorized representatives/s of BHEL, if our contractual requirements with our customers call for the same.

12.0 BANK GUARANTEE & INSURANCE:

12.1 Sub-contractor will have to execute a Bank Guarantee, in the prescribed format, for the value of Rs------(will be decided at the time of finalizing the rate contract) for satisfactory performance of all the orders and also for the safe custody of the raw materials. The guarantee shall be executed on non judicial stamp paper of value of Rs-----/ and shall be kept valid for a period of One Year against the orders already placed and to be placed by BHEL.

13.0 INDEMNITY BOND:

13.1 Sub-contractor shall have to indemnify BHEL for any loss to BHEL's material in custody of the Sub-contractor against theft or financial liability funding agency/ financial institution or any other loss. The bond is to be executed on non-judicial stamp paper as per the format prescribed by BHEL.

14.0 LIQUIDATED DAMAGES & CANCELLATION OF ORDER

14.1 If the Sub-contractor fails to deliver the material or any installment thereof within the Period fixed for such delivery or at any time repudiates the purchase order before the expiry of such period, BHEL may without prejudice to the right of the Sub-contractor impose damages for breach of the Sub-contracting order.

- a) Recovery from the Sub-contractor liquidated damages a sum equivalent to 0.5% of the price of order value of undelivered quantities which the Sub-contractor has failed to deliver within the period fixed for delivery in the order for each week or part of a week (subject to a maximum of 5% of the price) during which the delivery of such components may be in arrears and where delivery thereof is accepted after expiry of the aforesaid period, or
- b) Withdraw the material and Sub-contract elsewhere without notice to the Sub-contractor, on the account and at the risk of the Sub-contractor, of the components not so delivered. The decision of BHEL in this regard shall be final and binding without canceling the Sub-Contracting order in respect of the installments not yet due for delivery, or
- c) Cancel the Sub-contracting order or a portion thereof and if so desired Sub-Contract the materials not so delivered at the risk and cost of the Sub-contractor. If the Sub-contractor has defaulted in the performance of the original order, the BHEL shall have the right to ignore its tender for risk purchase even though the lowest. Where action is taken under this clause, the Sub-contractor shall be liable, for any loss which the BHEL may incur due to the Sub-contractor failure to deliver the component within the period fixed for such delivery.

15.0 FORCE MAJEURE:

15.1 If at any time during the continuance of the contract, the performance in which or in any part by either party of any obligations under the contract are prevented or delayed by reason of any war, hostilities, acts of public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine restrictions, or acts of God (hereinafter referred to "an events" then provided the notice of happening of any such event is given by either party to the other within 21 days of the occurrence thereof, neither party shall by reason of such event be entitled to terminate the contract nor shall either party have any claim for damages against the other in respect of such non-performance and delay in performance and delivery under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist. If the

performance in whole or part of any obligation under the contract is prevented or delayed by reason of any such event, claims of extension of time shall be granted for periods considered reasonable by BHEL subject to prior notification by the Vendor to BHEL of the particulars of the event and supply to BHEL, if required, of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed a waiver of time in respect of remaining deliveries.

16.0 DISPUTES/ ARBITRATION:

16.1 In the event of any dispute and /or difference arising between the Sub-contractor and BHEL as to interpretation and/ or execution of the contract and/ or the respective rights and liabilities of the parties, such disputes and/ or differences shall be referred to the sole arbitrator nominated by BHEL. The provisions of the Indian Arbitration Act and the rules there under shall apply to such arbitration. The award passed by the arbitrator shall be final and conclusively binding on all the parties.

17.0 JURISDICTION:

17.1 The court of the place from where the Sub-contracting order is issued or is under execution during the contractual period shall alone have jurisdiction to decide any dispute arising out of or in connection with the purchase order.

18.0 MISCELLANEOUS:

18.1 BHEL reserves the right to split up the tender and place order with different tenderers and also increase or decrease the quantity. Normally, for smooth flow of material, minimum two sources shall be kept alive for fulfilling material requirements.

