

BHARAT HEAVY ELECTRICALS LIMITED

TIRUCHIRAPPALLI



OUTSOURCING

OUTSOURCING WITH VENDOR MATERIAL (OVM)

NIT: 2023OVM005

TENDER ENQUIRY FOR ENTERING INTO CONTRACT FOR **FABRICATION AND SUPPLY OF LARGE DIAMETER COOLING WATER PIPES AND FITTINGS FOR GORAKKHPUR PROJECT** WITH **VENDOR'S MATERIALS**, AS PER BHEL's ENGINEERING DRAWINGS, QUALITY WORK INSTRUCTIONS (QWIs) AND TECHNICAL SPECIFICATION AND TRANSPORTATION OF FINISHED GOODS TO RESPECTIVE PROJECT SITES.



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35.0 CONFLICT OF INTEREST36

LIST OF ABBREVIATIONS AND THEIR DESCRIPTION

SL. No.	ABBREVIATION	DESCRIPTION
1	RS	Rate Schedule
2	PGMA	Product Group Main Assembly
3	DC	Delivery Challan
4	DR	Dimension Report
5	IR	Inspection Report
6	NS	Nature of Supply
7	DU	Despatch-able Unit
8	MPI	Magnetic Particle Inspection
9	LPI	Liquid Penetrant Inspection
10	QP	Quality Plan
11	GMS	Group Manufacturing Specifications
12	QCP	Quality Control Procedure
13	QWI	Quality Work Instructions
14	DTS	Direct To Site
15	FRS	Fabrication Rate Schedule
16	PRS	Painting Rate Schedule
17	SRS	Shot Blasting Rate Schedule
18	PMD	Product Material Directory
19	PO	Purchase Order
20	TC	Test Certificate
21	GST	Goods & Services Tax
22	CQP	Customer Quality Plan
23	TDC	Technical Delivery Condition
24	EPS	E-PROCUREMENT SYSTEM

Section I



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TECHNO-COMMERCIAL TERMS & CONDITIONS

1.0 INTRODUCTION

1.1 Outsourcing/BHEL/Tiruchirappalli invites offer from Vendor for entering into a contract for Fabrication & Supply of **Large diameter cooling water pipes and fittings for Gorakhpur project (NPCIL TURBINE ISLAND PKG GHAVP)** for a total quantum of **1553 MTs ± 10% with Vendor's Materials**, as per BHEL's Engineering Drawings, Quality Work Instructions (QWIs) and Technical Specification(s) and Transportation of finished goods to **project site(Gorakhpur Haryana Anu Vidyut Pariyojana)** from **vendor works**.

1.2 For list of **Rate Schedules (RSs)** covered under this tender, refer **Section II**.

1.3 This is a **two part** bid **E-tender**.

2.0 SCOPE OF WORK BY VENDOR

2.1 The entire quantum of work is covered under **3 main Rate Schedules (RS01 to RS03)**.

2.2 For Pipes and Tees:

- Procurement of plates meeting all the technical/Quality points as per Quality Plan and BHEL Drawings.
- Offering raw material inspection to NPCIL as per approved QP and getting clearance for manufacturing
- Rolling of plates and fabrication as per Drawing
- Establishing approved WPS
- Welding by SMAW, SAW or FCAW
- Ovality correction.
- Edge Preparation to be done at the ends
- Conducting various NDT like LPI, MPI, UT/RT
- Hydro test
- Painting as per quality plan.
- Testing followed Offering the components to Authorized Inspection Agency (AIA) / BHEL-QC (OLI) / customer, as per applicable QP, for inspection along with necessary supporting documents and obtaining Inspection release notes (IRN) as applicable from NPCIL.



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- Providing stiffeners/spiders (should be compatible with pipe material)
- Bevel protection to be provided for the edges
- The finished items are to be despatched to project site(Gorakhpur Haryana Anu Vidyut Pariyojana) from vendor works.

2.3 For Dish Ends:

- Procurement of plates meeting all the technical/Quality points as per Quality Plan
- Offering raw material inspection to NPCIL as per approved QP and getting clearance for manufacturing
- Pressing of plates and manufacturing as per Drawing
- Welding by SMAW, SAW or FCAW
- Edge Preparation to be done at the ends
- Painting as per quality plan.
- Testing followed Offering the components to Authorized Inspection Agency (AIA) / BHEL-QC (OLI) / customer, as per applicable QP, for inspection along with necessary supporting documents and obtaining Inspection release notes (IRN) as applicable from NPCIL.
- Bevel protection to be provided for the edges
- The finished items are to be despatched to project site(Gorakhpur Haryana Anu Vidyut Pariyojana) from vendor works.

The detailed scope of work in respect of all the rate schedules includes:

A. RAW MATERIAL PROCUREMENT

- 1.1 **Raw materials shall be procured by Vendor from the following sources:**
- **CS plates and Structural:** customer approved Raw material supplier list is enclosed. However, plates and structural can be sourced from other raw material suppliers also with prior approval from NPCIL. (Refer attached Quality Documents)
 - **Welding consumables and approved vendors for Liquid Penetrant Testing:** Approved Vendor list for Welding consumables and liquid penetrant testing materials enclosed. (Refer attached Quality Documents)
- 1.2 Vendors shall procure consumables such as Paints, etc. from BHEL approved sources (Refer Quality Documents, Section VI & Section V). Raw materials and consumables required for fabrication shall be procured by Vendor. Procurement of Raw materials shall be as per raw material specifications given in drawings and applicable Technical Delivery Conditions (TDC)/Purchase Order (PO) & Quality Work Instructions (QWI) and quantities as per Drawings/GMS (Group Manufacture Specification) which shall be issued by BHEL along with Purchase Orders (POs).
- 1.3 Raw materials and paints are to be procured with relevant Test Certificate (TC)/reports and these have to be submitted/produced in original during inspection. Any test both destructive and non-destructive if required will have to be carried out by the Vendor at their own cost. Vendor also shall verify the materials & Test Certificate (TC) to comply with the applicable



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quality plan (QP). Vendor should refer the updated list of approved suppliers for raw material and consumables before procurement.

- 1.4 Raw material invoice, Test certificate (TC) and Day Book (DB) should be uploaded by Vendor in Vendor information system (VIS-B2B).
- 1.5 The typical list of raw materials required is given rate schedule wise in **Section II B [Bill of Material (BOM)]**. Suitable cutting allowances may be considered over this quantity for cost estimation.
- 1.6 Required equipment's for handling of raw materials/Work in Progress (WIP) & finished goods should be available at Vendor works.
- 1.7 The system for storing and issuing materials shall be available with vendor for easy traceability.
- 1.8 Raw materials not covered by the above shall be identified by its work order (W.O) number / Material code / Specification / grade by painting / stenciling / engraving.
- 1.9 Periodic audit of system of purchasing, storing and issue, etc. will have to be carried out by the vendors. BHEL will also audit the same.
- 1.10 The weights in Group Manufacturing Specification (GMS) will be the basis for requirement of the raw materials for fabrication. However, Vendor have to correlate the drawings & GMS and take into consideration suitably a process allowance over and above this for procurement of raw materials. For the purpose of billing as well as transport, the weight of GMS shall be the basis. Weight changes due to design change shall be compensated by GMS/PO amendment.
- 1.11 For raw material substitutions requested by Vendor, changes in the weight due to material substitution will be carried out by temporary Design Change Notification (DCN), if deemed fit by BHEL. GMS / PO will not be revised and no cost escalation will be considered on account of the same.
- 1.12 In case of non-procurement of materials within stipulated time period or in case if any vendor refuses or fails to execute within the PO delivery or within mutually accepted / extended delivery date, PO will be cancelled by BHEL and shall be executed by BHEL (by alternate action) at the Risk and cost of the failed vendor. The extra expenditure incurred by BHEL, if any, shall also be recovered from the respective failed vendor, through any amount due to them. Also amount due for payment to the failed vendor shall be put under hold till the PO is executed by the other vendor/s and action may be initiated against the failed vendor as per BHEL's guidelines for suspension of Business dealings.

B. FABRICATION

- 1.13 Fabrication of components shall be as per BHEL's Drawings to be issued along with Purchase order(s). However, to understand the nature, type & quantum of work content, a set of actual/indicative drawings is available rate schedule wise in **Section II A**. It is to be noted that the work content as per the actual drawings may vary marginally.
- 1.14 Fabrication of components shall also be according to the BHEL drawings, BHEL quality documents, customer approved quality plan, Technical Delivery Conditions (TDC). However, Vendor shall refer the latest version of Quality documents to be issued along with Purchase order.
- 1.15 Welding to be carried out by Qualified Welder and as per BHEL's approved Welding Procedure Specification (WPS). The welder qualification and welding procedure (as per relevant SIP) have to be done by Vendor with approval of QC/BHEL or by QC/BHEL's authorized appointed



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agency. The cost of any approval on this account is in Vendor's scope. Edge preparation and welding details shall be as per drawing.

