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# BHARAT HEAVY ELECTRICALS LIMITED



TENDER SPECIFICATION

FOR

MARINE-CUM-STORAGE-CUM-ERECTION INSURANCE

OF

FLUE GAS DESULPHURIZATION (FGD) PACKAGE

For

1 X 800 MW NORTH CHENNAI THERMAL POWER PROJECT  
STAGE III

TENDER NO. BHEL: CO: FIN: INS: PSSR:NCTPS:FGD

## VOLUME – I

TECHNO-COMMERCIAL BID

**BHARAT HEAVY ELECTRICALS LTD.**

CORPORATE FINANCE

BHEL HOUSE, SIRI FORT

NEW DELHI – 110 049.

DATE OF SUBMITTING OF BIDS: On or before **1600 hrs on 04.07.2022**

DATE OF OPENING TECHNO-COMMERCIAL BIDS: **1630 hrs on 04.07.2022**

PLACE OF BID OPENING: BHEL HOUSE, SIRI FORT, NEW DELHI



## BHARAT HEAVY ELECTRICALS LTD.

(A Government of India Undertaking)

CORPORATE FINANCE DEPARTMENT

BHEL HOUSE, SIRI FORT

NEW DELHI – 110 049.

TENDER NO. BHEL: CO: FIN: INS: PSSR: NCTPS: FGD

### IMPORTANT NOTE

Receiver of this tender document is advised to check and ensure completion of all pages of tender document and report to the issuing authority any discrepancy in time for corrective action, if any before 25.06.2022.

It is expected that bidders shall not take any deviations from tender terms and conditions. The tenderer shall clearly certify the same in the no-deviation statement. BHEL reserves the right to accept or reject the bids with deviations with or without any further discussions.

However, if seeking deviation is felt necessary, there shall be bare minimum deviations and the clauses of the tender which are not acceptable in their present form and the deviation sought, if any, shall required to be specifically mentioned in the deviation statement.

The deviations mentioned elsewhere in the techno-commercial bid or the price bid shall not be considered by BHEL.

**Note: 1)** All the queries on the tender may please be sent to us latest by 25.06.2022 through email to [kamlesh.agarwal@bhel.in](mailto:kamlesh.agarwal@bhel.in) and [neeraj@bhel.in](mailto:neeraj@bhel.in) so as to avoid any delays at the later date. Clarifications/amendments, if any, shall be sent to the Underwriters.

(2) The Insurance Co(s). with whom litigation / arbitration are going on or with whom BHEL is having unresolved disputes for settlement of genuine claims may not be considered for the tender.

(3) In case bids are received from more than one branch of an Insurance Company, only one bid shall be considered for opening. In this regard, the choice of bid to be opened shall be at the sole discretion of BHEL.



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authorized officials of Underwriter



## BHARAT HEAVY ELECTRICALS LTD.

(A Government of India Undertaking)

CORPORATE FINANCE DEPARTMENT

BHEL HOUSE, SIRI FORT

NEW DELHI – 110 049.

By Courier / Hand / Regd. Post/email

### LETTER INVITING TENDER

REF: BHEL: CO: FIN: INS: PSSR: NCTPS:FGD

Dated: 18.06.2022

M/s \_\_\_\_\_

Sub: Marine-Cum-Erection Comprehensive Insurance Policy for Flue Gas Desulphurization (FGD)  
Package for 1 X 800 Mw North Chennai Thermal Power Project Stage III

Dear Sirs,

Sealed tenders are invited in two-bid system from General Insurance Companies having business experience of at least 5 years' as on 31.03.2022, where Part-I shall form the **Techno-Commercial Bid** and Part-II shall form the **Price Bid**. A set of tender documents is enclosed for submission of your most competitive offer as well as for the information asked for in the tender specifications, to the undersigned, **latest by 1600 hrs on. 04.07.2022 Techno-Commercial Bid shall be opened at 1630 hrs on the same day in presence of** tenderers who may like to be present at that time. The date of opening of the Price Bid will be intimated subsequently. Bidders may be called for Techno-Commercial discussions, if so required, before price-bid opening. They are requested to keep in touch with BHEL for knowing the date and time of Price Bid opening. **However, in case there is no deviation, Price Bid is likely to be opened immediately after opening of the Techno-Commercial bid. Otherwise, the date of opening of Price Bid will be intimated subsequently.**

**All the queries on the tender may please be sent to us latest by 25.06.2022 through email to [kamlesh.agarwal@bhel.in](mailto:kamlesh.agarwal@bhel.in) and [neeraj@bhel.in](mailto:neeraj@bhel.in), so as to avoid any delays at the later date. Clarifications/amendments, if any, shall be sent to the Underwriters.**

BHEL reserves the right to accept or reject any tender including lowest one, in part or full, without assigning any reason whatsoever. We also reserve the right to choose the Co-Insurer(s) and percentage sharing.

The bidders are also to note the following:

- The rates should be quoted net of the discounts and inclusive of Goods and Services tax (GST).
- No subsequent increase in premium rates will be allowed under any circumstances.
- Secrecy of BHEL information/documents to be ensured at all times.

  
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- d) Guidelines issued by IRDA/TAC time to time with regard to Insurer's responsibility & liability towards insured shall be automatically applicable to this Insurance contract to the extent they improve upon the stipulation of this tender from BHEL's view.
- e) Unsolicited Price bid shall not be entertained.
- f) In case two provisions to the tender are considered to be contradictory, the same shall be pointed out as a part of Techno-Commercial bid. BHEL's decision in this respect will be final.
- g) The offer of the Bidder shall have to be kept valid for a period of 3 (three) months from the date of opening of Techno-Commercial Bid.
- h) **The MCE cover shall start from the date of despatch of first consignment or date of first instalment premium payment whichever is later. The approximate date of likely commencement of despatch is detailed elsewhere in the enquiry.**  
**The final date of cover shall accordingly vary and provision for extensions will be available in the policy.**

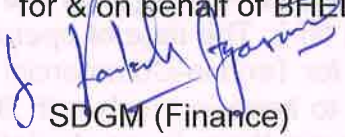
**The tender should be submitted through Govt. e-Marketplace (GeM).**

Kindly note that in case you are not interested to submitting the offer for any reasons, you may please send a regret letter indicating reasons for the same immediately not later than the due date. Clarifications if any, on the tender shall be sought by the bidders on or before 25.06.2022.

For the sake of understanding, it is clarified that the contents of the Letter inviting Tender is part of Tender terms and conditions.

Thanking you,

Yours Sincerely  
for & on behalf of BHEL

  
SDGM (Finance)

**Encl: One set of documents**



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## PROJECT INFORMATION

### Salient features of the Project site:

|   |                  |                                                                                                                                                                                                                                                                                  |
|---|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Site location:   | In the premises of North Chennai Thermal Power Station (NCTPS)                                                                                                                                                                                                                   |
| 2 | Approach:        | <ul style="list-style-type: none"> <li>The proposed site for main power plant is located near Ennore port (approx 5 km) and also 35 km from Chennai City.</li> <li>All-weather road from Pattamandri on the Thiruvotriyur-Ponneri highway is the nearest road access.</li> </ul> |
| 3 | Nearest Airport: | The nearest airport is at Chennai at a distance of 60 km.                                                                                                                                                                                                                        |
| 4 | Railway Station: | The nearest Railway station is at Athipattu Pudunagar (approx 5 km)                                                                                                                                                                                                              |
| 5 | Seismic data:    | Zone: III as defined in IS:1893-2002                                                                                                                                                                                                                                             |
| 6 | Capacity:        | 1 X 800 MW                                                                                                                                                                                                                                                                       |
| 7 | Fuel:            | Thermal (Coal)                                                                                                                                                                                                                                                                   |

The tenderers are however, advised to acquaint themselves with the site conditions, before submitting their offer. No complaints whatsoever, on account of non- familiarization with the site conditions, will be entertained.

BHEL is awarded with the EPC of FGD package - Design, engineering, procurement, manufacturing, assembly, inspection, testing at manufacturer's works, packing, forwarding, transporting and insurance, supply of complete Flue Gas Desulphurization (FGD) system and auxiliaries including mandatory spares at site, erection, testing, commissioning, trial/ reliability run, conducting performance guarantee tests and final acceptance of the FGD systems on engineering, procurement and construction (EPC) basis for 1 X 800 MW North Chennai Supercritical Thermal Power Project Stage – III at Ennore, North Chennai, Tamil Nadu. Any item or works though not specifically mentioned but needed to complete the equipment and systems to meet the intent of the specification shall be provided by BHEL within the contract price.

For the purpose of erection of these projects, BHEL engages sub-contractors of high competence level and proven capability. Selection of major sub-contractor is done with a stringent system involving BHEL's client. All construction activities are carried out strictly in accordance with field quality plan approved by client. Client is also very actively involved during execution of the work at site with the well-experienced team of BHEL specialists.

As a result of consistent good practices and being an ISO 9000 (Quality Mgmt. system), ISO 14001 (Environmental Mgmt. system) and OHSAS 18001 (Occupational Health & Safety system) certified organisation, BHEL has achieved remarkable result in this field and also committed to achieve better in times to come.