18.2 BHEL reserves the right to accept or reject any part or whole of the tender without assigning any reason thereof.

18.3 Save as specifically accepted by the BHEL, the terms and conditions of the Vendor contained in the quotation shall not govern and apply to the purchase order.

18.4 Loading on a Sub-contractor will depend upon the previous and ongoing performance of the Sub-contractor as per performance monitoring system (clause 20.1). BHEL also reserves right to give higher load to Sub-Contractor having superior performance rating notwithstanding the fact that the Sub-contractor is not original L1 but has consequently accepted counter offer of BHEL at L1 rates. Initial loading may be altered during the course of contract based on ongoing performance of the Sub-contractor.

19.0 SUB-LETTING:

19.1 The Sub-contracting order or any part thereof shall not be Sub-contracted, assigned or otherwise transferred without previously obtaining the BHEL's consent in writing.

20.0 PERFORMANCE MONITORING:

20.1 The Sub-contractor/s with whom contract is entered into will be evaluated based on the "System for Performance Monitoring & Rating for Vendors", enclosed as **ANNEXURE-6**.

20.2 Performance Rating will be taken into consideration while releasing further orders on the Sub-contractor. Based on performance of the Sub-contractor, supplier control checks will be specified from time to time and will be binding on the sub-contractor.

21.0 DEVELOPMENT OF NEW ITEMS:

21.1 For any new items added in the scope of machining, in the first instance, a developmental order shall be placed. Further ordering will be done only after successful completion of the development order.

22.0 EXTRA RATES FOR REPAIR WELDING:

22.1 Sub Contractor shall quote per CC welding rates for carrying out additional repair/weld deposition wherever required on raw material as per applicable drawing/WPS- 002.

Ajit Singh
Dy.Manager(Sub-contracting)

ANNEXURE-2

RATE SCHEDULE FORMAT

Rate Sch No.	Description of Rate Schedule	Tentative Tender Qty (Sets)	Delivery Requirement		Quoted Qty by Vendor (Sets)	Delivery Quoted by Vendor		Quoted Rate (Rs per Set)	Quoted Rate (in words)
			Upto Mar 09	Beyond Mar 09		Upto Mar 09	Beyond Mar 09		
A	Conventional Series Flanged Valves								
CS03FL150	3"-C150-GV-FL-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	350	220	130					
CS04FL150	4"-C150-GV-FL-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	450	220	230					
CS06FL150	6"-C150-GV-FL-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	550	310	240					
CS03FL300	3"-C300-GV-FL-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	250	180	70					
CS04FL300	4"-C300-GV-FL-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	150	70	80					
CS06FL300	6"-C300-GV-FL-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	10	0	10					
B	Conventional Series But Weld Valves								
CS03BW150	3"-C150-GV-BW-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	1550	665	885					
CS04BW150	4"-C150-GV-BW-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	300	160	140					
CS06BW150	6"-C150-GV-BW-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	400	200	200					
CS03BW300	3"-C300-GV-BW-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	300	140	160					

CS04BW300	4"-C300-GV-BW-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	290	90	200					
CS06BW300	6"-C300-GV-BW-WCB Body-Seat Rings & Wedge Assy upto Wedge Matching Stage	400	180	220					

Rate Sch No.	Description of Rate Schedule	Tender Qty	Quoted Rate (Rs per Cubic CM)	Quoted Rate (in words)
RSRW	Additional Repair/Weld Deposition on Body/ Wedge	As and when Required		

VENDOR REGISTRATION FORM**SC:VRC-GW-01****BHARAT HEAVY ELECTRICALS LIMITED****GOINDWAL SAHIB****VENDOR BIO-DATA**

1. **Name and address of the Vendor** :
2. **Constitution of the Vendor** : Proprietary / Partnership/ Pvt. Ltd.
3. Name and address of :
Proprietor / Partners / Directors

