BHARAT HEAVY ELECTRICALS LIMITED
TIRUCHIRAPPALLI

OUTSOURCING (OS) DEPARTMENT
OUTSOURCING WITH BHEL MATERIAL (OSB)

NIT: 2026OSB076

TENDER ENQUIRY FOR FINALIZATION OF FRAMEWORK AGREEMENT FOR OUTSOURCING Fabrication and Supply of for Fabrication and Supply of Gasifier Dished End fro Coal Gasifier Project with BHEL's Material (OSB), AS PER BHEL's DRAWINGS, BHEL's QUALITY WORK INSTRUCTIONS (QWIs), & TECHNICAL SPECIFICATIONS and Transportation of Finished Goods to "designated shop at BHEL-Trichy".

LIST OF SECTIONS/ANNEXURES

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BHARAT HEAVY ELECTRICALS LIMITED, TIRUCHIRAPPALLI

OUTSOURCING

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Section I: TECHNO-COMMERCIAL TERMS & CONDITIONS

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LIST OF ABBREVIATIONS & THEIR DESCRIPTION:

S#	ABBREVIATION	DESCRIPTION
1	AS	Alloy Steel
2	CS	Carbon Steel
3	UB	Universal Beam
4	RS	Rate Schedule
5	PGMA	Product Group Main Assembly
6	DC	Delivery Challan
7	DR	Dimension Report
8	IR	Inspection Report
9	NS	Nature of Supply
10	DU	Despatch-able Unit
11	MPI	Magnetic Particle Inspection
12	LPI	Liquid Penetrant Inspection
13	FMAS	Final Material Accounting Statement
14	PMAS	Provisional Matl. Accounting Statement
15	QP	Quality Plan
16	GMS	Group Manufacturing Specifications
17	QCP	Quality Control Procedure
18	QWI	Quality Work Instructions
19	SRV / GR	Stores Receipt Voucher / Goods Receipt
20	IAWTV	Inter Ancillary Work Transfer Voucher
21	RSV	Return Stores Voucher
22	IAMTV	Inter Ancillary Material Transfer Voucher
23	DTS	Direct To Site
24	FRS	Fabrication Rate Schedule
25	PRS	Painting Rate Schedule
26	SRS	Shot Blasting Rate Schedule
27	SCM	Subcontracting-Machining
28	PMD	Product Material Directory
29	EPS	E-Procurement System
30	WPS & PQR	Welding Procedure Specification & Procedure Qualification Record

Section I: TECHNO-COMMERCIAL TERMS & CONDITIONS

1.0 **INTRODUCTION**

1.1 Outsourcing/BHEL/Tiruchirappalli invites offers from Vendors for entering into a Framework Agreement for **Fabrication and Supply of Gasifier Dished End for Coal Gasifier Project with BHEL's Material (OSB)**, as per BHEL's Drawings, Quality Work Instructions (QWIs), Technical Specifications and **Transportation of Finished Goods to "Designated Shop at BHEL-Trichy" .**

1.2 **This is a** Two-Part **Bid** E-Tender **Enquiry** consisting of Techno Commercial bid **and** Price bid**.**

2.0 **TENDER QUANTITY**

2.1 List of Rate Schedule(s) (RSs) covered under this Tender Enquiry is given below. For more details, kindly refer **Section I A.**

S#	RATE SCHEDULE (RS)	RATE SCHEDULE (RS) DESCRIPTION	QUANTITY	UoM	Raw Material Value	Pre-Qualification Requirement (PQR)
1	RS01	2:1 Semi Ellipsoidal Dish End –Gasifier – ID 3360 mm / 70 THK	2	NO	Rs. 18 Lakhs	To be filled by Vendor as per the **PQR** given along with this tender Enquiry
2	RS02	2:1 Semi Ellipsoidal Dish End – Seal Pot – ID 2710 mm / 50 THK	1	NO	Rs. 4 Lakhs	
		Total	**3 NOS**			
Note: Rate Quoted by Vendor shall be exclusive of GST. GST will be paid as Extras.						
Rate to be Quoted in **Rs. per NO** (Excluding GST)						

2.2 List of Rate Schedules (RSs), Quantity, UOM, Approx. Raw Material Value, Load Distribution, Drawings, etc. are given along with this **NIT** in the sub Sections of **Section I**.

3.0 **BRIEF SCOPE OF WORK BY VENDOR**

3.1.1 Collection of all Raw Materials from **Stores/BHEL/Trichy**.

3.1.2 **Note:** As Raw Materials collection is required across multiple wards/locations within BHEL/Trichy, the Vendor must deploy a dedicated (preferably local) representative. This representative will manage in-person collections at various wards and coordinate with BHEL Departments for all post-Purchase Order (PO) activities. BHEL will handle all loading operations using equipment such as Cranes and Hydras.

3.1.3 Fabrication of components as per BHEL's Drawings and as per the approved Quality Plans, Quality Work Instructions.

3.1.4 Offering the components to BHEL-QC (OLI) / Customer, as per applicable QP, for inspection along with necessary supporting documents.

3.1.5 The finished items are to be dispatched from Vendor's Works to "**Designated Shop at BHEL-Trichy**".

3.1.6 Return of Offcut materials to BHEL Stores/Trichy is in Vendor's Scope.

3.1.7 **The detailed Scope of Work for each Rate Schedule is given in Section I (D) of this NIT.**

3.2 Timely delivery is the essence of the Contract. Delivery Terms are specified in this Section of NIT. Vendor shall ensure on-time Delivery as specified in the Purchase Order(s).

4.0 **TRANSPORTATION CHARGES**

4.1 The Rates quoted by the Vendor shall include cost of collection and transportation of Raw Materials from various Stores of BHEL/Trichy and also the return of off-cuts to the concerned **BHEL Stores** at Trichy irrespective of the distance of the Vendor's location.

4.2 **Following shall be noted by Vendor:**

4.2.1 No extra Transport charges shall be allowed for multiple collections and dispatches.

4.2.2 In case of transfer of raw materials/semi-finished items from one Vendor to another Vendor through IAMTV, the responsibility for collection of materials including the cost of transportation and handling etc. shall rest with second Vendor (Fabrication bidder dispatching the finished goods).

5.0 **DISPATCH OF FINISHED GOODS: DIRECT TO SITE (DTS): NOT APPLICABLE**

6.0 **PRODUCT GROUP & RATE SCHEDULE**

6.1 A Rate Schedule relates to a group of Drawings / PGMAs consisting of similar nature and content of Work. Rate to be quoted in the Rate Schedules (the Rate Schedules covered in this Tender Enquiry) shall be based on the description of work content and Drawings indicated against each RS given in this Tender Enquiry.

6.2 Purchase Orders (POs) shall be placed on a Vendor by way of Rate Schedules (RS) identified for each product group.

6.3 During actual PO release, there could be marginal variations in the nature of work content and the Quantum of Work within the same Rate Schedule.

6.4 Kindly note that **EXTRAS** are **NOT APPLICABLE** for this Tender Enquiry. Vendor to quote considering the **DETAILED SCOPE OF WORK** as given in **Section I D** of this Tender Enquiry. Any other work incidental to the completion of fabrication of job till handing over to BHEL, shall be deemed to be Vendor's scope of work. (Note: Incidental Work are those activities which are inherent for the manufacturing process but not explicitly spelt out in the drawings. For E.g.: Fixtures for Pressure Part Items, Stands, Hydro Dummies, Formers, tools etc.)

7.0 **ELIGIBILITY TO QUOTE FOR RATE SCHEDULES (RS) IN TENDER ENQUIRY**

7.1 **The vendor shall possess a valid ASME Section VIII Division 1 "U" Certificate of Authorization (U Stamp), wherever applicable to the scope. The certificate shall remain valid throughout the period of execution of the order.**

7.2 **Pre-Qualification Requirement** (PQR) for the **Rate Schedules** covered in this Tender Enquiry are to ascertain the facility of the participating bidder is given in **Annexure A.** Vendor shall duly fill and upload the same with supporting documents.

7.3 Financially, in general, the Vendor shall have 'Access to, or possess available liquid assets and other financial means sufficient to meet the fabrication requirement and Bank Guarantee (BG) requirements for the jobs'.

7.4 To check the Financial strength of the participating Vendor, following documents have to be submitted as detailed in **Annexure B**.

7.4.1 Copy of GST Registration, PAN, Partnership Deed, Certificate of Incorporation etc. as the case may be. (**Details as per Annexure B**)

7.4.2 Audited copies of Annual Reports (**Balance Sheet and P&L account**) with CA membership number for the last three years. If the bidder is established within the last 3 years, the Audited copies of annual reports (Balance Sheet and P&L account) with CA membership number till the last financial year.

7.4.3 Latest IT Return copies for the last 3 years. If the bidder is established within the last 3 years, IT Return copies till the last financial year.

Note:

a) Vendors who are already enlisted in OS PMD as on date of Tender opening, requisite Bank certificate shall be sufficient under Financial soundness requirement.
Other documents such as (Partnership Deed, GST Certificate, Financial Statements, etc.) need not be submitted.

b) Vendors not enlisted in OS PMD, all the details as per **Annexure B** of Tender documents along with Bank Certificate shall be submitted by Vendor.

7.4.4 **Certificate from Bank** (with Banker's Seal and Authorized Signature) **certifying the Credit Limit/Solvency** shall be submitted along with their offer for a **minimum value** as given below:

S#	RS	RATE SCHEDULE (RS) DESCRIPTION	*Minimum Credit Limit/ Solvency Certificate Required
1	RS01	2:1 Semi Ellipsoidal Dish End – Gasifier – ID 3360 mm / 70 THK	Rs. 22 Lakhs
2	RS02	2:1 Semi Ellipsoidal Dish End – Seal Pot – ID 2710 mm / 50 THK	Rs. 5 Lakhs

7.4.5 The certificate submitted along with the offer shall have been issued on or after **1st April 2025** by any Scheduled Commercial Bank (excluding Co-operative Banks) or Nationalized Bank.

*If a Vendor submits their offer for only one Rate Schedule, then Bank certificate required for that particular RS shall be submitted by Vendor.

*If a Vendor submits their offer for more than one Rate Schedule, then Bank certificate for cumulative value shall be submitted.

For Example:

If a Vendor submits their offer for **RS01** (Bank certificate requirement - **Rs. A Lakhs**) & **RS02** (Bank certificate requirement - **Rs. B Lakhs**), then a Bank certificate of minimum **Rs. (A+B) Lakhs** shall be submitted by Vendor.

7.4.6 For a new Vendor who is unable to submit Balance Sheet and IT Return copies, certificate issued by the bank for a value as given above is to be submitted by the Vendor along with their offer in the E-Procurement Portal.