- 1.16 WPS (Welding Procedure Specification) has to be established, if not available with Vendor. Material required for establishing WPS (if any), shall be issued to the vendor on Cost recovery basis. Collection of this raw material required for establishing WPS is in the scope of Vendor. Successful Vendor will have to submit the WPS for approval by BHEL (QC/WTC). Approval of WPS by BHEL will take 2 weeks from the date of submission of complete documents.
- 1.17 Vendor shall use Jigs & fixtures, Core Cutting Machine/ Magnetic Horizontal drilling machine to ensure hole to hole matching during assembly and Erection.
- 1.18 All consumables for welding as stipulated in the Drawings/QWIs/Welding procedures & any indirect materials required for fabrication is in Vendor's scope of work.
- 1.19 All the electrodes are to be procured using Welding consumable procurement instruction (WCPI) which is issued by WTC. In case a Vendor doesn't have the requisite WCPI then Vendor shall approach WTC department of BHEL/Trichy for obtaining the same. Electrodes to be procured and used for fabrication shall be as per BHEL's approved WPS.
- 1.20 Proper sequence of welding shall be adopted to minimize distortion. The distortion of the finished jobs, if any, may be corrected by mechanical means / hot correction.
- 1.21 The surface of the welds shall be free from coarse ripples, overlaps, undercuts and abrupt ridges to avoid stress raisers.
- 1.22 Conducting MPI/LPI, other NDT & heat treatment wherever called for in the Drawings/ Quality Plans is in the scope of Vendor and wherever necessary shall be carried out through Customer approved Vendors as listed in **Quality documents**. Addition/deletion of Vendors enlisted as BHEL approved Vendors for NDT, abrasive blast cleaning, painting and Heat Treatment may happen from time to time so Vendor is requested to refer B2B portal for any updation in the approved sources list.
- 1.23 The requirement of NDE, extent and type of examination shall be as per respective product SQP and CQP, if applicable.
- 1.24 The Ultrasonic Testing, Radiographic Testing, Furnace Heat Treatment (HT) and Stress Relieving as called for in the Drawings/QWI/PO/QCP are to be carried out by the Vendor, through the approved agency of BHEL. List of approved agencies is as per **Section IV**. In case there is no approved agency near Vendor's works, Vendor has to locate suitable agency for RT, MPI, LPI, SR and UT and get them approved by BHEL before commencing the job. **For LPI and welding consumables, customer approved vendor list as given in Quality documents to be followed.**
- 1.25 All handling charges and other incidental charges till completion of fabrication & dispatch up to destination is in Vendor's scope.
- 1.26 Trial Assembly as called for in the Drawings / Quality plans / PO or by the Inspecting Authorities, is in Vendor's scope of work.
- 1.27 Ensure completeness of all final machining operations.
- 1.28 Providing the necessary facilities, gauges, instruments, etc. for carrying out the testing & inspection including customer/BHEL/BHEL nominated agency as per BHEL's QP/PO/Drawings and customer CHP, till obtaining of MDCC (wherever applicable).
- 1.29 Mechanical testing, if any, can be done at any of the NABL approved laboratory in case Vendor do not have their own facilities.



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- 1.30 BHEL Drawings and Quality procedures to be followed and referred for marking & identification of interconnecting members to the satisfaction of BHEL inspectors, dismantling, related handling and movements of components as necessary.
- 1.31 Assembly is to be carried out on a level surface. Assembly Items are to be dispatched with adequate bolt which is in the scope of the Vendor. Assembly has to be carried out as per BHEL Quality Plan/Customer Quality Plan (CQP) (as applicable). Any other item/s required for safe dispatch / packing materials required for the completion and the dispatch of the jobs is in the scope of Vendors.
- 1.32 No work/ rework shall be allowed to be carried out at site. If such necessity arises, Vendor to remove those components from site and carry out such reworks elsewhere, at Vendor cost, including transport.
- 1.33 Goods Receipt (GR) posting will be done only on receipt of Material Dispatch Clearance Certificate (MDCC). Any delay in MDCC will delay the GR posting. Wherever required, Vendors shall co-ordinate with the concerned official for MDCC till handing over of original MDCC to BHEL.

C. QUALITY REQUIREMENTS

- 1.34 Supply of the components should strictly conform to dimensions and tolerances indicated in the Drawings, Quality Plan. Care must be taken to strictly adhere to the 'NOTE' given in the drawings. Vendor must ensure that dimensional deviations, if any, are recorded properly in the Dimension Record books and the same shall be made available to BHEL's Officials or their authorized agencies. All the Quality records are to be uploaded in B2B portal. Any correction or revisions as advised by BHEL at post PO stages, shall be carried out by the Vendor, based on the revised drawings or interim inspection from BHEL extra cost implications, if any, shall be informed to BHEL before carrying out the job.
- 1.35 Only the right kind of electrodes shall be used as called for in the Drawings.
- 1.36 Welding electrodes shall be sourced only from the Customer approved sources. The list of approved suppliers for welding electrodes is given in **Quality documents**.
- 1.37 Adequate packing shall be made by the Vendor to avoid any transit damages. The quoted rate shall be inclusive of this packing.
- 1.38 Any other work carried out other than the requirements of Drawings/QWIs shall have the prior written approval of BHEL/ Trichy.
- 1.39 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 Subcontractor 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.
- 1.40 Only Class 1 measuring tapes shall be used. The instruments / gauges are to be calibrated at BHEL Lab (chargeable basis as per applicable rates) or any NABL, approved Lab periodically as follows:

Table-1

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



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- 1.41 The calibration status shall be displayed at the Vendor's works in a conspicuous location. Calibration can be performed at either BHEL or at any NABL/Govt. approved labs, traceable to national standards.
- 1.42 For various rates schedules, manufacturing, handling and testing facilities' requirement as specified by BHEL from time to time shall be available with the Vendor.

D. TRANSPORTATION

- 1.43 The rates finalized against each schedule shall include cost of transporting finished products from Vendor's Works to **project site (Gorakhpur Haryana Anu Vidyut Pariyojana) from vendor works.**
- 1.44 Vendor has to arrange for dispatch of the finished goods either in Trucks or Trailer/ Hydraulic axles for safe delivery of the goods to respective project sites through their transport carriers. In case of any Deviation/ discrepancy of the materials received at project site Vendor is responsible for correction or replacement activity. If the same is not rectified/replaced by the concerned Vendor within reasonable time as instructed by BHEL, then the same will be rectified /replaced by BHEL at the cost and risk of default Vendor.
- 1.45 Safe Transportation of Finished Goods to the Project site as indicated in the Purchase order will be in Vendor's Scope. This transportation should be done using appropriate Vehicle/Trailer with all valid Documents complying to all the applicable rules.
- 1.46 Loading of finished goods on to the Truck / Trailer is in Vendor's scope.
- 1.47 Vendor should ensure sufficient Wooden Logs/Reapers are placed between jobs and between jobs and trailer. Proper lashing of Jobs is to be done avoiding direct contact between the lashing chain and jobs.
- 1.48 After loading is completed as above, a photograph of loading as and when demanded by BHEL (concerned expeditor) is to be sent to BHEL (concerned expeditor) before dispatch of the vehicle.
- 1.49 In case after reaching the destination/Project site if any non-conformance is noticed by the way of improper loading/lassing of finished Goods, unloading of vehicle shall be denied by BHEL site office/customer. Vendor should correct the non-conformances at his cost and again place the Trailer for Unloading.
- 1.50 In addition, BHEL may recover from the default Vendor, the amount arising due to improper loading of finished goods on vehicles as specified by BHEL officials at Unloading point.
- 1.51 Due to the unpredictable site condition at times, the loaded consignment dispatched by Vendor may have to wait for unloading for about 3-4 days (on an average) at site. The Vendor may keep this in mind while quoting in respective rate schedules.
- 1.52 Detention charges shall be paid extra if the vehicles are not unloaded / released within the stipulated time given below: -

Table-2

Sl.no.	Unloading Points	Free period (No. of Days)
2	Project site	4

For example: if the vehicle reached at site for unloading and made IN entry on 02.07.2020, the free period (4 days as per above table) will be available up to 06.07.2020. If the EXIT of the vehicle is recorded on 08.07.2020, then detention will be calculated excluding 02.07.2020, 08.07.2020 and free period (4 days). Hence, Vendor will be eligible to claim detention charges for only one day.