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authorized officials of Underwriter*

## **Scope of Work by BHEL:**

1. EPC of FGD package - Design, engineering, procurement, manufacturing, assembly, inspection, testing at manufacturer's works, packing, forwarding, transporting and insurance, supply of complete Flue Gas Desulphurization (FGD) system and auxiliaries including mandatory spares at site, erection, testing, commissioning, trial/ reliability run, conducting performance guarantee tests and final acceptance of the FGD systems on engineering, procurement and construction (EPC) basis for 1 x 800MW North Chennai Supercritical Thermal Power Project Stage – III at Ennore, North Chennai, Tamil Nadu. Any item or works though not specifically mentioned but needed to complete the equipment and systems to meet the intent of the specification shall be provided by BHEL within the contract price. The FGD System shall be based on wet limestone forced oxidation process. Each unit shall be provided with independent/dedicated absorber. The contractor shall conduct CFD Model of the FGD system gas path.

## **2. Milestone (Tentative Dates):**

| SL.NO | MILESTONE ACTIVITY                   | TENTATIVE DATES                        |
|-------|--------------------------------------|----------------------------------------|
| 1.    | COMMENCEMENT OF DISPATCH OF MATERIAL | June/July 2022                         |
| 2.    | START OF ERECTION ACTIVITY           | July 2022                              |
| 3     | TRIAL OPERATION COMPLETION           | Unit#1-Within 30 Months from July-2022 |

  
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 authorized officials of Underwriter



## SECTION - I

### GENERAL INSTRUCTIONS TO TENDERERS

1. This tender, shall be duly signed & stamped on each page and shall be submitted through GeM portal as per details provided in the letter inviting tender. The tenders received through other mode are liable to be rejected.
2. Tenders shall be opened at the time and date as specified in the tender notice on GeM portal in the presence of such of those Underwriters or their authorized representatives who may choose to be present.
3. The Underwriters shall closely peruse all the clauses and specifications indicated in the Tender Documents before quoting. Only such clarifications that are issued after discussions on technical deviations and which affect the tender stipulations in a substantial manner will be made known to rest of the tenderer before opening the bid. **Bidders may contact us before scheduled opening of the Price Bid to find out whether any clarifications have been issued or not, so as to eliminate chances of the same having not reached the right person/ office despite their dispatch by us.**
4. Underwriters must fill up all the schedules and furnish all the required information as per the instructions given in various sections of the tender specification, failing which tender is liable to be rejected.
5. The bidders shall quote the rates both in English words as well as in Figures.
  - a) If, in the price structure quoted for the required goods/ services/ works, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
  - b) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
  - c) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
  - d) If there is such discrepancy in an offer, the same shall be conveyed to the bidder with target date up to which the bidder has to send his acceptance on the above lines and if the bidder does not agree to the decision of BHEL, the bid is liable to be ignored.
6. All corrections and insertions shall be duly counter-signed by the authorized signatory of the underwriter.
7. The underwriter will not change the dealing office without prior approval of BHEL.
8. **Documents to be submitted by the successful bidder:** In addition to other requisite documents, the following will also be submitted by the successful bidder.

  
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- (i) Sets of claim forms for various covers viz. Marine, Theft, Erection claims in adequate number.
- (ii) Sets of documents needed for settlement of each type of Claim
- (iii) Nomination of offices/representatives from Delhi and the site location who will attend to the requirements of respective offices, reply to all the queries and coordinate with the serving office/ officials.

**9. Documents to be submitted in the Techno-Commercial Bid:**

- (i) Deviation Statement – **Annexure I**. Deviations, if any, are to be mentioned in the deviation statement only. The deviations mentioned elsewhere in the techno-commercial bid or the Price bid shall not be considered by BHEL.
- (ii) Declaration sheet – **Annexure II**
- (iii) Certificate of Declaration for Confirmation of IRDA / TAC guidelines – **Annexure III**
- (iv) Declaration – **Annexure IV**
- (v) List of Internationally accepted exclusions – **Annexure V**
- (vi) Discount in Premium beyond Policy period – **Annexure VI**
- (vii) Un-Priced Price Schedule – **Annexure-VII**

The following documents are also to be annexed as part of the Techno-Commercial Bid:

- (i) Original tender document to be signed and returned as a token of acceptance of tender condition subject to technical deviation mutually agreed between BHEL and successful bidder.
- (ii) Valid Power of Attorney

- 10. The terms and conditions regarding Cancellation of Policy and its Consequences shall be in line with the IRDA Guidelines / TAC governed Policy wordings. All provisions in the Tariff in this regard will be applicable.
- 11. The selected Underwriter will be liable to meet all requirements of the Regulator (IRDA) inclusive of penalties / payment of difference in premium arising out of violations (if any), committed by the Underwriter prior to / during / after the commencement / expiry of coverage of risk under this Policy and BHEL in no way will be responsible for such violations.

**12. Validity of offer:**

**THE OFFER SUBMITTED BY THE UNDERWRITER SHALL BE KEPT VALID FOR ACCEPTANCE FOR A PERIOD OF THREE MONTHS FROM THE DATE OF OPENING OF TECHNO-COMMERCIAL BID.** In case we call party(ies) for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the Tenderers unless otherwise agreed upon.

**13. FORMATION OF CONTRACT**

All the documents issued by BHEL as well as accepted by it up to the stage of premium payment will form part of the contract. Some of the examples are: Tender Document, Techno-Commercial/ Price Bid, MOM, MOU, Deviation Statement etc



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14. BHEL will not be bound by any Power of Attorney granted by the Underwriter or by changes in the composition of the firm made subsequent to the execution of the contract. BHEL may, however, recognize such Power of Attorney and changes at its discretion proper legal advice.
15. If the Underwriter gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract, if awarded. The MOU which will be evolved out of the documents exchanged is from tender to expression of intent will be required to be signed within 3 days of LOI. The Policy document complete with endorsement etc. will be made available to the site and Region office within a week of issuance of cheque, as submission of insurance policy is a pre-requisite of the payment by the customer.
16. Canvassing in any form in connection with the tender is strictly prohibited and the tenders submitted by the Underwriter who resorts to canvassing are liable to be rejected.

#### 17. STEPS IN THE PROCESS OF THE TENDER BY BHEL

**17.1 Technical Qualification:** As a first step of evaluation process, Techno-Commercial bid of all the bidders shall be opened & scrutinized with a view to determine technical acceptability of the offers and to check submission of the required documents. If required, bidders shall be called for technical discussions.

**17.2** Issue of clarifications, if applicable

**17.3** Opening of price bids: Price bids of techno-commercially qualified bidders will only be opened and evaluated.

#### **17.4 Price Bid Evaluation:**

**Party quoting lowest Premium (incl. GST) in the Price Bid and adhering to tender stipulations in an unqualified manner will normally be declared L-1.**

#### **17.5 Evaluation in case of more than one L-1 bidder**

In Course of evaluation, if more than one bidder happens to occupy the L-1 status, effective L-1 will be decided by soliciting discounts from the respective L-1 bidders.

In case more than one bidder happens to occupy the L-1 status even after soliciting discounts, the L-1 bidder shall be decided by a toss/ draw of lots, in the presence of the respective L-1 bidder(s) or their representative(s).

Ranking will be done accordingly. BHEL's decision in such situations shall be final and binding.

#### **18.0 Business Sharing:**

The Consortium of Insurance Companies for the purpose of award of work will consist of Lead Insurer and three Co-Insurers. The business will be shared in the ratio of 50:25:15:10 between the Lead Insurer and three Co-Insurers provided Co-Insurers match L1 rate.

  
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- 18.1 However, if any one of the Underwriters who are offered co-insurance share fail to accept the share of co-insurance, the business will be shared in the ratio of 60:25:15 between the Lead Insurer and two co-insurers.
- 18.2 However, if any two of the Underwriters who are offered co-insurance share fail to accept the share of co-insurance, the business will be shared in the ratio of 75:25 between the Lead Insurer and the co-insurer.
- 18.3 However, in case all L2, L3 and L4 parties, who are offered co-insurance share, fails to accept the share of co-insurance, BHEL reserves the right to ask L1 bidder to underwrite 100% policy.
- 18.4 In the event of Private Sector Insurance Company becoming Lead Insurer or L2/L3/L4 and are offered co-insurance share, they will be required **not to retain more than 40% of their share**. The balance will be re-insured with GIC and/or at least A+ rated international re-insurer.
- 18.5 The Lead Insurer shall be solely responsible to BHEL for effective execution of the Policy including co-ordination with the BHEL Unit(s)/Region(s), Co-Insurer(s) etc. for collection of premium, issue of Policy document and prompt claim settlement.

