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# BHARAT HEAVY ELECTRICALS LIMITED



## TENDER SPECIFICATION FOR CONTRACTOR'S PLANT AND MACHINERY INSURANCE

TENDER NO.: BHEL: CO: FIN: INS: CPM: 2022-23

### VOLUME – I

### TECHNO-COMMERCIAL BID

**BHARAT HEAVY ELECTRICALS LTD.**

**CORPORATE FINANCE**

**BHEL HOUSE, SIRI FORT**

**NEW DELHI – 110 049.**



## 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: CPM: 2022-23

DATE: 25<sup>th</sup> April 2022.

### 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 **30<sup>th</sup> April 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 those are not acceptable in their present form and also the deviation sought, if any, shall require 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.

<b>Date for seeking clarifications</b>	: On or before 1700 Hrs. on 30 <sup>th</sup> April 2022.
<b>Bid Submission date and time</b>	: On or before 1600 Hrs. on 10 <sup>th</sup> May 2022.
<b>Date of opening techno-commercial bids</b>	: 1630 Hrs. on 10 <sup>th</sup> May 2022.
<b>Place of bid opening</b>	: BHEL House, Siri Fort, New Delhi

### Note:

1. 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.
2. 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.





**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:CPM:2022-23

Dated: 25<sup>th</sup> April 2022

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

**Sub: Contractor's Plant and Machinery (CPM) Insurance Policy 2022-23**

Dear Sir(s),

Sealed tenders are invited from General Insurance Companies having business standing of more than 5 years' as on 31.03.2022, in two-bid system 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 16:00 hrs on 10<sup>th</sup> May 2022**.

Techno-Commercial Bid shall be opened at 16:30 hrs on the same day in presence of tenderers who may like to be present at that time. Bidders may be called for Techno-Commercial discussions, if so required, before price-bid opening. The date of opening of Price Bid will be intimated subsequently. However, bidders are requested to keep in touch with BHEL for knowing the date and time of Price Bid opening. In case there is no deviation, Price Bid is likely to be opened immediately after opening of the Techno-Commercial bid.

**All the queries on the tender may please be sent to us latest by 30<sup>th</sup> April 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. BHEL also reserves full right to divide the business between underwriters as it deems fit.

The bidders are also to note the following:

- The rates should be quoted net of the discounts and exclusive of Goods and Services Tax (GST). GST shall be paid extra, as applicable.
- No subsequent change in premium rates during the policy period will be allowed under any circumstances.
- Secrecy of BHEL information/ documents to be ensured at all times.

Signature & Seal of the  
authorized officials of Underwriter

Contractor's Plant & Machinery Insurance Policy 2022-23

Signature & Seal of the  
authorized officials of BHEL

Page 3 of 38

- d) Guidelines issued by IRDA/TAC from 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 insurers shall closely peruse all the clauses and specifications indicated in the Tender Documents before quoting. Should the insurer have any doubt about the meaning of any portion of the tender specifications or find discrepancies / omissions in the tender documents issued or shall require clarification on any of the aspect, scope of work etc., he shall contact the authority inviting the tender for clarification before the submission of the tender in one lot.
- h) Non submission of any of the format as per tender document may result in total disqualification of the tender.**
- i) As part of the tender requirement, all the bidders are required to enter into Integrity Pact with BHEL. Only those bidders who have entered into such an Integrity Pact with BHEL would be competent to participate in the bidding.
- j) 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.
- k) The CPM cover shall be valid for one year starting with effect from 1<sup>st</sup> June 2022.**

The tender should be submitted in Two Separate sealed covers for price bids /Techno-Commercial bids as follows:

**Envelope 1: "TECHNO-COMMERCIAL BID FOR CPM POLICY 2022-23"**

**Envelope 2: PRICE BID FOR CPM POLICY 2022-23"**

**These envelopes will be put in a larger envelope superscribing on this envelope "PRICE BID/ TECHNO-COMMERCIAL BID FOR CPM POLICY 2022-23."**

**Tender No. and Due date of Tender Opening also must be superscribed on all the envelopes containing Bids/Tenders.**

The bids shall be addressed to the below mentioned addressee and shall be submitted/dropped in the **Tender box** placed at the 5<sup>th</sup> Floor, Corporate Finance, BHEL House, Siri Fort, New Delhi latest by **1600 Hrs on 10<sup>th</sup> May 2022.**

**Sr. DGM (FINANCE)  
BHARAT HEAVY ELECTRICALS LIMITED  
CORPORATE FINANCE  
5<sup>th</sup> FLOOR, CORPORATE OFFICE  
SIRI FORT, NEW DELHI- 110049.  
Phone No. 011-66337241, 66337253, Fax: 26001143  
e-mail: [neeraj@bhel.in](mailto:neeraj@bhel.in) ; [kamlesh.agarwal@bhel.in](mailto:kamlesh.agarwal@bhel.in)**





Bidders are advised to study all sections of the tender document carefully. Submission of tender by the bidder shall be deemed to have been done after careful study and examination of the tender document and with the full understanding of the implications thereof.

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 30<sup>th</sup> April 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,



Sr. DGM (Finance)

Encl: One set of documents



## BHARAT HEAVY ELECTRICALS LTD.

### INTRODUCTION

Bharat Heavy Electricals Limited (BHEL), a Maharatna company, is the largest engineering and manufacturing enterprise in India in the energy-related/infrastructure sector, today engaged in design, manufacture and installation services of power generating equipment on turn-key basis for Thermal, Hydro, Gas and Nuclear Power plants both in Domestic and International Markets. Transportation, Transmission, Coal, Steel, Petroleum, Fertilizer, Chemicals, Sugar, Metallurgical and other industries apart from setting up captive power plants on turn-key basis are the other major Business core segments, where BHEL has registered its presence including Defence and the Non-Conventional Energy Section. BHEL manufactures over 180 products under 30 major product groups and caters to core sectors of the Indian Economy viz., Power Generation & Transmission, Industry, Transportation, Telecommunication, Renewable Energy, etc. The wide network of BHEL's 17 manufacturing divisions, two repair Units, four Power Sector regional centres, over 150 project sites, eight service centres, eight overseas offices and 15 regional offices, enables the Company to promptly serve its customers and provide them with suitable products, systems and services -- efficiently and at competitive prices. BHEL is also engaged in various business areas in the engineering industry like Supply, Erection, Testing, Commissioning, Residual Life Assessment (RLA), and Life Extension Programme (LEP) of equipment for Power Generation and Transmission, Oil Rigs, Railway Engines etc.

