

## **Annexure-1 to Enquiry terms and conditions**

### **BRIEF PROCEDURE FOR CONDUCT OF CONCILIATION PROCEEDINGS**

1. The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided herein:
2. The party desirous of resorting to Conciliation shall send an invitation/notice in writing to the other party to conciliate specifying all points of Disputes with details of the amount claimed. The party concerned shall not raise any new issue thereafter. Parties shall also not claim any interest on claims/counterclaims from the date of notice invoking Conciliation till the conclusion of the Conciliation proceedings.
3. The party receiving the invitation/notice for Conciliation shall within 30 days of receipt of the notice of Conciliation intimate its consent for Conciliation along with its counter-claims, if any.
4. The Conciliation in a matter involving claim or counter-claim (whichever is higher) up to Rs 5 crores shall be carried out by sole Conciliator nominated by BHEL while in a matter involving claim or counter-claim (whichever is higher) of more than Rs 5 crores. Conciliation shall be carried out by 3 Conciliators nominated by BHEL.
5. The Parties shall be represented by only their duly authorized in-house executives/officers and neither Party shall be represented by a Lawyer.
6. The first meeting of the IEC shall be convened by the IEC by sending appropriate communication/notice to both the parties as soon as possible but not later than 30 days from the date of his/their appointment. The hearings in the Conciliation proceeding shall ordinarily be concluded within two (2) months and, in exceptional cases where parties have expressed willingness to settle the matter or there exists possibility of settlement in the matter, the proceedings may be extended by the IEC by a maximum of further 2 months with the consent of the Parties subject to cogent reasons being recorded in writing.
7. The IEC shall thereafter formulate recommendations for settlement of the Disputes supported by reasons at the earliest but in any case within 15 days from the date of conclusion of the last hearing. The recommendations so formulated along with the reasons shall be furnished by the IEC to both the

Parties at the earliest but in any case within 1 month from the date of conclusion of the last hearing.

8. Response/modifications/suggestions of the Parties on the recommendations of the IEC are to be submitted to the IEC within time limit stipulated by the IEC but not more than 15 days from the date of receipt of the recommendations from the IEC.
9. In the event, upon consideration, further review of the recommendations is considered necessary, whether by BHEL or by the other Party, then, the matter can be remitted back to the IEC with request to reconsider the same in light of the issues projected by either/both the Parties and to submit its recommendations thereon within the following 15 days from the date of remitting of the case by either of the Parties.
10. Upon the recommendations by the Parties, with or without modifications, as considered necessary, the IEC shall be called upon to draw up the Draft Settlement Agreement in terms of the recommendations.
11. When a consensus can be arrived at between the parties only in regard to any one or some of the issues referred for Conciliation the draft Settlement Agreement shall be accordingly formulated in regard to the said Issue(s), and the said Settlement Agreement, if signed, by the parties, shall be valid only for the said issues. As regards the balance issues not settled, the parties may seek to resolve them further as per terms and conditions provided in the contract.
12. In case no settlement can be reached between the parties, the IEC shall by a written declaration, pronounce that the Conciliation between the parties has failed and is accordingly terminated.
13. Unless the Conciliation proceedings are terminated in terms of para 22 (b), (c) & (d) herein below, the IEC shall forward his/its recommendations as to possible terms of settlement within one (1) month from the date of last hearing. The date of first hearing of Conciliation shall be the starting date for calculating the period of 2 months.
14. In case of 3 members IEC, 2 members of IEC present will constitute a valid quorum for IEC and meeting can take place to proceed in the matter after seeking consent from the member who is not available. If necessary, videoconferencing may be arranged for facilitating participation of the

members. However, the IEC recommendations will be signed by all members. Where there is more than one (1) Conciliator, as a general rule they shall act

jointly. In the event of differences between the Members of IEC, the decision/recommendations of the majority of the Members of IEC shall prevail and be construed as the recommendation of the IEC.

15. The Draft Settlement Agreement prepared by the IEC in terms of the consensus arrived at during the Conciliation proceedings between the Parties shall be given by the IEC to both the parties for putting up for approval of their respective Competent Authority.
16. Before submitting the draft settlement agreement to BHEL's Competent Authority viz. the Board Level Committee on Alternative Dispute Resolution (BLCADR) for approval, concurrence of the other party's Competent Authority to the draft settlement agreement shall be obtained by the other party and informed to BHEL within 15 days of receipt of the final draft settlement agreement by it. Upon approval by the Competent Authority, the Settlement Agreement would thereafter be signed by the authorized representatives of both the Parties and authenticated by the members of the IEC.
17. In case the Draft Settlement Agreement is rejected by the Competent Authority of BHEL or the other Party, the Conciliation proceedings would stand terminated.
18. A Settlement Agreement shall contain a statement to the effect that each of the person(s) signing thereto (i) is fully authorized by the respective Party(ies) he/she represents, (ii) has fully understood the contents of the same and (iii) is signing on the same out of complete freewill and consent, without any pressure, undue influence.
19. The Settlement Agreement shall thereafter have the same legal status and effect as an arbitration award on agreed terms on the substance of the dispute rendered by an arbitral tribunal passed under section 30 of the Arbitration and Conciliation Act, 1996.
20. Acceptance of the Draft Settlement Agreement/recommendations of the Conciliator and/or signing of the Settlement Agreement by BHEL shall however, be subject to withdrawal/closure of any arbitral and/or judicial proceedings initiated by the concerned Party in regard to such settled issues.

21. Unless otherwise provided for in the agreement, contract or the Memorandum of Understanding, as the case may be, in the event of likelihood of prolonged absence of the Conciliator or any member of IEC, for any reason/incapacity, the Competent Authority/Head of Unit/Division/Region/Business Group of BHEL may substitute the Conciliator or such member at any stage of the proceedings. Upon appointment of the substitute Conciliator(s), such reconstituted IEC may, with the consent of the Parties, proceed with further Conciliation into the matter either de-novo or from the stage already reached by the previous IEC before the substitution.
22. The proceedings of Conciliation under this Scheme may be terminated as follows:
- On the date of signing of the Settlement agreement by the Parties; or,
  - By a written declaration of the IEC, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or,
  - By a written declaration of the Parties addressed to the IEC to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or,
  - By a written declaration of a Party to the other Party and the IEC, if appointed, to the effect that the Conciliation proceedings are terminated, on the date of the declaration.
  - On rejection of the Draft Settlement Agreement by the Competent Authority of BHEL or the other Party.
23. The Conciliator(s) shall be entitled to following fees and facilities:

Sl No	Particulars	Amount
1	Sitting fees	Each Member shall be paid a Lump Sum fee of Rs 75,000/- for the whole case payable in terms of paragraph No. 27 herein below.
2	Towards drafting of settlement agreement	In cases involving claim and/or counterclaim of up to Rs 5crores. Rs 50,000/- (Sole Conciliator)