## 19.0 MODE OF PAYMENT OF PREMIUM INSTALMENT

BHEL will pay the premium in quarterly instalments as per market convention. All premium instalments shall be paid by PSSR, Chennai. Insurer shall send Bill/notice for payment of premium instalments at least 30 days before the Instalment due date. BHEL shall inform insurer telephonically to depute their representative to collect the cheque from concerned officials of BHEL. In case Insurer fails to collect premium on or before due date the same will be dispatched through Registered Post on due date. BHEL shall not take any responsibility for late receipt of cheque sent through post. *BHEL reserves the right to make payment electronically through ECS / RTGS.*

- 20.1.1 **Taxes & Duties:** The premium should be quoted net of the discounts and inclusive of Goods and Services Tax (GST).
- 20.1.2 To enable BHEL to avail GST Input Tax Credit (ITC), the underwriter shall submit GST Compliant Tax Invoice containing all the particulars as stipulated under Invoice Rules of CGST Rules, 2017 as amended from time to time. Such invoice shall be submitted within prescribed time limit in the name of **BHEL-PSSR, Chennai (GSTN: 33AAACB4146P2ZL)**.
- 20.1.3 Underwriter shall ensure strict compliance of GST Act & Rules so that input tax credit is available to BHEL. In case of any loss to BHEL on account of non-compliance by underwriter, the same shall be to the underwriter's account. BHEL shall have the right to take necessary steps to protect its interest.



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- 20.1.4 Any statutory changes as and when made applicable by the Government shall become applicable against documentary evidence.
- 20.1.5 While making the payment, statutory deductions as applicable, shall be made by BHEL. Payment to the Underwriter will be subjected to TDS as per Rules in force from time to time and a certificate to this effect shall be provided to the Underwriter by BHEL.
- 21.0 **Rights of BHEL:** BHEL reserves to itself the following rights in respect of this proposal / contract without entitling the insurer to any compensation. In case, due to any of the reasons / causes mentioned below, BHEL decides to cancel the Policy, the consequences for the same shall be as per Clause 10.
- 21.1 If the Underwriter gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract, if awarded.
- 21.2 To short close/ terminate the policy after due notice in the event of claims not getting settled in time/ Service not being rendered to BHEL's satisfaction.
- 21.3 To get the policy serviced through another Insurance Co. in the event of poor servicing of the policy.
- 21.4 All the works shall be carried out under the directions and to the satisfaction of BHEL.
- 21.5 If the services of the division / branch of the Insurance Company selected are found to be deficient, BHEL reserves the right to change the division/branch of insurance company during the cover period.
- 21.6 In case a particular branch of the underwriter fails to give service to the entire satisfaction of the unit concerned, the coordinating office of the underwriter in Delhi will serve the unit directly. If this arrangement does not work to BHEL's satisfaction, the policy will be shifted to another underwriter of BHEL's choice.
- 21.7 The acceptance or non-acceptance of tender will entirely rest at the sole discretion of BHEL and does not bind BHEL to accept the lowest tender or any other tender and to reject any or all of the tenders without assigning any reasons whatsoever. The decision of BHEL in this regard shall be final.
- 21.8 Those Insurance Cos. with whom litigation / arbitration are going on or with whom BHEL is having unresolved disputes for settlement of genuine claims may not be considered at the sole discretion of BHEL for award of any fresh job till resolution of the same and the decision of BHEL in this regard shall be final and binding on all bidders.
- 22.0 BHEL shall be issuing enquiry to insurance company and all dealings prior to award and after award policy will be only with underwriter directly. No broker/agent will be allowed.

## 23.0 ARBITRATION

23.1 The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 for disputes related to the quantum of the claim. All disputes,

  
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related to the quantum of claim, between the parties to the contract arising out of or in relation to the contract other than those for which the decision of the Engineer or any other person is by the contract expressed to be final and conclusive, shall after written notice by either party to the contract to the other party be referred to sole arbitration of the General Manager or his nominee. The parties to the contract understand and agree that it will be no objection that the General Manager or the person nominated as Arbitrator has earlier in his official capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official outlet had expressed on all or any of the matters in dispute or difference.

- 23.2 In the event of the Arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the Court for any reason, it shall be lawful for the General Manager or his successor, as the case may be, either to act himself as the Arbitrator or to appoint another Arbitrator in place of the outgoing Arbitrator in the manner aforesaid.
- 23.3 The Arbitrator may, from time to time, with the consent of both the parties to the contract, enlarge the time for making the award.
- 23.4 Work under the contract shall be continued during the arbitration proceedings. The venue of the arbitration shall be the place from which the contract is issued or such other place as the Arbitrator at his discretion may determine.
- 23.5 All the above clauses will apply to the extent and in the manner that is commensurate with the Arbitration Act.

**24. Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).  
(Applicable to PSU Bidders only)**

"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) inter se, such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018".

25. **Fraud Prevention:** The bidder along with its associates/ collaborators/ sub-contractors/sub-vendors/ consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the BHEL management about any fraud or suspected fraud as soon as it comes to their notice.
26. **Shifting of Policy:**  
In the event of insured shifting his office from the present location of Kolkata/ Delhi to other place due to any reasons, the policy will be shifted to the Divisional Office of Insured's new location by mutual agreement.  
**The underwriter will not change the dealing office without prior approval of BHEL.**

**27. Responsibility for re-insurance arrangement**



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It will be the responsibility of Tenderer to go for suitable re-insurance arrangement. It is mandatory on the part of insurer to furnish the details of re-insurance arrangement.

However, for all purposes, the Tenderer shall deal only with insured parties who shall be responsible for this insurance as a whole. Re-insurance is to be done with GIC in India and/or A+ rated international re-insurers.

## **28.0 PARTIES WHOSE INTERESTS ARE INSURED**

(FOR EAR/MCE & THIRD PARTY LIABILITY POLICY COVERS)

### **1. Principal Beneficiary:**

**M/s. TAMIL NADU GENERATION AND DISTRIBUTION CORP. LTD**  
**Chief Engineer/Projects,**  
**TANGEDCO – Tamil Nadu Electricity Board,**  
**5th Floor, Western Wing,**  
**NPKRR Maligai, 144, Anna Salai,**  
**Chennai – 600 002.**

### **2. Executing Agency:**

**M/s. Bharat Heavy Electricals Ltd.,**  
**Power Sector Southern Region,**  
**Tek Towers, No.11, Old Mahabalipuram Road,**  
**Okkiyam Thoraipakkam,**  
**Chennai-600097**  
**AND**  
**SUB-CONTRACTORS/ Vendors/ BHEL Units**

## **29.0 LAW GOVERNING THE CONTRACT AND COURT JURISDICTION**

The Contract shall be governed by the Law for the time being in force in the Republic of India. The Civil Court at New Delhi, having ordinary Original Civil Jurisdiction shall alone have exclusive jurisdiction in regard to all claims in respect of this Contract.

## **30.0 ISSUE OF NOTICE**

The Underwriters shall furnish to the Engineer, the name, designation and address of his authorized agent. All complaints, notices, communications and references shall be deemed to have been duly given to the Underwriters, if delivered to the underwriter or his authorized agent or left at or posted to the address either of the underwriter or his authorized agent and shall be deemed to have been so given in the case of posting on the day on which they would have reached such address in the ordinary course of post or at which they were so delivered or left.

## **31.0 USE OF LAND**



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No land belonging to BHEL or its customer under temporary possession of BHEL shall be occupied by the Underwriter without the written permission of BHEL.

## 32.0 LAW GOVERNING THE CONTRACT AND COURT JURISDICTION

The Contract shall be governed by the Law for the time being in force in the Republic of India. The Court of Law at New Delhi having exclusive Jurisdiction shall have jurisdiction to entertain and decide all disputes arising out of or in connection with the Contract.

## 33.0 ISSUE OF NOTICE

The Underwriter shall furnish to the Engineer, the signed declaration and address of his authorized agent. The Underwriter shall be responsible for the delivery of the notice to the Engineer. The notice shall be deemed to have been duly given to the Engineer if it is delivered to the authorized agent of the Underwriter. The notice shall be deemed to have been duly given to the Engineer if it is delivered to the authorized agent of the Underwriter. The notice shall be deemed to have been duly given to the Engineer if it is delivered to the authorized agent of the Underwriter.



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## SECTION II

### SPECIAL CONDITIONS OF CONTRACT

#### 1.0 OVERALL SCOPE OF THE POLICIES:

Scope of these specifications cover issuance and servicing of

#### 1. Marine and Storage-cum-Erection (SCE) Policy

The above policy shall be for providing Cover on "ALL RISKS" basis in the best interest of "insured" (BHEL) against physical loss or damage to the subject plant and machinery insured in consideration of premium paid, thereby protect the "Insured" (BHEL) by providing indemnity or make good of the loss in monetary terms against all uncertain contingencies.

This cover i.e MCE Cover can be arranged in the joint names of M/s TANGEDCO and BHEL, PSSR covering interests and risks of M/s TANGEDCO., as the principal, M/s BHEL, PSSR as the Contractor and including all the sub-contractors employed by BHEL.

The scope of work to be executed by BHEL, PSSR is indicated elsewhere in the tender enquiry.