BHEL has acquired certifications to Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001) and Occupational Health & Safety Management Systems (OHSAS 18001) and is also well on its journey towards Total Quality Management.

#### **BHEL has four Regional Headquarters for its Power Sector Operations as follows:**

1. Power Sector-Northern Region, located at Noida
2. Power Sector-Eastern Region, located at Kolkata
3. Power Sector-Western Region, located at Nagpur
4. Power Sector-Southern Region, located at Chennai

These are involved in implementation / execution of new power projects, RLA, LEP and after Sales Services of Power Plants.

**BHEL intends to take CPM Policy for Movable Assets like Construction Equipment, Measuring and Monitoring Devices on reinstatement basis for its four Regional Centres at Noida, Kolkata, Nagpur and Chennai and BHEL-HPVP Vizag unit.**

## SECTION - I

### INSTRUCTIONS TO BIDDERS

1. Bidders are advised to study the tender document carefully. Submission of tender by the bidder shall be deemed to have been done after careful study and examination of the tender document and with the full understanding of the implications thereof. The specifications and terms and conditions shall be deemed to have been accepted unless otherwise specifically commented upon by the bidder in his offer/ deviation statement (**Annexure-I**). Non-compliance with any of the requirements and instructions of the Tender Enquiry may result in the rejection of the tender.
2. This tender, shall be duly signed & stamped on each page and sent in a sealed cover.
3. The Bid/tender may be sent by "COURIER / REGISTERED POST / BY PERSONAL REPRESENTATIVE" with adequate allowance for any delivery delays. The bids shall be addressed to Sr.DGM (Finance), and shall be submitted/ dropped in the Tender box placed at the 5<sup>th</sup> Floor, Corporate Office, BHEL House, Siri Fort, New Delhi. The tenders received after the Due Date and time of Submission are liable to be rejected.  
In exceptional cases, where due to bulky size of the tender documents it is not possible to drop the bids/tender in the tender box, the Tender documents may be handed over to Mr. Kamlesh Agarwal, Dy. Manager (Fin./Ins) or Mr. Neeraj Kumar, Sr.DGM (Fin./Ins.).
4. Tenders shall be opened at the time and date as specified in the tender notice in the presence of such of those Underwriters or their authorized representatives who may choose to be present.
5. 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 price 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.**
6. 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.
7. 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 upto 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.

8. All corrections and insertions shall be duly counter-signed by the authorized signatory of the underwriter.

9. **NO DEVIATIONS TO THE TENDER CONDITIONS WILL GENERALLY BE ALLOWED. HOWEVER, IF THE TENDERER SEEKS CERTAIN DEVIATIONS TO THE REQUIREMENTS APPEARING IN ANY OF THE FOLLOWING SECTIONS, BHEL RESERVES THE RIGHT TO ALLOW OR NOT TO ALLOW THE SAME. FURTHER, IF THE TENDERER INSISTS FOR THE SAME, THE BID MAY NOT BE CONSIDERED.**

#### 10. 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) Integrity Pact -**Annexure-V**
- (vi) Un-Priced Price Schedule – **Annexure-VI**

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

- (a) 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.
- (b) Valid Power of Attorney in favour of person signing the bid documents.

#### 11. 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.

#### 12. STEPS IN THE PROCESSING OF TENDER

**12.1 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.

#### 12.2 Issue of clarifications, if applicable

Signature & Seal of the  
authorized officials of Underwriter

Contractor's Plant & Machinery Insurance Policy 2022-23



Signature & Seal of the  
authorized officials of BHEL



12.3 Opening of price bids: Price bids of techno-commercially qualified bidders will only be opened.

### 13. Price Bid Evaluation:

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

#### **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.

## SECTION- II

### GENERAL CONDITIONS OF CONTRACT

#### 1. 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.

#### 2. ISSUE OF NOTICE

The Underwriters shall furnish to BHEL, 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.

#### 3. Documents to be submitted by the successful bidder: In addition to other requisite documents, the following will also be submitted to this office by the successful bidder

- (i) Sets of claim forms in adequate number.
- (ii) List of documents needed for settlement of Claim
- (iii) Format for Final Claim Bill, if any.

#### 4. The underwriter will not change the dealing office without prior approval of BHEL.

#### 5. The terms and conditions regarding Cancellation of Insurance 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.

#### 6. 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.

#### 7. FORMATION OF CONTRACT AND ISSUE OF INSURANCE POLICY

##### 7.1 All the documents issued by BHEL as well as accepted by it will form part of the contract. Some of the examples are: Tender Document, Techno-Commercial / Price Bid, Minutes of the Meeting (if any), MOU, Deviation Statement etc. If required by BHEL, the successful bidder shall enter into MOU, which will be evolved of the documents exchanged i.e. from tender to award, with BHEL on award of this Insurance Policy. The MOU will be required to be signed within 3 days by the successful bidder.

##### 7.2 Single Policy covering all the Regions/Units of BHEL will be issued by successful bidder. However, Region/Unit wise separate insurance policy will be issued if so desired by BHEL.

No dispute in this regard will be entertained at any later stage. Insurer shall provide Policy No(s) of the Insurance Policy(ies) to BHEL within two working days from the date of receipt of insurance premium. Draft Insurance Policy(ies) will be submitted to BHEL, Corporate Office (Insurance Cell), Siri Fort, New Delhi within seven working days from the date of receipt of insurance premium for approval. The Final CPM Policy(ies) shall be submitted to BHEL, Corporate Office (Insurance Cell), Siri Fort, New Delhi within 3 working days from the date of communicating approval of draft Insurance Policy(ies).

- 8 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.
- 9 BHEL reserves the right to cancel the tender at any stage without assigning any reason. Further, If the Bidder gives wrong information in his tender, BHEL also reserves the right to reject such tender at any stage or to cancel the contract, if awarded.
- 10 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.

#### **11. 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.

- 11.1 However, if any one of the Underwriters who are offered co-insurance share fails 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.
- 11.2 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.
- 11.3 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.
- 11.4 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.