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- 1.53 If the reporting period happened to be Sundays & Holidays, then the next working day will be considered as the date of reporting of vehicle.
- 1.54 Detention at unloading points / Sites shall be paid based on the Gate Entry at Site / certification by BHEL site personnel – with signature & official seal.
- 1.55 In case the vehicle reached at Site, and the site security / site officials are not allowing the vehicle to enter project Site. In such case the date of arrival of vehicle at Site, based on the Global Positioning System (GPS) report will be considered as the date of reporting at Site for calculation of detention Charges duly certified by an executive not below the rank of DGM/ Commercial / End user.
- 1.56 Wherever GPS is not mandatory then the date of reporting at Site will be based on certification by DGM/Commercial / End user.
- 1.57 The rate of detention charges are as follows:

Rate Schedules	Detention charges per Day (Rs.)
For all the rate schedules	1700/-

- 1.58 Transit insurance is in the scope of BHEL. Vendor has to communicate in writing to the insurance agency or BHEL as indicated in the Dispatch Instruction, the dispatch details to enable them to cover the transit insurance. In case of any transit damage to materials, the Vendor shall carry out the rectification, and the amount realized from the insurance company shall be paid to Vendor. Vendor shall cooperate and provide all documents to claim the damage from the insurance company.
- 1.59 As soon as the dispatches are made, Vendor have to upload scanned copy of DC and GST Invoice in B2B system.
- 1.60 At the time of dispatch to site, original BHEL Project site acknowledgement along with IR, DC, GST invoice and system generated online invoice along with other annexures have to be furnished for processing the invoice at BHEL.

E. SURFACE PREPARATION, PAINTING AND STENCILING

- 1.61 Surface preparation & Painting shall be as per the quality documents and painting scheme with paints procured from BHEL approved paint Suppliers list. Applicable painting scheme is available in **Section V** and approved paint supplier list is available in **Section IV**. Vendor shall refer the latest version of Painting scheme and applicable quality documents during execution of Purchase Orders. Blasting, wherever required (as per PO/Drawings/ Quality plans), is to be carried out by Vendor through BHEL approved sources for Blasting & Painting. List of BHEL approved blasting and painting Vendor is available in **Section IV**. However, Vendor should refer the latest list of approved blasting and painting Vendors before carrying out the blasting and painting jobs.
- 1.62 Identification of Structures shall be hand punched and stenciled.
- 1.63 The Project name, Work Order No., Number off, DU Number, Weight, and Vendor Code number shall be legibly stenciled for identification and dispatch as may be advised. Vendor Code number alone shall be punched using letter punch and bordered suitably for identification. Machined surfaces shall be protected with rust preventive oil. Weldable areas are to be applied with weldable primer.
- 1.64 After painting and stenciling, suitable crating should be made, according to the job size. Loose pieces should be sent only by crate of appropriate size which is in the scope of Vendor. Dispatches of loose items i.e. up to 3m in Length and Individual weight less than 30kgs, should be packed in Crate and dispatched.



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- 1.65 If any complaint is received from site regarding poor quality of product including painting issues, the concerned Vendor shall be asked to rectify it within a reasonable time or else BHEL may arrange rectification through alternate agencies at the risk and cost of the default Vendor. If a proper blasting and painting process is followed, then the painting should withstand severe / corrosive atmosphere. Moreover, Vendor cannot absolve its responsibility even beyond normal warranty period, irrespective of the fact that the product had been inspected by BHEL/QC/AIA. In order to avoid such penalties, Vendor is advised to follow the established process of blasting and painting given in BHEL approved quality documents.

F. INSPECTION

- 1.66 Inspection at the Vendor works shall be done by BHEL Quality Control Department and/or by BHEL's customers and/or by an agency or person(s) authorized by BHEL. All facilities and equipment(s), calibrated instruments and standard gauges required for inspection shall be provided by the Vendor at their own cost.
- 1.67 BHEL representatives/authorized agents shall have free access to the Subcontractor's works at any time during the execution of the orders as well as for verification of requisite documents/materials.
- 1.68 Cost incurred by the Vendor for specimen preparation of production test coupon carried out at authorized agency as requested by BHEL, Tiruchirappalli shall not be reimbursed by BHEL.
- 1.69 The quality of paints used by Vendor shall be checked by BHEL at regular intervals. Samples shall be collected from Vendor's works and tested at BHEL to ensure quality as per relevant standards/documents. In case discrepancies with respect to BHEL's specification are noted, the job may be rejected, and appropriate action against the Subcontractor shall be initiated as per latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/Contractors.
- 1.70 The works are deemed to have been completed and accepted, only after the inspector / Agency / Agencies accept / approve the Inspection Report (IR). IR has to be raised as per the format given in BHEL Vendor Information System-B2B format.
- 1.71 Acceptance of the product after inspection makes the Vendor eligible for payment. However, such acceptance after inspection by BHEL / AIA does not absolve the responsibility of the Vendor in ensuring the quality / performance of their product, even after the warranty period.
- 1.72 Quality documents such as dimension report, material TC, etc., against the PO placed shall be uploaded by the Vendor in B2B portal.
- 1.73 BHEL representative from unit or Customer Quality (CQ) is authorized to carry out audits along with Third Party Inspection Agency (TPIA) at Vendor's works before clearing the items for dispatch wherever required.
- 1.74 Vendor is requested to refer the updated list of Heat Treatment agencies approved by BHEL.
- 1.75 No extra charges shall be given for E350 grade of material.
- 1.76 **NO EXTRA CHARGES / RATE SCHEDULES ARE APPLICABLE. Vendor to submit an all-inclusive quote for the subject tender.**



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3.0 PRODUCT GROUP AND RATE SCHEDULES

- 3.1 For list of products covered under this NIT, Quantum & Description of Rate Schedules, refer **Section II**.
- 3.2 A rate schedule relates to a group of drawings / PGMA's consisting of similar nature and content of work. Rates to be quoted in the respective rate schedules shall be based on the description of work content and drawings indicated against each RS given in this tender enquiry.
- 3.3 Purchase Orders (POs) shall be placed on a Vendor by way of Rate Schedule (RS) identified for each product group.
- 3.4 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.

4.0 ELIGIBILITY TO QUOTE FOR A RATE SCHEDULE

- 4.1 Vendors may submit their quote for such Rate Schedule(s) in which they are interested and facilities for such rate schedules are available with Vendor. For Example: A Vendor has all the facilities for Plate formed Pipes and Tees (RS01 & RS02) and they also meet all other requisite requirements as outlined in Pre-Qualification Requirement (PQR) including Financial soundness, is eligible to quote for RS01 & RS02. However, Vendor shall note that it is at the discretion of BHEL to accept/reject the offer of a Vendor for a Rate Schedule after due evaluation of Part I offers submitted by Vendor.
- 4.2 **Pre-qualification Requirement (PQR) for Plate formed Pipes and Tees (RS01 and RS02):**
- To ascertain the facility of the participating bidder is given in **Annexure A**. Same may be verified by BHEL during visit to the Vendor's works.
- 4.3 **Pre-qualification Requirement (PQR) for Plate formed Spherical dish (RS03):**
- To ascertain the facility of the participating bidder is given in **Annexure B** Same may be verified by BHEL during visit to the Vendor's works.
- 4.4 **For RS01-RS03 technically qualified vendors will be further proposed to NPCIL for approval for execution of respective job. The vendors will be qualified for Price bid opening only upon approval from customer NPCIL.**
- 4.5 To check the Financial strength of the participating Vendor, following documents have to be submitted as detailed in **Annexure C**:
- Copy of GST registration, PAN, Partnership Deed, Certificate of Incorporation etc. as the case may be. (For details kindly refer Annexure C)
 - 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.
 - 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.



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- Solvency Certificate from Bank (with Banker's seal and Authorized signature with Name and contact details) shall be submitted along with their offer for Credit Limit for a **minimum value as given below:**

SL No.	RS	Solvency Certificate (In Rs.)
1	RS01	1.5 Crores
2	RS02	80 Lakhs
3	RS03	8 Lakhs
Total		

- If a Vendor submits their offer for only one Rate Schedule, then solvency certificate required for that particular RS shall be submitted by Vendor.
- If a Vendor submits their offer for more than one Rate Schedule, then solvency certificate for cumulative value shall be submitted.
For Example: If a Vendor submits their offer for **RS01** (solvency certificate requirement - Rs. 1.5 Crore) & **RS02** (solvency certificate requirement - Rs. 80 Lakhs), then a solvency certificate of minimum Rs. 2.3 Crores shall be submitted by Vendor.
- The Certificate submitted along with their offer should be within **3 months** from the date of Part I Opening of this tender enquiry.
- List of Consortium Banks from whom participating Vendors can obtain the required solvency certificate is given as per **Section VII**.
- Note:** For a new Firm which is unable to submit Balance Sheet and IT Return copies, Solvency certificate issued by bank for a value as given above and Copy of Factory Incorporation Certificate is to be submitted.

4.6 In case a Vendor doesn't meet the requirement (PQR) as outlined in **Annexure A, B & C** then the offer of such Vendors is liable to be rejected. **For RS01-RS03 technically qualified vendors will be further proposed to NPCIL for approval for execution of respective job. The vendors will be qualified for Price bid opening only upon approval from customer NPCIL. In case of non-approval of Vendor by NPCIL, the offer submitted by such vendors shall be rejected.**

4.7 Also, Rate Schedule(s) for which the participating Vendors becomes eligible (after evaluation) alone shall be considered for price bid opening. Rate schedules for which participating vendors are not eligible, the offer submitted by the Vendor for such rate schedule(s) shall be rejected.