4.	Constitution	%of Share	Technical Qualification	Documentary Proof
a)	If Partnership Concern			Copy of the latest registered partnership deed duly indicating the percentage of share
B	For Private Limited Company i) Managing Director ii) Technical Director			Articles of Association
c	For Proprietary Concern Name of the Proprietor			

5. **SSI number from DIC – (Copy to be submitted) :**
6. **Area available for production**
 - a) Covered shed area
 - b) Open area with level concrete floor
 - c) Area available for storage of raw materials and finished products
 - d) Total Area

(ii)

7. **Documents regarding allotment of land of premises :**
(Attach copy of Allotment Document)

8. **Power Connection** (PSEB sanction letter to be furnished)
a) Connected/Sanctioned Load in KW :

9 **General Management**

a) Technical capability :

b) Human Resource Technical :

Others :

c) Communication facilities :

d) Registration with any other BHEL Unit :
(Details may be attached)

10. **Manufacturing Facility (In House)**

a) Plant & Machineries and Welding Equipment :

SI No	Description of Equipment/ Machine Tools	Size,Range,Capacity, Accuracy	Make/ Model	Qty

11. **Manufacturing Facility (Outsourced)**
(Give details of Outsourced facility for machining /welding)

12. **Material Handling Facilities**
(Attach details)

13. **Quality Management**

a) Quality Procedures / Systems :

(iii)

- b) Quality Personnel capability :

- c) Availability of inspection gauges and Instruments :

- d) Calibration methods, status and recalibration :

- e) Testing facility
 - i. NDT / UT / RT / MPI / LPI
 - ii. Laboratory facility

14. Organization for Production and Quality Control

Name and qualification

- b) Production
- b) Quality

15. Number of employees available

- a) Permanent
- b) Temporary

16. Previous experience as well as present : activity engaged in

17. Financial status

- a) Name of Banker & Address :

- b) Turnover for the last 3 years :
(Balance Sheets for the last three years to be enclosed)

- c) Credit Limit :

Signature of Sub-Contractor

(Name & Address)

PRE QUALIFICATION REQUIREMENTS FOR VENDORS

Sub Contractor must have following minimum facilities at his Works for doing BHEL Jobs as per Tender Specification:-

A. Premises:

1. Own or lease hold with proof

B. Machinery :

1. CNC Machining Centre (Preferably Horizontal) to suit 6" Valve Body - 1 No.
2. Radial Drilling Machine (Min. 1.5" Dia Capacity) - 1 No.
3. Shaper (24" Min size) - 1 No
3. Welding Set (600 to 800 Amp) - 1 No.
4. Milling Machine to suit Wedge Machining upto 6" Valve Size - 1 No
5. Lathe Machines for rough machining of Seat Rings and Wedges upto 6" Valve Size - 2 Nos

C. Measuring Instruments:

1. Calibrated Vernier Callipers
2. Calibrated Micrometers
3. Surface Plate

D. Material Handling Equipment:

- To suit Valves upto 6" size

E. Manpower :

1. IBR qualified Welder or IBR qualified Contractor person for carrying out welding of Seat Rings into Body. -ONE
2. LPI (Level -1) qualified person or qualified Contractor person -ONE
2. Machinists/ Turners - 5 Nos
3. Supervisor - 1 No.

F. Misc:

1. Registration No.
2. Sales Tax No.
3. PAN No.
4. VAT Regn No.

G. Machining Capacity:

1. Minimum Machining Capacity - 300 Nos of Body-Wedge Assys per month.

ANNEXURE-6

SYSTEM FOR PERFORMANCE MONITORING & RATING OF VENDORS

1. OBJECTIVE OF THE SYSTEM:

- 1.1 To procure/sub-contract only from registered Vendors committed to quality on long-term basis, with the objective of improving quality, delivery and at the minimum cost.
- 1.2 To maintain good will with approved Vendors and treat them as 'Business Partners'.
- 1.3 To stress more on 'Process Control' rather than 'End Product Inspection'.
- 1.4 To ensure continuous updating of the Vendor Rating.