7.5 After evaluation of documents forming part of Techno-commercial Bid evaluation, BHEL may conduct spot visit to verify the facilities/Technical requirements declared by the Vendor.

7.6 In case a Vendor doesn't meet the requirement as outlined in **PQR (Technical & Financial)** then the offer of such Vendors is liable for rejection.

7.7 Participating Vendor shall be considered for Price Bid Opening (Rate Schedule wise), only if they get qualified after **Part I Evaluation**.

7.8 **Vendor may kindly note that due to any of the following reason(s) bid submitted by Vendor may be rejected:**

7.8.1 Vendors who have been put under Interim Suspension/Hold/Ban/Debarment.

7.8.2 The Vendors who are under the process of BHEL approval for their constitution change / change of location etc. and Vendors who are found to be not functioning at the registered premises.

8.0 **QUOTING OF RATES**

8.1 Rate to be Quoted by Vendor in the respective Rate Schedules shall be for the Scope of Work given in this Tender enquiry. **(Note: Quoted Rate shall be exclusive of GST. GST shall be paid extra.)**

8.2 Vendor should quote as per the **Unit of Measurement** mentioned in the **Price Bid Format**.

8.3 Price shall be quoted by Vendor in the **Price Bid Format** given in E-Procurement Portal. Quoted Price shall be duly uploaded in the E-Procurement Portal.

8.4 Vendor is advised **not to quote '0' (zero**) against any Rate Schedule in **Price Bid Format**. Zero quoted as a rate will not be considered as a valid quote and the same shall be ignored. Vendor who do not wish to quote for any particular rate schedule are advised to leave the space blank for that particular rate schedule in their Price Bid.

8.5 The applicable **Unit of Measurement** is given in the **Price Bid Format** and Vendor shall quote the Rate with reference to the **Unit of Measurement (UoM). (**i.e. Rs. per UoM**). Vendor is requested to exercise utmost caution to take care of Unit of Measurement (UoM) while quoting the Rate.**

9.0 **FIRM PRICE**

9.1 The Quoted Rates / Finalized Rates shall be firm till the validity of the Framework Agreement finalized based on this tender or execution of the supplies, whichever is later. Conditional offers shall be rejected.

9.2 Any other work not covered, but incidental to the completion of job, shall be deemed to be part of the quote.

10.0 **REVERSE AUCTION**

10.1 Reverse Auction is **NOT APPLICABLE**.

11.0 **EVALUATION OF QUOTED PRICE**

11.1 Evaluation currency shall be INR.

11.2 Price quoted by Vendor in Tender Enquiry in the respective Rate Schedule(s) will be evaluated based on **"Landed cost to BHEL"** basis as per the following formula:

Landed cost = Total cost (Based on Quoted Price for Scope of Work) + Applicable Taxes net of ITC (GST-ITC)

11.3 Vendor quoting the lowest Rate for a Rate Schedule as per the above formula will be declared as the lowest bidder for that particular Rate Schedule.

11.4 In case of tie in the lowest bidder (L1 bidder) in a Tender Enquiry, revised reduced price offer (price offer after discount) will be obtained from the tied L1 Vendors.

11.5 In case tie persists even after submission of revised prices by the respective Vendors, the final L1 Vendor shall be decided by tie-breaking through lot system (manual/electronic) in the presence of the respective L1 bidder(s) or their representative(s).

11.6 In case any tied L1 Vendor do not submit revised offer or submits increased price in revised offer for tie breaking, then original quoted rate shall be considered for further evaluation. The final ranking will be done accordingly. BHEL's decision in such situations shall be final and binding.

12.0 **PRICE NEGOTIATION**

12.1 If the Lowest Bidder's rate(s) (L1 rates) are not acceptable to BHEL, BHEL may invite the Lowest Bidder(s) for **Price Negotiation**.

13.0 **DISTRIBUTION OF LOAD**

13.1 Load distribution is as detailed in **Section I (A)**.

14.0 **VALIDITY OF OFFER**

14.1 The offer submitted by Vendor shall be valid up to **03 Months** for finalization of Framework Agreement from the date of tender opening.

15.0 **VALIDITY OF FRAMEWORK AGREEMENT**

15.1 Framework Agreement shall be entered into with eligible Vendor(s). The Framework Agreement thus signed shall be valid for ordering up to **12 Months** from the date of finalization of Framework Agreement. Hence, offer of Lowest bidder as well as acceptance of Counter offered rate (if applicable) shall be valid for ordering till Validity of Framework Agreement. Moreover, validity of Framework Agreement is subject to further extension with mutual consent. PO(s) placed under this Framework Agreement shall be governed by the T&C's of this tender till the completion of PO.

16.0 **ORDERING / PLACEMENT OF PURCHASE ORDER(S)**

16.1 Generally, in a Framework Agreement, Purchase Orders are expected to be placed in phased manner over the validity period based on Design Document Release (DDR). However, in case of DDR released in bulk, or as per project requirement, POs may be placed in bulk for the total Contract quantity eligible for each Vendor in a single instance also. However, BHEL does not guarantee ordering of any minimum quantity for any Firm and BHEL reserves the right to short-close the quantum indicated against a RS.

16.2 **Vendors are advised that they shall consider their annual production capacity, annual financial capability, sparable capacity for this Tender Enquiry, and pending load in hand etc. before submitting their offer for this Tender Enquiry.**

16.3 Vendor is cautioned that, in case, after price bid opening but before placement of order, Vendor withdraws his/her offer or varies it in any manner within the validity period, then suitable action as per extant Guidelines for Suspension of Business Dealings with Suppliers/ Contractors may be taken. An abridged version of above said guidelines are available on BHEL's website: https://www.bhel.com/supplier-registration

16.4 In case project requirement quantum is such that after loading to Vendors as per Tender Terms balance quantum could not be loaded immediately on existing Vendors due to their capacity constraints/not willing to take further load immediately then the balance quantum shall be offered to other eligible Vendors. Orders shall be placed based on acceptance and Tender ranking.

16.5 Any clarification in the P.O. Documents (i.e. Weight of PO line item, FRS, PRS, SRS, Painting Area etc.) shall be reported to the concerned officer in Outsourcing Department.

16.6 The Vendor shall undertake all jobs awarded to them and execute them as per Contract Terms.

16.7 In case it is found later at any stage after placement of P.O. on a Vendor that facilities required for the job are not available in working condition at Vendor's works, BHEL has the right to withdraw the order without compensation of any kind of loss to Vendor due to such withdrawal of orders.

16.8 Firm who is declared as L1 Subcontractor or Firm who accepts Counter Offer for a particular RS (in case of distribution of load) shall mandatorily undertake the job awarded against such RS. In case the Firm does not accept to execute the job, action shall be initiated against the Firm as per BHEL Guidelines for Suspension of Business Dealings with Supplier/Contractor and **Clause** related to **"BREACH OF CONTRACT, REMEDIES AND TERMINATION"** shall be invoked.

16.9 After P.O. placement, in case the Subcontractor fails / refuses to execute as per Contract / PO terms, BHEL shall take alternate action for procurement of the item and action shall be initiated against the Firm as per

BHEL Guidelines for Suspension of Business Dealings with Supplier/Contractor and **Clause** related to "**BREACH OF CONTRACT, REMEDIES AND TERMINATION"** shall be invoked.

16.10 Subcontractors having multiple Vendor code with same PAN shall be treated as a single firm. Among the vendor codes available with a Subcontractor against same PAN, one vendor code shall be designated as "main vendor code" and other vendor code(s) as "partner vendor code(s)".

16.11 Single offer shall be obtained from the "main vendor code" of a Firm by combining the applicable product group eligibility of both main vendor code and partner vendor code(s) corresponding to the PAN of the firm. Loading for a Rate Schedule (RS) shall be done as per respective vendor code's eligibility as per BHEL's PMD. However, for the purpose of arriving at loading % given to a Subcontractor, load given to all Vendor Codes corresponding to the particular PAN shall be cumulated.

17.0 DELIVERY TERMS

17.1 Timely Delivery is the essence of the Contract.

17.2 The Delivery Period for each PO line item shall be fixed based on any one of the following, whichever is later.

i. 60 Days from the PO Date.

ii. 60 Days from the last material clearance date of the Original MIVs.

iii. 1 Month from further material clearance date, provided the further MIV is generated within one month from corresponding original MIV clearance date for each PO Item.

17.3 Vendor should get their clarifications (w.r.t. Engineering Drawings, Material Substitutions, Quality Procedural Clarifications, etc.) resolved at the earliest from the receipt of Drawing / PO. Any delays in raising query will have to be accommodated by the Vendor within the PO delivery date.

18.0 **RAW MATERIAL ISSUE AND ACCOUNTAL**

The Vendor shall ensure completion of Purchase Orders in all respects including Material Accounting within 365 Days from the date of issue of the first material from Stores/BHEL/Trichy. This is a statutory requirement and must be strictly complied with. In case PO could not be completed within 365 days from the date of first issue of raw material due to Vendor's default, the amount payable by BHEL to Government (i.e. GST @ 18% of input material value + applicable interest for 365 days) will be recovered from the Vendor as penalty. The recovery / penalty will be calculated separately for each material gate pass wherever the period crosses 365 Days under a Purchase Order / Contract.

18.1 The weights of P.O. items as per GMS shall be the basis for accounting of the Raw Materials issued. The Raw Materials shall be issued with a process allowance of 3% for Sheets and 4% for Plates. This includes an invisible wastage of 2% for Sheets and Plates.

18.2 For Structural items such as Beam, Channel, Angle, UC, UB, Rods, pipes etc., 1% is allowed towards process allowance; this includes invisible wastage.

18.3 **Cleared material(s) shall be collected by the Vendor immediately without any delay**. In case of delay in material clearance/issue, Vendors shall approach BHEL for suitable action.

18.4 **SCRAP & OFFCUT NORMS:** Scrap and Off-cut materials are categorized based on the material size after utilization of prime material (i.e. material issued by BHEL) for fabrication job. The size details for designating a material as scrap or off-cut is as given below:

S#	Description	Scrap Size (in mm)	Offcut (in mm)
01	CS/AS Sheets & Plates	Below 500 x 250	500x250 & above
02	Rolled Sections, Rod, angles etc. (other than tubes, pipes)	Below 1000	1000 & above
03	Tubes and pipes	Below 500	500 & above
04	Universal Column	Below 1000	1000 & above
05	SS Sheets & Plates	Below 500 x 250	500x250 & above
06	SS Structural, Rods, Tubes, Pipes	Below 250	250 & above
07	Non – ferrous: sheet &plate, rods & tubes	Below 500 x 250 (S & PL), Below 250 (Rods &Tubes)	500x250& above, 250 & above
08	Big size Scrap applicable only for CS & AS (sheets & Plates)	(2500 & above) x (150 to 249)	---------

18.5 **All balance materials (off cut) shall be handed over to BHEL/Trichy. Transportation of off-cut materials from Vendor's Work to BHEL is in the scope of Vendor.**

18.6 Scraps including that of Stainless Steel **shall not** be returned to BHEL.

18.7 Recovery of the cost of the scrap along with GST and other statutory levies, if any, shall be made from the Vendor.

18.8 **SCRAP RECOVERY RATES:** The rate(s) for recovery on account of scrap material is as per **Section I(B).** Scrap rates shall be valid and remain fixed for all PO(s) placed after finalization of Framework Agreement.