#### **12 Shifting of Policy:**

In the event of insured shifting his office from the present location of Delhi/NCR 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.**

#### **13 Responsibility for re-insurance arrangement**

If required, the bidders will go for suitable re-insurance arrangement. Re-insurance is to be done with General Insurance Corporation of India and/or A+ rated (by reputed international



rating agency like Standard & Poor, AM Best etc.) international re-insurers. IRDA guidelines/ directive in this regard are required to be followed by the bidders.

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.

If desired by BHEL, details of re-insurance arrangement will be shared / provided to BHEL.

#### 14 USE OF LAND

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.

**15.0 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 5.

15.1 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.

15.2 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.

15.3 To get the policy serviced through another Insurance Co. in the event of poor servicing of the policy.

15.4 All the works shall be carried out under the directions and to the satisfaction of BHEL.

15.5 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.

15.6 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.

15.7 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.

15.8 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.

- 16 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.

## 17 ARBITRATION

**17.1 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, 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.

17.2 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.

17.3 The Arbitrator may, from time to time, with the consent of both the parties to the contract, enlarge the time for making the award.

17.4 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.

17.5 All the above clauses will apply to the extent and in the manner that is commensurate with the Arbitration Act.

## **18.0 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".

**19.0 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.



## 20.0 Integrity commitment, performance of the contract and punitive action thereof:

### 20.1.1 Commitment by BHEL:

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

### 20.1.2 Commitment by Bidder/ Supplier/ Contractor:

20.1.2.1 The bidder/ supplier/ contractor commit to take all measures to prevent corruption and will not directly or indirectly influence any decision or benefit which he is not legally entitled to nor will 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.

20.1.2.2 The bidder/ supplier/ contractor will, when presenting his bid, disclose any and all payments 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.

20.1.2.3 The bidder/ supplier/ contractor will perform/ execute the contract as per the contract terms & conditions and will not default without any reasonable cause, which causes loss of business/ money/ reputation, to BHEL.

If any bidder/ supplier/ contractor during pre-tendering/ tendering/ post tendering/ award/ execution/ post-execution stage indulges in mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, then, action may be taken against such bidder/ supplier/ contractor as per extant guidelines of the company available on [www. bhel.com](http://www.bhel.com) and/or under applicable legal provisions".

## 21.0 INTEGRITY PACT:

(a) 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.	IEM	Email
1.	Shri Arun Chandra Verma, IPS (Retd.)	<a href="mailto:acverma1@gmail.com">acverma1@gmail.com</a>
2.	Shri Virendra Bahadur Singh, IPS (Retd.)	<a href="mailto:vbsinghips@gmail.com">vbsinghips@gmail.com</a>

(b) The IP as enclosed with the tender (**Annexure-V**) is to be submitted (duly signed by authorized signatory) along with techno-commercial 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.



- (c) Please refer Section-8 of the IP for Role and Responsibilities of IEMs. In case 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.

**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 clarifications/issues shall be addressed directly to the tender issuing (procurement) department's officials whose contact details are provided below:

**Details of contact person(s)**

<b>Name:</b>	<b>1. Neeraj Kumar, Sr.DGM (Fin.)</b>	<b>2. Kamlesh Agarwal, Dy. Manager (Fin.)</b>
<b>Deptt.:</b>	Corp. Finance (Insurance Cell)	
<b>Address:</b>	5 <sup>th</sup> Floor, BHEL House, Siri Fort, New Delhi-110049	
<b>Phone:</b>	+91 11 66337241	+91 11 66337253
<b>Email:</b>	<a href="mailto:neeraj@bhel.in">neeraj@bhel.in</a> ;	<a href="mailto:kamlesh.agarwal@bhel.in">kamlesh.agarwal@bhel.in</a>
<b>Fax:</b>	+91 11 26001143	

## SECTION III

### SPECIAL CONDITIONS OF CONTRACT

#### 1.0 OVERALL SCOPE OF THE INSURANCE POLICY:

BHEL is looking for Insurance Coverage for its movable assets, measuring and monitoring devices on all risk basis including the following perils for a period of one year for all the assets as per list annexed here with this tender document.

- (1) Any unforeseen and/or sudden physical damage to the assets and/or its parts/accessories.
- (2) Loss or damage to assets covered located anywhere in India, due to Fire and Special Perils (Fire, Lightning, Explosion / Implosion, Impact by any external means / or Aircraft damage and / or articles dropped there from, Riot, Strike, Malicious Damage, Civil Commotions, Bush Fire), Terrorism, Burglary, Housebreaking, pilferage and Theft. Basically, "ALL RISKS" is required.
- (3) Acts of God such as Storm, Cyclone, Typhoon, Tempest, Flood, Inundation, Subsidence, Landslide, Earthquake, etc.
- (4) Any accidental Breakdown e.g. Electrical and Mechanical breakdown and / or such failure whilst it is in operation, during overhauling, even in standstill condition, during dismantling/assembly at the existing or new location and also during first time assembly at site/ BHEL office in India after the equipment is tested and accepted in assembled condition at OEM works.
- (5) Risk during movement of assets in connection with work at a project site/unit from one point of the project site/unit to another point in the same project site/unit.
- (6) Third Party Liability (AOA and All Accidents in the period: Limit of Indemnity Rs. 2 Crores)
- (7) Debris Removal (Limit of Indemnity Rs. 40 Lakhs)
- (8) Expediting Expenses including Express Freight, Air Freight and Overtime (Limit of Indemnity Rs.20 Lakhs)
- (9) Additional Custom Duty Rs.10 crores
- (10) Surrounding Properties Rs.10 crores
- (11) Escalation opted under this Policy is 10% of the Sum Insured

#### Brief Particulars of Assets and Nature of Usage

In order to conduct business as stated earlier, Power Sector-Regions/Units have acquired various movable assets that are used for carrying out various business activities. Brief particulars of such assets and the nature of usage are as under-

##### a) Construction Equipment

Construction Equipment like Cranes of various capacities, Trailers, Lifting and Hoisting Equipment, Pumps etc. are used for construction activities at project sites. Depending on the necessity, the equipment is deployed at any project for required duration and later diverted to other project in similar way. It may become necessary to deploy particular equipment at several projects one after the other within a year in order of priority or BHEL's contractual commitment to customers. This is more so in case of smaller size equipment and Tyre –

mounted equipment that can move on its own Power or when distance between two projects is small.

Usually the equipment is transported through public transport. Under special Circumstances (as explained in previous paragraph), these are transported on their own power by road. It may be noted that in case of transport of equipment on their own power through public places/roads etc, third party liability and own damage risk for equipment/ vehicles moving on own propulsion will not be covered under this policy.