Sl No	Particulars	Amount
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		<p>In cases involving claim and/or counterclaim of exceeding Rs 5 crores but less than Rs 10 crores. Rs 75,000 (per Conciliator) In cases involving claim and/or counter-claim of more than Rs 10 crores.</p> <p>Rs 1,00,000/- (per Conciliator) Note: The aforesaid fees for the drafting of the Settlement Agreement shall be paid on Signing of the Settlement Agreement after approval of the Competent Authority or Rejection of the proposed Settlement Agreement by the Competent Authority of BHEL.</p>
3	Secretarial expenses	<p>Rs 10,000/- (one time) for the whole case for Conciliation by a Sole Member IEC.</p> <p>Where Conciliation is by multi member Conciliators Rs 30,000/- (one time)- to be paid to the IEC</p>
4	<p>Travel and transportation and stay at outstation</p> <p>i) Retired Senior Officials of other Public Sector Undertakings (pay scale wise equivalent to or more than E-8 level of BHEL)</p>	<p>As per entitlement of the equivalent officer (pay scale wise) in BHEL.</p>

	Others	As per the extant entitlement of whole time Functional Directors in BHEL.
Sl No	Particulars	Amount
		Ordinarily, the IEC Member(s) would be entitled to travel by air Economy Class.
5	Venue for meeting	Unless otherwise agreed in the agreement, contract or the Memorandum of Understanding, as the case may be, the venue/seat of proceedings shall be the location of the concerned Unit / Division / Region / Business Group of BHEL. Without prejudice to the seat/venue of the Conciliation being at the location of concerned BHEL Unit / Division / Region / Business Group, the IEC after consulting the Parties may decide to hold the proceedings at any other place/venue to facilitate the proceedings. Unless, Parties agree to conduct Conciliation at BHEL premises, the venue is to be arranged by either Party alternately.

24. The parties will bear their own costs including cost of presenting their cases/evidence/witness(es)/expert(s) on their behalf. The parties agree to rely upon documentary evidence in support of their claims and not to bring any oral evidence in IEC proceedings.
25. If any witness(es) or expert(s) is/are, with the consent of the parties, called upon to appear at the instance of the IEC in connection with the matter, then, the costs towards such witness(es)/expert(s) shall be determined by the IEC with the consent of the Parties and the cost so determined shall be borne equally by the Parties.

26. The other expenditures/costs in connection with the Conciliation proceedings as well as the IEC's fees and expenses shall be shared by the Parties equally.
27. Out of the lump sum fees of Rs 75,000/- for Sitting Fees, 50% shall be payable after the first meeting of the IEC and the remaining 50% of the Sitting Fees shall be payable only after termination of the conciliation proceedings in terms of para 22 hereinabove.
28. The travelling, transportation and stay at outstation shall be arranged by concerned Unit as per entitlements as per Serial No. 3 of the Table at para 23 above, and in case such arrangements are not made by the BHEL Unit, the same shall be reimbursed to the IEC on actuals limited to their entitlement as per Serial No. 4 of the Table at Para 23 above against supporting documents. The IEC Member(s) shall submit necessary invoice for claiming the fees/reimbursements.
29. The Parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of its implementation and enforcement or as required by or under a law or as per directions of a Court/Governmental authority/ regulatory body, as the case may be.
30. The Parties shall not rely upon or introduce as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the Disputes that is the subject of the Conciliation proceedings:
- a. Views expressed or suggestions made by the other party in respect of a possible settlement of the Disputes;
  - b. admissions made by the other party in the course of the Conciliator proceedings;
  - c. proposals made by the Conciliator;
  - d. The fact that the other Party had indicated his willingness to accept a proposal for settlement made by the Conciliator.
31. The Parties shall not present the Conciliator(s) as witness in any Alternative Dispute Resolution or Judicial proceedings in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
32. None of the Conciliators shall act as an arbitrator or as a representative or counsel of a Party in any arbitral or judicial proceeding in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.

33. The Parties shall not initiate, during the Conciliation proceedings, any arbitral or judicial proceedings in respect of a Disputes that is the subject matter of the Conciliation proceedings except that a Party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights including for preventing expiry of period of limitation. Unless terminated as per the provisions of this Scheme, the Conciliation proceedings shall continue notwithstanding the commencement of the arbitral or judicial proceedings and the arbitral or judicial proceedings shall be primarily for the purpose of preserving rights including preventing expiry of period of limitation.
  
34. The official language of Conciliation proceedings under this Scheme shall be English unless the Parties agree to some other language.



**FORMAT FOR SEEKING CONSENT FOR REFERRING THE DISPUTES  
TO CONCILIATION THROUGH IEC**

To,

M/s. (Stakeholder's name)

**Sub: Resolution of the Disputes through conciliation by Independent  
Expert Committee (IEC).**

Ref: Contract No/MoU/Agreement/LOI/LOA& date \_\_\_\_\_.

Sir,

With reference to above referred Contract/MoU/Agreement/LOI/LOA, you have raised certain Disputes/claims. Vide your letter dated\_\_\_\_ you have requested BHEL to refer the Disputes/claims to IEC for Conciliation.

We are enclosing herewith Format (3) for giving consent and the terms and conditions of BHEL Conciliation Scheme, 2018 governing conciliation through IEC. You are requested to give your unconditional consent to the said terms and conditions of the Scheme by returning the same duly sealed and signed on each page. On receipt of your consent, matter will be put to the Competent Authority for consideration and decision.

Please note that BHEL has also certain claims against you (if applicable). BHEL reserves its right to agree or not to agree conciliation of the said disputes through BHEL and this letter is being issued without prejudice to BHEL's rights and contentions available under the contract and law.

Yours faithfully,

**Representative of BHEL**  
**Appendix II**

**FORMAT FOR GIVING CONSENT BY  
CONTRACTOR/VENDOR/CUSTOMER/COLLABORATOR/CONSORTIUM PARTNERS FOR REFERRING THE DISPUTES TO CONCILIATION  
THROUGH IEC**

To,

BHEL

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**Sub: Resolution of Disputes through Conciliation by Independent Expert Committee (IEC).**

Ref: Contract/MoU/Agreement/LOI/LOA No      & date\_\_\_\_

With reference to above referred contract, our following bills/invoices/claims submitted to BHEL are still unpaid giving rise to Disputes:

SL. no.	Claim Description	Bill submitted to BHEL (no. and date)	Amount of the bill/claim	Amount received from BHEL	Outstanding Amount

Accordingly we request you to kindly refer the Disputes in respect of above claims to IEC for Conciliation.

We hereby agree and give our unconditional consent to the terms and conditions of BHEL Conciliation Scheme, 2018 governing conciliation through IEC. We have signed the same on each page and enclosed it for your consideration.