The risk Coverage under the policies so issued by the "Underwriter" shall be applicable from the moment goods/consignments are lifted, mechanically or manually, from anywhere in India/abroad, for loading onto the transport (all modes included) and remain in force during transit up to the site of erection, unloading and storage at site (including materials already received at site) and at port cities for bonding and/or allocation to vendors for fabrication jobs etc., during hold ups due to procedural delays and transportation bottlenecks or clearance by various agencies, handling/shifting of goods/consignments for the purpose of assembly, erection, testing and commissioning and until completion of erection, testing, commissioning and initial operation of all connected systems in respect of equipment covered and during extended warranty period. Basically "All Risks" arising out of the following perils shall deem to have been covered under the policy.

In brief but not limited to, the following shall be covered under the policy.

**Location Risks:** Such as Fire, Lightning, Theft, Burglary, Pilferage, Short delivery, Non delivery, Breakage etc.

**Handling Risks:** Such as Impact of falling objects, Transportation, Collision, failure of cranes, Denting, Bending, Tearing, bursting etc. whether caused by BHEL itself, its sub-contractors, customers or other parties.

**Operation/Maintenance:** Such as Failure of safety devices, Leakage of electricity or water, Insulation failures, short circuits, tearing apart on account of centrifugal forces, entry of foreign material/ substances, explosion, fire while carrying out welding / gas cutting, damage to plant & equipment under erection and surrounding properties of the owner etc.

**Risks of Human:** Such as Carelessness, Negligence (excluding wilful negligence), Faults in Element Erection, RSMD (Riot, Strike, Malicious Damage), SRCC (strike, riots, civil commotion), Terrorism etc.



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**Acts of God:** Such as Storm, Flood, Tempest, Hurricane, Inundation, Subsidence, Land slide, Rock slide, Earthquake.

The Marine policy shall include the following conditions also without any extra premium:

- 1) All risk institute cargo clause 'A'
- 2) Air freight cover
- 3) Institute replacement clause, special replacement clause (Air duty) and deferred unpacking clause.
- 4) Insurers right of subrogation against insured parties (excluding carriers) waived.
- 5) RSMD
- 6) Warehouse to warehouse basis
- 7) War, SRCC

### 1.1 BASIS OF SUM INSURED:

The "Sum to be insured" is the value of the goods / Plant / Machinery / equipment / other materials and consumables dispatched from BHEL Units / Divisions and their Vendors/suppliers in India and abroad at the time and condition it was just prior to the accident/Mishap. It is the duty of the "underwriter" to put back the "insured" (BHEL) in the same position as was prior to the accident/ mishap.

#### a) Marine Cum Erection cover:

##### 1.1a.1) Marine Cover

- i) 110% of Ex-manufacturing works Supply of Main equipment and mandatory spares within the employer country.
- ii) 110% of Applicable Taxes & duties plus packing and forwarding plus freight plus all other expenses.

##### 1.1a.2) Storage, Erection, Testing Cover

- Plus cost of storage, erection and testing which, inter-alia, includes:
- Erection, Testing and Commissioning Charges including SCE Insurance, including supervision and other incidental services by Vendors and BHEL Units/divisions.
- Testing period of **One month** after commissioning
- Temporary civil works covering project office building, storage sheds, storage yard.
- Project Office Buildings and all office equipment and furniture
- Enabling facilities like temporary roads, temporary lighting, Construction Power Distribution Network and construction water etc.
- Miscellaneous Erection and testing expenses.



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- Cost of material handling at site.
- Cost of contingencies such as requirement of foreign experts at site in case of damage/ loss to connected plants.
- Cost of lubricants, consumables.
- Supervision charges for BHEL engineers.
- Permanent Civil Works such as Buildings, Foundations, earthwork including materials for the construction thereon.
- Free Issue Materials

Should there be any act of "addition" or "omission" of the factors on the part of the "insured" which in the opinion or in view of the "underwriter" is "not required" or "required to be accounted for" the same shall be brought to the notice of the "insured" before Submission of Offer to enable BHEL clarify the matter, failing which BHEL will not accept rejection/ short settlement of claim.

**1.1a.3) Escalation required under the SCE/ Installation all risks Policy: 10% of Sum Insured**

## **1.2 PROCEDURE FOR CLAIM SETTLEMENT**

1.2.1. The underwriter will put in place such a claim procedure that is positive prompt transparent and targets for 'zero' pendency status. Towards this end the underwriter will endeavour to educate the BHEL officials w.r.t. procedures and documentation requirement. A joint meeting between potential surveyors, underwriters and BHEL will be organized at the time and place suggested by BHEL for discussing this matter. The underwriter will take a fortnightly report from the surveyor to ensure the success of the procedure and keep BHEL posted.

1.2.2 The Insurer shall immediately depute or authorize the Insured to call a surveyor(s) from the approved panel but not later than 2 working days of receipt of intimation from the Insured in exceptional cases.

1.2.3 The surveyor shall call for all the documents in support of claim in one go but not in piecemeal manner for expeditious settlement of claim, preferably at the time of visit or within 3 days thereafter.

If for any reasons BHEL does not respond/ provide all the particulars required by the surveyor, the insurer or surveyor as the case may be shall remind within 2 weeks in writing the site with a copy to their Regional Headquarters. In exceptional situations copy may be sent to this office also.

1.2.4 The surveyor shall send his findings to the Insurer within 15 days of his getting documents.

1.2.5 In case the claim is not found tenable or not settled for the claimed amount. He will seek the comments of BHEL within a week of receiving the survey report. The final view shall be taken within 15 days of receipt of reply.

In normal circumstances the claim has to be settled within 30 days from the date of first information, net of the time taken by BHEL for responding to surveyor's/ underwriter's comments.



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1.2.6 In order to minimize the procedural formalities and in view of the insignificance of amount w.r.t. the project size, all the Marine claims up to Rs 20,000/- over and above the excess/ deductible franchise will be settled on the basis of statement signed by two officials of BHEL.

1.2.7 The insured will give required relevant document to the extent possible for settlement of claims. However, in case of non-availability of required documents Insurer will settle the claims based on the market information and engineering estimates. In short the emphasis should be on the spirit of indemnity and not on procedures.

### 1.3 EXTRA PREMIUM:

#### Underwriter to Indicate

Rates for extension of Erection and Testing period. **Rates must be inclusive of Premium for Add-on covers.**

#### **IMPORTANT NOTE:**

a) The premium rates should be quoted net of discount and exclusive of GST.

b) No subsequent increase in premium rate during entire policy period will be allowed.

### 2.0 EXCESS/ DEDUCTIBLE

#### **For Marine Cover:**

- 0.25% of consignment value subject to minimum of Rs 20,000/

#### **For Storage /Erection and Testing Cover:**

- Normal Excess: 5 % of the claim amount subject to a minimum of Rs. 75,000 EEL.
- Testing Excess: 5% of the claim amount subject to minimum of Rs. 2,00,000 EEL.
- **Act of God Perils**  
10% of the claim amount subject to minimum of testing period excess with an upper limit of Rs 5 Crores.
- **Fire / Explosion Claims:** Minimum Excess as per Tariff

### 3.0 SELF-SURVEY LIMIT:

For all claims this limit will be **Rs. 20,000** over and above the excess applicable.

### 4.0 DOCUMENTS FOR REPLACEMENT / REPAIR COST.

The contract price is the sale price agreed with FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III. The cost includes dismantling, production, procurement, erection cost plus taxes and other expenses. The items supplied to site are billed by BHEL

  
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progressively based on notional/ pro-rata per Kg rate also the amounts in the invoices to **M/s TANGEDCO** / Gate Pass are based on such pro-rata/ notional rates. In the event of a loss, replacement / repair cost will be furnished by BHEL through Cost Certificates reflecting actual cost/ expenses inclusive of expenses incurred on visit of officials/ experts (including foreign experts) as well as testing charges, if any, and the supervision cost by BHEL engineers to site. The claims shall be settled on the basis of cost indicated in the Cost Certificate by concerned BHEL Units and the site office that carry out such repair/replacement.

Taxes/duties will be payable by the underwriter based on actuals, which shall include payment or reversal of the same.

## 5.0 COST OF REPAIR / RECTIFICATION OF DAMAGED ITEMS:

It is usual that certain Repair / Rectification works arise due to damages to project materials. The required Repair/ Rectification may be carried out by BHEL or by Vendors of BHEL at their works under the supervision of BHEL Engineers.

The expenses incurred on Repair/Rectification such as Cost of Material, Cost of Labour, Other Direct Cost of Repair / Rectification, All Indirect Costs apportioned in Repair / Rectification Activity of Concerned Repair / Rectification Agency, Testing Charges, Supervision Charges of Technicians/Engineers of BHEL, etc. are to be borne by the underwriter.

For this purpose, Cost Certificate will be issued by the concerned Unit of BHEL and the same will be accepted by the underwriter without any dispute for settlement of insurance claims.

Supervision Charges at site, if applicable for Re-erection/Dismantling etc., will be paid along with the Site Overheads (which will be calculated @ 30% on Labour/Service Charges incurred on Dismantling/Re-erection Services at Site).