At project sites, the equipment is engaged for its intended purpose (e.g. Cranes & Lifting equipment – for lifting goods at various elevations; Trailers for transportation of goods from stores to erection site) and is subject to conditions typical to a construction project site. A list of Construction Equipment is enclosed herewith this tender document..

## **b) Measuring & Monitoring Devices (MMD)**

### **b.1 MMD for Construction or After Sales Servicing Jobs.**

List of such MMDs is enclosed herewith this tender document. All the MMD are used for precision measurement of various parameters that are necessary during construction or servicing of power plants. Most of the MMD are portable and are kept in shock resistant packing when in storage or under transit. Adequate care is exercised while handling, storage and transportation of the MMD to avoid any damage. The MMD are calibrated at recommended intervals at approved laboratories complying with ISO: 9000 Quality management system.

Depending upon it's requirement, certain MMD are deployed at a project site on a permanent basis (during construction period), while certain others are centrally stored at BHEL Regional Office HQ and deployed for short span and again returned to central stores. Portable MMD are usually carried personally by BHEL personnel in shock –resistant Packing to avoid damage. Larger sized MMD are transported through public transport usually by road. For the purpose of calibration or repair or condition assessment, the MMD are usually sent to the OEM or their authorized service centres or suitable laboratory in India.

### **b.2 MMD for PG Test.**

Certain MMD are used for conductance of performance Guarantee (PG) Testing of running plants List of such MMD is enclosed herewith this tender document.

These MMD are of very high accuracy/ precision by nature. A set of such MMD is usually required for deployment at any plant under PG Test for short duration ranging from few days to few weeks. The complete range of MMD is usually centrally stored at BHEL Regional Office HQ and transported through public transport to and from the concerned power plant. In the power plant, they are installed to obtain and record on-line measurement of process parameters during the PG test. After completion of PG test, the MMD are disassembled and brought back to Central Stores or transported to another plant due for PG Test and so on.

As is necessary for the set of MMD under b.1 earlier here, the PG Test MMD are also subject to Calibration, Repair and Condition Assessment at OEM / authorized laboratory/ other suitable laboratory/ service centres.



Bidders may note that the list being provided along with this tender document is a provisional list. Final List along with location of the Equipment/Asset will be provided to the successful bidders before start of the policy. The final list will be considered for raising of insurance premium invoice/ payment of premium and issue of insurance policy.

Bidders may also note that as explained earlier, the location of Equipments/Assets may change multiple times during the policy period. However, no declaration for change of location will be provided separately.

## 2.0 PERIOD OF COVER:

The period of cover of Contractor Plant & Machinery (CPM) Policy shall be from **1<sup>st</sup> June 2022 to 31<sup>st</sup> May 2023**. Further, the jurisdiction of the insurance policy will be **"Anywhere in India basis"**. The Sum Insured under the CPM Policy can be enhanced/ reduced by the Units/ Divisions /Regions / offices during the year and the Premium payment / refund will be on pro-rata basis for the balance period of the year.

## 3.0 NEW ASSETS ACQUIRED / DISPOSED DURING THE YEAR

The fleet of assets is a dynamic one. The list furnished in various appendices enclosed herewith is based on present strength. BHEL may acquire new ones or dispose certain others over the proposed policy period. **The insurer shall provide insurance cover for the new assets on short period basis at agreed premium rate for the remaining period of the year as and when proposed by BHEL. Similarly, as and when existing assets is disposed or deleted from scope of cover, premium for the un-utilized period shall be refunded on short scale basis.**

## 4.0 PAYMENT OF PREMIUM

**4.1** BHEL will pay the premium as per market conventions. The premium invoice raised by the underwriter should be as per the directives of BHEL following GST compliance. 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 NEFT/ECS / RTGS.*

**4.2 Taxes & Duties:** The premium should be quoted net of the discounts and exclusive of Goods and Services Tax (GST). GST shall be paid extra, as applicable.

**4.2.1** 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, Corporate Office, BHEL House, Siri Fort, New Delhi (GSTN: 07AAACB4146P1ZH)**. In case the policy is required separately for every Region, the GST No. of Regions will be provided by BHEL.

**4.2.2** 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.

**4.2.3** Any statutory changes as and when made applicable by the Government shall become applicable against documentary evidence.

**4.2.4** 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.

## 5.0 BASIS OF SUM INSURED

The "Sum to be insured" is the value of the Construction Equipment / Measurement & Monitoring Devices on reinstatement basis including provision for freight, erection cost, overhead and supervision charges. It is the duty of the "insurer" to put back the "insured" (BHEL) in the same position as was prior to the accident / mishap.

## 6.0 EXCESS/ DEDUCTIBLE:

### A) For all Equipments/Assets including cranes above 10 tonnes capacity

S. No.	Value of Equipments	For claims arising out of AOG perils	For claims arising out of perils other than AOG
A1	Individual value upto Rs.1 lakh.	10 % of S.I. Subject to a minimum of Rs. 5,000/-	2 % of S.I. subject to minimum of Rs. 1,500/-
A2	Individual value over Rs. 1 lakh and upto Rs. 5 lakh.	5 % of S.I. Subject to a minimum of Rs.10, 000/-	1.5 % of S.I. subject to minimum of Rs. 2,000/-
A3	Individual value over Rs. 5 lakh and upto Rs.10 lakhs.	3 % of S.I. subject to a minimum of Rs. 25, 000/-	1.25 % of S.I. subject to minimum of Rs. 7,500/-
A4	Individual value over Rs. 10 lakhs upto Rs. 25 lakhs	2 % of S.I. subject to a minimum of Rs. 30, 000/-	1.00 % of S.I. subject to minimum of Rs. 12,500/-
A5	Individual value over Rs. 25 lakhs upto Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	1.00 % of S.I. subject to minimum of Rs. 50,000/-
A6	Individual value over Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	1.00 % of S.I. subject to minimum of Rs. 50,000/-

**B) Excess for Boom Section of Cranes:** 20% of claim amount subject to minimum of Rs. 25,000/- In case damages occur to the crane body as well as boom arising out of the same incident, the respective excess will be applicable. In case one of the two is damaged, the corresponding excess only will apply.

**C) Excess for Third Party Liability Claims:** The Excess applicable for TPL Property Damage claims will be the highest of the Excesses applicable to the respective Equipments/Assets insured. However, Nil excess will be applicable for third party Claims for Loss of Life/Bodily injury.