18.9 Wherever attested materials are issued, the balance materials are to be handed over to BHEL in the attested condition only.

18.10 The material rejected as PDO (Part Disposition Order) due to faulty workmanship of Vendor shall entail recovery of the cost of prime material as mentioned in **Clause 21.13.5** below. In addition, conversion and service charges shall also be recovered in case of Part-Processed item.

18.11 The material rejected as PDO due to reasons other than faulty workmanship of Vendor shall be returned to BHEL Stores, failing which recovery shall be made as per **Clause 21.13.5**.

18.12 The Vendor should properly utilize materials issued by BHEL/Tiruchirappalli as per the Drawings/QWIs/PO in order to meet design and quality requirements of the product.

18.13 **CUTTING PLAN:** After material issue, if applicable, the Vendor should submit Cutting Plan (if applicable) through VIS within 15 Days from the date of material issue. Vendor should submit Cutting Plan along with layout and joint details (if applicable) before GR for all the materials issued.

18.13.1 However, in working out such economic cutting plans, it is to be ensured that the details as prescribed in each QWIs are adhered to. After the approval of the ***Cutting Plans***, any balance material available from the issues made either in original or in supplementary shall be returned to Stores/BHEL/Trichy at Vendor's cost. The cutting plans as approved by OS/BHEL shall be kept at Vendor's premises for a minimum period of 3 years from date of cutting plan approval. They should be made available whenever required by BHEL officials or representatives of BHEL. It should be ensured that the jobs are fabricated and welds are made as per the layout of approved cutting plans.

18.13.2 Whenever fabrication is done without proper approved cutting plans, the excess issue over and above the net weight shall attract recovery as prime material as per **Clause 21.13.5.**

18.13.3 Any clarification in the approved cutting plan should be sought by the Vendor before processing of the raw material. For any approved cutting plans, if the corresponding item is undergoing changes in GMS, drawing or net weight of purchase order, Vendor should not proceed with processing the material without appropriate revision being done to the approved cutting plan.

18.13.4 In case joint is specified in the approved cutting plan by BHEL, necessary quality requirements such as WPS should be adhered to by the Vendor.

18.13.5 Failure to return the prime / offcut material / material rejected as PDO shall entail recovery of the value of material as fixed by BHEL from time to time which is inclusive of departmental/financing charges, etc. In addition, statutory taxes, duties and levies as applicable shall also be recovered.

18.14 Normally, all the indirect materials falling within the scope of the fabricator for doing the job is to be taken care of by the fabricator themselves.

18.15 For the purpose of material accountability after the completion of a particular purchase order in total, BHEL shall generate a provisional MAS (PMAS) next day and the same shall be intimated to the Vendor through B2B. Any discrepancy such as weight mismatch, DU correction, variation in off-cut and scrap quantum as indicated in the PMAS, IAMTV regularization, RSV return, etc., should be reconciled / settled with the concerned sections of Outsourcing with necessary proof of documents within 15 days from the date of completion of purchase order. If reconciliation is not done within 15 days, it shall be deemed that PMAS is correct in all respects. On 18th day from PO completion, FMAS shall be raised. Recovery shall be posted on 25th day from the date of PO completion. Once FMAS is generated, no correction shall be entertained. FMAS shall be displayed to the Vendor in B2B portal, and no issue of hard copies of PMAS & FMAS shall be made available.

18.16 Recovery towards unreturned balance material as per FMAS shall be done as per BHEL norms along with applicable statutory levies from the Vendor. Hence, any correction after the generation of the FMAS shall not be entertained. After the issue of FMAS, the purchase order shall be treated as closed in all respects; therefore, requests toward refund of recovery shall not be entertained.

18.17 The Vendor shall be responsible for prompt material accounting. Repeated occurrence of inordinate delay in returning and settling the material accounts shall entitle BHEL the right to terminate the contract forthwith or to impose a temporary suspension on further loading at the discretion of BHEL.

18.18 **Custody of materials issued by BHEL to Vendor:**

18.18.1 The Raw Materials / components issued to the Vendor in connection with the contract shall remain the property of BHEL, Tiruchirappalli. The Vendor shall use the above materials / components only for the execution of BHEL's POs for which the materials have been issued, and for no other purpose whatsoever. The Vendor shall be responsible for the full value thereof to be assessed by BHEL, Tiruchirappalli whose decision shall be binding on the Vendor.

18.18.2 The Vendor shall be liable for the loss or damage to such property from whatever the cause may be while such property is in the possession or under the control of the Vendor, their employees, workmen or agents or any other person connected with the Vendor. All the materials of BHEL, Tiruchirappalli shall under no circumstance be sold/hypothecated to any bank or to any lending institution or to any party whomsoever. Such materials should not be shown as the Vendor's assets in any of the statements of the Vendor to any party.

18.18.3 The Vendor shall produce the materials supplied by BHEL, Tiruchirappalli in the form of raw material, semi-finished boiler components to BHEL officials visiting the Vendor's unit for verification purposes.

18.18.4 Inventory statement has to be submitted every month by the Vendor for the materials issued. If the Vendor fails to produce or properly account the materials so issued, BHEL, Tiruchirappalli shall have the right to take further action as deemed fit including recovery of the value of the materials along with the respective administrative charges and statutory levies from the running bills of the Vendor and/or temporary suspension of load and/or termination of contract and/or de-listing.

18.18.5 Any act of Vendor resulting in dishonest misappropriation or conversion of the materials / components so issued for his own use shall constitute the offence of Civil / Criminal Breach of Trust under Indian Penal Code and/or such other offences under any other provisions of law and the Contractee (BHEL) shall have every right to proceed against the Vendor under Civil/Criminal Law in order to ensure proper punishment to such perpetrator(s) for the said offence(s). In such cases, BHEL shall take all necessary steps to recover the material available with those Firms.

18.19 Wherever availability of material / components becomes critical for certain work orders, BHEL, Tiruchirappalli shall transfer the balance material available with the Vendor from one Vendor to the other. For this, necessary credit shall be given during material accounting. The material transfer request emanating from BHEL, Tiruchirappalli is to be honoured immediately or otherwise, recovery shall be made at the prime material cost + other charges. Any difficulty for effecting such transfer shall be brought to the knowledge of BHEL officials immediately.

18.20 Based on prior approval of BHEL, Firm shall make their own arrangement for raw material, sub delivery and consumables to value limited to **Rs. 1,00,000** for each PO in case the same is not available for issue from BHEL stores depending on dispatch criticality. BHEL / QC shall clear the use of such materials based on TC / Test Reports, where necessary.

19.0 **IDENTIFICATION OF FINISHED GOODS**

19.1 Identification of **Piping Products** (Headers, Piping, Separators, Storage Tanks & Spheres) shall be by hard stamping as per IBR and the guidance available in respective SQPs. Stencilling shall also be placed on the products additionally. Tubular Products shall be by stamping in Name Plates and stencilling (no stamping permitted on tubes directly). Machined surfaces shall be protected with rust preventive oil, and threaded portions shall be protected with suitable packing.

19.2 **As a minimum the following shall be ensured:**

19.2.1 Stamping: – Manufacturer with Vendor Code, Workorder no., DU no., Mark no., Hydro test pressure and date, working pressure, Boiler inspector stamp, as applicable, shall be stamped. For piping – Manufacturer with Vendor Code, W.O., DU No., Mark no., BI stamp, as applicable, shall be stamped. Appropriate authenticated documentary evidence in this regard shall also be generated. For Panels and Coils–Vendor Code, Workorder no., DU no., Mark no., Sl.no., as applicable shall be stamped on a plate secured by welding on any non-pressure attachment (like fin, roof seal band, etc.). The Project name, Work Order No., Number off, DU Number, Weight, and Vendor Code number shall be legibly stencilled for identification and dispatch as may be advised.

20.0 **TECHNICAL REQUIREMENTS**

20.1 The Fabrications shall strictly conform to dimensions and tolerances indicated in the Drawings. Care must be taken to strictly adhere to the 'NOTE' given in the Drawings. Vendor must ensure that correct dimensions and deviations, if any, are recorded properly in the D.R. books, and the same shall be made available to BHEL officials or their Authorized Agencies.

20.2 Welding Electrodes shall be sourced only from the approved sources of BHEL. List of approved sources is as per **Section V.**

20.3 Normal packing shall be made by the Vendor to avoid any transit damages. The quoted Rate shall be inclusive of this packing.

20.4 Any other work carried out other than the requirements of Drawings/QWIs shall have the prior written approval of BHEL, Tiruchirappalli.

20.5 Adequate facilities like welding equipment's, baking oven, handling facilities and measuring instruments duly calibrated as called for by BHEL must be available with the Vendor for the manufacture/fabrication of boiler components. All the above basic fabrication equipment must be in working condition, and the same shall be made available for verification by BHEL officials or authorized agents of BHEL.

20.6 **GAUGES**: The instruments/gauges are to be calibrated periodically as follows:

SL. No.	Type	Periodicity
01	Measuring instruments/gauges	One Year
02	Limit gauges (E.g. Plug/ring)	One Year
03	Temperature, pressure gauges	6 Months
04	Measuring steel tapes	Once

20.7 The calibration status shall be displayed at the Vendors works in a conspicuous location. Calibration can be performed at either BHEL or at any NABL/Govt. approved labs, traceable to national standards.

20.8 **RECOVERY FOR DAMAGED GAUGES:** In case the Vendor has damaged or lost the gauges issued to them by BHEL, recovery shall be made for twice the cost of the respective item(s) from the Vendor's bill or Bank Guarantee. The Vendor shall hand over the damaged gauge to BHEL.

20.9 For various Rates Schedules, manufacturing, handling and testing facilities' requirement as specified by BHEL from time to time shall be available with the Vendor.

21.0 **INSPECTION**

21.1 Inspection of fabrications shall be by BHEL Quality Control Department and/or by BHEL's customers and/or by an agency or person(s) authorized by BHEL (BHEL officials/customers/representatives/authorized agents) at the Subcontractor's works. All facilities and equipments, calibrated instruments and standard gauges required for inspection shall be provided by the Subcontractor at their own cost.

21.2 BHEL officials/Customers/Representatives/Authorized Agents shall have free access to the Vendor's works at any time during the execution of the orders as well as for verification of requisite documents/materials.