2. VENDOR PERFORMANCE MONITORING AND RATING SYSTEM:

- 2.1 The Vendors allotted permanent Vendor code for a category of item/s shall be assessed with respect to the following main actors and calculated for each consignment/purchase order/cumulative quantity from all consignments within the period of six months.

Rating	Weight age (%)
Quality	60
Delivery	30
Service	10

- 2.2 The 60% weightage for Quality Rating mentioned in table above is equally divided among following two factors:

- 2.2.1. Quality/ Performance of Quality supplied - weightage : 30%
 - 2.2.2. Marking system (Checks during Inspection) - weightage : 30%
- Marking system is explained in para 2.3 below.

2.3 Marking System

- 2.3.1. Inspection at Supplier's works: Following marking system shall be followed:

TABLE-A

	Criteria	Marks (% of compliance to criteria)
A	Material offered as per Inspection Call	
A1	Measuring Instruments, templates, gauges available and internal inspection documents available.	
B	Material accepted in visual inspection	
C	Dimension Inspection of sample(s) selected and marks based on whether dimensions of sample(s) are according to the respective drawing.	
D	Material accepted after any minor allowable rework (% of what was given for minor rework).	
E	Material finally not accepted, following from any of the above factors.	

(II)

The above factors have been given weight age as given below:

Factor	Weight age Multiplier
A	+0.05
A1	+0.05
B	+0.1
C	+0.2
1-D	-0.25
E	-0.35

The maximum allowable marks are 40. At the time of calculating the Quality Performance Index, average shall be calculated from total marks obtained and number of inspections during the period. The marks shall be prorated to 30 from total of 40 as per above table.

The above system is designated on the following basis:

- That if supplier is asked to carry out any minor rework (like grinding, finishing, removal of sand, heat scales etc.) which reflect negligence, negative rating is given for that (reflected in Factors D & E).
- That if material is in condition that after minor rework, most of it is acceptable the supplier shall be given less negative marking than that even if after allowing rework, most of the material is still not acceptable (negative marking of [1-D]).
- That if the supplier has carried out internal inspection and proper cleaning and dimension inspection at his own end, maximum positive marks (Factors A, A1, B & C) and subsequently minimum negative marks (Factors D & E) shall be awarded, resulting in net high positive grading for that particular inspection (the max. obtainable is 40). Not carrying out internal inspection and proper finishing work shall have adverse effect on Vendor rating, as the negative marking shall be comparable or even higher than positive marking resulting in net low positive or negative marking.

2.3.2. If waiver for inspection at suppliers end is given and inspection is carried out at BHEL

Stores, the marks for that batch shall be calculated as described below:

	Criteria	Marks (% of Compliance to Criteria)
A	Material offered as per Insp. Call	
A1	Material Test Certificates, Dim. Report and other documents submitted and confirms to requirements and proper correlation could be established with material.	
B	Material accepted in visual inspection	
C	Material not accepted in visual inspection	

(III)

The above factors have been given weight age as given below:

Factor	Weight age Multiplier
A	+0.1
A1	+0.1
B	+0.2
C	-0.1

The maximum allowable marks are 40. At the time of calculating the Quality Performance Index, average shall be calculated from total marks obtained and number of inspections during the period. The marks shall be prorated to 30 from total of 40 as per above table.

2.4 QUALITY RATING:

Total Quality Rating will be as per formula given below:

2.4.1 **QUALITY RATING (QR) = [(Q1+0.75x Q2+0x Q3)x30]/Q+ Marks as per Marking System**

Where Q - Quantity inspected
Q1 - Quantity accepted
Q2 - Quantity accepted with concession/deviation
Q3 - Quantity rejected

2.5 DELIVERY RTING:

Vendor shall be rated on delivery parameters as follows:

- a) Adherence to Purchase Order (PO) - 30 marks
- b) If the delivery is not adhered to P.O., then the marks will be deducted from the delivery rating as per the following table:

S. No.	Delay in days	Marks deducted
1.	1-5	1
2.	6-9	2
3.	10-12	3
4.	13-15	4
5.	16 and onwards	4 + 1 mark for each day's delay

The delay will be calculated on the date of "goods received basis". In case, where delay is on account of BHEL in providing raw material/fixtures/any other input, the delivery shall be extended with amendment to PO. In case of rectification/replacement of item, delivery to be reckoned from the date of completion of rectification/replacement and not the original supply date.