Signature & Seal of the  
authorized officials of Underwriter

Contractor's Plant & Machinery Insurance Policy 2022-23

Signature & Seal of the  
authorized officials of BHEL

Page 19 of 38



**D) Excess for Surrounding Property and Removal of Debris:** The Excess applicable will be the highest of the Excesses applicable to the respective Equipments/Assets insured.

**Note:** The Acts of God Perils shall mean: Earthquake (Fire & Shock), Landslide, Rockslide, Subsidence, Flood, Inundation, Storm, Tempest, Hurricane, Typhoon, Cyclone etc. Acts of God Perils shall apply separately to each incident giving rise to loss or damage and for this purpose an incident shall not be considered to have terminated until there have been seven consecutive days' freedom from the perils concerned and only thereafter will these excess amounts apply afresh.

#### **7.0 SELF-SURVEY LIMIT:**

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

#### **8.0 DEPUTATION AND OTHER RELATED ISSUES OF SURVEYORS:**

8.1 Within a reasonable time from the commencement of Policy the Insurer shall discuss and furnish the list of surveyors containing their relevant details. Normally surveyors from that list only shall be deputed as per the allotted claim limits. BHEL reserves the right to review the list and can ask the Insurer - not to depute a particular surveyor in case BHEL management feels that his deputation may jeopardize company's interest.

8.2 The Insurer 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 insurer.

8.3 Surveyor shall assess the loss at first available opportunity without any loss of time and recommend on account payment at the earliest. In case the surveyor causes undue delay, the insurer will have to effectively and promptly intervene to expedite the process. The insurer should ensure that the Surveyor shall call for the documents in support of the claim in one go and not in piece-meal manner for expeditious settlement of claims, preferably at the time of visit. In case surveyor loses the documents or does not pass them to the insurer for any reason, photocopy will be asked from BHEL and the same shall be acceptable as if these are original papers.

8.4 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 to the concerned Unit/ site with a copy to BHEL, Corporate Office.

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

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

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

8.8 The insurer shall provide a copy of the survey report to BHEL on demand. The surveyor shall be advised by the insurer to directly submit his report on the causes and ways to avoid

Signature & Seal of the  
authorized officials of Underwriter

Contractor's Plant & Machinery Insurance Policy 2022-23



Signature & Seal of the  
authorized officials of BHEL



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.

8.9 Surveyor/ Insurer will advise the action to be taken against the defaulting parties such as transporters, shipper, clearing house agent, warehouse etc. In case, legal suit is to be filed by BHEL, they should advise at least 6 months in advance of claim becoming time barred and to give BHEL enough time to examine the legality of the option. If BHEL follows their advice, all consequences thereof will be to insurer's account.

## **9.0 SALVAGE DISPOSAL/ REMOVAL**

The salvage will be disposed off by BHEL, through MSTC only. However, if the insurer desires the disposal of salvage through any other mode, the same will have to be carried out by the insurer directly.

However, the claim may be settled by agreeing to a mutual value of the salvage, subject to adjustment after final disposal of the salvage by the insurer.

In case it is decided that the salvage is to be disposed off by insurer, the insurer shall be responsible to lift the salvage within 30 days of such decision. In the event the Insurer does not lift the salvage as above, within 45 days, BHEL reserves the right to dispose of the same as deemed fit and recover the differential (deficit) between agreed value and the actual realised value of salvage from the insurer. However, Insurer will have no claim on Units / Divisions of BHEL on this account whatsoever. In case BHEL so desires, part of the salvage can be retained by it at mutually agreed price.

**10.0 PROGRESS REPORTING AND REVIEW:** Lead Insurer in consultation and agreement with BHEL and other Co-insurers shall prepare a standard checklist of documentation required for early settlement and on-account payment of claims and the time frame for settlement. The same shall be provided to Corporate Office within 2 weeks of award of Policies.

10.1 The designated Branch / Divisional Office of the insurer shall submit quarterly progress reports regarding the status of each and every claim lodged, amount of claim, claims settled, claims pending, disallowed amounts if any and the reasons thereof to the respective Units / Divisions of BHEL with a copy to the corporate office at New Delhi

10.2 The progress report shall indicate the details of the claims pending up to the period, number of claims with details added during the period, claims settled with details of amounts claimed / settled, reasons of short settlement/disallowance if any, the reasons for non-settlement of claims with list of documents/data awaited for settling such claims with agencies responsible etc.

10.3 The hard copies of all progress reports shall be submitted with a copy to Corporate Office Finance Dept., New Delhi along with soft copy through e-mail.

10.4 Periodic progress review meetings will be held at BHEL Units / Divisions during which the status of all the pending claims will be discussed and action plan drawn to liquidate the pending claims. The insurer shall depute their senior representative to attend such meetings, who will come prepared to take spot decisions in respect of settlement of claims. They shall also constantly update/review their work programme to match the liquidation of pending claims.

## **11.0 SETTLEMENT OF & ON ACCOUNT PAYMENTS AGAINST CLAIMS.**

11.1 The Units / Divisions /Regions of BHEL will be responsible for lodging and claim settlements in a decentralised manner and the designated branch / Divisional office of the insurer to have close liaison with BHEL Units / Divisions and settle the claims

11.2 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.

11.3 Surveyor will assist BHEL in finalising quantum of on account payment upon getting approximate information w.r.t. loss suffered. The insurance company will provide full information in this respect.

11.4 The balance amount of the claim shall be settled and paid expeditiously after submission of all relevant documents.

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

11.6 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% of the claimed amount.)

## **12.0 INTEREST ON DELAYED PAYMENTS:**

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)

## **13.0 THEFT / PILFERAGE CLAIMS :**

The security / watch and ward arrangement in the units/site is in the purview / scope of the CISF, a Govt. of India agency or any Private Agency of repute. 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 insurer.

However, the complaint so lodged, 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 Insurer. No additional documents shall be insisted for by the insurer to settle the claims.



#### 14.0 CHARGES FOR SUPERVISION, REPAIRS / RECTIFICATION:

In case repair/replacement of damaged item is carried out in supervision of BHEL Officials, the underwriter will reimburse supervision charges and applicable overheads, if any in line with the applicable BHEL Corporate Office/Unit/Region guidelines.