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

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



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5.0 QUOTING OF RATES

- 5.1 Rate(s) to be quoted by Vendor in the respective rate schedules shall be based on the scope of work given in this tender enquiry. (**Note: Quoted rate shall be exclusive of GST.**)
- 5.2 Vendor should quote as per the **Unit of Measurement** mentioned in the **Price Bid Format**.
- 5.3 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**.
- 5.4 The applicable Unit of Measurement is given in the **Price Bid Format** and Vendor shall quote the rate(s) with reference to the Unit of Measurement (UoM). (i.e. **Rs. per UoM**). **Vendor is requested to exercise utmost caution to take care of UoM while quoting the rate(s).**
- 5.5 **Price Variation Clause (PVC) is NOT applicable. The quoted rate(s) shall be on Firm basis. The quoted / finalized rates shall be Firm till validity of the Contract or execution of PO whichever is later. Conditional Offers shall be rejected.**
- 5.6 The rates to be quoted for Rate Schedules shall be for the procurement of raw materials, fabrication work, testing, trial assembly (if applicable), etc. as per Drawing / QWIs, and dispatch of finished goods to Project site. The rates quoted shall include all costs incidentals to comply with the terms and conditions explained in this NIT.

6.0 REVERSE AUCTION (RA)

- 6.1 BHEL shall be resorting to Reverse Auction (RA) (Guidelines as available on **www.bhel.com**) for this tender. RA shall be conducted among all the techno-commercially qualified bidders. Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered as initial bids of bidders in RA. In case any bidder(s) do(es) not participate in online Reverse Auction, their sealed envelope price bid along with applicable loading, if any, shall be considered for tender ranking.
- 6.2 After completion of RA, Rate quoted by the bidders in RA and in E Procurement Portal shall be consolidated. Lowest of the price quoted by a Vendor for each RS shall be



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considered for tender ranking. Rates thus consolidated shall be sorted in ascending from lowest to highest price for each RS.

- 6.3 For each RS, subcontractor with the lowest rate shall be declared as L1 subcontractor for that RS. Bid with the next highest evaluated cost shall be ranked L2, and the next be L3, and so on.

7.0 EVALUATION OF QUOTED PRICE

- 7.1 After price bid opening in E-portal (Part-II offers) or after completion of RA, price quoted by the bidders shall be sorted in ascending order from lowest to highest price.
- 7.2 Vendor quoting the lowest evaluated rate per Unit of Measurement for a Rate Schedule (RS) shall be declared as L1 Vendor or Lowest bidder and the rate quoted shall be declared as L1 rate for that particular RS.
- 7.3 Evaluation of Prices for Rate schedules shall be evaluated on "**FOR Destination**" basis as per the following formula:
Landed cost = (Quoted Rate (Based on Scope of Work)) + Applicable Taxes net of ITC (GST-ITC)
[Note: Quoted rate shall be exclusive of GST.]
- 7.4 Evaluation currency shall be **INR**.
- 7.5 In case of tie in the lowest bidder (L1 bidder), revised reduced price offer (price offer after discount) shall be obtained from the tied L1 Vendors. 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). However, in case 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.
- 7.6 If tie still persists, lot system will be followed to arrive at L1 bidder. Bid with the next highest evaluated cost shall be ranked L2, and the next be L3, and so on.
- 7.7 BHEL reserves right to re-float or short close the RS(s) or cancel the tender if L1 rates are not acceptable or due to any other reasons.

8.0 PRICE NEGOTIATION

- 8.1 Post price bid opening, if the rates (as per the landed cost formula) quoted by the lowest bidder in one or more rate schedules is not acceptable to BHEL, then Lowest Bidder/s (L1 Vendor in respective rate schedules) may be called for price negotiation.



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9.0 LOAD DISTRIBUTION

- 9.1 Load distribution is as detailed in **Section II**.
- 9.2 The quantum indicated for each ranking position in the load distribution is subject to a tolerance of **± 10%**.

10.0 ELIMINATION OF HIGHEST BIDDER(S)

- 10.1 After price bid opening in E-portal (Part-II offers) or after completion of RA, price quoted by the bidders shall be sorted in ascending order from lowest to highest price.
- 10.2 For those RS(s) where counter offering is envisaged, the bid(s) with overall highest evaluated cost shall be ranked as H1, and the successive high bids below H1 shall be H2, H3 and so on. **20% of total number of distinct bids** (Rounded to Integer values) falling under H1, H2, etc., category and the respective bidders shall be eliminated. Counter offering of finalized rate for a RS shall be restricted to only balance Vendors after elimination. If more than one Vendor falls under elimination category with the same ranking, then all the Firms falling under elimination category shall not be considered for counter offering.

11.0 COUNTER OFFERING

- 11.1 After eliminating highest bidder(s), counter-offer of finalized L1 rate shall be extended to other eligible Vendors in those RSs where load is being distributed between L1 and other eligible Vendors. However, loading shall be done based on acceptance to CO, tender ranking and load distribution.
- 11.2 Following modality shall be followed in case counter offer is not accepted by required number of Vendors as given in Load Distribution:
- 11.2.1 In the event of counter offered rate for a particular RS is not accepted by the required number of eligible Vendors, BHEL shall extend counter offer for balance quantum of the respective RS to L1 Vendor and other Vendors who have already accepted counter offer in the order of their price ranking. If a Vendor is ready to accept more than their load designated to them, the same will be loaded on them. Partial acceptance of the additional quantum is not allowed.
- 11.3 In case a Vendor does not execute a purchase order after placement of the same, then the quantum of order not executed by the defaulting Vendor will be offered to eligible Vendor in order of their tender rank (starting from lowest Vendor to other eligible Vendors in order of their tender rank) in the respective rate schedule.
- 11.4 Accordingly, the liability of a Vendor (L1 Vendor as well as counter offer accepted Vendor) w.r.to risk purchase shall be up to the minimum load as per load distribution + additional quantity accepted by the Vendor **or** the minimum load as per load distribution whichever is more.
- 11.5 In case a Vendor (L1 as well as counter offer accepted Vendor) fails to execute POs placed after accepting to execute a quantum of load for a RS, action shall be initiated against the Firm as per BHEL guidelines for suspension of business dealings with supplier/contractor and also as per Clause no.21 & 22 of Section I of this NIT.



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12.0 TIE BREAKING OTHER THAN L1

12.1 If there is tie for ranking position(s) eligible for counter offering, then Lot shall be done to break the tie using random number generator in MS Excel before Counter-offer process. Step by step illustration of the tie-breaking is given below:

- i. Rate Schedule wise excel sheet in which all ranks for which tie is present shall be opened.
- ii. Random number shall be generated against each entry in the excel sheet. Once random number is generated, the values will be frozen against each entry.
- iii. The rank order shall be sorted in the following manner.
- iv. Sorting -> 1. RS -> 2. Actual rank -> 3. Random number wise (from lowest to highest).
- v. Once sorting is done, each Vendor shall be ranked as per the sorting order.

✓ **Illustration:**

Step-1: Before Sorting:

RS No.	Vendor code	ORIGINAL Rank before CO
16707	A	L01
16707	B	L02
16707	C	L03
16707	D	L03
16707	E	L04
16707	F	L05
16707	G	L05
16707	H	L06

Step-2: After random number generation:

RS No.	Vendor code	ORIGINAL Rank before CO	Random Number
16707	A	L01	0.639156
16707	B	L02	0.931402
16707	C	L03	0.560449
16707	D	L03	0.507298
16707	E	L04	0.621819
16707	F	L05	0.620683
16707	G	L05	0.504936
16707	H	L06	0.793407

Step-3: Final sorting and revised ranking:

RS No.	Vendor code	ORIGINAL Rank before CO	Random Number	Final Revised Rank
16707	A	L01	0.639156	L01
16707	B	L02	0.931402	L02
16707	D	L03	0.507298	L03
16707	C	L03	0.560449	L04
16707	E	L04	0.621819	L05
16707	G	L05	0.504936	L06
16707	F	L05	0.620683	L07
16707	H	L06	0.793407	L08

12.2 Distinct rank shall be arrived in the order of random number generated for each of the tied rank. Based on the outcome of LOT process done through MS Excel, final ranking shall be intimated to Vendors. Load distribution shall be based on revised tender ranking.