(IV)

2.6 **SERVICE RATING:**

The service rating shall be given on the basis of following criteria.

Description	Service Rating
Submission of documents such as TC, GC, etc. as applicable, technical documents, Operation & Maintenance manuals.	3
Promptness in reply	3
Quality problems at BHEL Shop.	4

The above rating shall be subject to further feed back from Inspection Agency on following criteria.

2.6.1. Items not offered as per inspection requirement.

2.6.2. Non-availability of calibrated instruments at the time of inspection at Vendor works.

2.6.3. Acceptance after rework.

In above cases, the Vendor will be allotted negative marks of (-5) for service rating.

2.7 The Vendor Performance Rating (VPR) will be equal to total sum of QR, DR & SR.

VENDOR PERFORMANCE RATING(VPR)= QR+DR+SR

2.8 VPR will be subjected to further demerit factors(DF) as mentioned below. The final VPR will be after multiplying with this demerit factor.

Description	DF
If the rework %age is <2% with respect to the cumulative quantity supplied.	1.0
If the rework %age is >2% and < 5% with respect to the cumulative quantity supplied.	0.9
If the rework %age is >5% and <10% with respect to the cumulative quantity supplied.	0.8
If the rework %age is >10% and < 15% with respect to the cumulative quantity supplied.	0.6
If the rework %age is >10% with respect to the cumulative quantity supplied.	0.0

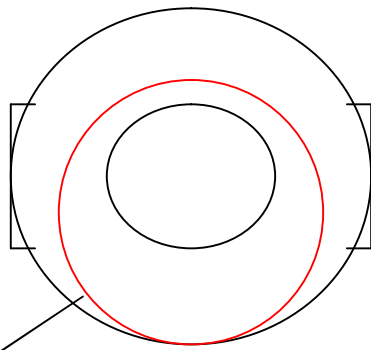
(V)

2.9 Based on the total score the Vendor performance will be rated as below:

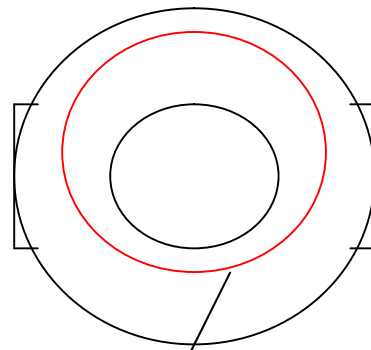
Total Score	Rating	Action
100	A1	Vendor can be considered for self certification and long term contract
>80<100	A	Vendor to be retained in the approved list and can be considered for self-certification if gets 100% quality rating consistently and be advised to become preferred Vendor. Consideration for long term contracts and Vendor checks to be identified.
>60<80	B	Vendor to be retained in the approved list and to be informed about deficiency for immediate corrective and preventive action. Can be considered for long-term contracts and Vendor checks to be identified.
>50<60	C	Vendor to be informed about deficiency and response for corrective action to be obtained. Enquiry to be sent only after approval of the competent authority. Can be considered for trial orders.

2.10 The performance reports shall be compiled by the respective departments periodically for monitoring purposes and records maintained thereof.

Ajit Singh
Dy. Manager(Sub-Contracting &TEC)



Acceptable lapping impression. Lowest bottom point of impression is not to be at a distance more than 25% of seat width from lowest bottom



Not Acceptable lapping impression. Lowest bottom point of impression is at a distance more than 25% of seat width from lowest bottom

SKETCH FOR WEDGE MATCHING WITH BODY