The supervision charges of BHEL Engineers are to be taken on Man-day Rate basis less 10% as applicable for site as per prevailing Head Office/ Corporate Office circular at the time of Repair/Rectification. These Man-day Rates are subject to revision every financial year. The same shall be reimbursed by underwriter in the event of insurance claim.

In certain cases, the site may call the Technicians/Engineers from Manufacturing Units/their vendors for repairs/rectification at Site. Charges for such visits of Technicians/Engineers will also be reimbursed by the underwriter.

The above said provision of Cost of Repair/Rectification will apply to damage to items at any stage i.e. transit, storage, erection, commissioning, testing and maintenance.

## 6.0 CHARGES FOR MATERIAL PROCUREMENT

6.1 In case any of the BHEL's Region/Project Site procures any materials on behalf of supplying units for repair/replacement of damaged material from outside BHEL, 10% incidentals over and above the procurement cost shall also be payable by the underwriter.

  
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## **7.0 INTEREST ON DELAYED PAYMENTS:**

- 7.1 The Underwriter shall settle all claims within 30 days from the date of submission of Final Claim Bill accompanied by necessary documents. List of such necessary documents shall be furnished for each type of claim by the underwriter at the time of start of the Policy. Any delay in settlement of claims beyond 30 days, shall attract a penal interest at **TWO** percent above the ruling Bank rate of interest for the period of delay (Ref. Insurance Regulatory and Development Authority Notification dated 26<sup>th</sup> April 2002)

## **8.0 ON-ACCOUNT PAYMENTS AGAINST CLAIMS:**

- 8.1 In case of net claims exceeding Rs. 10 Lakhs, BHEL will request for On-Account payment. On account payment will become due on establishment of prima facie admissibility of the claim. The Underwriter shall promptly make an on-account payment on the basis of firm estimates provided by BHEL. The underwriter will ensure that the surveyor releases his recommendations for On Account Payment promptly after submission of firm estimates by BHEL and documents required for establishing the admissibility of the claim.

## **9.0 THEFT / PILFERAGE CLAIMS:**

- 9.1 The security / watch and ward arrangement in the project is in the purview / scope of the owner who has engaged his own security for the watch and ward of the project. Theft / pilferage are reported to them as per procedure. As for filing report with police is concerned, sending information to the police by registered post will be considered adequate in case FIR cannot be lodged with Police. In case the final report cannot be obtained, indemnity bond will be furnished which shall be acceptable to the underwriter. However, the complaint so lodged with the security agency for such stolen items will be with brief description of the item and other details such as weight, value and exact time of notice of loss where available shall form the basis for settlement of claims by the Underwriter.

## **10.0 DEPUTATION OF SURVEYORS:**

- 10.1 Within a reasonable time from the commencement of Policy the Underwriter shall discuss and furnish the list of surveyors containing their relevant details. Normally surveyors from that list only shall be deputed. BHEL reserves the right to review the list and can ask the Underwriter - not to depute a particular surveyor in case BHEL management feels that his deputation may jeopardize company's interest.
- 10.2 The Underwriter shall depute the surveyor within 2 working days on receipt of the intimation of the occurrence of the accident. In the event of any delay in deputation of surveyor; BHEL reserves the right to engage any other surveyor from panel at the cost of the underwriter.
- 10.3 In case the surveyor causes undue delay, the underwriter will have to effectively and promptly intervene to expedite the process or to change the surveyor. In case surveyor



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loses the documents or does not pass them to the underwriter for any reason, photocopy will be asked from BHEL and the same shall be acceptable as if these are original papers.

- 10.4 The underwriter shall provide a copy of the survey report to BHEL if and when asked for. The surveyor shall be advised by the underwriter to directly submit his report on the causes and ways to avoid losses in future. However, BHEL will not pay any remuneration in this behalf. Potential reduction of claim due to such analysis will help to reduce the future claims

#### 11.0 ESTABLISHMENT OF SITE OFFICE:

Underwriter shall either establish his site office at the Project site or make available a knowledgeable authorized representative, who shall be responsible for managing the day-to-day affairs pertaining to the claims. He shall also guide BHEL and expedite the settlement of claims apart from interacting with the external agencies. He shall also act as a catalyst, organize the visit of surveyors to site timely and arrange to settle the claims expeditiously. All expenses with regard to the above will be to the account of Underwriter. The representatives should be placed at such a location that he can reach the site within a day's time of getting the call. He will also be required to go to the site regularly, periodicity of which will be decided in consultation with the site management.

#### 12.0 PROGRESS REPORTING AND REVIEW:

- 12.1 The Underwriter shall submit progress reports regarding the status of claims settled & pending for settlement, premium received and the claim amount settled etc. as and when called for. Periodic progress review meetings will be held at site/HQ during which the status of all the pending claims will be discussed and action plan drawn to liquidate the pending claims. The Underwriter shall depute their senior representative to attend such meetings, who are empowered to take spot decisions in respect of settlement of claims, whenever feasible. They shall also constantly update/review their work program to match the liquidation of pending claims vis-à-vis scheduled site/contract closing program.

#### 13.0 PURCHASE PREFERENCE TO CENTRAL PUBLIC SECTOR UNDERTAKINGS:

If applicable, purchase preference shall be given to Central Govt. PSU organizations involved in Insurance business as per the Govt. of India guidelines in this regard.

#### 14.0 MARINE/TRANSIT POLICY:

This policy intends to cover the following:

- a) To cover all goods, plant and machinery, equipment, tooling, instruments and other materials required for project construction including items brought in and sent back for repair/ rectification/ testing by any mode from anywhere in India/abroad to the site. However, if required for fabrication/ testing etc, materials can be diverted to other locations also. **It may be noted that BHEL will wait for 48 hours for the surveyor to conduct inspection of damaged items. If the surveyor, after intimation, does not come within 48 hours, the items will be sent for repair. After that BHEL inspection report will be accepted by the surveyor/ underwriter for settling claim.**

  
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- b) Basically "All Risks" (including loading-unloading risks, pilferage, physical loss or damage burglary, theft, Non-delivery) in the Institute Cargo Clauses – A /ITC- A. The imports will be covered for war risks also and the transit within India for SRCC.

However, the following may be noted:

- A Underwriter to ensure and confirm that the scope of cover for the Marine / Transit Risks is comprehensive except for a few Internationally accepted "Exclusions" followed by all underwriters in the world.
- B The underwriter to indicate clearly any exclusion of the Risks not covered in the Policies to avoid any dispute at a later date. In the event of any ambiguity in his proposal with regard to this aspect, the interpretation of the "Insured" shall be final and binding on the "**Underwriter**". BHEL is absolved of any loss on this account.
- C The underwriter shall not attempt to avoid any unforeseen eventualities, which may arise during transit and allied storage and keep the facts in consideration while settling the claims.
- D. The marine policy will cover all modes of possible transports like rail, road, boat /barge, ship, parcel, courier, post. etc, Transportation may be either by single mode or combination of 2/3 modes. Any intermediate storage (storage during transit) will also be covered.
- E. The marine cover will be valid for all consignments (indigenous or imported) during the course of their complete voyage from anywhere in India or abroad till its arrival finally at the project site. No separate declaration of consignments will be provided. Regarding imports, the cover will be only valid for equipment being sent abroad for repair/replacements and brought back.
- F. **Loading/Unloading Survey expenses:** The cost of loading/unloading surveys, if required, in respect of consignments will be borne by the Insurer/Underwriter.

#### G. MARINE/ INLAND TRANSIT COVER OF DAMAGED/ REPAIRED ITEMS

In the event of any Mishap/ accident during transit, execution, testing and trial operation of the plant, it may become necessary that the damaged equipment/ items may have to be sent from site to supplying unit/ vendors for investigation, repair, rectification, replacement of components, testing etc. The duly repaired equipment/ items subsequently will be dispatched back to site. Marine/ Inland transit cover for "to and fro" is also covered under the scope of the insurer. The quoted rates will be applicable for any additional requirement.

#### 14.1 Basis of Valuation of Loss for Claim Settlement under Marine Cover:

Marine claims shall be settled as per the loss assessment method as described under

- **Indigenous equipment:** Ex-works cost plus taxes & duties and all actual expenses till it reaches Site.
- **Imported items:** Invoice price plus all actual expenses up to port of landing in India plus duties and taxes plus all expenses incurred within the country plus either 5%, or actual transportation cost whichever is higher.



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#### 14.2 STORAGE DURATION UNDER TRANSIT COVER:

The underwriter shall keep the transit/Marine cover operative as under without any extra premium. The marine transit proposed shall include an aggregate storage period of 60 days over and above duration clause of project material at any intermediate site out of logistic compulsions in normal course of transit. On termination of such transit at such intermediate storage locations and further onward transit/intermediate storage within the period of 60 days over and above duration clause shall not be separately declared and shall be covered end to end. In this storage which is not customary, Marine Policy excess shall apply.