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13.0 ORDERING / PLACEMENT OF PURCHASE ORDER(S)

- 13.1 **For RS01 to RS03: PO will be placed immediately after finalization of contract.**
- 13.2 PO(s) shall be placed subject to availability of potential with BHEL. 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.
- 13.3 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.
- 13.4 Any clarification in the PO Documents (i.e. Weight of PO line item, FRS, PRS, SRS, painting area and etc.) shall be reported to the concerned person in Outsourcing Department.
- 13.5 The Vendor shall undertake all jobs awarded to them and execute them as per Contract terms. Failure to comply with this requirement shall be dealt in line with latest revision of BHEL's Guidelines for Suspension of Business Dealings with Suppliers/Contractors.
- 13.6 In case a Vendor fails to execute PO(s) placed, action shall be initiated against the Firm as per BHEL guidelines for suspension of business dealings with supplier/contractor and also as per **Clause no. 23 of Section I of this NIT**.
- 13.7 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. Action on default Vendor shall be taken by BHEL as per **Clause no. 23 of Section I of this NIT** and BHEL's Guidelines for Suspension of Business Dealings with Suppliers/Contractors.

14.0 DELIVERY TERMS

- 14.1 Timely delivery is the essence of the Contract.
- 14.2 Delivery Period from Purchase Order placement date shall be as follows:

Rate Schedule(s)	Delivery Period
RS01	180 days
RS02	180 days
RS03	180 days



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14.3 Staggered delivery is applicable for RS01 and RS02.

For RS01: From PO date 180 days for 1st 100 MT and additional 14 days for every 100 MT .

For RS02: From PO date 180 days for 1st 70 MT and additional 14 days for every 70 MT.

For example, in case of RS01 if PO quantity is 300 MT then delivery dates will be as follows

For 1st 100 MT :180 Days from PO date

For 2nd 100 MT :194 days from PO date

For 3rd 100 MT : 208 days from PO date

Note: For RS 01: In case Number of pipes can't be totalled to 100 MT exactly the number of pipes closest to 100 MT shall be considered.

For RS 02: In case Number of Tees can't be totalled to 70 MT exactly the number of Tees closest to 70 MT shall be considered.

- 14.4 Vendor should get their clarifications (wrt. Engg. drawings, Material substitutions, quality procedural clarifications) 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.
- 14.5 Vendor to ensure that all movement of goods commencing from Vendors works are made strictly after the receipt of BHEL's invoice on Customer at their end. Vendors are instructed to arrange for despatch of goods to Customer sites only after ensuring availability of BHEL's invoice on customer at their end.
- 14.6 In case the Vendor allows to commence the movement of goods without BHEL's invoice on customer(s), it will be at the risk and cost of the Vendor and all the resultant implications will be to the account of the Vendor.
- 14.7 Vendor should get their clarifications (wrt. Engg. drawings, Material substitutions, quality procedural clarifications) 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.

15.0 GST Compliance in Respect of Ensuring Input Tax Credit (ITC)

- 15.1 GST shall be applicable. GST shall be paid extra at the prevailing rate. TDS on GST is applicable as per prevailing norms of GST Act.
- 15.2 Response to this tender enquiry for Indigenous supplier/Vendor will be entertained only if the Vendor has a valid GST registration No (GSTIN). If the Vendor is exempted from GST registration, a declaration with due supporting documents need to be furnished for considering the offer. Vendor under composition scheme should declare that he is a composition Vendor supported by the screen shot taken from GST portal. The dealer has to submit necessary documents if there is any change in status under GST.
- 15.3 Supplier shall mention their GSTIN in all their invoices (incl. credit Notes, Debit Notes) and invoices shall be in the format as specified/prescribed under GST laws. Invoices shall



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necessarily contain Invoice number (in case of multiple numbering system is being followed for billing like SAP invoice no, commercial invoice no. etc., then the Invoice No. which is linked/uploaded in GSTN network shall be clearly indicated), Billed to party (with GSTIN) & Shipped to party details, item description as per PO, Quantity, Rate, Value, applicable taxes with nomenclature (like IGST, SGST, CGST & UTGST) separately, HSN/ SAC Code, Place of Supply etc.

- 15.4 All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code).
- 15.5 Invoices will be processed only upon completion of statutory requirement and further subject to following:
- a. Vendor declaring such invoice in Form GST ANX-1
 - b. Receipt of Goods or Services and Tax invoice by BHEL
- 15.6 As the continuous uploading of tax invoices in GSTN portal (in GST ANX-1) is available for all (i.e. both Small & Large) tax payers under proposed new GST Return System, all invoices raised on BHEL may be uploaded immediately in GST portal on dispatch of material /rendering of services. The supplier shall ensure availability of Invoice in GST portal before submission of invoice to BHEL. Invoices will be admitted by BHEL only if the invoices are available in GSTN portal (in BHEL's GST ANX-2).
- 15.7 A declaration to the effect that all invoice particulars are/were uploaded in the GSTN network/ portal & all tax liability as per GST rules and regulations have been and will be discharged, shall be mentioned in the invoice. If not mentioned in the invoice, a separate declaration shall be submitted as per the requirement of BHEL.
- 15.8 All documents like Test Certificate, LR copy, any other document mentioned in PO, shall be sent along with the vehicle/consignment. For all consignments received within the calendar month, input credit will be availed within that month in line with monthly returns filing cycle. In case of any discrepancy in the document or non-submission of documents mentioned in the PO, then BHEL will not be able to accept or account the material, in such case availing of tax credit will be deferred to next month or so.
- 15.9 In case of discrepancy in the data uploaded by the supplier in the GSTN portal or in case of any shortages or rejection in the supply, then BHEL will not be able to avail the tax credit and will notify the supplier of the same. Supplier has to rectify the data discrepancy in the GSTN portal or issue credit note or debit note (details also to be uploaded in GSTN portal) for the shortages or rejections in the supplies or additional claims, within the calendar month informed by BHEL.
- 15.10 In cases where invoice details have been uploaded by the Vendor but failed to remit the GST amount to GST Department (Form PMT-08 or Form GST RET-01 to be submitted) within stipulated time, then GST paid on the invoices pertaining to the month for which GST return not filed by the Vendor will be recovered from the Vendor along with the applicable interest (currently 24% p.a.) and all subsequent bills of the Vendor will not be processed till filing of the GST return by the Vendor.
- 15.11 In case GST credit is denied to BHEL due to non-receipt or delayed receipt of goods and/ or tax invoice or expiry of timeline prescribed in GST law for availing such ITC, or any



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other reasons not attributable to BHEL, GST amount claimed in the invoice shall be disallowed to the Vendor.

- 15.12 Where any GST liability arising on BHEL under Reverse Charge (RCM), the Vendor has to submit the invoices to BHEL well within the timeline prescribed in GST Law, to enable BHEL to discharge the GST liability. If there is a delay in submission of invoice by the Vendor resulting in delayed payment of GST by BHEL along with Interest, then such Interest payable or paid shall be recovered from the Vendor.
- 15.13 In case any changes in taxes and duties as per Gov. Notification (including GST), the same shall be applicable from time to time.
- 15.14 Duplicate copy of the Invoice meant for the transporter should accompany the material as stipulated under CE Rules 52A and 172C OR 57CE.
- 15.15 TDS on GST shall be applicable as per the GST Act.
- 15.16 GST TDS will be deducted as per Section 51 of CGST Act 2017 and in line with Notification 50/2018 – Central Tax dated 13.09.2018. GST TDS certificate which will be generated in GST portal subsequent to vendor accepting the TDS deduction in the GST portal & the vendor can directly download the Certificate from the GSTN Portal.
- 15.17 Vendor shall furnish GST registration No (GSTIN) and applicable GST %.

16.0 PAYMENT TERMS

- 16.1 Payment of 100% of the purchase order (PO) value plus GST shall be made through electronic mode by EFT/RTGS within **90 days** from the date of acknowledgment of Project site or from bill/invoice submission date, whichever is later, subject to submission of bill/invoice along with all requisite documents including acknowledgment of Project site and submission of requisite Performance Bank Guarantee (PBG).
- 16.2 For **Micro and Small Enterprises** (MSEs), Payment shall be made within **45 days**.
- 16.3 For **Medium Enterprises**, Payment shall be made within **60 days**.
- 16.4 Bills/Invoice shall not be processed till submission of requisite PBG.
- 16.5 Bill should be GST compliant and complete in all respects with due supporting documents as per Tender conditions failing which bill will not be registered or considered to be registered.
- 16.6 Billing shall be made for complete PO Sl. No. (I.e. one Complete DU), and Bills for partial dispatches of PO Sl. No. (DU) will not be entertained.
- 16.7 The concessions/subsidies as applicable to MSE Vendors as per Govt. guidelines subject shall be Extended to eligible MSE Vendors subject to submission of valid documents.
- 16.8 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. 10 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



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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.

16.9 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.

16.10 Vendor should ensure that the following documents are submitted for bill processing to avoid any delay in processing of payment.