Yours faithfully,

**(Signature with stamp)**

**Authorized Representative of Contractor  
Name, with designation  
Date**

**STATEMENT OF CLAIMS/COUNTER CLAIMS TO BE SUBMITTED TO  
THE IEC BY BOTH THE PARTIES**

1. Chronology of the Disputes
2. Brief of the Contract/MoU/Agreement/LOI/LOA
3. Brief history of the Disputes:
4. Issues:
5. Details of Clam(s)/Counter Claim(s):

<b>SI. No.</b>	<b>Description of claim(s)/Counter Claim</b>	<b>Amount (in INR)Or currency applicable in the contract</b>	<b>Relevant contract clause</b>

6. Basis/Ground of claim(s)/counter claim(s) (along with relevant clause of contract)

**Note**– *The Statement of Claims/Counter Claims may ideally be restricted to maximum limit of 20 pages. Relevant documents may be compiled and submitted along with the statement of Claims/Counter Claims. The statement of Claims/Counter Claims is to be submitted to all IEC members and to the other party by post as well as by email.*

**BHARAT HEAVY ELECTRICALS LIMITED**  
**MM/RM/PURCHASE/PIPES**

**Ref: MM: Pur:Pipe:PC: Rev 00**

**Dt:15.03.2021**

**Pre-Qualification requirements (POR) for the procurement of Seamless Carbon Steel/Alloy Steel Pipes through Open Tender (As per TDG:7381: Rev01 & TDG:101 Rev 13)**

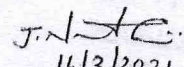
**A) Organizational Capability:**

1. Manufacturers having Pipe mill are only eligible to participate. Offers from traders, re-rollers (Suppliers having only cold finishing facility), fabricators and stockists are not acceptable and will not be considered for evaluation.
2. Source of raw material (Billets or blooms) for the manufacturing of Pipes shall be from **IBR** approved well known steel maker or certified by **IBR** approved inspecting authority (Form-IV to be attached in all cases). If the Raw material is sourced from different sources, all the sources should be indicated in the offer, and the supplies should be restricted to the indicated list of raw material sources.
3. Vendor to indicate the nature of the firm. Product catalogue shall be submitted.
4. Suppliers shall submit filled in supplier facility report for Pipe mill (Format enclosed). Suppliers without basic manufacturing facilities in-house, shall not be considered for evaluation. In house facilities for Heat treatment & Non-Destructive Testing (On-line UT & Online Thickness Measurement facility for Pipes) are mandatory requirements for consideration of the offer.
5. Chemical, Mechanical testing shall be done in house or at Labs certified as per ISO 17025 or Government approved labs.
6. Suppliers shall submit a valid ISO 9001 certificate or Quality Assurance Manual or Written down procedure.
7. BHEL/End customer reserve the right to inspect the item ordered at any stage at vendor's works and if found not meeting the stipulated conditions, material is liable for rejection.
8. BHEL/End customer reserves the right to inspect the first lot of materials at vendor's works for giving clearance before bulk production.
9. BHEL reserves the right to visit supplier's works to audit and inspect to ensure the capability for technical evaluation.
10. BHEL reserves the right to carry out audit checks at BHEL on the materials supplied at the time of receipt.

**B) Technical Competence:**

1. Point by point confirmation to the TDG requirements is mandatory for consideration of offer and signed TDG shall be submitted.
2. Suppliers shall submit manufacturing process flow chart from Raw material (Billets or Blooms) to finished product to meet the TDG requirements along with technical bid.
3. Suppliers shall submit the experienced manpower details specific to Manufacturing, Quality and NDE requirements.

  
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**Pre-Qualification requirements (POR) for the procurement of Seamless Carbon Steel/Alloy Steel Pipes through Open Tender (As per TDG:7381: Rev01 & TDG:101 Rev 13)****C) Past Experience/ Performance:**

1. Suppliers shall indicate their annual installed capacity for the tendered specifications & it shall be more than the tendered quantity for each specification.
2. **Suppliers shall have supplied Pipes as per the specification given below.**
  - i. For Carbon Steel Pipes: Either in SA106GRB/ SA106GRC or any alloy steel Grades.
  - ii. For Alloy Steel Pipes: Either in SA335P12 / SA335P22 or any higher alloy steel grades.
  - iii. For Alloy Steel Pipes (SA335P91): Either in SA335P91/ SA335P92 Grades
  - iv. For Alloy Steel Pipes (SA335P92): In respective grade SA335P92.
3. Details of supplies made in past 5 years indicating the Quantity, Size, Specification & Customer details shall be submitted year wise.
4. Unpriced PO copies & Proof of supply (such as invoice / bill of lading copies and sample test certificates) against the tendered specification shall be submitted as mentioned above in Clause C2.
5. Unpriced PO copies & Proof of supply (such as invoice / bill of lading copies and sample test certificates) covering minimum and maximum sizes meeting the tendered size requirements shall be submitted as mentioned above in Clause C2.
6. The manufacturing size range shall be indicated in the offer. However, if credential is not available for any specific tendered size, then specific declaration shall be submitted by mill stating the capability to produce that quoted size/s.

**D) Financial Soundness:**

1. Indigenous suppliers shall submit Audited copies of annual reports (Balance Sheets), Profit & Loss statement for the last four years (or from date of incorporation whichever is less).
2. Import suppliers shall submit latest report from a reputed third party business rating agency like Dun & Bradstreet, Credit reform etc.

Necessary supporting documents shall be submitted for meeting each of the above Pre-Qualification Criteria for evaluation of the offers.

BHEL shall consider/Not-consider the offers based on the evaluation of documents submitted for the above Pre-Qualification Criteria. If required, BHEL shall make on-site assessment of the facilities at supplier's works during the bid evaluation.

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**1.0 GENERAL**

Materials: SA106GrB, Gr C; SA 335 P11, P12, P22, P91 & P92 (Code case: 2179).  
This Technical Delivery Condition specifies the requirements in addition to ASME SA 106, SA 335.

**2.0 BILLET / BLOOM REQUIREMENTS**

The billets/blooms shall be fully killed and vacuum degassed. Ladle analysis is required for all steels.

Chemistry shall be controlled as given below for below specified grades. For all other grades, it shall be as per applicable material specifications:

Ladle Analysis:

- SA 106 Gr B: Carbon: 0.25% Max.
- SA 106 Gr C: Thickness ≤ 20mm Carbon: 0.25 Max.  
Thickness > 20mm Carbon: 0.30 Max.
- SA335 GrP92: Si: 0.10-0.50%; Ni: 0.30max and Cu: 0.25max

The billet/bloom shall conform to the chemical and process requirements of respective pipe specifications. The billet/bloom shall be sourced from IBR well-known steel makers or with inspection and certification by IBR authorized inspecting Authority in case the mill is not approved by IBR. Mill test certificate shall be submitted to BHEL.

**3.0 CHEMICAL COMPOSITION**

Product analysis on pipes is required for all steels. Chemistry shall be controlled as per applicable material specifications and the elements including Carbon (for SA106 Gr-B&C), Si, Ni, & Cu (for SA335 Gr-P92) as indicated in Clause 2.0 above shall also be reported in the product analysis.

**4.0 TOLERANCES :** Unless otherwise specified in the PO, tolerances shall be as below:

**4.1 OD specified pipes:-**

SA335 P91& P92: the tolerance on OD shall be: ±1% (Max: 4mm) of Nominal OD.

Other than SA335 P91& P92: the tolerance on OD shall be: ±1% (Max: 6mm) of Nominal OD.