#### 14.3 DAMAGE / SHORTAGES IN SOUND BOXES:

Damages/ shortages found in sound boxes (damage apparently not visible) beyond self-survey limit, only a Panchanama will be prepared by the insured for settlement of the cost of damaged / shortage items. These damaged / shortage items will be replaced by Manufacturers / suppliers at replacement price. It may not be feasible to indicate for individual items the original price for replacement items. The underwriter shall on the basis of panchanama settle such claims in full. No other document in this regard can be made available. In case of shortage noticed in sound boxes, the Open Delivery Certificate for transporters should not be demanded. However, the recovery rights will be protected. This will be applicable for both inward as well as outward consignments. Time limit for claim intimation from the date of arrival shall be as follows:

- |      |                                   |   |           |
|------|-----------------------------------|---|-----------|
| (i)  | Shortage/ damage in sound boxes   | - | 12 months |
| (ii) | Shortage/ damage in damaged boxes | - | 30 days   |

#### 14.4 Transfer of Title of the Goods

If as per contract, it is the responsibility of the BHEL to ensure safe delivery of goods to the customer, passing of title on high seas or sale in transit will not affect the insurance coverage and the policy will remain in force as if title has not been passed.

#### 15.0 CLAIM RELATED STIPULATIONS:

##### 15.1 INDIRECT COST ON ACCOUNT OF ADMINISTRATIVE AND FINANCING COST ON PROCUREMENT OF MATERIAL FROM VENDORS OUT SIDE BHEL:

Indirect Cost (applicable to all supply of repair parts & equipment except supply of parts & equipment from BHEL manufacturing units) will be charged on the total cost of procurement of repairs/ replacement material towards administrative and financing cost.

Underwriter may hereby note that the Erection price indicated has elements of "sum insured" inclusive of contingency and such indirect cost. These are payable against all repairs/rectification claims lodged by BHEL.

The rate of such indirect cost is calculated annually by Units/Regions of BHEL based upon the last year actual expenses. A certificate from concerned Unit/Region which is procuring such material will be provided for such indirect cost. No request for other

  
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supporting documents/dispute in this regard will be entertained by BHEL at any point of time in respect of claim settlement.

15.2 It is normal practice to dispatch heavy structural and materials in open wagons where the RR is issued on "**SAID TO CONTAIN**" basis from the originating location. In case of any loss to such consignments, claims will be settled for 100 % value.

15.3 The materials dispatched by rail from Manufacturers/Suppliers warehouse are first brought to the "Rail head"/nearest railway siding which is a transfer point, where railways shall hand over delivery of consignment. From this point the consignment /goods are transported by rail to the Railway siding of the site. Actual verification of materials shall take place at the Railway siding at the time of physical delivery. Since the transit cover is from Warehouse to Warehouse basis, any losses/ damage occurred during entire process of transit shall be covered & marine claim shall be settled for 100% value.

15.4 In case consignment comes through road carriers, written statement of observations of condition of consignment i.e. shortage/damages recorded and signed by lorry driver over the challan/ delivery certificate and duly counter signed by BHEL representative shall be honoured. The Insured will serve a formal notice of monetary claim on the carriers by Registered letter and produce the receipt issued by Post Office. No further shortage/damage certificate shall be asked by the Insurer for claim settlement. The letter will only be a demand to make good the loss and it will not contain a threat to go to the court in case transporter does not do so.

15.5 In case, claim is considered to be non-standard claim because of not getting damage/shortage certificate from carriers in spite of all the efforts (i.e. sending Notice through Reg. AD), Insurer shall settle such claims to the extent of 90% irrespective of claim amount. For other situations warranting under-settlement of the claim, the bidder will give in a separate statement forming part of the Techno-Commercial bid, the percentage of deduction underwriter proposes to apply. Once agreed to by us, this will form part of the MOU. However, it will not form part of evaluation formula.

15.6 The claim intimation for shortage/ damage under this category can be sent by the consignor or the consignee regardless of who suffer the loss.

15.7 **DEPUTATION OF WAGON / CARRIER TRACERS** : It is the responsibility of the "Underwriter" to appoint wagon/ carrier tracers immediately on receipt of notice of the claim from BHEL in the event of "Non delivery" of goods /consignment. The goods/ consignment to be traced and delivered within a period mutually acceptable keeping in view the erection/commissioning schedule. If there is delay in doing so, which in the opinion of insured will delay the project schedule, the underwriter is to admit the replacement cost together with all the additional expenses incurred for arranging the replacement together with all costs incurred at site to expedite the connected erection and commissioning activities to meet the schedule. The consignment traced beyond the mutually agreed period will not normally be accepted by BHEL.

On the basis of non-delivery certificate/BHEL 's notice to carriers, the original consignment, if received subsequently will be intimated to the Underwriter for taking charge of the same without any implication on the settled claim.



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## 16.0 Value of Single largest consignment & PBL

Following details are for the largest value consignment

Equipment: Wet Ball Mill

Value : Rs. 6 Crore

The Per Bottom Limit (PBL) shall be **Rs. 6 Crore**.

## 17.0 STORAGE, ERECTION & TESTING COVERS:

17.1 Underwriter to ensure and confirm that the scope of cover for the "Risks at site during Storage Erection & Testing" is comprehensive except for a few Internationally accepted "Exclusions". All underwriters will submit the list of these exclusions and the successful bidder will apply only those which are included in the list of all underwriters.

17.2 The Underwriter to indicate clearly exclusions of the Policies to avoid any dispute at a later date. In the event of any ambiguity in his proposal with regard to this aspect, the interpretation will be done to the advantage of the insured.

17.3 Covers shall include all risks in the course of movement of goods, Storage at site, Pre-assembly, Erection, Pre-commissioning, Commissioning and Trial operation of the equipment/facilities/Package as per the contract with the customer. Bidders can go through the relevant portion of the said contract if they so wish. However, for the reason of confidentiality, copy cannot be provided.

### 17.4 Erection Cover:

- All activities till Erection of complete unit & prior to Synchronization on coal firing shall be treated as Pre-commissioning activities & shall continue under the erection cover.
- In case the plant after the synchronization with the coal is under shutdown for attending to commissioning problems, the period of shutdown shall be considered as Erection period.
- The operation of any individual equipment /system prior to synchronization with coal will be covered and considered as erection cover.

### 17.5 Testing Period Cover:

The testing period cover or cover during testing period will be till handing over of the plant/facilities by BHEL.

The testing, commissioning, trial run and handing over are as described below.

Definition of "Initial Operation" as per Customer contract is:

"The "Initial Operation" of the complete facility as an integral unit shall be conducted for 720 continuous hours. During the period of initial operation of 720 hours, the FGD system shall operate continuously at full load for a period of not less than 72 hours.

### 17.6 DEFECT LIABILITY PERIOD COVERAGE REQUIRED: Not required



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**18.0 PERIOD OF COVER:** The cover for MCE policy will start either from the date of dispatch of first consignment of unit material separately or the date of payment of 1<sup>st</sup> instalment premium whichever is later. However, all consignments/ work done till date of commencement will be jointly inspected by the insurer and insured and damages/ losses already suffered will not be to the account of the insurer. However, all consignments starting from supplier's work on or after the date of premium will be deemed to have incurred under this policy even if received at site after the date of above referred joint inspection. The insurer will refund pro-rata premium based on the value of the consignment received till the commencement of the policy. Once inspection is done, consignee will be considered to have been insured under this policy for all purposes.

**(A) Commencement of Marine Policy Period:**

The cover for MCE policy will start either from the date of dispatch of first consignment of each unit materials separately or the date of payment of 1<sup>st</sup> instalment premium for MCE cover whichever is later.

**(B) Commencement Storage Cum Erection Policy:**

The risk for each project will commence from the date of arrival of first consignment at site/ start of physical work/storage at site or payment of premium whichever is later.

**(C) Commencement of the Testing Period:**

The plant shall be on initial operation with due permission from the purchaser during which all necessary adjustment shall be made by the contractor while operating, over all full load range enabling the plant to be made ready for the trail run.

The testing period shall start after completion of all pre-commissioning activities (which shall mean erection and testing of individual equipment/ system/ sub-assemblies individually and/ or in the group) in a manner that result into synchronization of each individual unit

**19.0 PREMIUM FOR EARTHQUAKE.**

The project location falls under the Seismic zone III. Premium, if any, is to be indicated in the price bid in the appropriate column.