✓ **OVM – Vendor Works’ to Project Site Despatch**

- a. Online Invoice – duly signed by Vendor with seal
- b. Online Invoice Annexures - duly signed by Vendor with seal
- c. GST Invoice – Original copy for RECIPIENT - In Vendor letter head (Values to be checked with B2B tax invoice template) and a copy of the GST invoice should be attached.
- d. Original IRs – with relevant painting/SB remarks and ODC details (if applicable) - duly signed by BHEL QC inspector and Vendor with seal
- e. Original DCs – duly signed by Vendor with seal
- f. Original LR – Quantity dispatched as loose/Crates acknowledged by site official along with sign and name seal on the back side of LR

16.11 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.

16.12 Vendor may register themselves on TReDS platforms to obtain the intended benefit.

16.13 The TReDS benefit is applicable for Micro / Small / Medium enterprise.

17.0 PERFORMANCE BANK GUARANTEE (PBG)

17.1 The successful bidders have to furnish **Performance Bank Guarantee (PBG)** from the list of consortium banks approved by BHEL. PBG format and list of consortium banks are given in **Section VI** and **Section VII**.

17.2 Lumpsum **Performance Bank Guarantee (PBG)** to be submitted by the Vendor as per below category:

Tonnage (MT)	PBG Value (Rs.)
Upto 1000 MT	10 Lakhs
>1000 MT<2000 MT	20 Lakhs
>2000 MT<3000 MT	30 Lakhs
>3000 MT	50 Lakhs

Tonnage mentioned above shall be the sum of GR posted quantity based on OVM tender enquiries in which the new lumpsum PBG clause is applicable. The quantum for which liability period is over shall not be counted for the purpose of calculating the above mentioned slabs.



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- 17.3 **Performance Bank Guarantee (PBG)** as per above table to be submitted by Vendor (in the form of Bank instrument) at the time of submission of first invoice of the purchase order placed under the contract.
- 17.4 PBG submitted by Vendor should be kept valid till 18 months from last date of acknowledgment of Project site in a purchase order + 90 days (Claim period). Validity of PBG shall be revised by Vendor from time to time suitably. PBG submitted by Vendor shall be revolving PBG.
- 17.5 Vendor shall have to submit the PBG for enhanced value as and when sum of GR posted quantity slab gets changed. For e.g., for a Vendor X with GR posted quantity of 1000 MT has submitted Rs. 10 Lakhs, once the vendor's GR posted quantity crosses 1000 MT, Vendor X has to submit additional BG of Rs. 10 Lakhs with validity period & claim period as mentioned above.
- 17.6 The Performance 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 PBG is submitted or is to be acted upon or the rate prevailing in the state where the PBG is executed, whichever is higher.
- 17.7 Bills/Invoice shall not be processed till submission of requisite PBG.
- 17.8 PBG submitted in a purchase order shall be returned without interest after the validity period to the respective Vendors.
- 17.9 PBG shall cover the defect liability against defects arising from design, material, workmanship or any omission on part of the Vendor during the validity period of the PG. If the defaulting Vendor(s) do not complete the re-work at project site in time, then the re-work shall be completed by BHEL. Cost of the re-work will be deducted/recovered from PBG or any of the amount due to Vendors or from both.
- 18.0 SPECIAL PROVISIONS FOR MICRO AND SMALL ENTERPRISES (MSE BIDDERS):**
- 18.1 In line with Gazette notification issued by Ministry of Micro Small and Medium Enterprises on MSE suppliers, the following special provisions shall be applicable.
- i. 25% of the tendered quantum is earmarked for MSE suppliers in this tender.
 - ii. If L1 Vendor (or) Counter Offer accepted Vendor is from a Micro / Small enterprise which put together covers 25% of the total tendered quantum, the 25% earmarking provision is not applicable.
 - Out of the 25% tendered quantum reserved for MSE suppliers, 6.25% shall be earmarked for procurement from MSE owned by SC / ST entrepreneurs. In event of failure of such Micro and Small enterprises to participate in the tender process or meet the tender requirements and the L1 price, the 6.25% sub-target for procurement ear-marked MSE owned by SC / ST entrepreneurs shall be met with other MSE enterprise/s.
 - Out of the 25% tendered quantum reserved for MSE suppliers, 3% shall be earmarked for procurement from MSE owned by women entrepreneurs. In event of failure of such Micro and Small enterprises to participate in the tender process or meet the tender requirements and the L1 price, the 3% sub-target for procurement ear-marked MSE owned by SC / ST entrepreneurs shall be met with other MSE enterprise/s.



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- iii. In case MSE Vendor participating in the tender quotes within the price band of L1 + 15%, they will be allowed to supply the portion of the requirement subject to acceptance of L1 price by MSE Vendor. In case of more than one such MSE, the supply shall be shared proportionately, provided the package can be split.
 - iv. In case the Package cannot be split / not envisaged for splitting as per tender, and if a non-MSE Vendor becomes L1, and MSE Vendor also participates in the tender, the MSE Vendor will be given preference for ordering the package provided the MSE Vendor quoted price is within L1 + 15%, and if the MSE Vendor accepts the L1 rate.
 - v. In case of a similar package required for two boilers, if a non-MSE Vendor becomes L1, and MSE Vendor also participates in the tender, then L1 will be ordered with one package of one boiler and MSE Vendor will be given preference for ordering the other package of other boiler, provided the MSE Vendor quoted price is within L1 + 15%, and if the MSE Vendor accepts the L1 rate.
 - vi. This provision for MSE will apply subject to the condition that the participating MSE meets the tender requirements.
 - vii. In case of any change in the MSE status of the bidder, it shall be the responsibility of the bidder to notify the change as a part of the bid document. If at a later date it comes to the knowledge of BHEL that the change in the status has not been intimated by the bidder and the order is obtained under the premise of an MSE, then BHEL would cancel the pending order against this tender and take necessary steps for suspension of the business dealing with the bidder as per the extant guidelines of BHEL for suspension of business dealings with Supplier in-addition to action as per Clause no. 23 of Section I.
 - viii. In case after the bid opening it is seen that no MSE has become L1, then depending on the nature of the item, if it is not possible to split the tendered items / quantities on account of reasons like customer contract requirements of supplying one make for a given project or technical reasons like tendered items being a system, tendered quantity being low etc., then BHEL would not counter offer the L1 prices even though there may be MSE bidders within the +15% band of L1.
- 18.2 As per the Gazette notification from MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES Dtd: 26.06.2020, UDYAM REGISTRATION CERTIFICATE (URC) shall be applicable from 1st April 2021 and the existing enterprises registered prior to 30th June, 2020, shall continue to be valid only for a period up to the 31st day of March, 2021. In light of above, MSE suppliers can avail the intended benefits only if they submit **UDYAM REGISTRATION CERTIFICATE (URC)**. No other document whatsoever shall be entertained for categorizing a Vendor as a MICRO/SMALL ENTERPRISE.
- 18.3 Definitions of MSEs Owned by SC/ST is as Under:
- i. In case of proprietorship firm, proprietor must be SC/ST.
 - ii. In case of partnership firm, the SC/ST partners must be holding at least 51% shares in the unit.
 - iii. In case of private limited companies, at least 51% share must be held by SC/ST promoters.
 - iv. The caste/Tribe/Community certificate issued by the following authorities in the prescribed form for SCs/STs can be considered.



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18.4 Authority to Issue SC/ST Certificate:

- i. District Magistrate/Additional District Magistrate/Collector/Deputy commissioner/Additional Deputy Commissioner/Deputy collector/1st class stipendiary magistrate/Sub divisional Magistrate/Taluka Magistrate/Executive magistrate/Extra Assistant commissioner.
- ii. Chief Presidency magistrate/Additional chief presidency magistrate/Presidency magistrate.
- iii. Revenue Officer not below the rank of tehsildar.
- iv. Sub-Divisional officer of the area where the individual and / or his family normally resides.

18.5 Definitions of MSEs Owned by Women Entrepreneurs is as under:

- i. In case of proprietorship firm MSE, proprietor must be Women.
- ii. In case of partnership firm MSE, Women partners shall be holding at least 51% shares in the unit.
- iii. In case of private limited companies, at least 51% share must be held by Women promoters.

18.6 To avail the benefits of MSE under SC/ST category, the related documents as stated above should be submitted along with tender documents. No benefits shall be applicable for the enquiry if any deficiency in the above required documents is not submitted before the price bid opening.

19.0 VALIDITY OF OFFER

19.1 **OFFER VALIDITY:** Offer submitted by Vendor shall be valid for finalization of contract for **3 Months** from date of tender opening.

19.2 VALIDITY OF CONTRACT

RS01 to RS03: A contract shall be entered into with eligible Vendor(s). The contract thus signed shall be valid for ordering up to **1 Month** from the date of finalization of Contract. Hence, offer of Lowest Bidder as well as Acceptance of Counter offered rate shall be valid for ordering till Validity of contract. Moreover, validity of contract is subject to further extension with mutual consent. PO(s) placed under this contract shall be governed by the T&C's of this Tender till the completion of PO.