**4.2 ID specified pipes** are specified by the maximum Internal Diameter and Minimum wall thickness. The tolerance if not specified in the PO shall be: ID: +0.0mm, -3.2mm & Thickness: +6.4mm, -0.0mm

- Weight per meter : +10% , -5% on nominal weight \*\*
- \*\* Nominal weight of ID Pipe per meter shall be calculated as follows,  
 $W_{nom} = (ID_{nom} + t_{nom}) * t_{nom} * 0.02466 \text{ kg/meter}$ , where  
 $ID_{nom} = ID_{max} - 1.6 \text{ mm}$ ;  $t_{nom} = t_{min} + 3.2 \text{ mm}$

Actual weight per meter shall be indicated in mill test certificate.

**5.0 STRAIGHTNESS & POLYGONIZATION**

The Pipes shall not deviate from straightness by more than 1mm in any one meter and shall not be more than 6mm over the entire length for Pipes of OD > 76.1mm. A sharp bend at the end or kink and twist are not acceptable. These limitations are applicable for any given plane.

Also, for Pipes with OD ≤ 76.1mm, shall be made by processes specified below:

1. All pipes shall be cold formed in case of “t/D” ratios > 0.15, where “t” is the specified nominal wall thickness and “D” is the specified nominal OD of the pipe.
2. Pipes may be cold formed or hot formed in case of “t/D” ratios upto and including 0.15.
3. The degree of polygonization (P), measured as indicated in Fig.1 & calculated using the below formula, shall not exceed 15% in both the above cases:

$$P = \{[\sum SB - \sum SA] / [0.135*(3D - \sum SA)]\} * 100$$

where, P is the degree of Polygonization in %  
D is the specified nominal OD of the pipe  
∑ SB is the sum of maximum pipe wall thicknesses measured at 6 locations 60 degrees apart and  
∑ SA is the sum of minimum pipe wall thicknesses measured at 6 locations 60 degrees apart.

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Prepared by	Reviewed by		Approved by	



Wall thickness shall be measured using profile projector/shadowgraph/digital scanner/any other suitable instrument meant for this purpose.

**Definition of the measure points:**

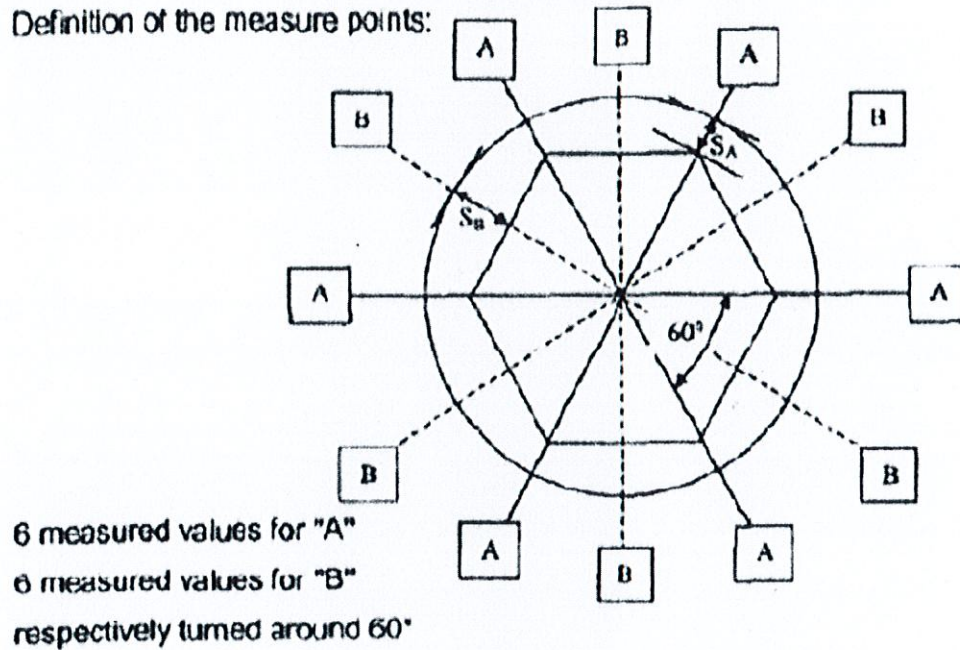


Fig. 1

## 6.0 HEAT TREATMENT & MECHANICAL TESTS

### 6.1 HEAT TREATMENT

CS: Hot Finished : OD <= 76.1mm no heat treatment required. OD > 76.1mm shall be in Normalised condition.

CS: Cold Finished : All Sizes – In Sub-critical annealed, fully annealed or in Normalised condition.

AS: All sizes – SA335 P11, P12 & P22 – Either in Normalised and tempered or Isothermal Annealed condition.

AS: All sizes – SA335 P91 & P92: Shall be Normalised as per specification & Tempered between 750°C-780°C.

### 6.2 MECHANICAL TESTS:

As per specification. Quantum of test: As per specification – For each nominal size per heat per heat treatment batch. (Minimum 2 pipes for first 100 pipes and 1 per 100 or part thereof for pipes over 100 numbers, as per IBR). For alloy steel pipes meant for fitting (As indicated in the Purchase order), test coupon shall be in normalised and tempered condition.

For P91 Pipes, Ys (0.2% offset) - 450 MPa Min ; Ts – Min 630 MPa, Max 850 MPa.

For P92 pipes Ts- Min 630 Mpa, Max 850 Mpa.

For other grades, Ys and Ts shall be as per specifications.

### 6.3 HARDNESS FOR SA 335 P91 & P92 PIPES :

Hardness test shall be carried out on each pipe. The hardness value for P91 shall be 195-250 BHN and that for P92 shall be 190-250 BHN. The hardness test values shall be indicated in the Test certificate

## 7.0 SUPPLEMENTARY TESTS

These are applicable to SA 106 Cr C, SA335 P11, P12, P22, P91 & P92. The supplementary test results shall be indicated in the Test Certificate along with the mandatory test results.

7.1. **Product Analysis (S1):-** Product Analysis for all steels shall be carried out on 5% of pipes per heat per heat treatment batch (minimum 2 Nos) for size NB 200 mm and above.

7.2. **Transverse tension test (S2):-** Transverse tension test shall be carried out (for size NB 200 mm and above) on one end of 5% of pipes per heat per heat treatment batch (minimum 1 No).

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**7.3. Photomicrograph test for P91 & P92 (S5):-** Photomicrograph test shall be carried out from a specimen of pipe in the as finished condition for each individual size (OD and wall thickness) per heat per heat treatment batch. Acceptance norms - The Material shall be free from any micro fissures. Microstructure shall show tempered martensite and also to be examined for any grain growth and delta ferrite (to be maintained within 3% for Gr92 and within 2% for Gr91 when measured as per VD TUV 1272). Photomicrograph with 400x (Min) magnification along with Photomicrograph report to be provided. The actual magnification shall be indicated.

**7.4. Project specific requirement for any other supplementary test as indicated in respective material specification shall be addressed separately in Enquiry / Purchase order.**

**8.0 NON DESTRUCTIVE TEST**

Each pipe shall be ultrasonically tested as per ASTM E 213 in both clockwise & anticlockwise directions; calibration to be done on two axial notches of 50 mm length (inside & outside) and a depth of 5% of wall thickness (minimum 0.3 mm; maximum 1.5mm). The results shall be indicated in the Test Certificate.