**20.0 ADD-ON COVERS**

In addition to the add-ons that may be available for projects as per market conventions as well as the ones that bidders may offer (which may be mentioned in the list of all add-ons available free of cost), BHEL also wishes to cover the following. The Premium, if any, for these add-on covers may be built up in the price quoted by the bidders in the price bid:

- a) 50/50 clause
- b) 72 hours clause
- c) Free automatic reinstatement clause up to 10% of the Sum Insured.
- d) Loss minimization expenses.
- e) Additional customs duty up to 10 Crores
- f) Professional fees
- g) Cross liability cover



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- h) Waiver of contribution clause
- i) Damage due to falling objects
- j) Cost of reproducing/ reacquiring information up to Rs. 20,00,000.
- k) Amendment in firefighting endorsement wordings.
- l) Debris removal up to Rs 50 lakhs
- m) Expediting cost including Air freight and Express freight (Up to 30% of net claim amount)
- n) Pair or set clause
- o) Fragile Items like glass, insulation, refractory, insulators, mineral wool mattress, fire bricks etc.(in boxes or loose as may be) - with Sum Insured upto Rs. 2 crores
- p) Waiver of Subrogation Clause
- q) Inland transit up to a value of Rs. 5 crores to cover movement / transit between one part of site & other part of site including movement from / to off-site storage spanning over public road in between
- r) Civil Engineering Works – To cover the risk of loss or damage to the property brought on to the Site of Erection for the performance of the contract, as follows:-
  - 1. All permanent Civil Engineering Works such as buildings, foundations, earthwork including materials for the constructions thereon
  - 2. All temporary civil works such as buildings, sheds

## 21.0 Endorsements for Free Covers and Discounts

The underwriter is to separately incorporate the free covers and discounts in the form of endorsement attached to the policy.

## 22.0 Other important conditions/points to be noted by the tenderers and necessarily agreed

- 22.1 Supervision is included in the sum insured and accordingly the supervision charges shall be paid while settling the claim. Replacements claims will be settled based on the certificates/ invoices for the Replacements from BHEL's supplying units who are the suppliers.
- 22.2 If the taking over period is completed prior to the policy period, insurer shall refund proportionate premium.
- 22.3 If the testing period included is not fully consumed during the normal policy period or extended period, the same shall be taken into account during further extended period and extensions arranged accordingly.
- 22.4 Division/ Branch of the underwriter shall be chosen by BHEL.



*Signature & Seal of the  
authorized official of BHEL*

*Signature & Seal of the  
authorized officials of Underwriter*



## GLOSSARY

The following terms and expressions shall have the meaning hereby assigned to them except where the context otherwise requires.

**BHEL /INSURED** shall mean **Bharat Heavy Electricals Limited**, a Company registered under the Indian Companies Act. 1956, with its Registered Office at BHEL HOUSE, SIRI FORT, NEW DELHI-110049 or its authorized Officers or its Engineers or other employees authorized to deal with any matters with which these persons are concerned, on its behalf.

**'GENERAL MANAGER'** shall mean the Officer in Administrative charge of the Project for which insurance is being arranged.

**'ENGINEER or 'ENGINEER-IN-CHARGE'** shall mean Engineer deputed by BHEL. The terms include Deputy General Manager, Construction Manager, Resident Manager, Site Engineer, Resident Engineer and Assistant Site Engineer of BHEL at the site as well as the officers in charge at Head Office.

**'SITE'** shall mean the place or places at which the plants/equipment are to be stored, erected and services are to be performed and **'UNIT'** shall mean BHEL units and their vendors supplying the plant / material to site as per the specifications of this Tender.

**'CLIENTS OF BHEL' or 'CUSTOMER'** shall mean the respective project authorities to whom BHEL is rendering supply, erection and commissioning the equipment/services.

**'Insurer / Bidders / Tenderers / Underwriters** shall mean the company who submits the tender and enters into contract with BHEL and shall include their executors, administrators, successors and permitted assigns.

**'CONTRACT or 'CONTRACT DOCUMENT'** shall mean and include the policy, the work order, the accepted appendices of rates, Instruction to tenders, General Conditions of Contract. Special conditions of contract and the Letter of Intent / Acceptance letter issued by BHEL. Any conditions or terms stipulated by the Underwriter. In the tender documents or subsequent letters shall not form part of the Contract unless specifically accepted in writing by BHEL.

**'GENERAL CONDITIONS OF CONTRACT'** shall mean the 'Instructions to Tenderers' and 'General Conditions of Contract' pertaining to the work detailed.

**'TENDER SPECIFICATIONS'** shall mean the Special Conditions, Technical Specifications, appendices and Site information pertaining to the work for which the Underwriters are required to submit their offers. Individual Specifications Number will be assigned to each tender specifications.

**'COMPLETION TIME'** shall mean the policy period by date specified in the Letter of Intent or date mutually agreed upon for handling the policy and found acceptable by the Engineer being of required standard and conforming to the specifications of the contract.



Signature & Seal of the  
authorized officials of Underwriter

**'PLANT'** shall mean and connote the entire assembly of the plant and equipment covered by the Contract.

**'EQUIPMENT'** shall mean all equipment, Machineries, Materials, Structures, electrical and other components of the plant covered by the Contract.

**'PRE-COMMISSIONING', 'COMMISSIONING' & 'TESTING'** shall mean and include such test or tests to be carried out by BHEL or their subcontractor as considered necessary by BHEL in order to ascertain the quality, workmanship, performance and efficiency of the erected equipment.

**'APPROVED', 'DIRECTED' or 'INSTRUCTED'** shall mean approved, directed or instructed by BHEL.

**'WORK' OR 'CONTRACT WORK'** shall mean and include rendering of all categories of services required for complete and satisfactory settlement of claims arising during inland transportation, further site transportation, handling, stacking, storing, erecting, testing and commissioning of the equipment to the entire satisfaction of BHEL.

**'SUB-CONTRACTOR'** shall mean the agency/agencies appointed by BHEL for Handling at Site, Storage, Assembly, Erection and Commissioning of the equipment at site.

**'CLAIM'** shall mean intimation of loss communicated to the Insurer verbally / telephonically followed by written communication.

**'SURVEYOR'** shall mean, the Independent Loss Assessor appointed by the Insurer with the consent of Insured to assess the loss within the frame work of MOU and policy document only. Insurer has to provide a Panel of Surveyors with their credentials to BHEL for approval after placement of order on them.

**'SINGULAR' and 'PLURAL'** etc. Words carrying singular number shall also include plural and vice versa where the context so requires. Words imparting masculine gender shall be taken to include the feminine gender and words imparting persons shall include any Company or Association or Body of Individuals, where incorporated or not.

**'HEADINGS'** The headings in these General Conditions are solely for the purpose of facilitating reference and shall not be deemed to be part thereof or be taken into consideration in the interpretation or construction thereof or the contract.

**'MONTH'** shall mean calendar month.

**'WRITING'** shall include any manuscript, type written or printed statement under the signature or seal as the case may be.



*Signature & Seal of the  
authorized official of BHEL*

*Signature & Seal of the  
authorized officials of Underwriter*





## FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.

### ANNEXURE- I

#### DEVIATION STATEMENT

(Pl. strike off the clause which is not applicable and ticks the other)

1. THIS IS TO DECLARE THAT WE DO NOT HAVE ANY DEVIATIONS IN THE STIPULATIONS OF YOUR TENDER AND ACCORDINGLY ACCEPT ALL THE STIPULATIONS WITHOUT ANY RESERVATIONS WHATSOEVER.

OR

2. THE FOLLOWING DEVIATIONS ARE BEING TAKEN:..

- a) Para no..... section .....
- b) Para no..... section .....
- c) Para no..... section .....
- d) Para no..... section .....

I, \_\_\_\_\_ hereby certify that except the deviations mentioned above, we do not have any other deviations to the **TENDER NO. BHEL: CO: FIN: INS: PSSR:NCTPS:FGD dated 18.06.2022**. Deviations, if any, mentioned elsewhere in our bid (whether Techno-commercial bid or Price bid) may be treated as null and void by BHEL.

For and on behalf of underwriter

(Signature & seal of authorized signatory)



## FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.

### ANNEXURE - II

#### DECLARATION SHEET

I, \_\_\_\_\_  
hereby certify that all the information and data furnished by me with regard to this Tender Specification No. **TENDER NO. BHEL: CO: FIN: INS: PSSR:NCTPS:FGD dated 18.06.2022** are true and complete to the best of my knowledge. I have gone through the specifications, conditions and stipulations in detail and agree to comply with the requirements and intent of specification.

I, further certify that I am the duly authorized representative of the under mentioned tenderer and a valid power of attorney to this effect is also enclosed.

For and on behalf of underwriter

(Signature & seal of authorized signatory)



FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.  
ANNEXURE III

CERTIFICATE OF DECLARATION FOR CONFIRMATION OF IRDA/TAC  
GUIDELINES

I, \_\_\_\_\_

hereby certify on behalf of ..... that our offer  
no..... dtd.....against tender specification No **TENDER NO.**  
**BHEL: CO: FIN: INS: PSSR:NCTPS:FGD dated 18.06.2022** does not breach of Insurance  
Act/IRDA/TAC and applicable guidelines. I further confirm that in the event of disclosure at a later  
stage that the same is in breach and BHEL is put to any disadvantage or face cancellation of the  
Policy or any claim becomes substandard/untenable, the whole liabilities arising out of this shall lie  
wholly on us and will bear all consequences thereof.

I, further certify that I am the duly authorized representative of the underwriter and competent to  
agree as above and a valid power of attorney to this effect is enclosed.

I, further certify that there is no tariff violation. In case some violation is pointed out at a later date,  
the same shall be taken care of in line with clause 10 of Section I.