20.0 PROGRESS REPORT

20.1 The Vendor Shall E-mail their completion plan and progress report from time to time as and when required by BHEL.

20.2 The submission, receipt and acceptance of such reports shall not prejudice the rights of BHEL, under the contract nor shall operate as estoppels against BHEL, merely by reason of the fact that they have not taken notice of or objected to any information contained in



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such reports. Action as deemed fit would be taken if the progress of work is not satisfactory.

- 20.3 In the event of non-submission of completion plan and progress report, suitable action deemed fit shall be taken against such defaulting Vendor(s).

21.0 GUARANTEE FOR THE FINISHED GOODS

- 21.1 The Vendor shall warrant that the fabrications comply fully with the drawings and other technical conditions specified by BHEL. If the fabrications are found defective owing to faulty workmanship/incomplete work within a period of eighteen months from the date of receipt of respective consignments, the Vendor shall do the necessary repair/rework or replace the defective items free of cost within reasonable time. Alternatively, the rework/replacement charges shall be recovered from the defaulting Vendor if necessary repair/rework or replacement of defective items are not done within reasonable time specified by BHEL.

22.0 LIQUIDATED DAMAGES (LD) / PENALTY

- 22.1 Timely delivery is the essence of the Contract.
- 22.2 The finished jobs 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 Damage (LD) will be levied on the undelivered portion. Liquidated Damage (LD) will be levied at the rate of 0.5% of corresponding PO line item value 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 total PO Value without prejudice to any other relief or compensation to BHEL, under any other condition of the contract and applicable laws.
- 22.3 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.
- 22.4 Since LD shall be recovered invoice wise, so invoice should be submitted for the fully completed DUs/PO Item.
- 22.5 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. In case of amendment in PO, LD will be calculated as per the amended PO.
- 22.6 Invoices received without any request for delivery extension and or without proper justification, LD will be automatically deducted.
- 22.7 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



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beyond this date. Also Vendor has to opt 'YES' for delivery extension required in VIS-B2B. In case of no response it will assumed that delivery extension is not required.

- 22.8 Reasons such as power cut, labour issues, machine break down, etc., which are controllable by the Subcontractor shall not be accepted as reason for delay while requesting for extension of PO delivery date.
- 22.9 Delivery extension, if any, should be obtained before Invoice creation in B2B. Once bill has been submitted & posted, deferred payment amount (max 10 % of PO value) will be withheld until full PO completion & delivery extension completion. Any financial implication on account of delayed delivery shall be borne by the Vendor.

23.0 RISK PURCHASE

- 23.1 In case of delay in delivery beyond PO delivery / mutually agreed delivery, or Vendor/Sub-contractor fails /refuses to complete the PO as per terms or insufficient facilities at sub-contractor's works to execute a PO, BHEL has the right to get the items ordered elsewhere at the risk and cost of the subcontractor with notice to the subcontractor; and the additional expenditure / difference in cost, if any, including consequential cost shall be recovered from the defaulted subcontractor. BHEL may recover from the default sub-contractor any loss to BHEL arising due to withdrawal of orders in such case, and action shall be taken as per latest revision of BHEL Guidelines for Suspension of Business dealings with Suppliers / Contractors.
- 23.2 BHEL has the right to divert/cancel the order if the Vendor has not procured minimum 50% of the quantity of raw materials within half of the delivery period given in a PO. Purchase order placed on steel mills and with proper payment voucher/proof will be considered for not cancelling the PO by BHEL. The submission of data by Vendor for DB clearance by BHEL/QC shall be the proof of procurement. This is to avoid delay in project schedule due to delay in raw material procurement by Vendors. In case the Vendor fails to procure at least 50% of the quantity of raw materials within half of the delivery period given in a PO, BHEL has the right to get the items ordered elsewhere at the risk and cost of the defaulting Vendor and the additional expenditure / difference in cost, if any, including consequential cost shall be recovered from the defaulting Vendor and action shall be taken as per latest revision of BHEL Guidelines for Suspension of Business dealings with Suppliers / Contractors and SEARP.
- 23.3 The default subcontractor shall be liable for any loss, which BHEL may sustain by reason of such risk purchases in addition to liquidated damages as mentioned above.
- 23.4 Vendors pending payments shall be withheld and/or their PBG may be invoked to cover the liabilities of BHEL towards risk purchase, if any.
- 23.5 No compensation shall be given to the sub-contractor, in case of such cancellation/diversion of PO(s) even if the jobs have been processed partly.
- 23.6 **Process of calculating the risk and cost amount is as follows:**
Risk & Cost Amount= [(A-B) + (A x H/100)]
Where,
A= Value of Balance scope of Work/ Supply (*) as per rates of new contract

B= Value of Balance scope of Work/ Supply (*) as per rates of old contract being paid to the contractor/ supplier at the time of termination of contract



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H = Overhead Factor to be taken as 5

In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero).

*(Balance scope of work/ supply)

23.7 Difference of Contract Quantities and Executed Quantities as on the date of issue of Letter for 'Termination of Contract', shall be taken as balance scope of Work/ Supply for calculating risk & cost amount. Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities. Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items total Quantities as per issued drawings would be deemed to be contract quantities. Substitute/ extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute/ extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions. In-case portion of work is being withdrawn, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work/supply' for calculating Risk & Cost amount.

23.8 Liquidated Damage against delay in executed work/supply in case of Termination of Contract: LD against delay in executed work/supply shall be calculated in line with LD clause of the contract for the delay attributable to contractor/ supplier. For this purpose, contract value shall be taken as Executed Value of work/supply for the purpose of limiting maximum LD value. Method for calculation of "LD against delay in executed work/supply" is given below.

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

In case portion of work/supply is withdrawn, no LD shall be applicable for portion of work/ supply withdrawn.

23.9 **GST shall be applicable on amount recoverable from Vendor under Risk & Cost clause as per contract.**

24.0 ACTION AND COMPENSATION IN CASE OF BAD WORKMANSHIP

24.1 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



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within reasonable period, BHEL shall rectify or remove and re-execute the work at the risk and expense of the default Subcontractor.

- 24.2 BHEL will 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.
- 24.3 BHEL shall also have the authority to reject all the work, which does not conform to the specification, to direct the application of forces to any portion of the work as, in their judgement is required, and order the force increased or diminished and to decide on matters which arise in the execution of the work.
- 24.4 BHEL reserves the right to suspend the work or part thereof at any time and no claim whatsoever on this account will be entertained. In case of any dispute, the fabricator may appeal to BHEL whose decision shall be final and binding.
- 24.5 Finished components supplied by Vendor shall be erected at site. Vendor shall be responsible for mismatch of components supplied by them, if any, noticed at site during erection. Any rework shall be carried out by Vendor at their cost and risk including transport, if necessary.

25.0 SUBLETTING

- 25.1 The Vendor shall not sublet or assign this work or any part thereof to any other firm(s) without the written permission of BHEL. In the event of the Vendor subletting or assigning work or any part thereof without permission, BHEL shall be entitled to cancel the Order and execute the same elsewhere at the risk and cost of the Vendor and the Vendor shall be liable for any loss or damage which BHEL may sustain in consequence of such event. Further BHEL has the right to cancel the PO's placed on such Vendor/s and suspend the business dealings with such Vendor/s as per the policy of BHEL. The Vendors who are falling under highest bidder category shall not be considered.
- 25.2 In the event of Vendor subletting or assigning work or any part thereof without such permission, BHEL shall be entitled to cancel the PO and suitable action shall be taken as per BHEL Suspension of Business Dealings and as per **Clause no. 23 of Section-I** of this NIT.

26.0 VENDOR PERFORMANCE RATING

- 26.1 Quality, right at the first time and delivery in time are the essence of the contract.
- 26.2 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



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performance is poor continuously, are liable to be delisted and no orders shall be placed on them.

27.0 VENDOR INFORMATION SYSTEM (VIS)

- 27.1 BHEL will establish communication with our Vendors through Vendor Information system.
- 27.2 Most of the mass communications are sent through VENDOR INFORMATION SYSTEM (VIS) and hence Vendors are advised to access B2B regularly.
- 27.3 Vendor is required to have Internet connectivity. Vendor is required to access our web site on a regular basis.
- 27.4 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.

28.0 CHANGES IN THE APPLICABLE RATE OF TAXES BEYOND THE AGREED DELIVERY PERIOD

- 28.1 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.

29.0 INTEGRITY PACT (IP)

- 29.1 The integrity pact attached with this Tender as per **Section VIII** is an integral part of commercial terms and conditions of this Tender and this may please be signed and sent to us along with the techno-commercial offer in token of acceptance of the conditions of the pact.
- 29.2 'Integrity Pact' is applicable as per Govt. guidelines & all suppliers shall submit the Integrity Pact duly signed and stamped, in order to qualify for further processing of Offer.
- 29.3 IP is a tool to ensure that activities and transactions between the Company and its Bidders/ Contractors are handled in a fair, transparent and corruption free manner. Following Independent External Monitors (IEMs) on the present panel have been appointed by BHEL with the approval of CVC to oversee implementation of IP in BHEL.