21.3 The fabricated items/semi-finished components shall be deemed as accepted and ready for delivery only after IR is raised by the Inspector/agency.

21.4 Cost incurred by the Subcontractor for specimen preparation of production test coupon carried out at authorized agency as requested by BHEL, Tiruchirappalli shall be borne by Vendor.

21.5 Acceptance of the product after inspection makes the Subcontractor eligible for payment. However, such acceptance after inspection by BHEL / AIA does not absolve the responsibility of the Subcontractor in ensuring the Quality / performance of their product, even after the warranty period.

21.6 Quality documents such as dimension report, material TC, etc., against the PO placed shall be uploaded by the Subcontractor in B2B portal.

21.7 BHEL representative from unit or CQ (Corporate Quality) is authorized to carry out audits along with Third Party Inspection Agency (if any) at vendor's works before clearing the items for dispatch.

22.0 **TAXES & DUTIES**

22.1 The Supplier/Vendor shall pay all (save the specific exclusions as enumerated in this clause) taxes, fees, license, charges, deposits, duties, tools, royalty, commissions, other charges, etc. which may be levied on the input goods & services consumed and output goods & services delivered in course of his operations in executing the contract. In case BHEL is forced to pay any of such taxes/duties, BHEL shall have the right to recover the same from his bills or otherwise as deemed fit along with the applicable overheads @5% and interest on the total value (i.e. amount paid by BHEL + overhead).

22.2 However, provisions regarding GST on output supply (goods/service) and TDS/TCS as per Income Tax Act shall be as per following clauses.

22.3 **GST (GOODS AND SERVICES TAX)**

22.3.1 GST as applicable on output supply (goods/services) are excluded from Supplier/Vendor's scope; therefore, contractor's price/rates shall be exclusive of GST. Reimbursement of GST is subject to compliance of following Terms and Conditions. BHEL shall have the right to deny payment of GST and to recover any loss to BHEL on account of tax, interest, penalty etc. for non-compliance of any of the following condition.

22.3.2 The admissibility of GST, taxes and duties referred in this chapter or elsewhere in the contract shall be limited to direct transactions between BHEL & its Supplier/Vendor. BHEL shall not consider GST on any transaction other than the direct transaction between BHEL & its Supplier/Vendor.

22.3.3 Supplier/Vendor shall obtain prior written consent of BHEL before billing the amount towards such taxes. Where the GST laws permit more than one option or methodology for discharging the liability of tax/levy/duty, BHEL shall have the right to adopt the appropriate one considering the amount of tax liability on BHEL/Client as well as procedural simplicity with regard to assessment of the liability. The option chosen by BHEL shall be binding on the Contractor for discharging the obligation of BHEL in respect of the tax liability to the Supplier/Vendor.

22.3.4 Supplier/Vendor has to submit GST registration certificate of the concerned state. Supplier/Vendor also needs to ensure that the submitted GST registration certificate should be in active status during the entire contract period.

22.3.5 Supplier/Vendor has to issue Invoice/Debit Note/Credit Note indicating HSN/SAC code, Description, Value, Rate, applicable tax and other particulars in compliance with the provisions of relevant GST Act and Rules made thereunder.

22.3.6 Supplier/Vendor has to submit GST compliant invoice within the due date of invoice as per GST Law. In case of delay, BHEL reserves the right of denial of GST payment if there occurs any hardship to BHEL in claiming the input thereof. In case of goods, Supplier/Vendor has to provide scan copy of invoice & GR/LR/RR to BHEL before movement of goods starts to enable BHEL to meet its GST related compliances. Special care should be taken in case of month end transactions.

22.3.7 Supplier/Vendor has to ensure that invoice in respect of such services which have been provided/completed on or before end of the month should not bear the date later than last working day of the month in which services are performed.

22.3.8 Subject to other provisions of the contract, GST amount claimed in the invoice shall be released on fulfilment of all the following conditions by the Supplier/Vendor:-

a) Supply of goods and/or services have been received by BHEL.
b) Original Tax Invoice has been submitted to BHEL.
c) Supplier/Vendor has submitted all the documents required for processing of bill as per contract/ purchase order/ work order.
d) In cases where e-invoicing provision is applicable, Supplier/Vendor is required to submit invoice in compliance with e-invoicing provisions of GST Act and Rules made thereunder.
e) Supplier/Vendor has filed all the relevant GST return (e.g. GSTR-1, GSTR-3B, etc.) pertaining to the invoice submitted and submit the proof of such return along with immediate subsequent invoice. In case of final invoice/ bill, contractor has to submit proof of such return within fifteen days from the due date of relevant return.
f) Respective invoice has appeared in BHEL's GSTR - 2A for the month corresponding to the month of invoice and in GSTR-2B of the month in which such invoices has been reported by the contractor along with status of ITC availability as "YES" in GSTR-2B. Alternatively, BG of appropriate value may be furnished which shall be valid at least one month beyond the due date of confirmation of relevant payment of GST on GSTN portal or sufficient security is available to adjust the financial impact in case of any default by the Supplier/Vendor.
g) Supplier/Vendor has to submit an undertaking confirming the payment of all due GST in respect of invoices pertaining to BHEL.

22.3.9 Any financial loss arises to BHEL on account of failure or delay in submission of any document as per contract/purchase order/work order at the time of submission of Tax invoice to BHEL, shall be deducted from Supplier/Vendor's bill or otherwise as deemed fit.

22.3.10 TDS as applicable under GST law shall be deducted from Supplier/Vendor's bill.

22.3.11 Supplier/Vendor shall comply with the provisions of e-way bill wherever applicable. Further wherever provisions of GST Act permits, all the e-way bills, road permits etc. required for transportation of Goods needs to be arranged by the contractor.

22.3.12 Supplier/Vendor shall be solely responsible for discharging his GST liability according to the provisions of GST Law and BHEL will not entertain any claim of GST/interest/penalty or any other liability on account of failure of Supplier/Vendor in complying the provisions of GST Law or discharging the GST liability in a manner laid down thereunder.

22.3.13 In case declaration of any invoice is delayed by the Vendor in his GST return or any invoice is subsequently amended/altered/deleted on GSTN portal which results in any adverse financial implication on BHEL, the financial impact thereof including interest/penalty shall be recovered from the Supplier/Vendor's due payment.

22.3.14 Any denial of input credit to BHEL or arising of any tax liability on BHEL due to non-compliance of GST Law by the Supplier/Vendor in any manner, will be recovered along with liability on account of interest and penalty (if any) from the payments due to the Supplier/Vendor.

22.3.15 In the event of any ambiguity in GST law with respect to availability of input credit of GST charged on the invoice raised by the contractor or with respect to any other matter having impact on BHEL, BHEL's decision shall be final and binding on the Supplier/Vendor.

22.4 **VARIATION IN TAXES & DUTIES:**

22.4.1 Any upward variation in GST shall be considered for reimbursement provided supply of goods and services are made within schedule date stipulated in the contract or approved extended schedule for the reason solely attributable to BHEL. However downward variation shall be subject to adjustment as per actual GST applicability.

22.4.2 In case the Government imposes any new levy/tax on the output service/goods after price bid opening, the same shall be reimbursed by BHEL at actual. The reimbursement under this clause is restricted to the direct transaction between BHEL and its Supplier/Vendor only and within the contractual delivery period only. In case any new tax/levy/duty etc. becomes applicable after the date of Bidder's offer but before opening of the price Bid, the Bidder/ Supplier/Vendor must convey its impact on his price duly substantiated by documentary evidence in support of the same before opening of 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.

22.5 **Income Tax:** TDS/TCS as applicable under Income Tax Act, 1961 or rules made thereunder shall be deducted/collected from Supplier/Vendor's bill.

23.0 **PAYMENT**

23.1 **BILLS & PAYMENTS:** Payment shall be made for the quantity actually supplied and accepted against each PO line item, along with applicable GST, through electronic mode (EFT/RTGS) within 90 days from the date of submission of the bill/invoice, subject to submission of the bill/invoice along with all requisite supporting documents.

23.2 For **Micro and Small** Enterprises (MSEs)**, Payment** shall be made within **45 days.**

23.3 For **Medium Enterprises**, **Payment** shall be made within **60 Days**.

23.4 GST shall be paid extra at the prevailing rate. TDS on GST, wherever applicable, shall be deducted in accordance with the prevailing provisions of the GST Act.

23.5 Bills/invoices, along with all requisite supporting documents, shall be submitted **online** through the **SUVIDHA Portal** only. (Website: https://suvidha.bhel.in/suvidha).

23.6 Amendment(s), if any, to a PO are being issued to Vendor by Planning/OS/BHEL. Vendor shall attach a copy of amendment(s) with the invoices for processing of Invoices.

23.7 **Number of Bills and value limit for each bill are tabulated below:**

S#	PO Value in Rs.	Maximum No. of Bills per PO	Remarks
1	PO Value <= Rs. 1 Lakh	2	Minimum 50% of PO Value shall be completed.
2	Rs. 1 Lakh < PO Value <= Rs. 2 Lakhs	4	Minimum 25% of PO Value shall be completed.
3	PO Value > Rs. 2 Lakhs	Multiple	One bill for value of every 1 Lakhs or above.

23.8 Bills for partial dispatches of a PO line item (DU) shall be accepted. However, last bill of a PO can be raised irrespective of any limitation on bill value. Moreover, payment for last bill of a PO shall be made after settlement of FMAS.

23.9 In case it is found that for a Purchase order, the amount of recovery to be made is more than the last bill value submitted by sub-contractor then in that case recovery shall be processed from the bill submitted and the balance recovery shall be recovered from any one of the running bills of the Vendor and/or by invoking the BG and/or by any other suitable means as decided by BHEL.

23.10 Trade Receivables Discounting System (TReDS) is an institutional mechanism set up in order to facilitate the discounting of invoices for MSMEs from buyers through multiple financiers. Invoice discounting on TReDS involves three participants MSME Supplier, Buyer and Financier.

23.11 MSME Vendors shall necessarily register themselves on TReDS platforms to obtain the intended benefit.

23.12 **The TReDS benefit is applicable for Micro, Small and Medium Enterprises.**

23.13 In respect of procurement of Goods or Services from Micro, Small and Medium Enterprises (MSMEs), the settlement of invoice shall be only through any of the TReDS platform (i.e RXIL, MI xchange, Invoicemart, KReDX, C2FO), authorised by the Reserve Bank of India. Such MSME suppliers to select their preferred TReDS platform before award of contract so that the data is captured in the Order/Contract database of the Unit. They also will have the option to change the TReDS platform from the drop down menu on SUVIDHA Portal of BHEL, at the time of invoice submission. Wherever the Trade Receivable is accepted by BHEL, the same shall be validated by the Unit on the respective TReDS platform selected by the supplier. The routing of invoices through the TReDS platform shall not be construed as mandating discounting of such invoices and the MSMEs supplier shall have the option to avail or not avail financing or discounting of its receivables on the TReDS platform. In case discounting is not availed by the supplier on TReDS, the trade receivables will be paid through TReDS as per the payment timelines indicated in the contract.