**9.0 REPAIR**

Repair by welding is prohibited. The pipe shall meet the dimensional tolerance (clause 3.0 above) after any mechanical repair as permitted in the standard.

**10.0 WORKMANSHIP**

The Inside & outside surfaces of the pipes shall be free from any imperfections & defects like laps, seams, folds, cracks, pitting etc.. Localised imperfections, if any, may be removed by grinding or skin machining only, ensuring the wall thickness, inside and outside diameter to provide workmanship like finish. Local depressions or ground spots are not acceptable. Loose scales shall be removed by blast cleaning in both inside and outside surface. Repair by welding is prohibited.

**11.0 MARKING & COLOUR CODING**

The following details are to be marked on the consignment for identification

- 1) PO Number      2) Supplier's emblem/code      3) Specification & grade (Code Case if applicable) 4) Heat number
- 5) Size (OD/ID X Thickness X Length, in mm)      6) No. of pipes      7) Inspector's seal

OD up to 31.8 mm (excluding)	Details 1 to 7 shall be stamped on metal / plastic tag attached to bundle
OD 31.8 mm to OD 76.1mm (including)	Details 1 to 5 shall be paint stencilled on each pipe. Details 1 to 7 to be stamped on Metal / Plastic tag attached to bundle.
OD above 76.1 mm	Details 2,3,4,5 & 7 shall be hard stamped with round edged stamp at 100mm from an end of each pipe. Details 1 to 5 shall be paint stencilled on each pipe.

Longitudinal colour bands on the entire length of all pipes. The colours shall be as per BHEL procedure SIP: PP: 21(Latest).

**12.0 PRESERVATION**

- Outside: - Resin type rust preventive coating with visibility to stencilled details. Thick Black coating which camouflages the Surface of the pipes is not permitted.
- Inside: - Rust inhibitor or resin type rust preventive coating.
- Ends of the pipes shall be secured with caps.

**13.0 PACKING**

a) Thickness  $\leq$  2.5mm in boxes. b) OD  $\leq$  159 mm in bundles. Others in loose condition. Pipe bundles to be < 4 tons of equal no.of pipes, fastened with galvanised strap/ anti-rust coated (1x25mm.min.) for Carbon Steel & Alloy Steel and by Nylon strap for Stainless Steel at 2 ends & at 1m interval. Wooden pallets to cover pipes are not permitted.

**14.0 INSPECTION AND CERTIFICATION (In English Only)**

14.1. Products shall be inspected at works and the applicable IBR Forms must be Countersigned by the Inspecting Authority as indicated below:

- a) **Imported Items:** Inspecting Authority approved by IBR for the Country of origin (To be concurred by BHEL before placing PO).
- b) **Indigenously Supplied items:** Director/Chief Inspector of Boilers of respective State.

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- 14.2. Certification in IBR Form-IIIA for Pipes & IBR Form-IV for the raw material steel from “IBR-Well Known Pipe Maker” or “Inspecting Authority” as applicable, to be submitted.
- 14.3. Test Certificate shall include PO no.(BHEL), TDC no., Pipe size and quantity- melt wise, specification and grade with year of code, Heat no., Steel & Pipe making process, chemistry including incidental elements on Ladle and Product analysis, Heat treatment details with actual temperature and soaking time, Mechanical results.
- 14.4. Detailed NDT reports with reference norms, acceptance standards and test results shall be furnished along with Test certificates.
- 14.5. For P91 & P92 pipes the Photomicrograph test report along with photomicrograph with 400x (min) magnification shall be furnished.
- 14.6. Refer to BHEL Engineering Drawing: 4-03-000-00062 (Latest Rev) for MAWP values for various material grades & sizes at various temperatures.
- 14.7. Mill test certificate of the raw material (billet/bloom) as per Cl.2.0

15.0 End Use : These pipes are meant for use in subcritical and supercritical Boilers. These pipes shall be capable of undergoing forming, bending and welding operations necessary for the application without developing defects.

#### RECORDS OF REVISIONS

- i) Rev 03 – Para 4.1, 4.2.b are included; Para 6.0, 13.0 are modified
- ii) Rev 04 – Para 3.1, 3.2 modified
- iii) Rev 05 – SA335 P92 included. Para 1.0, 2.0, 4.1, 4.2, 5.0, 6.0 are modified & Para 5.3, 13.4 included.
- iv) Rev 06 – Para 4.0 added. Para 1.0, 3.1, 3.2, 4.1, 5.1, 5.2, 6.1, 6.2, 6.3, 9.0, 10.0, 11.0 & 12.1 revised and further Clauses renumbered.
- v) Rev 07 – Para 3.2 revised w.r.t. thickness tolerance for ID specified pipes.
- vi) Rev 08 – Para 12.0 added and further clauses renumbered.  
Para 5.2, 5.3 & 6.3 revised.  
Para 13.1 & 13.2 are revised as per IBR amendment dt :15-Apr-2015.
- vii) Rev 09 – Para 3.1 & 5.1 revised.
- viii) Rev 10 – Para 2.1, 2.2, 2.3, 4.0 (Polygonization), 5.4 (Creep Test), 6.4, 13.6 & 13.7 added.  
Para 9.0, 10.0 & 13.2 revised
- ix) Rev 11 – Para 5.4 & 13.6 - Creep Test requirements removed and further clauses renumbered.
- x) Rev 12 – Para 2.0 for Billet/Bloom requirements added and further clauses renumbered.  
Para 3.0, 10.0 are revised & 14.7 added.
- xi) Rev 13 – Para 2.0 modified based on feedback from user departments, suppliers and internal discussions, Para 15.0 added

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BHEL recently received guidelines from Govt. Of India and Central Vigilance Commission and we have been asked to comply with the guidelines with regard to dealings with Indian Agent/Foreign Agent of Foreign Suppliers.

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## **1. Mandatory submission of an Agency Agreement**

- 1.1 It shall be incumbent on the Indian agent and the foreign principal to adhere to the relevant guidelines of Government of India, issued from time to time.
- 1.2 The Agency Agreement should specify the precise relationship between the foreign OEM/foreign principal and their Indian agent and their mutual interest in the business. All services to be rendered by agent/associate, whether of general nature or in relation to the particular contract, must be clearly stated by the foreign supplier/Indian agent. Any payment, which the agent or associate receives in India or abroad from the OEM, whether as commission or as a general retainer fee should be brought on record in the Agreement and be made explicit in order to ensure compliance to laws of the country.
- 1.3 In the absence of any agency agreement, BHEL shall not deal with any Indian agent (authorized representatives / associate / consultant, or by whatever name called) and shall deal directly with the foreign principal only for all correspondence and business purposes.
- 1.4 Agents will file an authenticated Photostat copy duly attested by a Notary Public / Original certificate of the Principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission / remuneration / salary / retainer ship being paid by the principal to the agent.
- 1.5 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the Foreign Principal.

## **2. Disclosure of particulars of agents / representatives in India**

### ***2.1 Tenderers of Foreign nationality shall furnish the following details:***

2.1.1 The Bidder(s) / Contractor(s) of foreign origin shall disclose the name and address of the agents / representatives in India if any and the extent of authorization and authority given to commit the Principals. In case the agent / representative be a foreign Company, it shall be confirmed whether it is existing Company and details of the same shall be furnished.