#### 15.0 EXCLUSIONS:

Under the insurance policy, only such exclusions as applicable under tariff or internationally acceptable exclusions will only be acceptable to BHEL. It will be the responsibility of the insurer to prove applicability of the exclusions as above. However, the spirit of the policy will be providing an all risk insurance coverage to BHEL. Communicable disease exclusion clause will be applicable to the policy.

#### 16.0 OPTIONAL MARINE/TRANSIT INSURANCE COVER:

BHEL is looking for an optional insurance cover for Marine/Transit risks of equipments / assets. All the bidders are requested to offer their quotes for this cover also. If required, BHEL will intimate the requirement of transit cover of its equipment/asset and necessary premium will be deposited with the insurer at the agreed /finalized rates. However, this optional cover for Transit Insurance will be at sole discretion of BHEL.

Construction Equipment like Cranes of various capacities, Trailers, Lifting and Hoisting Equipment, Pumps etc. are used for construction activities at project sites. Depending on the necessity, the equipment is deployed at any project for required duration and later diverted to other project in similar way.

It may become necessary to deploy particular equipment at several projects one after the other within a year in order of priority or BHEL's contractual commitment to customers. This is more so in case of smaller size equipment and Tyre – mounted equipment that can move on its own Power or when distance between two projects is small.

Usually the equipment is transported through public transport. Under special Circumstances (as explained in previous paragraph), these are transported on their own power by road. It may be noted that in case of transport of equipment on their own power through public places/roads etc, third party liability and own damage risk for equipment/ vehicles moving on own propulsion will not be covered under the Marine/Transit policy.

The Marine/Transit Insurance Policy intends to cover Loss or damage whilst in transit from any location to any location within India either through public transport / Carrier or as Baggage by BHEL Employees, by all Modes of transport, namely, Rail / Road / Air / Parcel / Post / Courier etc. Basically "All Risks" (including loading-unloading risks, pilferage, physical loss or damage, burglary, theft, Non-delivery) in the Institute Cargo Clauses – A /ITC- A. Transit will be covered for SRCC and Terrorism Risks.

**Deductibles for Marine Policy:** 0.25% of the Claim amount subject to minimum Rs. 20000/-

**Please note that the rates for Marine/Transit cover are optional rates and will not be considered for evaluation purpose. However, the successful bidder will be required to match the lowest Marine/Transit Premium rate in case he is not the lowest bidder for the**





same. In case the lowest bidder fails to match the lowest rate for marine portion (optional cover), BHEL reserves the right to arrange the transit cover separately.

## 1.5. TRANSIT COVER

Under the insurance policy, transit cover is available under the optional cover. The insurance cover will be available to BHEL. It will be the responsibility of the bidder to provide adequate transit cover for the equipment. However, the policy will be covering all the insurance charges in BHEL. Communicable disease covering charges will be applicable to the policy.

## 1.6. OPTIONAL MARINE/TRANSIT INSURANCE COVER

BHEL is looking for an optional insurance cover for Marine/Transit of equipment. All the bidders are requested to offer their rates for this cover also. It is required that BHEL will arrange the requirement of transit cover of its equipment and necessary premium will be deducted with the amount of the agreed transit rates. However, this optional cover for Transit insurance will be at the discretion of BHEL.

Construction Equipment like Crane of various capacities, Lifting and Hoisting Equipment, Pumps etc. are used for construction activities at project sites. Depending on the necessity, the equipment is deployed at any project for required duration and later diverted to other project in similar way.

It may become necessary to deploy particular equipment at several projects one after the other within a year in order of priority of BHEL's contractual commitment to customer. This is more so in case of mobile and equipment and type - mounted equipment that can move on its own. Power or when distance between two projects is small.

Usually the equipment is transported through public transport under special circumstances (as explained in various paragraphs), these are transported on their own power or used. It may be noted that in case of transport of equipment on their own power through public transport, etc., third party liability and own damage risk for equipment vehicles moving on own propulsion will not be covered under the Marine/Transit policy.

The Marine/Transit Insurance Policy covers loss or damage while in transit from any location in any location within India either through public transport (Carrier or as Barge by BHEL Employees by all Modes of transport namely, Rail, Road, Air, Parcel, Post, Courier etc. Basically 'All Risk', including loading-unloading risk, pilferage, physical loss or damage, fire, theft, Non-delivery in the Marine Cargo Clause - A. ITC-A Transit will be covered for SRO and Terminal Risk.

Details for Marine Policy: 0.25% of the Claim amount subject to minimum Rs. 2000/-

Please note that the rates for Marine/Transit cover are optional rates and will not be considered for award purpose. However, the successful bidder will be required to match the lowest Premium rate in case he is not the lowest bidder for the



## 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:CPM:2022-23 dated 25.04.2022**. Deviation, 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)

## DECLARATION SHEET

I, \_\_\_\_\_ hereby certify that all the information and data furnished by me with regard to this Tender Specification No. **BHEL:CO:FIN:INS: CPM:2022-23 dated 25.04.2022** 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)





VI-23456789



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  
BHEL:CO:FIN:INS:CPM:2022-23 dated 25.04.2022 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 6 of Section II.

For and on behalf of underwriter

(Signature & seal of authorized signatory)



INSURANCE



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)

## INTEGRITY PACT

Between Bharat Heavy Electricals Ltd. (BHEL), a company registered under the Companies Act 1956 and having its registered office at "BHEL House", Siri Fort, New Delhi - 110049 (India) hereinafter referred to as "The Principal", which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the ONE PART

and

\_\_\_\_\_, (description of the party along with address), hereinafter referred to as "The Bidder/ Contractor" which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the OTHER PART

### Preamble

The Principal intends to award, under laid-down organizational procedures, contract/s for **Contractor's Plant & Machinery Insurance 2022-23.** (hereinafter referred to as "Contract").

The Principal values full compliance with all relevant laws of the land, rules and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s)/ Contractor(s).

In order to achieve these goals, the Principal will appoint panel of Independent External Monitor(s) (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

### Section 1- Commitments of the Principal

- 1.1 The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles: -
  - 1.1.1 No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
  - 1.1.2 The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/ additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
  - 1.1.3 The Principal will exclude from the process all known prejudiced persons.
- 1.2 If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary



actions.