Sl. No.	Independent External Monitors (IEMs)	Email
1	Shri Otem Dai, IAS (Retd.)	iem1@bhel.in
2	Shri Bishwamitra Pandey, IRAS (Retd.)	Iem2@bhel.in
3	Shri Mukesh Mittal, IRS (Retd.)	Iem3@bhel.in

- 29.4 The IP as enclosed with the tender is to be submitted (duly signed by authorized signatory) along with techno-commercial bid (Part-I, in case of two/ three part bid). Only those bidders who have entered into such an IP with BHEL would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification. Please refer Section 8 of the IP for Role and responsibilities of IEMs. In case



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of any complaint arising out of the tendering process, the matter may be referred to any of the above IEM(s). All correspondence with the IEMs shall be done through email only.

- 29.5 Note: No routine correspondence shall be addressed to the IEM (Phone/post/email) regarding the clarifications, time extensions or any other administrative queries, etc. on the tender issued. All such clarification/ issues shall be addressed directly to the tender issuing (procurement) department officials whose contact details are provided below:

Name	J Gayathri	M Vijayalakshmi	E Krithiga
Dept.	Contracts/Outsourcing	Contracts/Outsourcing	Contracts/Outsourcing
Phone	0431-257-4622	0431-257-4260	0431-257-4336
E mail:	jgayathri@bhel.in	mvlakshmi@bhel.in	krithiga @bhel.in

- 29.6 The offers of the bidders who are under suspension/banned and also the offers of the bidders, who engage the services of the banned firms, shall be rejected. The list of banned Firms is available on BHEL website <https://www.bhel.com/supplier-registration>.
- 29.7 The offers of the bidders who are under suspension/banned and also the offers of the bidders, who engage the services of the banned firms, shall be rejected. The list of banned firms is available on BHEL website <https://www.bhel.com/supplier-registration>

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

29.8.1 **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.

29.8.2 **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 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.
- ✓ 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 any 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



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bidder/ Supplier/ contractor as per extant guidelines of the company available on www.bhel.com and/or under applicable legal provisions.

30.0 GENERAL CONDITIONS

- 30.1 The offer submitted by Bidders who are under Hold/Ban/Interim Suspension and Bidders who engage the services of the banned Firms/Vendors shall be rejected. List of banned Firms are available in <https://www.bhel.com/supplier-registration>. Offers from such banned Firms shall not be considered.
- 30.2 For participating in this E-tender, Digital Signature Certificate Class III is mandatory for the subcontractor to quote.
- 30.3 Vendor should quote the rate and fill other required details only in the respective fields provided in E-procurement portal.
- 30.4 For this tender, the required documents should be submitted on or before the due date & time for offer submission. Due date extension, if any, will be communicated through NIC portal. Vendor is advised to regularly visit NIC portal to see any updates such as due date extension, issue of corrigendum etc. Submission of offer through hard copy/Email/Fax will not be accepted.
- 30.5 Latest updates on the important dates, Amendments, Correspondences, Corrigenda, Clarifications, Changes, Revisions, etc. to Tender Specifications will be hosted in BHEL E-Procurement portal.
- 30.6 Action against defaulting subcontractors shall be taken in accordance with the latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/ Contractors. Refer link: <https://www.bhel.com/supplier-registration>.
- 30.7 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.
- 30.8 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 subcontractors shall be taken in accordance with BHEL latest Guidelines for Suspension of Business dealings with suppliers/ contractors. Refer link <https://www.bhel.com/supplier-registration>.
- 30.9 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 subcontractors shall be taken in accordance with the latest revision



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of BHEL Guidelines for Suspension of Business Dealings with Suppliers/ Contractors. Refer link: <https://www.bhel.com/supplier-registration>.

- 30.10 Non-Disclosure Agreement (NDA) forms part of this tender (Refer **Section IX**). Non-submission of duly filled NDA will disqualify the Vendor from price bid opening. Sub-contractor shall download NDA and to be uploaded by subcontractor in while submitting their offer after duly filling it. This shall be done to accept the provisions of Non-Disclosure Agreement (NDA).
- 30.11 All the statutory obligations such as ESI, PF, Labour Acts, Factories Act, etc., will have to be taken care of by the Subcontractor. 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 Subcontractor and recovered the respective Subcontractor by suitable means as decided by BHEL.
- 30.12 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 what so ever, 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 honoring 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.
- 30.13 All clarifications pertaining to techno-commercial conditions shall be sought before submitting the offer. No claim for increase in rates will be entertained by BHEL.
- 30.14 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.

31.0 FRAUD PREVENTION POLICY

- 31.1 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 <http://www.bhel.com> and shall immediately bring to the notice of BHEL's management about any fraud or suspected fraud as soon as it comes to their notice.
- 31.2 Fraud prevention policy and List of Nodal Officers shall be hosted on BHEL's website, Vendor portals of Units/ Regions intranet.

32.0 AUTHORISED SIGNATORY FOR SUBMISSION OF OFFER

- 32.1 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



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take utmost care for the use of their Digital Key registered with BHEL for EPS while participating in this NIT.

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

- 33.1 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 16.09.2020 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.
- 33.2 Vendor shall provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant giving the percentage of local content during submission of their offer.

34.0 RESOLUTION OF DISPUTES

- 34.1 The Parties agree that if at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which term shall mean and include any dispute, difference, question or disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the contract/tender which the Parties are unable to settle mutually), arise inter-se the Parties, the same may, be referred by either party to Conciliation to be conducted through Independent Experts Committee to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators.
- 34.2 **Notes:**
- 34.2.1 No serving or a retired employee of BHEL/Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.
 - 34.2.2 Any other person(s) can be appointed as Conciliator(s) who is/are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.
- 34.3 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 **Section XII** to this Terms and conditions.
- 34.4 The **Section XII** together with its appendices will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in this terms and conditions.
- 34.5 Except as provided elsewhere in this Contract, in case amicable settlement is not reached between the parties, 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, then, either Party may, by a notice in writing to other Party, refer such dispute or difference to sole arbitration of an arbitrator appointed as per the Arbitration and Conciliation Act, 1996 (India) or statutory modification or re-enactment thereof and the rules made thereunder and for the time being in force.



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- 34.6 The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the parties.
- 34.7 This contract shall be governed, construed and interpreted in accordance with the laws of India.
- 34.8 Subject as aforesaid, the provisions of Arbitration & Conciliation Act 1996 (India) or statutory modification or re-enactment thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceeding under this clause.
- 34.9 The seat of arbitration shall be Trichy, Tamil Nadu, India.
- 34.10 The cost of arbitration shall be borne as per the award of the Arbitrator.
- 34.11 Subject to arbitration in terms of clause above, the Courts at Trichy, Tamil Nadu, India shall have exclusive jurisdiction over any matter arising out of or in connection with this Contract.
- 34.12 Notwithstanding the existence or any dispute or difference and/or reference for the arbitration, the vendor/contractor shall proceed with and continue without hindrance the performance of its obligation under this Contract with due diligence and expedition in a professional manner except where the Contract has been terminated by either Party in terms of this Contract.
- 34.13 **In Case of Contract with Public Sector Enterprise (PSE) or a Government Department, the following shall be applicable:**
- 34.13.1 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 its resolution through AMRCD as mentioned in DPE OM No.05/003/2019-FTS-10937 dtd. 14TH December, 2022 and the decision of AMRCD on the said dispute will be binding on both the parties.

35.0 CONFLICT OF INTEREST

- 35.1 A bidder shall not have conflict of interest with other bidders. Such conflict of interest can lead to anti-competitive practices to detriment of procuring entity's interests. **The bidder found to have a conflict of interest shall be disqualified from tender enquiry.** A bidder may be considered to have a conflict of interest with one or more parties in the bidding process, if:
- a) They have controlling partner (s) in common; **or**
 - b) They receive or have received any direct or indirect stake from any of them; **or**
 - c) They have the same legal representative/agent for purpose of this bid, **or**
 - d) They have relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder;
 - e) Bidder participates in more than one bid in this bidding process. Participation by a bidder in more than one bid will result in the disqualification of all bids in which the



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parties are involved. However, this does not limit the inclusion of the components/ sub-assembly/ Assemblies from one bidding manufacturer is more than one bid; **or**

- f)** In cases of agents quoting in offshore procurements, on behalf of their principal manufactures, one agent cannot represent two manufacturers or quote on their behalf in a particular tender enquiry. One manufacturer can also authorize only one agent/dealer. There can be only one bid from the following:

1. The principal manufacturer directly or through one Indian agent on his behalf; and
2. Indian/foreign agent on behalf of only one principal;

or

- g)** A bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid; **or**
- h)** In case of a holding company having more than one independently manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/ common business/ management units in same/ similar line of business.

- 35.2 Vendor to upload duly filled Annexure E regarding Conflict of Interest while submitting their offer.