23.14 **CHECKLIST FOR SUBMISSION OF BILLS/INVOICES:** Vendor should ensure that the following documents are uploaded in the **Online Portal** for **Vendor's Bill/Invoice processing** to avoid any delay in processing of Payment:

a) Digitally signed Online Invoice and its Annexures.

b) Digitally signed GST Invoice – (Values to be checked with B2B Tax Invoice Template).

c) Original IRs – with relevant Painting/Shot Blasting remarks and ODC details (if applicable) - duly signed by BHEL QC Inspector/AIA and Vendor with seal.

d) Digitally signed Delivery Challans (DC)

e) **In case of despatch to BHEL/Trichy:** Original DC/LR - Quantity acknowledged by BHEL/Trichy official along with sign and name seal on the back side of DC/LR

f) Packing list to be provided as per LR for Running Metre Items/Package/Box/Crate/Bundle/Bag.

g) E way Bill with Part B

23.15 Invoice shall be raised for DU Weights as per the Purchase Order (PO). Payments shall be for the DC weight only.

23.16 The Purchase Order shall be treated as closed once the FMAS is prepared. Recovery as per the FMAS shall be done from any one of the running bills of the Vendor. No request for refund of penalty/recovery shall be entertained after recovery has been made.

23.17 Extra charges, if any, shall be claimed along with Invoice.

23.18 The Vendor shall ensure that all claims are made against a particular Purchase Order along with relevant Invoice. The amount due for BHEL, Tiruchirappalli, if any, because of non-return of off-cut material and/or other issues, shall be recovered from the Vendor's running bills, and the applicable purchase orders shall be treated as closed.

23.19 No supplementary bill shall be entertained once bills are processed.

23.20 Notwithstanding anything contained herein, the payment shall be subject to the deduction of any amount for which the Vendor is liable directly or indirectly under this contract or any other contract of the Vendor or any other Vendor's contract where the proprietor / any of the partners / directors of the present Vendor is / are proprietor/director/s/partner/s, in respect of which BHEL / Tiruchirappalli is a Contractee.

23.21 Payment of Bills, payments of any amount due, release of security deposit or return of Bank Guarantees furnished under this Tender/Contract, shall be subject to the deduction of any amount for which the bidder is liable under this contract, or any contract placed on the Vendor by BHEL, Trichy or any/all other Unit(s) of BHEL.

23.22 E-invoicing under GST is being implemented w.e.f. 1st October 2020. E-invoicing under GST is being implemented for all the taxable Suppliers having turnover of more than Rs. 5 Crores. It has been specified by the Govt. that it is mandatory to mention a valid unique Invoice Reference No. (IRN) and QR code as generated from Govt. portal on a Tax Invoice. Based on such information, GST ITC as claimed by BHEL in GST Returns shall be matched with the corresponding details uploaded by supplier in E-Invoicing System.

23.23 In case the Vendor / contractor delays or fails to provide all the documents as per the Purchase order / Work Order at the time of submitting Tax Invoice to BHEL, any subsequent financial loss to BHEL on account of Vendor / contractor shall be to Vendor's / contractor's account. BHEL has further right to take necessary steps to protect its interest at the time of release of payment. This further requires inclusion of IRN and QR code on tax invoice as announced by Govt. of India w.e.f. 01.10.2020

24.0 PROGRESS REPORT

24.1 The Vendor shall furnish progress report(s) from time to time, and also interact with BHEL officials regarding the progress of the work as may be required by BHEL, Tiruchirappalli. The submission, receipt and acceptance of such reports shall not prejudice the rights of BHEL, Tiruchirappalli under the contract merely by reason of the fact that they have not taken notice of or not objected to any information contained in such reports. Action as deemed fit shall be taken if the progress of work is not satisfactory. The Vendor shall furnish monthly report (status at the end of every calendar month) regarding the availability of materials at their end. In the event of non-submission of monthly report, suitable action deemed fit shall be taken against such failing Vendor.

25.0 **BANK GUARANTEE (BG) AGAINST MATERIAL TO BE ISSUED BY BHEL**

25.1 BG shall be given by Subcontractor for **10% of value of materials** identified to be issued to the Subcontractor against Purchase Order (PO) **subject to a maximum of Rs. 50 Lakhs.**

25.2 The **value of materials** shall be as per BHEL calculation. Approximate value of materials is given in **Section IA.**

25.3 The BG required for execution of the Purchase Order (PO) should be submitted within a period of **15 Days** from the date of intimation. BG submitted by sub-contractor should be kept valid for a period of 90 days after Contract validity or 90 days after last bill submission date whichever is later. However, after completion of purchase order and submission of last bill, the Vendor can request BHEL for return of BG and the same may be considered by BHEL if liability of sub-contractor is over.

25.4 Based on the financial capacity of the Vendor, the Vendor may decide to submit BG for additional value exceeding the maximum BG value required to be submitted to BHEL for collection of materials against POs placed. This is for enabling smooth execution. However, this does not warrant placement of PO.

25.5 On intimation to the Vendor regarding submission of required BG based on the PO placed, if the Vendor does not submit the required BG within **15 Days** from the date of such intimation, then action as per **Clause 30** may be initiated by BHEL against default Vendor.

25.6 Further, Vendors may take note that, if the DUs are not completed within scheduled delivery date, Total Payment block shall be imposed on the Vendor for all POs.

25.7 If no matching material was issued by BHEL for six months from first issue of material in a PO, then the materials issued thus far for the respective PO should be returned back based on advice from BHEL. Vendor failure to comply with BHEL's advice on returning the material, shall lead to Total Payment Block being imposed on the Vendor at Vendor code level on completion of six months from first issue of material.

25.8 Vendor may note that the above clause is with respect to return of materials to BHEL in case no matching material was issued to Vendor for six months from the date of first issue of materials. Further, committee comprising of OS, Finance and QC will visit the works of the Vendor to assess the status of the material. If no works have been carried out on the material, BHEL may advise the Vendor to return the material based on the suggestion of the committee. If the Vendor has started the fabrication and the material is not in its original form to return to any store as Raw Material, BHEL may not advise the sub-contractor to return the material and BHEL would try to match the material at the earliest so that the job can be completed. In such case where the sub-contractor is not at fault for not completing the job, the payment block imposed on this account on the Vendor shall be reversed.

25.9 For PGMA's/ Product(s) which involve assembly of Bought out Items (BOI), BG shall be required to be submitted at the time of material issue rather than at the time of P.O. placement.

25.10 Bank Guarantee to the specified value for the safe custody of the materials issued by BHEL, Tiruchirappalli is to be executed by any one of the banks in the List of Consortium of Banks or Nationalized banks on behalf of the Vendor. The Bank Guarantee should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the state(s) where the BG is submitted or is to be acted upon or the rate prevailing in the state where the BG is executed, whichever is higher. BHEL's Bank Guarantee Format attached in **Section V.**

25.11 The Bank Guarantee should cover the recoveries to be made by BHEL towards material / faulty workmanship etc. for which proper accountable is not made within the stipulated time. If the recovery amount is more than the pending bills, the difference amount should be settled immediately by submitting Demand Draft(s) in favour of BHEL/ Tiruchirappalli.

25.12 Necessary Bank Guarantee(s) should be furnished and renewed in time. It may be noted that, if any of Sub-contractor's raw material BG is expired and is not renewed on time, Payment block shall be imposed on the Vendor and Vendor will be unable to submit their invoices.

25.13 Vendors may note that the Bank Guarantee document submitted by them to BHEL shall be verified for authenticity by BHEL with the concerned bank. On request by BHEL, Bank should confirm the authenticity of BG issued by them for the Vendor. Only after receipt of such confirmation in writing from the bank, the BG shall be considered as valid. Onus is on Vendor to ensure that the confirmation from bank to reach BHEL promptly. BHEL shall not be responsible for any delay in receipt of such confirmation from bank.

25.14 **Modes of Deposit**: a) BG may be furnished in the following forms:

25.14.1 Local cheques of Scheduled Banks (subject to realization) / Pay Order/Demand Draft/ Electronic Fund Transfer in favour of 'Bharat Heavy Electricals Limited' and payable at BHEL Trichy.

25.14.2 Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee should be in the prescribed format of BHEL.

25.14.3 Securities available from Indian Post offices such as National Savings Certificates, Kisan Vikas Patras etc. (held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favour of BHEL).

25.14.4 Insurance Surety Bond.

25.14.5 **Fixed deposit shall be accepted in lieu of Bank Guarante**e if the following conditions are met:

1. FD should be Lien Marked to BHEL Trichy in Banks's Core Banking System. The Lien Marking should be pre-printed on FD Receipt and should not be Hand written one.
2. Whenever FD is renewed or fresh FD has been received in place of earlier FD, new FD's Lien marking in Banks's Core Banking system should be ensured.
3. Vendor's Authorized Sign and Seal on back page of FDR should be available.
4. Branch in which FD is being held/Renewed should provide a certificate duly signed with seal in the attached Annexure Format.
5. The above conditions and formats are common across all applicable banks (Nationalized and Scheduled Commercial Banks).

25.15 Bank Guarantee(s) should be submitted through SFMS (Structured Financial Messaging System) only. BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected therewith.

25.16 The BG will be forfeited and credited to BHEL's account in the event of a breach of contract by the Supplier/Vendor as provided herein or elsewhere in the Contract/PO.

25.17 BG shall not carry any interest.

25.18 There is no exemption of BG submission for MSE Vendors. In other words, all category of Vendors (MSE & NON-MSE) shall necessarily submit BG.

26.0 **DEFECT LIABILITY PERIOD**

26.1 The Vendor warrants that the supplied items shall be free from defects in Workmanship in respect of all supplied items.

26.2 The **Defect Liability Period** shall be for a period of **Twenty-Four (24) Months** from the date of completion of Delivery or **Twelve (12) months** from the date of Commissioning, whichever is earlier.

26.3 If during the **Defect Liability Period** any Defects are found in the workmanship of the supplied items or any part thereof, the Vendor shall promptly, in consultation and agreement with BHEL regarding appropriate remedying of the Defects, and at Vendor's cost and expense, repair, replace or otherwise make good such Defects, deficiencies, or damages as may be notified by BHEL on or before the expiry date of the **Defect Liability Period** for the supplied items or any part thereof, including any other damage to the items caused by such Defects.