## **Section 2 - Commitments of the Bidder(s)/ Contractor(s)**

- 2.1 The Bidder(s)/ Contractor(s) commit himself to take all measures necessary to prevent corruption. The Bidder(s)/ Contractor(s) commits himself to observe the following principles during participation in the tender process and during the contract execution.
- 2.1.1 The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material, immaterial or any other benefit which he/ she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- 2.1.2 The Bidder(s)/ Contractor(s) will not enter with other Bidder(s) into any illegal or undisclosed agreement or understanding, whether formal or informal. 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.
- 2.1.3 The Bidder(s)/ Contractor(s) will not commit any penal offence under the relevant Indian Penal Code (IPC) and Prevention of Corruption Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- 2.1.4 Foreign Bidder(s)/ Contractor(s) shall disclose the name and address of agents and representatives in India and Indian Bidder(s)/ Contractor(s) to disclose their foreign principals or associates. The Bidder(s)/ Contractor(s) will, when presenting his bid, disclose any and all payments 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.
- 2.2 The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 2.3 The Bidder(s)/ Contractor(s) shall not approach the Courts while representing the matters to IEMs and shall await their decision in the matter.

## **Section 3 - Disqualification from tender process and exclusion from future contracts**

If the Bidder(s)/ Contractor(s), before award or during execution has committed a transgression through a violation of Section 2 above, or acts in any other manner such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/ Contractor(s) from the tender process, terminate the contract, if already awarded, exclude from future business dealings and/ or take action as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.



#### **Section 4 - Compensation for Damages**

- 4.1 If the Principal has disqualified the Bidder (s) from the tender process before award / order acceptance according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- 4.2 If the Principal is entitled to terminate the Contract according to Section 3, or terminates the Contract in application of Section 3 above , the Bidder(s)/ Contractor (s) transgression through a violation of Section 2 above shall be construed breach of contract and the Principal shall be entitled to demand and recover from the Contractor an amount equal to 5% of the contract value or the amount equivalent to Security Deposit/ Performance Bank Guarantee , whichever is higher, as damages, in addition to and without prejudice to its right to demand and recover compensation for any other loss or damages specified elsewhere in the contract.

#### **Section 5 - Previous Transgression**

- 5.1 The Bidder declares that no previous transgressions occurred in the last 3 (three) years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- 5.2 If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason or action can be taken as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.

#### **Section 6 - Equal treatment of all Bidders/ Contractors / Sub-contractors**

- 6.1 The Principal will enter into Integrity Pacts with identical conditions as this Integrity Pact with all Bidders and Contractors.
- 6.2 In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor(s) and ensure that all Sub-contractors also sign the Integrity Pact.
- 6.3 The Principal will disqualify from the tender process all Bidders who do not sign this Integrity Pact or violate its provisions.

#### **Section 7 - Criminal Charges against violating Bidders/ Contractors /Subcontractors**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

## Section 8 -Independent External Monitor(s)

- 8.1 The Principal appoints competent and credible panel of Independent External Monitor (s) (IEMs) for this Integrity Pact. The task of the IEMs is to review independently and objectively, whether and to what extent the parties comply with the obligations under this Integrity Pact.
- 8.2 The IEMs are not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, BHEL.
- 8.3 The IEMs shall be provided access to all documents/ records pertaining to the Contract, for which a complaint or issue is raised before them as and when warranted. However, the documents/records/information having National Security implications and those documents which have been classified as Secret/Top Secret are not to be disclosed.
- 8.4 The Principal will provide to the IEMs sufficient information about all meetings among the parties related to the Contract provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the IEMs the option to participate in such meetings.
- 8.5 The advisory role of IEMs is envisaged as that of a friend, philosopher and guide. The advice of IEMs would not be legally binding and it is restricted to resolving issues raised by a Bidder regarding any aspect of the tender which allegedly restricts competition or bias towards some Bidders. At the same time, it must be understood that IEMs are not consultants to the Management. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.
- 8.6 For ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process or during execution of Contract, the matter should be examined by the full panel of IEMs jointly, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management.
- 8.7 The IEMs would examine all complaints received by them and give their recommendations/ views to the CMD, BHEL at the earliest. They may also send their report directly to the CVO, in case of suspicion of serious irregularities requiring legal/ administrative action. Only in case of very serious issue having a specific, verifiable Vigilance angle, the matter should be reported directly to the Commission. IEMs will tender their advice on the complaints within 30 days.
- 8.8 The CMD, BHEL shall decide the compensation to be paid to the IEMs and its terms and conditions.
- 8.9 IEMs should examine the process integrity they are not expected to concern themselves with fixing of responsibility of officers. Complaints alleging mala fide on the part of any officer of the Principal should be looked into by the CVO of the Principal.
- 8.10 If the IEMs have reported to the CMD, BHEL, a substantiated suspicion of an offence under relevant Indian Penal Code / Prevention of Corruption Act, and the CMD, BHEL has not, within reasonable time, taken visible action to proceed against such offence or



reported it to the Vigilance Office, the IEMs may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

8.11 After award of work, the IEMs shall look into any issue relating to execution of Contract, if specifically raised before them. As an illustrative example, if a Contractor who has been awarded the Contract, during the execution of Contract, raises issue of delayed payment etc. before the IEMs, the same shall be examined by the panel of IEMs. Issues like warranty/ guarantee etc. shall be outside the purview of IEMs.

8.12 However, the IEMs may suggest systemic improvements to the management of the Principal, if considered necessary, to bring about transparency, equity and fairness in the system of procurement.

8.13 The word 'Monitor' would include both singular and plural.

### **Section 9 - Pact Duration**

9.1 This Integrity Pact shall be operative from the date this Integrity Pact is signed by both the parties till the final completion of contract for successful Bidder, and for all other Bidders 6 months after the Contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

9.2 If any claim is made/ lodged during currency of this Integrity Pact, the same shall be binding and continue to be valid despite the lapse of this Pact as specified above, unless it is discharged/ determined by the CMD, BHEL.

### **Section 10 - Other Provisions**

10.1 This Integrity Pact is subject to Indian Laws and exclusive jurisdiction shall be of the competent Courts as indicated in the Tender or Contract, as the case may be.

10.2 Changes and supplements as well as termination notices need to be made in writing.

10.3 If the Bidder(s)/ Contractor(s) is a partnership or a consortium or a joint venture, this Integrity Pact shall be signed by all partners of the partnership or joint venture or all consortium members.