2.1.2 The amount of commission / remuneration included in the quoted price(s) for such agents / representatives in India.

2.1.3 Confirmation of the Tenderer that the commission / remuneration, if any, payable to his agents / representatives in India, paid in Indian Rupees only.

**2.2 Tenderers of Indian Nationality shall furnish the following details:**

2.2.1 The Bidder(s) / Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any, indicating their nationality as well as their status, i.e. whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents / representatives.

2.2.2 The amount of commission / remuneration included in the price(s) quoted by the Tenderer for himself.

2.2.3 Confirmation of the foreign principals of the Tenderer that the commission / remuneration, if any, reserved for the Tenderer in the quoted price(s), paid in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.

2.3 Failure to furnish correct and detailed information as called for in paragraph 2.1 & 2.2 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by BHEL Besides this there would be a penalty of banning business dealings with BHEL or damage or payment of a named sum.

Please furnish the above information immediately

# BHARAT HEAVY ELECTRICALS LIMITED

MM/RM/PURCHASE/PIPES  
BHEL / TRICHY-620 014.

**ANNEXURE-B**  
**ENQ.NO. 4002200008**

## Enquiry Terms & Conditions for Supply of Seamless Tubes/Pipes

**Note:** This Annexure has to be mandatorily filled & signed by the manufacturer (or) mill and submitted along with Technical bid.

**Any deviation to the below mentioned terms shall be stated specifically in the comments column for each term and also in case of acceptance to our terms, it will be construed that the whole term is understood and agreed in totality without any deviation. (If otherwise mentioned).**

Sl No	BHEL Requirements	Supplier Confirmation /Comments
01.	<p><b><u>Restrictions for Procurement from a country sharing its land border with India</u></b></p> <p>For this procurement, Public procurement order dated 23.07.2020 regarding restrictions under rule 144 (xi) of general financial rules 2017 and clarification dt 08.02.2021 from DoE is applicable. In case of subsequent Orders issued, the same shall be applicable even if issued after issue of this NIT.</p>	
02.	<p><b><u>Preference to Make in India:</u></b></p> <p>For this procurement, the local content to categorize a supplier as a class I local supplier/class II local supplier /Non-local supplier and purchase preference to class I local supplier, is as defined in Public Procurement (Preference to Make in India), Order 2017 dated 04.06.2020 issued by DPIIT. In case of subsequent Orders issued by the respective Nodal Ministry, changing the definition of local content for the items of the NIT, the same shall be applicable even if issued after issue of this NIT, but before opening of part II bids against this NIT.</p>	
03.	<p><b><u>Special Provisions for Micro and Small Enterprises (MSE) bidders registered as per MSME act:</u></b></p> <p>(Subject to participating MSE vendors meeting the tender requirements of BHEL)</p> <ul style="list-style-type: none"><li>➤ As per Gazette Notification no. S.O. 2119(E) dated 26.06.2020 issued by Ministry of MSME applicable/existing Micro and small suppliers are requested to get registered with Udyam Registration portal and share us the Udyam registration no. along with Udyam registration certificate.</li><li>➤ 25% of the tendered quantity is earmarked for MSE suppliers in this tender, subject to participating MSE Vendors should meet the tender requirements of BHEL. In case MSE vendor participating in the tender quotes within the price band of L1 + 15%, they will be allowed to supply the portion of the requirement subject to acceptance of L1 price by MSE vendor. In case of more than one such MSE vendor within the "L1+15% price band", the supply shall be shared proportionately.</li><li>➤ In the event of Non MSE supplier becoming L1 and MSE supplier quotes within the price band of L1+15% and it is not possible to split the tendered quantity on account of reasons like customer contract requirement/technical requirements, then 100% of the quantity will be offered to MSE suppliers subject to acceptance of L1 price by MSE supplier.</li><li>➤ Counter offering of L1 rate will not be made with any MSE vendor whose quoted rate is more than the price band of L1+15%.</li><li>➤ Payment to MSE vendor will be as per the applicable provisions of the MSME Act 2006.</li><li>➤ If L1 offer is from a Micro / Small enterprise, the 25% earmarking provision is not applicable.</li><li>➤ Out of the 25% tendered quantity reserved for MSE suppliers, 6.25% shall be earmarked for procurement from MSE owned by SC/ST entrepreneurs. Apart from this 3% shall be earmarked for procurement from MSE owned by Women entrepreneurs.</li><li>➤ In case of any change in the MSE status of the bidder, it shall be the responsibility of the bidder to notify the change as a part of the bid document. If at a later date it comes to the knowledge of BHEL, that the change in the status has not been intimated by the bidder and the order is obtained under the premise of an MSE then BHEL would cancel the pending order against this tender and take necessary steps for suspension of the business dealing with the bidder as per the procurement policy of BHEL.</li><li>➤ MSE suppliers can avail the intended benefits only if they submit along with the offer Udyam Registration certificate. However, credentials of all MSE suppliers will be verified before considering the intended benefits for MSE suppliers at the time of tender evaluation. Non submission of above documents will lead to consideration of their bids at par with other bidders and MSE status of such suppliers shall be shifted to Non MSE supplier till the supplier submits this document.</li></ul>	