For and on behalf of underwriter

(Signature & seal of authorized signatory)





**FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.**

**Annexure- IV**

**DECLARATION**

We ..... Will go for a suitable re-insurance arrangement and will furnish the details of re-insurance arrangement in the event of becoming a successful bidder. Re-insurance will be done with GIC in India and/or A+ rated international re-insurers.

For and on behalf of underwriter

(Signature & seal of authorized signatory)





**FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.**  
**Annexure - V**

**LIST OF INTERNATIONALLY ACCEPTED EXCLUSIONS**

1.

2.

3.

| CLAIM RATIO               | DISCOUNT OFFER FOR |
|---------------------------|--------------------|
| Up to 10 %                |                    |
| more than 10 % up to 20 % |                    |
| more than 20 % up to 30 % |                    |
| more than 30 % up to 40 % |                    |
| more than 40 % up to 50 % |                    |

For and on behalf of underwriter

(Signature & seal of authorized signatory)





**FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.**

**ANNEXURE - VI**

**Discount in Premium to be allowed beyond Policy Period in case of  
Claim Amount being less than the Premium already paid  
(Not to be considered for Price Bid Evaluation)**

| CLAIM RATIO               | DISCOUNT OFFERED |
|---------------------------|------------------|
| Upto 10 %                 |                  |
| more than 10 % upto 30 %  |                  |
| more than 30 % upto 60 %  |                  |
| more than 60 % upto 100 % |                  |

For and on behalf of underwriter

(Signature & seal of authorized signatory)

Note: The above discounts offered by the bidders are not to be considered for Price Bid evaluation.

## UNPRICED PRICE SCHEDULE

**FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.**

**PRICE BID**

**SCHEDULE OF RATES**

**(INSURANCE FOR MARINE, STORAGE, ERECTION, TESTING & COMMISSIONING)**

| SN         | Description of Cover                                                                                                                                                                                                                                  | Cover period                               | Sum Insured (Rs. in Crores) | Amount of Premium (In Rupees excluding GST) |                      |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------|---------------------------------------------|----------------------|
|            |                                                                                                                                                                                                                                                       |                                            |                             | in figures                                  | In words             |
| <b>1.0</b> | <b>Marine Cargo</b>                                                                                                                                                                                                                                   |                                            |                             |                                             |                      |
| 1.1        | 110% of Ex-works value of Plant & Equipment, including all spare parts and Type test charges - Indigenous<br>Sum Insured is inclusive of the following:<br>a) Packing and forwarding plus freight<br>b) 110% Taxes and Duties<br>c) Escalation @ 10 % | 30 Months including 1 Month testing period | 465.58                      | XXXXXXXXXXXXXX                              | XXXXXXXXXXXXXXXXXXXX |
| <b>2.0</b> | <b>SCE Cover / Installation all Risks Including</b><br>1) Storage, Erection and Testing Cover for Main Plant Equipment (including one month testing period)<br>2) Civil Works of Rs. 153.40 Crs. Included in SI                                       | 30 Months including 1 Month testing period | 615                         | XXXXXXXXXXXXXX                              | XXXXXXXXXXXXXXXXXXXX |

Signature and seal of the Bidders







## UNPRICED PRICE SCHEDULE

### Appendix I

1. As Tenderer at times commit errors of calculation, we are not asking for premium rates. These will be worked out subsequently. However, if a tenderer gives the same, it will be dealt in accordance with point no 6 of the section-I to the tender.
2. We will endeavour to give advance notice, as early as feasible, for extension and/or completion of a cover. However, no stipulation by the bidders for the minimum notice period will be accepted.
3. It is normal in case of a project that policy extension is sought by the insured. However, risk profile during such extension fundamentally remains the same.
4. The rate for extension beyond the policy period shall be specified by the Underwriter as below-

#### RATE FOR EXTENSION

##### Rate / Month in mille \*

|               |   |                        |
|---------------|---|------------------------|
| SCE Cover     | - | XXXXXXXXXXXXXXXXXXXXX. |
| Testing Cover | - | XXXXXXXXXXXXXXXXXXXXX. |

**\*SCE Cover Premium rate should be inclusive of premium for Add-on covers opted under the Policy.** The Premium rate is to be quoted after applying discounts but before applying GST as applicable.

5. Bidders are required to specify as to what %age of premium they will be willing to offer during the extension of the policy depending on the claim experience in the Annexure VI.

# BHARAT HEAVY ELECTRICALS LIMITED



**TENDER SPECIFICATION  
FOR  
MARINE-CUM-STORAGE-CUM-ERECTION INSURANCE  
OF  
FLUE GAS DESULPHURIZATION (FGD) PACKAGE  
For  
1 X 800 MW NORTH CHENNAI THERMAL POWER PROJECT  
STAGE III**

**TENDER NO. BHEL: CO: FIN: INS: PSSR: NCTPS:FGD**

**VOLUME – II**

**PRICE - BID**

**BHARAT HEAVY ELECTRICALS LTD.  
CORPORATE FINANCE  
BHEL HOUSE, SIRI FORT  
NEW DELHI – 110 049.**



**FGD Package for 1 X 800 MW North Chennai Thermal Power Project Stage III.**

**PRICE BID**

**SCHEDULE OF RATES**

**(INSURANCE FOR MARINE, STORAGE, ERECTION, TESTING & COMMISSIONING)**

| S. No.     | Description of Cover                                                                                                                                                                                                                                                                                                                                                 | Cover period                               | Sum Insured (Rs. in Crores) | Amount of Premium (In Rupees excluding GST) |          |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------|---------------------------------------------|----------|
|            |                                                                                                                                                                                                                                                                                                                                                                      |                                            |                             | in figures                                  | In words |
| <b>1.0</b> | <b>Marine Cargo</b>                                                                                                                                                                                                                                                                                                                                                  |                                            |                             |                                             |          |
| <b>1.1</b> | <b>Marine cum Insurance cover should include</b><br>i). All project equipment (Indigenous and/ or Imported) on All risk basis including wequipment to be sent for repair/replacement /modification/ testing to and fro from Supplier/ modifier/ reparers/ BHEL Manf. Units/ testing agency within India or Abroad.<br>ii). Mandatory Spares<br>iii). Escalation 10 % | 30 Months including 1 Month testing period | 465.58                      |                                             |          |
| <b>2.0</b> | <b>SCE Cover / Installation all Risks Including</b><br>1) Storage, Erection and Testing Cover for Main Plant Equipment (including one month testing period)<br>2) Civil Works of Rs. 153.40 Crs. Included in SI                                                                                                                                                      | 30 Months including 1 Month testing period | 615                         |                                             |          |

Signature and seal of the Bidders



| SN  | Description of Cover                                                                               | Sum Insured<br>(Rs.)             | Amount of Premium (In Rupees<br>excluding GST) |          |
|-----|----------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------|----------|
|     |                                                                                                    |                                  | In figures                                     | In words |
| 3.0 | ADDITIONAL INSURANCE COVERS                                                                        |                                  |                                                |          |
| a)  | Escalation                                                                                         | 10% of the Policy<br>Sum insured |                                                |          |
| b)  | Third Party liability<br>including cross<br>liabilities AOA/ AOY-<br>Rs. 50 lacs per<br>occurrence | 10 Crores.                       |                                                |          |
| c)  | Surrounding<br>Properties with FLEXA                                                               | 10% of the Policy<br>Sum Insured |                                                |          |
| d)  | Earthquake                                                                                         | Policy Sum Insured               |                                                |          |
| e)  | STFI                                                                                               | Policy Sum Insured               |                                                |          |

|    |            |             |  |  |
|----|------------|-------------|--|--|
| 4. | <b>GST</b> | <b>@18%</b> |  |  |
|----|------------|-------------|--|--|

Total Premium [Sl. No. 1 to 4] (In Figures).....

Total Premium [Sl. No. 1 to 4] (In words).....

**Note:**

- (a) FEA discount may please be considered in view of availability of Fire Fighting systems inside the Plant premises
- (b) The Premium is to be quoted after applying discounts but before applying GST as applicable.

Signature and seal of the Bidders





## Appendix I

1. As Tenderer at times commit errors of calculation, we are not asking for premium rates. These will be worked out subsequently. However, if a tenderer gives the same, it will be dealt in accordance with point no 6 of the section-I to the tender.
2. We will endeavour to give advance notice, as early as feasible, for extension and/or completion of a policy period is over. However, no stipulation by the bidders for the minimum notice period will be accepted.
3. It is normal in case of a project that policy extension is sought by the insured. However, risk profile during such extension fundamentally remains the same.
4. The rate for extension beyond the policy period shall be specified by the Underwriter as below-

### RATE FOR EXTENSION

#### Rate / Month in mille \*

SCE Cover - .....

Testing Cover - .....

**\*SCE Cover Premium rate should be inclusive of premium for Add-on covers opted under the Policy.** The Premium rate is to be quoted after applying discounts but before applying GST as applicable.

5. Bidders are required to specify as to what %age of premium they will be willing to offer during the extension of the policy depending on the claim experience in the Annexure VI.