10.4 Should one or several provisions of this Integrity Pact turn out to be invalid, the remainder of this Integrity Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

10.5 Only those bidders / contractors who have entered into this Integrity Pact with the Principal would be competent to participate in the bidding. In other words, entering into this Integrity Pact would be a preliminary qualification.

10.6 In the event of any dispute between the Principal and Bidder(s)/ Contractor(s) relating to the Contract, in case, both the parties are agreeable, they may try to settle dispute through Mediation before the panel of IEMs in a time bound manner. In case, the dispute remains unresolved even after mediation by the panel of IEMs, either party may take further action as the terms & conditions of the Contract. The fees/expenses on dispute

resolution through mediation shall be shared by both the parties. Further, the mediation proceedings shall be confidential in nature and the parties shall keep confidential all matters relating to the mediation proceedings including any settlement agreement arrived at between the parties as outcome of mediation. Any views expressed, suggestions, admissions or proposals etc. made by either party in the course of mediation shall not be relied upon or introduced as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the dispute that is the subject of mediation proceedings. Neither of the parties shall present IEMs as witness in any Alternative Dispute Resolution or judicial proceedings in respect of the dispute that was subject of mediation.

For & On behalf of the Principal  
(Office Seal)

For & On behalf of the Bidder/ Contractor  
(Office Seal)

Place-----  
Date-----

Witness:  
(Name & Address)

Witness:  
(Name & Address)

## UNPRICED PRICE SCHEDULE

Contractor Plant & Machinery (CPM) Insurance Policy 2022-23			Premium	
S.No	Risk Cover	Tentative Sum Insured (Rs in Crores)	Rate of Premium (Rs. Per Mille)	Amount of Premium (Rs.)
<b>1.</b>	<b>Cranes and other Construction Equipment</b>			
	PSER	133.37	XXXXXXXXXXXX	XXXXXXXXXXXX
	PSWR	181.50	XXXXXXXXXXXX	XXXXXXXXXXXX
	PSNR	192.70	XXXXXXXXXXXX	XXXXXXXXXXXX
	PSSR	209.54	XXXXXXXXXXXX	XXXXXXXXXXXX
	VIZAG	3.52	XXXXXXXXXXXX	XXXXXXXXXXXX
<b>2.</b>	<b>Measuring and Monitoring Devices</b>			
	PSER	1.21	XXXXXXXXXXXX	XXXXXXXXXXXX
	PSWR	12.91	XXXXXXXXXXXX	XXXXXXXXXXXX
	PSNR	5.15	XXXXXXXXXXXX	XXXXXXXXXXXX
	PSSR	6.61	XXXXXXXXXXXX	XXXXXXXXXXXX
<b>3.</b>	<b>Total Sum Insured</b>	<b>746.51</b>	XXXXXXXXXXXX	XXXXXXXXXXXX
<b>Total Premium (Excluding GST)</b>				XXXXXXXXXXXX

Total Premium (In Words) XX  
XX

Date:

SIGNATURE OF AUTHORISED  
OFFICIAL WITH DESIGNATION  
AND STAMP

### Optional Cover (Refer Clause 16 of Section III) (Not to be considered for evaluation)

Marine/ Transit Cover Rate per Mille

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

SIGNATURE OF AUTHORISED  
OFFICIAL WITH DESIGNATION AND STAMP



## Claim Experience

Bidders may note that BHEL has started taking CPM Policy for its movable assets in 2018-19. Prior to 2018-19, the coverage for movable assets was being arranged under customised policy. The history of losses in previous years is provided for information of bidders.

Rs. / Lakhs					
Policy Year	Premium Paid (excl. GST)	Claims Paid	Claims O/S	Total Claims	Claim Ratio
2015-16	892.66	18.76	0	18.76	2.10%
2016-17	853.27	57.18	0	57.18	6.70%
2017-18	848.12	20.56	0	20.56	2.42%
2018-19	684.07	21.38	0	21.38	3.13%
2019-20	582.92	68.96	0	68.96	11.83%
2020-21	587.55	20.42	0	20.42	3.48%
2021-22 (upto 31.03.2022)	508.15	0	52.71	52.71	10.37%
<b>TOTAL</b>	<b>4956.74</b>	<b>207.26</b>	<b>52.71</b>	<b>259.97</b>	<b>5.72%</b>

Premium paid has been considered for each complete policy year. Since the policy for 2021-22 is still continuing, the Claims reported upto 31.03.2022 has been considered for 2021-22 Claims paid and total claims outstanding.

Please note that claims are lodged at an estimated value of damaged items and actual reinstatement cost generally are lower than the claimed amount. Further, it has been experienced that claims are settled at a lower amount than the claimed amount due to applicable deductibles and other conditions. Considering the outstanding claims at 50% of the claimed amount, the claim ratio for the policy year 2021-22 will be approx. 5%.

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NOT FOR PUBLICATION

## BHARAT HEAVY ELECTRICALS LIMITED



PRICE BID

FOR

CONTRACTOR'S PLANT & MACHINERY INSURANCE POLICY  
TENDER NO. : BHEL : CO : FIN : INS : CPM: 22-23

**BHARAT HEAVY ELECTRICALS LTD.**

CORPORATE FINANCE DEPARTMENT

BHEL HOUSE, SIRI FORT

NEW DELHI – 110 049

## Contractor Plant & Machinery (CPM) Policy 2022-23

Contractor Plant & Machinery (CPM) Insurance Policy 2022-23			Premium	
S.No	Risk Cover	Tentative Sum Insured (Rs in Crores)	Rate of Premium (Rs. Per Mille)	Amount of Premium (Rs.)
1.	<b>Cranes and other Construction Equipment</b>			
	PSER	133.37		
	PSWR	181.50		
	PSNR	192.70		
	PSSR	209.54		
	VIZAG	3.52		
2.	<b>Measuring and Monitoring Devices</b>			
	PSER	1.21		
	PSWR	12.91		
	PSNR	5.15		
	PSSR	6.61		
3.	<b>Total Sum Insured</b>	<b>746.51</b>		
<b>Total Premium (Excluding GST)</b>				

Total Premium (excl. GST in Rs.) (In Words).....

Date

SIGNATURE OF AUTHORISED OFFICIAL  
WITH DESIGNATION AND STAMP

### Optional Cover (Refer Clause 16 of Section III) (Not to be considered for evaluation)

Marine/ Transit Cover Rate per Mille

Date

SIGNATURE OF AUTHORISED OFFICIAL  
WITH DESIGNATION AND STAMP