04.	<p><b>Specification, Size &amp; Quantity:</b></p> <p>a) Specification, size and quantity shall be as given in enquiry.</p> <p>b) All the tendered items are to be supplied fully meeting TDG 101 Rev 13 Dt. 13.06.2020 In addition to the TDC requirements, suppliers shall meet the Pre-Qualification Requirements PQR: MM: PUR: PIPE: PC Rev00 Dt-15-03-2021 as applicable. The offers of the suppliers who fail to do so will be liable for rejection.</p> <p>a) If there is any deviation, the same should be mentioned clearly with the specific clause no. of the TDC and the deviation against it in the <b>e- procurement</b> offer itself.</p> <p>b) All pipes are to be stenciled and colour coded, longitudinally and continuously throughout the length of the pipes with specific details as listed out in the above respective TDG and the <b>SIPPP 21 Rev 08</b>.</p> <p>All pipes are to be supplied to the specific length detailed in the description. Any deviation in length has to be indicated in the offer itself. Supplier shall indicate the place of manufacture &amp; mill name in the offer.</p>	
05	<p><b>Offer Submission:</b></p> <p>a) This Tender is hosted in EPS portal &amp; offer to be submitted through EPS portal only. You are requested to submit your 2 parts offer before due date &amp; time of the enquiry through NIC (<a href="https://eprocurebhel.co.in">https://eprocurebhel.co.in</a>) only.</p> <p>b) Offer is to be submitted in TWO part bids system (Technical bid + Price bid) in the E-Procurement NIC PORTAL (<a href="https://eprocurebhel.co.in">https://eprocurebhel.co.in</a>) ONLY.</p> <p>c) Scanned copy of the filled Annexure-A, Tender documents etc., shall be uploaded in the EPS portal.</p> <p>d) At its option, BHEL may consider extending the due date/s for the tender openings. Sufficient notice would be given by BHEL for such extensions and it will be published as corrigendum in following websites, <a href="https://eprocurebhel.co.in">https://eprocurebhel.co.in</a> <a href="http://www.bhel.com/tender/">http://www.bhel.com/tender/</a></p> <p>e) <b>Acceptance of offer will be subject to customer approval.</b></p>	
06.	<p><b>Authorization for participation in EPS portal through DSC: E-Tender. Participation requirements:</b></p> <p>Either Principal or authorized agent shall register their Digital Signature Certificate (DSC) (Class 3- SHA2- 2048 BIT-SIGNING &amp; ENCRYPTION). Suppliers are advised to go through the FAQ available in the web portal (<a href="https://eprocurebhel.co.in">https://eprocurebhel.co.in</a>). DSC shall be registered for the authorized person and all transaction done using that DSC against our tenders shall be taken as valid communication and shall be binding on principal/agent and is valid legally.</p> <p><b>For foreign Principal</b> In case of Principal (being foreigner), they may apply for DSC through Indian embassy at their country and can register with us for participating in E-tenders. Details of the applicable procedure is available in the webpage <a href="http://www.cca.gov.in/cca/">http://www.cca.gov.in/cca/</a>.</p> <p><b>For Indian agent</b> In case of agents participating/registering their DSC (of authorized person), it will be at the sole authorization of principal to their agents to participate on their behalf and all transactions done using that DSC against our tenders shall be known as valid communication and shall binding on principal and is legally valid.</p>	
07.	<p><b>Reverse Auction</b></p> <p>BHEL shall be resorting to Reverse Auction (RA) (Guidelines as available on <a href="http://www.bhel.com">www.bhel.com</a>) for this tender. RA shall be conducted among the techno-commercially qualified bidders. Price bids of all techno-commercially qualified bidders shall be opened and same shall be considered for RA. In case any bidder(s) do(es) not participate in online Reverse Auction, their sealed envelope price bid along with applicable loading, if any, shall be considered for ranking.</p>	
08.	<p><b>Validity:</b> Offer/Price validity of <b>60 days is required</b> from the Price bid opening date.</p>	
09.	<p><b>Delivery:</b> The offer shall clearly indicate delivery period in <b>fixed number of weeks/Months</b> from the date of Purchase Order.</p>	

10. **IMPORT Vendors - Terms of Delivery:**

**Indigenous:**

- Bidders should submit their offer on FOR Destination -BHEL Stores, Thirumayam basis. The quote should be inclusive of all charges, including testing, packing & forwarding, inspection, Insurance etc. (Ex-Works offers will not be considered).
- The soft copies of the Invoice, LR copy & Test certificates shall be forwarded to BHEL immediately after dispatch.

**Import:**

- Import vendors to submit offers on CFR (Cost & Freight), Chennai port (LILO – Liner in Liner Out) basis.
- Port of loading should be indicated without fail.
- Port of discharge should be Chennai.
- The preferred shipment mode “**Containerized Cargo or Break Bulk**” shall be specified clearly in the offer.

**FOR CFR INCO TERMS – CONTAINERIZED CARGO**

- a) For CFR terms, moved through CONTAINERS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis including extra charges, if any, like Container Imbalance Charges, Trade Imbalance charges or any other charges payable to the Liner. No other charges other than the quoted Freight rate will be paid by BHEL excepting applicable Terminal Handling Charges, Container cleaning Charges, DO charges to Shipping Liner at Discharge Port. 14 FREE DAYS FOR Container detention shall be provided. If any deviation is taken by Tenderer, a loading of 22% on the freight rate per MT shall be considered by BHEL for arriving at the Total Landed Cost.
- b) In case of shipment through Containers on CFR basis, the BL should bear the endorsement that “14 free days for Container Detention is applicable”.

**BREAKBULK CARGO:**

- a) For CFR terms, moved through BREAK BULK BASIS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis.
- b) The materials will be Custom cleared from Port itself.

**INFORMATION TO IMPORT SUPPLIERS:**

A) Indian Customs imposed a penalty on late filing of Bill of Entries (Air/Sea Shipments) by the importer. Bill of Entry is Required to be Filed Latest by the End of Day Preceding the Day (including Holidays) of Arrival of the Vessel for sea shipments and by the end of same day on arrival of air shipment. Penalty for not filing Bill of Entry within the specified time period is Rs.5000/- per day (for Initial 03 days) & Rs.10000/- per day (thereafter).

a) The vendor should furnish the Non-Negotiable Documents (Air Way Bill/Bill of Lading, Commercial Invoice, Packing List, and Certificate of Origin) either by email or post/courier to BHEL well before the landing of cargo at final port of discharge.

- a) Vendor will be held responsible for the penalty arises against the late filing of Bill Of entry due to:
- a. Non availability of Non-Negotiable Documents (NNDs) before the cargo arrival
  - b. Discrepancy in documents
  - c. Short landing of Consignments (For shipments on CFR/CPT/CIF/CIP – Chennai Port)

**B) All the shipments for the contracts (POs) finalized on CFR -Chennai Port basis**

- (i) Delivery Orders involving multiple agencies like liners/freight forwarders are not allowed. There must be a single agency office at the final discharge Port (Chennai) for issuing the Delivery Order to BHEL.
- (ii) The detention/demurrage charges arising due to the nomination of containers under single BL to different/multiple CFS by the liner will be deducted from Vendor’s bills only.
- (iii) The detention/demurrage charges arise due to the delay in collection of Delivery Orders from multiple agencies of liner/freight forwarder also whose offices are not at available Chennai, the same amount will be deducted from Vendor’s bills only.
- (iv) Apart from the normal charges like Terminal Handling Charges, Container cleaning Charges, Delivery Order Charges at final port of discharge no other charges will be borne by BHEL.
- (v) The liner/freight forwarders should be properly communicated by the Vendor for not to claim such charges for issuing Delivery Order. If the liner/freight forwarder claims such charges in their invoices, the same