26.4 If the Vendor fails to commence the work necessary to remedy such Defect within a reasonable time, not later than 15 Days, from the identification of such Defect then BHEL may proceed to do such remedial work, and the costs incurred by BHEL in connection therewith shall be recovered by BHEL from the Vendor.

26.5 At the end of the **Defect Liability Period**, the Vendor's liability for defects with respect to the items supplied ceases.

26.6 **LIQUIDATED DAMAGES (LD) / PENALTY**

26.7 Timely delivery is the essence of the Contract.

26.8 The finished fabrications should be delivered as per the delivery date stipulated in the PO/Addendum. In case of delay in delivery beyond the delivery period specified in PO at item level, Liquidated Damages (LD) shall be levied at the rate of 0.5% of the value of corresponding PO line item for each week of delay or part thereof based on last dispatch date for the PO line item. LD is subject to a maximum of 10% of the total value of the particular Purchase order/in the addendum to the contract without prejudice to any relief or compensation to BHEL, Tiruchirappalli under any other conditions of the Contract.

LD (PO Line Item wise) = 0.5% * Value of PO Line Item * delay in weeks or part thereof, Where, Delay = Maximum delay occurred (last dispatch date) for the delivery of PO line item.

26.9 There is no maximum limit on the value of LD% calculated at PO item level. Cumulative value of LD for a PO is subject to a maximum of 10% of the total value of the particular Purchase order.

26.10 Request for extension of PO delivery date shall not be entertained for normal cases unless there are delays which have justifiable reasons attributable to BHEL.

26.11 In such cases where the reasons for delay are attributable to BHEL. Request for delivery extension should be submitted along with supporting documents & justification, indicating the number of days/ date till which extension is requested. Extension shall not be made beyond this date.

26.12 Reasons not attributable to BHEL shall not be accepted as reason for delay while requesting for extension of PO delivery date.

26.13 For invoices received without any request for delivery extension and/or without proper justification, LD shall be automatically deducted.

26.14 In case of any revision/ amendment of PO, the LD shall be linked to the amended/revised PO.

27.0 **SUSPENSION OF BUSINESS DEALINGS WITH SUPPLIERS / CONTRACTORS**

27.1 The offers of the bidders who are under suspension as also the offers of the bidders, who engage the services of the banned Firms / Principal / Agents, shall be rejected. The list of banned Firms is available on BHEL's Website: ***www.bhel.com***.

27.2 If any bidder / supplier / contractor during pre-Tendering / Tendering / post Tendering / award /execution / post-execution stage indulges in any act, including but not limited to, mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or tampers the Tendering process or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 (Bhartiya Nyaya Samhita 2023) or any other law in force in India, or does anything which is actionable under the Guidelines for Suspension of Business dealings, action may be taken against such bidder / supplier / contractor as per extant Guidelines of the company available on ***www.bhel.com*** and / or under applicable legal provisions. Guidelines for suspension of business dealings is available in the Webpage: ***https://www.bhel.com/supplier-registration***

27.3 **BREACH OF CONTRACT, REMEDIES & TERMINATION**

27.4 **The following shall amount to Breach of Contract:**

27.4.1 Non-supply of material / non-completion of work by the Supplier/Vendor within scheduled delivery / completion period as per contract or as extended from time to time.

27.4.2 The Supplier/Vendor fails to perform as per the activity schedule and there are sufficient reasons even before expiry of the delivery / completion period to justify that supplies shall be inordinately delayed beyond contractual delivery/ completion period.

27.4.3 The Supplier/Vendor delivers equipment/ material not of the contracted quality.

27.4.4 The Supplier/Vendor fails to replace the defective equipment/ material/ component as per Guarantee clause / Defect Liability Clause.

27.4.5 Withdrawal from or abandonment of the work by the Supplier/Vendor before completion as per contract.

27.4.6 Assignment, transfer, subletting of Contract by the Supplier/Vendor without BHEL's written permission resulting in termination of Contract or part thereof by BHEL.

27.4.7 Non-compliance to any contractual condition or any other default attributable to Supplier/Vendor.

27.4.8 Any other reason(s) attributable to Vendor towards failure of performance of contract. In case of breach of contract, BHEL shall have the right to terminate the Purchase Order/Contract either in whole or in part thereof without any compensation to the Supplier/Vendor.

27.4.9 Any of the declarations furnished by the contractor at the time of bidding and/ or entering into the contract for supply are found untruthful and such declarations were of a nature that could have resulted in non-award of contract to the contractor or could expose BHEL and/ or Owner to adverse consequences, financial or otherwise.

27.4.10 Supplier/Vendor is convicted of any offence involving corrupt business practices, antinational activities or any such offence that compromises the business ethics of BHEL, in violation of the Integrity Pact entered into with BHEL has the potential to harm the overall business of BHEL/ Owner.

27.5 **Note:** Once BHEL considers that a breach of contract has occurred on the part of Supplier/Vendor, BHEL shall notify the Supplier/Vendor by way of notice in this regard. Supplier/Vendor shall be given an opportunity to rectify the reasons causing the breach of contract within a period of 14 days.

27.6 In case the contractor fails to remedy the breach, as mentioned in the notice, to the satisfaction of BHEL, BHEL shall have the right to take recourse to any of the remedial actions available to it under the relevant provisions of contract.

27.7 **Remedies in case of Breach of Contract.**

a. Wherein the period as stipulated in the notice issued under **above Clause** has expired and Supplier/Vendor has failed to remedy the breach, BHEL will have the right to terminate the contract on the ground of "Breach of Contract" without any further notice to contractor.
b. Upon termination of contract, BHEL shall be entitled to recover an amount equivalent to 10% of the Contract Value for the damages on account of breach of contract committed by the Supplier/Vendor. This amount shall be recovered by way of encashing the security instruments like Performance Bank Guarantee etc. available with BHEL against the said contract. In case the value of the security instruments available is less than 10% of the contract value, the balance amount shall be recovered from other financial remedies (i.e. available bills of the Supplier/Vendor, retention amount, from the money due to the Supplier/Vendor etc. with BHEL) or the other legal remedies shall be pursued.
c. wherever the value of security instruments like performance bank guarantee available with BHEL against the said contract is 10% of the contract value or more, such security instruments to the extent of 10% contract value will be encashed. In case no security instruments are available or the value of the security instruments available is less than 10% of the contract value, the 10% of the contract value or the balance amount, as the case may be, will be recovered in all or any of the following manners:
    a. In case the amount recovered is not sufficient to fulfil the amount recoverable then; a demand notices to deposit the balance amount within 30 days shall be issued to Supplier/Vendor.
    b. If Supplier/Vendor fails to deposit the balance amount within the period as prescribed in demand notice, following action shall be taken for recovery of the balance amount:
        - from dues available in the form of Bills payable to defaulted Supplier/Vendor against the same contract.
        - If it is not possible to recover the dues available from the same contract or dues are insufficient to meet the recoverable amount, balance amount shall be recovered from any money(s) payable to Supplier/Vendor under any contract with other Units of BHEL including recovery from security deposits or any other deposit available in the form of security instruments of any kind against Security deposit or ANY CHANGE IBN.
        - In-case recoveries are not possible with any of the above available options, Legal action shall be initiated for recovery against defaulted supplier/Vendor.

d. It is an agreed term of contract that this amount shall be a genuine pre-estimate of damages that BHEL would incur in completion of balance contractual obligation of the contract through any other agency and BHEL will not be required to furnish any other evidence to the Supplier/Vendor for the purpose of estimation of damages.
e. In addition to the above, imposition of liquidated damages, debarment, termination, de-scoping, short-closure, etc., shall be applied as per provisions of the contract.

Note:

1) The defaulting Supplier/Vendor shall not be eligible for participation in any of the future enquiries floated by BHEL to complete the balance work. The defaulting contractor shall mean and include:
    (a) In case defaulted Supplier/Vendor is the Sole Proprietorship Firm, any Sole Proprietorship Firm owned by same Sole Proprietor.

(b) In case defaulted Supplier/Vendor is The Partnership Firm, any firm comprising of same partners/ some of the same partners; or sole proprietorship firm owned by any partner(s) as a sole proprietor.

27.8 LD against delay in executed supply in case of Termination of Contract:

27.8.1 LD against delay in executed supply shall be calculated in line with **LD Clause**, for the delay attributable to Supplier/Vendor. For limiting the maximum value of LD, contract value shall be taken as Executed Value of supply till termination of contract.

27.8.2 Method for calculation of "LD against delay in executed supply in case of termination of contract" is given below.

i. Let the time period from scheduled date of start of supply till termination of contract excluding the period of Hold (if any) not attributable to contractor = T1
ii. Let the value of executed supply till the time of termination of contract= X
iii. Let the Total Executable Value of supply for which inputs/fronts were made available to Supplier/Vendor and were planned for execution till termination of contract = Y
iv. Delay in executed supply attributable to Supplier/Vendor i.e. T2=[1-(X/Y)] x T1
v. LD shall be calculated in line with **LD clause** of the Contract for the delay attributable to Supplier/Vendor taking "X" as Contract Value and "T2" as period of delay attributable to Supplier/Vendor.

28.0 ACTION AND COMPENSATION IN CASE OF BAD WORKMANSHIP

28.1 If any work has been executed with unsound, imperfect or bad workmanship or with materials of inferior quality, the Vendor shall, on demand in writing from BHEL specifying the work, materials/articles complained of, notwithstanding that the same may have been passed, certified and paid for, forthwith, rectify the work, so specified in whole or in part as the case may require, at their own cost. In the event of the Vendor's failure to do so within reasonable period, BHEL shall rectify or remove and re-execute the work at the risk and expense of the default Vendor.

29.0 COMPENSATION AGAINST DAMAGE OF PLANT, MACHINERY/TOOLS

29.1 BHEL reserves the right to claim adequate compensation from the Vendor on account of any damage caused to the plant and equipment/tools handed over to them for execution of work, due to careless handling or negligence on the part of the fabricator. The total cost of recovery shall be decided by BHEL.

29.2 BHEL shall have general supervision and direction over the work. BHEL has the authority to stop the work, whenever such stoppage may be necessary to ensure the proper execution of the contract.

29.3 BHEL shall also have the authority to reject all the work which do not conform to the specification. BHEL reserves the right to suspend the work or part thereof at any time, and no claim whatsoever on this account shall be entertained. In case of any dispute, the Vendor may appeal to BHEL whose decision shall be final and binding.

30.0 SUBLETTING

30.1 The Vendor shall not sublet or assign this work or any part thereof to any other firm(s) without the written permission of BHEL. However, if the PO / PGMA loading demands part processing / special process (like Heat treatment, machining, bending, shearing, threading, etc.) for few items at other source(s)/work(s) approved by BHEL, the same may be allowed, with the prior permission of BHEL in writing.

30.2 In the event of the Vendor subletting or assigning this work or any part thereof without such permission, BHEL shall be entitled to cancel the PO and also action shall be taken as per **Clause "BREACH OF CONTRACT, REMEDIES & TERMINATION"** mentioned in this Section of Tender Enquiry.

31.0 **APPLICABLE RATE OF TAXES BEYOND THE AGREED DELIVERY PERIOD**

31.1 Any change in applicable rates of Tax or any other statutory levies (Direct / Indirect) or any new introduction of any levy by means of statute and its corresponding liability for the deliveries beyond the agreed delivery date for reasons not attributable to BHEL will be to Vendors account. BHEL will not reimburse the same and any subsequent claim in this respect will be summarily rejected.

32.0 **VENDOR PERFORMANCE RATING**

32.1 Quality, right at the first time and delivery in time are the essence of the contract.

32.2 Based on the feedback on the quality of the finished goods received, delivery performance and service rendered; a General Feedback on the Performance will be sent to Vendors or hosted in B2B system. Vendors are required to take note of the deviations enumerated in this and improve their performance in subsequent dispatches. Vendors, whose performance is poor continuously, are liable to be delisted and no orders shall be placed on them.

33.0 **VENDOR INFORMATION SYSTEM (VIS)**

33.1 BHEL will establish communication with our Vendors through Vendor Information system.

33.2 Most of the mass communications are sent through VENDOR INFORMATION SYSTEM (VIS) and hence Vendors are advised to access B2B regularly.

33.3 Vendor is required to have Internet connectivity. Vendor is required to access our web site on a regular basis.

33.4 Before commencing the job, latest GMS, Quality Plan applicable to the project or PO is to be ascertained, through the VIS portal. All the Quality records are to be uploaded in VIS portal.

34.0 **PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA), ORDER 2017**

34.1 For this procurement, the local content to categorize a supplier as a Class I local supplier / Class II local Supplier / Non- Local supplier and purchase preference to Class I local supplier, is as defined in Public Procurement (Preference to Make in India), Order 2017 dated 19.07.2024 issued by DPIIT. In case of subsequent orders issued by the nodal ministry, changing the definition of local content for the items of the NIT, the same shall be applicable even if issued after issue of this NIT, but before opening of Part-II bids against this NIT.

35.0 **CONFLICT OF INTEREST:**

35.1 **TREATMENT OF CASES REGARDING CONFLICT OF INTEREST:**

35.1.1 The bidder notes that a conflict of interest would said to have occurred in the tender process and execution of the resultant contract, in case of any of the following situations:

35.1.2 If its personnel have a close personal, financial, or business relationship with any personnel of BHEL who are directly or indirectly related to the procurement or execution process of the contract, which can affect the decision of BHEL directly or indirectly;

35.1.3 The bidder (or his allied firm) provided services for the need assessment/ procurement planning of the Tender process in which it is participating;

35.1.4 Procurement of goods directly from the manufacturers/ suppliers shall be preferred. However, if the OEM/ Principal insists on engaging the services of an agent, such agent shall not be allowed to represent more than one manufacturer/ supplier in the same tender. Moreover, either the agent could bid on behalf of the manufacturer/ supplier or the manufacturer/ supplier could bid directly but not both. In case bids are received from both the manufacturer/ supplier and the agent, bid received from the agent shall be ignored. However, this shall not debar more than one Authorised distributor (with/ or without the OEM) from quoting equipment manufactured by an Original Equipment Manufacturer (OEM) in procurements under a Proprietary Article Certificate.

35.1.5 A bidder participates in more than one bid in this tender process. Participation in any capacity by a Bidder (including the participation of a Bidder as a partner/ JV member or sub-contractor in another bid or vice-versa) in more than one bid shall result in the disqualification of all bids in which he is a party. However, this does not limit the participation of an entity as a sub-contractor in more than one bid if he is not bidding independently in his own name or as a member of a JV.

36.0 **SETTLEMENT OF DISPUTE**

36.1 If any dispute or difference of any kind whatsoever shall arise between BHEL and the Supplier/Vendor, arising out of the contract for the performance of the work whether during the progress of contract termination, abandonment or breach of the contract, it shall in the first place referred to Designated Engineer for amicable resolution by the parties. Designated Engineer (to be nominated by BHEL for settlement of disputes arising out of the contract) who within 60 days after being requested shall give written notice of his decision to the contractor. Save as hereinafter provided, such decision in respect of every matter so referred shall forthwith be given effect to by the Supplier/Vendor who shall proceed with the work with all due diligence, whether he or BHEL desires to resolve the dispute as hereinafter provided or not.

36.2 If after the Designated Engineer has given written notice of this decision to the party and no intention to pursue the dispute has been communicated to him by the affected party within 30 Days from the receipt of such notice, the said decision shall become final and binding on the parties. In the event the Supplier/Vendor being dissatisfied with any such decision or if amicable settlement cannot be reached then all such disputed issues shall be resolved through conciliation in terms of the BHEL Conciliation Scheme 2018 as per below **Clause** for **"CONCILIATION".**

36.3 **CONCILIATION**

36.3.1 Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement (including its interpretation) between the Parties, and so notified in writing by either Party to the other Party (the "Dispute") shall, in the first instance, be attempted to be resolved amicably in accordance with the conciliation procedure as per BHEL Conciliation Scheme 2018. The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided in - "Procedure for Conduct of Conciliation Proceedings" (as available in www.bhel.com).

36.3.2 **Note:** Ministry of Finance has issued OM reference No. 1/2/24 dated 03.06.2024 regarding "Guidelines for Arbitration and Mediation in Contracts of Domestic Public Procurement. In the said OM it has been recommended that Government departments/ Entities/agencies are to encourage mediation under the Mediation Act. 2023. The said Act has not yet been notified by the Government. Therefore, the clause "Settlement of Disputes" shall be modified accordingly as and when the Mediation Act 2023 gets notified.

36.4 **ARBITRATION**

36.4.1 Except as provided elsewhere in this Contract, in case Parties are unable to reach amicable settlement (whether by Conciliation to be conducted as provided in the "**CONCILIATION" Clause** herein above or otherwise) in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the Contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the Contract; or. in any manner touching upon the Contract (hereinafter referred to as the 'Dispute'), then, either Party may, refer the disputes to Madras High Court, Arbitration Centre (MHCAC) and such dispute to be adjudicated by Sole Arbitrator appointed in accordance with the Rules of said Arbitral Institution.

36.4.2 A party willing to commence arbitration proceeding shall invoke Arbitration Clause by giving notice to the other party in terms of Section 21 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the 'Notice') before referring the matter to arbitral institution. The Notice shall be addressed to the Head of the Unit, BHEL, executing the Contract and shall contain the particulars of all claims to be referred to arbitration with sufficient detail and shall also indicate the monetary amount of such claim including interest, if any.

36.4.3 After expiry of 30 days from the date of receipt of aforesaid notice, the party invoking the Arbitration shall submit that dispute to the Arbitral Institution- Madras High Court, Arbitration Centre (MHCAC)- and that dispute shall be adjudicated in accordance with their respective Arbitration Rules. The matter shall be adjudicated by a Sole Arbitrator who shall necessarily be a Retd Judge having considerable experience in commercial matters to be appointed/nominated by the respective institution. The cost/expenses pertaining to the said Arbitration shall also be governed in accordance with the Rules of the respective Arbitral Institution. The decision of the party invoking the Arbitration for reference of dispute to Madras High Court, Arbitration Centre (MHCAC)- for adjudication of that dispute shall be final and binding on both the parties and shall not be subject to any change thereafter. The institution once selected at the time of invocation of dispute shall remain unchanged.

36.4.4 The fee and expenses shall be borne by the parties as per the Arbitral Institutional rules.

36.4.5 The Arbitration proceedings shall be in English language and the seat of Arbitration shall be Trichy.

36.4.6 Subject to the above, the provisions of Arbitration & Conciliation Act 1996 and any amendment thereof shall be applicable. All matters relating to this Contract and arising out of invocation of Arbitration clause are subject to the exclusive jurisdiction of the Court(s) situated at Trichy.

36.4.7 Notwithstanding any reference to the Designated Engineer or Conciliation or Arbitration herein, a. the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree. Settlement of Dispute clause cannot be invoked by the Contractor, if the Contract has been mutually closed or 'No Demand Certificate' has been furnished by the Contractor or any Settlement Agreement has been signed between the Employer and the Contractor.

36.4.8 It is agreed that Mechanism of resolution of disputes through arbitration shall be available only in the cases where the value of the dispute is less than Rs. 10 Crores.

36.4.9 In case the disputed amount Claim, Counter claim including interest is Rs. 10 crores and above, the parties shall be within their rights to take recourse to remedies other than Arbitration, as may be available to them under the applicable laws after prior intimation to the other party. Subject to the aforesaid conditions, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment thereof as amended from time to time, shall apply to the arbitration proceedings under this clause.

36.4.10 In case, multiple arbitrations are invoked (whether sub-judice or arbitral award passed) by any party to under this contract, then the cumulative value of claims (including interest claimed or awarded) in all such arbitrations shall be taken in account while arriving at the total claim in dispute for the subject contract for the purpose of **above Clause**. Disputes having cumulative value of less than 10 Crores shall be resolved through arbitration and any additional dispute shall be adjudicated by the court of competent jurisdiction.

36.5 In case of Contract with Public Sector Enterprise (PSE) or a Government Department, the following shall be applicable:

36.5.1 In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD (Administrative Mechanism for Resolution of CPSEs Disputes) as mentioned in DPE OM No. 05/0003/2019-FTS-10937 dated 14-12-2022 as amended from time to time.

37.0 **JURISDICTION**

37.1 Subject to **Clause "SETTLEMENT OF DISPUTE"** as mentioned in this Section, the Civil Court having original Civil Jurisdiction at Tiruchirappalli, Tamilnadu shall alone have exclusive jurisdiction in regard to all matters in respect of the Contract.

37.2 **GOVERNING LAWS:** The contract shall be governed by the Law for the time being in force in the Republic of India.

38.0 **CARTEL FORMATION**

38.1 The Bidder declares that they will not enter into any illegal or undisclosed agreement or understanding, whether formal or informal with other Bidder(s). This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process. In case, the Bidder is found having indulged in above activities, suitable action shall be taken by BHEL as per extant policies/ guidelines.

39.0 **FRAUD PREVENTION POLICY**

39.1 The bidder along with its associate/ collaborators/ sub- contractors/ sub-Vendors/ consultants/ service provider shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL Website: ***https://www.bhel.com*** and shall immediately bring to the notice of BHEL management about any fraud or suspected fraud as soon as it comes to their notice.

39.2 Fraud prevention policy and List of Nodal Officers shall be hosted on BHEL website, Vendor portals of Units/ Regions intranet.

40.0 **INTEGRITY PACT (IP) -NOT APPLICABLE**

40.1 **INTEGRITY COMMITMENT, PERFORMANCE OF THE CONTRACT AND PUNITIVE ACTION THEREOF:**

40.1.1 Commitment by BHEL:

✓ BHEL commits to take all measures necessary to prevent corruption in connection with the tender process and execution of the contract. BHEL shall during the tender process treat all Bidder(s) in a transparent and fair manner, and shall equity.

40.1.2 Commitment by Vendor/Sub-contractor:

✓ The sub-contractor commits to take all measures to prevent corruption and shall not directly or indirectly influence any decision or benefit which he is not legally entitled to nor shall act or omit is any manner which

tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India.

- ✓ The bidder/ Supplier/ contractor shall, when presenting his bid, disclose any and all payment he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and shall adhere to relevant guidelines issued from time to time by Govt. of India/ BHEL.
- ✓ The bidder/ Supplier/ contractor shall perform/ execute the contract as per contract terms & conditions and shall not default without any reasonable causes, which causes loss of business / money/ reputation, to BHEL.
- ✓ If any sub-contractor during pre-tendering/ tendering/ post tendering/ award/ execution/ post-execution stage indulges in mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, then action may be taken against such bidder/ Supplier/ contractor as per extant guidelines of the company available on www.bhel.com and/or under applicable legal provisions.

41.0 **AUTHORISED SIGNATORY FOR SUBMISSION OF OFFER**

41.1 Agreeing to the Terms and conditions of this NIT, uploading bid supporting documents such as (declaration by bidder, IP etc.) and submission of Price Bids in EPS by using the Digital Key registered with BHEL for EPS shall be construed as the Bid and Supporting Documents are being submitted by the Authorized Signatory of the Firm. Vendor should take utmost care for the use of their Digital Key registered with BHEL for EPS while participating in this NIT.

42.0 **GENERAL CONDITIONS**

42.1 Bidders shall use electronic Signature viz. Digital Signature Certificate (DSC) while uploading the Tender documents on the E-Procurement Portal. The information furnished by Vendor shall be complete by itself. The Tenderer is required to furnish all the details and documents as required in the Tender Enquiry.

42.2 Tenderers are advised to study all the Tender documents carefully. Any submission of Tender by the Tenderer shall be deemed to have been done after careful study and examination of the Tender documents and with the full understanding of the implications thereof. Should the Tenderers have any doubt about the meaning of any portion of the Tender Specification or find discrepancies or omissions in the Drawings or the Tender documents issued are incomplete or shall require clarification on any of the technical aspect, the scope of work etc., the Tenderers shall at once, contact the authority inviting the Tender well in time (so as not to affect last date of submission) for clarification before the submission of the Tender. Tenderer's request for clarifications shall be with reference to Sections and Clause numbers given in the Tender documents. The specifications and Terms and Conditions shall be deemed to have been accepted by the Tenderer in his offer. Non-compliance with any of the requirements and instructions of the Tender Enquiry may result in the rejection of the Tender.

42.3 All care shall be ensured by Vendor before uploading the Price Bid while submitting their offer. In case of corrupt file uploading, the Price Bid shall be rejected summarily. Vendor shall not modify/tamper/unprotect/distort the Price Bid Format provided in the Tender Enquiry. This is to be strictly followed. Non-compliance will attract action as per existing BHEL Guidelines for Suspension of business dealings with Vendors.

42.4 Vendors who are under Hold/ban/Suspension/Debarment are not eligible for this Enquiry. The offers/documents submitted by Bidders who are under Hold/ban/Suspension/Debarment and Bidders who engage the services of the banned Firms/Vendors shall be rejected. List of banned Firms are available in website https://www.bhel.com/supplier-registration. Offers from such banned Firms shall not be considered.

42.5 **SUBMISSION OF TENDERS**

42.5.1 The Tenderers must submit their Tenders to Officer inviting Tender as per instructions in the NIT.

42.5.2 Tenders shall be submitted through E-Procurement Portal as per the instructions in the NIT. Tenderers to upload offers well in advance in order to avoid last minute congestion in E-Procurement Website. However, after submission of the Tender, the Tenderer can re-submit revised Tender but before due date and time of submission of Tender as notified.

42.5.3 Tenders shall be opened by Officer of BHEL at the time and date as specified in the NIT. For Tenders, bidders may attend through online mode, if provisions are available in e-Procurement Portal.

42.5.4 Tenderers whose bids are found Techno Commercially qualified shall be notified through E-Procurement System about the date and time of opening of the Price Bids. BHEL's decision in this regard shall be final and binding.

42.5.5 The information given in the Tender documents is for general guidance and shall not be construed as contractually binding on BHEL/Owner. All relevant site data / information as may be necessary for bidding shall have to be obtained/collected by the Tenderer.

42.6 **LANGUAGE**

42.6.1 The Tenderer shall quote the rates in English language and international numerals. These Rates shall be entered in figures as well as in Words.

42.6.2 All entries in the Tender shall either be typed or written legibly in ink. Erasing and over-writing is not permitted and may render such Tenders liable for rejection. All cancellations and insertions shall be duly attested by the Tenderer.

42.7 **Price Bid Opening:** During opening of Price Bids, if there is any difference between the amount in figures and in words, the amount quoted by the bidder in words shall be taken as correct.

42.8 **REJECTION OF TENDER & OTHER CONDITIONS**

42.8.1 The acceptance of Tender will rest with BHEL which does not bind itself to accept the lowest Tender nor any tender and reserves to itself full rights for the following without assigning any reasons whatsoever:

a) To reject any or all of the Tenders.

b) To split up the work amongst two or more Tenderers as per NIT.

c) To award the work in part if specified in NIT.

d) In case of either of the contingencies stated in (b) and (c) above, the time for completion as stipulated in the Tender shall be applicable.

42.8.2 Conditional tenders, unsolicited tenders, tenders which are incomplete or not in the form specified or defective or have been materially altered or not in accordance with the tender conditions, specifications etc. are liable to be rejected.

42.8.3 Tenders are liable to be rejected in case of unsatisfactory performance of the tenderer with BHEL or tenderer under suspension (debarred) by any unit / region / division of BHEL or tenderers who do not comply with the latest Guidelines of Ministry/Commissions of Govt. of India. BHEL reserves the right to not consider a bidder for further processing of tender in case it is observed that they are overloaded and may not be in a position to execute this job as per the required schedule. The decision of BHEL will be final in this regard.

42.8.4 BHEL will not be bound by any Power of Attorney granted by changes in the composition of the Firm made subsequent to the execution of the contract. BHEL may, however, recognize such power of Attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the contractor concerned.

42.8.5 If the tenderer deliberately gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract if awarded and forfeit any other money due.

42.8.6 Canvassing in any form in connection with the tenders submitted by the Tenderer shall make his offer liable to rejection.

42.8.7 The Tender submitted by a techno commercially qualified tenderer shall become the property of BHEL who shall be under no obligation to return the same to the bidder.

42.8.8 BHEL shall not be liable for any expenses incurred by the bidder in the preparation of the tender irrespective of whether the tender is accepted or not.

42.9 For participating in E-Tender Enquiries, **Digital Signature Certificate** Class III is mandatory for the Vendor to quote.

42.10 Vendor should quote the Rate and fill other required details only in the respective fields provided in E-Procurement portal.

42.11 For this Tender, the required documents should be submitted on or before the due date & time mentioned. Submission of documents through Hard copy/Email/Fax will not be accepted.

42.12 Latest updates on the important dates, Amendments, Correspondences, Corrigenda, Clarifications, Changes, Revisions, etc. to Tender Specifications will be hosted in BHEL E-Procurement portal.

42.13 Action against defaulting Vendors shall be taken in accordance with the latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/ Contractors. Website *https://www.bhel.com/supplier-registration*

42.14 All safety precautions and use of safety equipment are to be followed while carrying out the fabrication and dispatch of the same. The sub-contractor must have proper tools and handling equipment. There should always be a responsible person available to oversee the operation and compliance of safety regulation etc. If any non-compliance with respect to proper safety conditions/requirements, BHEL may withhold visit/inspection, instruct stoppage of work till such time the desired safety requirements/conditions are met with.

42.15 All the documents of BHEL (inclusive of Drawings, GMS and Standards) made available to the fabricator should be kept in strict confidence and under no circumstance be made available to others or allow others to make use of them. Such documents shall be returned to us on demand after completion. This secrecy clause is binding on the employees of the fabricators also. Action against defaulting Vendors shall be taken in accordance with BHEL latest Guidelines for Suspension of Business dealings with suppliers/ contractors. Website: https://www.bhel.com/supplier-registration

42.16 In case it comes to notice of BHEL during the finalization of Tender / after placement of Contract and while executing the Contract, that sub-contractor has given incomplete, false, incorrect, suppressed information & data, forged documents, fake documents / certificates or any information prejudicial to BHEL"s interest, BHEL will suspend the business with the sub-contractor at any stage and the Bank Guarantee will be forfeited. Action against such Vendors shall be taken in accordance with the latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/ Contractors. **Website** https://www.bhel.com/supplier-registration.

42.17 All the statutory obligations such as ESI, PF, Labour Acts, Factories Act, etc., will have to be taken care of by the Vendor. BHEL, Tiruchirappalli will have no liability on them. Notwithstanding the above, if any demand notice is served by the concerned statutory authorities for recovery of any of their dues on BHEL, the same would be paid without notice to the Vendor and recovered the respective Vendor by suitable means as decided by BHEL.

42.18 BHEL, Tiruchirappalli never enters in to any agreement or never gives any undertaking or Power of Attorney to any Bank/s in relation to the Bill discounting facilities availed/to be availed by its various Vendors. BHEL, Tiruchirappalli has no obligation whatsoever, directly or indirectly, to any Bank/s in relation to the Bills received by BHEL, Trichy excepting payment of the same as authorized by the Vendors at the time of entering into the contract, subject to the conditions for honouring the Bills provided in the contract and BHEL does not recognize any charge on the proceeds of the Bill. If any Bank initiates any legal action against fabricator/s in relation such facilities and includes BHEL a party in the said dispute, all legal expenses, cost and any other losses thereof shall be recovered from the concerned Vendors. If the Vendor opts for Trade Receivable Discounting System (TReDS) platform as per BHEL Guidelines, then the same will be provided.

42.19 All clarifications pertaining to Techno-Commercial conditions of the Tender Enquiry shall be sought before submitting the offer. No claim for increase in Rates will be entertained by BHEL.

42.20 The Bidder declares that they will not enter into any illegal or undisclosed agreement or understanding, whether formal or informal with other Bidder(s). This applies in particular to prices, specifications, certifications, subsidiary, contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process. In case, the Bidder is found having indulged in above activities, suitable action shall be taken by BHEL as per extant policies/ guidelines.

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