	<p>amount will be deducted from the Vendor bills without any prior intimation in order to avoid the delay in Customs clearance. The likely additional/hidden costs or charges are:</p> <ol style="list-style-type: none"> <li>a. CIC - Container Imbalance Charges/Surcharges</li> <li>b. EIC - Equipment Imbalance Charge/Surcharges</li> <li>c. CAF - Container/Currency Adjustment Factor</li> <li>d. BAF - Bunker adjustment Factor</li> <li>e. RDS - Rupee Depreciation Surcharge</li> <li>f. CDS - Currency Depreciation Surcharge</li> <li>g. PCS - Port Congestion Surcharge</li> <li>h. LSS - Low Sulphur Surcharge</li> <li>i. Devanning Charges</li> </ol>	
11	<p><b><u>Quoted currency.</u></b> Supplier Shall indicate the quoted currency. If there is any discrepancy in the terms quoted in techno-commercial bid and price bid, the terms as per the techno-commercial bid (part-1) shall hold good and the commercial term quoted in Price bid (Part-II) shall not be considered.</p>	
12.	<p><b><u>Transport Conditions for Import:</u></b> The Original Documents (Bill of Lading, Invoice, Packing List, Certificate of Origin &amp; Test Certificate) shall reach BHEL well in advance before the vessel arrival. The soft copies of the above shall be forwarded to BHEL purchase department through mail immediately after shipment.</p> <ol style="list-style-type: none"> <li>a) 14 FREE DAYS for Container detention at final port of destination shall be provided and the same to be endorsed in the Bill of Lading. If there is no free day or less than 14 free days provided by the supplier, the actual cost incurred towards detention charges due to non-availability of above said free days will be recovered from the supplier Invoice.</li> <li>b) In the event of delayed submission of documents/ non-submission of documents by the supplier as per the mutually agreed terms, an amount up to 5% of the invoice value will be retained towards detention/ demurrage &amp; other charges and the difference if any between actual charges and recovery will be settled separately through supplementary invoice.</li> <li>c) In such cases, the Supplier shall authorize the Steamer / Shipping agent / transporter to freely release the consignment to BHEL by providing a "Surrender Bill of Lading".</li> <li>d) Otherwise, No-objection Certificate shall be issued to the Liner, authorizing BHEL to get the Delivery Order without producing the Original Bill of Lading.</li> <li>e) This is required to ensure avoidance of detention/ demurrage at Chennai Sea-port that may arise in case of delayed presentation of documents by the Seller.</li> </ol>	
13.	<p><b><u>Indigenous vendors – Terms of delivery:</u></b></p> <ul style="list-style-type: none"> <li>• Bidders should submit their offer on FOR Destination -BHEL Stores, Trichy basis. The quote should be inclusive of all charges, including testing, packing &amp; forwarding, inspection, Insurance etc. (Ex-Works offers will not be considered).</li> <li>• The soft copies of the Invoice, LR copy and/or E-way bill as the case may be &amp; Test certificates shall be forwarded to BHEL immediately after dispatch.</li> </ul>	
14.	<p><b><u>Goods and Service Tax (GST) registration &amp; compliance</u></b></p> <p><b>Indigenous suppliers:</b></p> <ol style="list-style-type: none"> <li>a) Response to Tenders for Indigenous supplier will be entertained only if the vendor has a valid GST registration Number (GSTIN) which should be clearly mentioned in the offer. If the dealer is exempted from GST registration, a declaration with due supporting documents need to be furnished for considering the offer. Dealers under composition scheme should declare that he is a composition dealer supported by the screen shot taken from GSTN portal. The unregistered dealer as well as the composition dealer has to submit an undertaking stating that they will not claim GST during the execution of the contract even if their status under GST changes to regular tax payer. The dealer has to submit necessary documents if there is any change in status under GST.</li> <li>b) Supplier shall mention their GSTIN in all their invoices (incl. credit Notes, Debit Notes) and invoices shall be in the format as specified/prescribed under GST laws. Invoices shall necessarily contain Invoice number (in case of</li> </ol>	

multiple numbering system is being followed for billing like SAP invoice no, commercial invoice no etc., then the Invoice No. which is linked/uploaded in GSTN network shall be clearly indicated), Billed to party (with GSTIN) & Shipped to party details, item description as per PO, Quantity, Rate, Value, applicable taxes with nomenclature (like IGST, SGST, CGST & UTGST) separately, HSN/ SAC Code, Place of Supply etc. Wherever E-Invoice is applicable, the tax invoice/ CN / DN submitted by the vendor must contain the QR code generated in E-Invoice Portal & IRN.

- c) All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code)
- d) Invoices will be processed only upon completion of statutory requirement and further subject to following:
- i. Vendor declaring such invoice in their GSTR-1 Return/ IFF
  - ii. Receipt of Goods or Services and Tax invoice by BHEL
- e) As the continuous uploading of tax invoices in GSTN portal (in GSTR-1/ IFF) is available for all (i.e. both Small & Large) tax payers, all invoices raised on BHEL may be uploaded immediately in GST portal on dispatch of material /rendering of services. The supplier shall ensure availability of Invoice in GSTN portal before submission of invoice to BHEL. Invoices will be admitted by BHEL only if the invoices are available in GSTN portal (in BHEL's GSTR-2A/ GSTR-2B).
- f) In case of discrepancy in the data uploaded by the supplier in the GSTN portal or in case of any shortages or rejection in the supply, then BHEL will not be able to avail the tax credit and will notify the supplier of the same. Supplier has to rectify the data discrepancy in the GSTN portal or issue credit note or debit note (details also to be uploaded in GSTN portal) for the shortages or rejections in the supplies or additional claims, within the calendar month informed by BHEL.
- g) In cases where invoice details have been uploaded by the vendor but failed to remit the GST amount to GST Department (Form PMT-08 or Form GST RET-01 to be submitted) within stipulated time, then GST paid on the invoices pertaining to the month for which GST return not filed by the vendor will be recovered from the vendor along with the applicable interest (currently 24% p.a) and all subsequent bills of the vendor will not be processed till filing of the GST return by the vendor
- h) In case GST credit is denied to BHEL due to non-receipt or delayed receipt of goods and/ or tax invoice or expiry of timeline prescribed in GST law for availing such ITC, or any other reasons not attributable to BHEL, GST amount claimed in the invoice shall be disallowed to the vendor.
- i) Where any GST liability arising on BHEL under Reverse Charge (RCM), the vendor has to submit the invoices to BHEL well within the timeline prescribed in GST Law, to enable BHEL to discharge the GST liability. If there is a delay in submission of invoice by the vendor resulting in delayed payment of GST by BHEL along with Interest, then such Interest payable or paid shall be recovered from the vendor.
- j) Under GST regime, BHEL has to discharge GST liability on LD recovered from suppliers/contracts. Hence applicable GST shall also be recoverable from suppliers/contractors on LD amount. For this Tax Invoice will be issued by BHEL indicating the respective supply invoice number.
- k) GST TDS will be deducted as per Section 51 of CGST Act 2017 and in line with Notification 50/2018 – Central Tax dated 13.09.2018. GST TDS certificate will be generated in GSTN portal subsequent to vendor accepting the TDS deduction in the GSTN portal & the vendor can directly download the Certificate from the GSTN Portal.
- l) GST CREDIT: Suppliers are advised to get registered to GSTN portal. Tenderer under "GST credit" shall be preferred.

**Import Suppliers:**

Supplier shall mention the HSN code of each item quoted by them in the offer. The HSN shall be mentioned in the Invoice also for each item without fail.

	<p>Since GST is implemented, the taxes &amp; duties will prevail as per the government notification/ guidelines. Our Provisional GST registration no. is 33AAACB4146P2ZL. However, it will be mandatory to confirm from BHEL for this mentioned GST no. Suppliers may quote their GST no with valid proof in the quotation. Also before quoting of tender it is suggested to consider all the factors in line with GST guidelines for input tax credit to arrive ranking of quoted suppliers.</p>	
<p><b>15</b></p>	<p><b><u>Acceptance of materials supplied:</u></b></p> <p>The supply shall strictly as per the specifications in the tender /purchase order.</p> <p>Delivery of the ordered items as per the delivery terms in the Purchase Order does not automatically constitute acceptance of the delivered items.</p> <p>The acceptance or otherwise of the delivered items will be separately communicated to the supplier by BHEL either through B2B portal or through e mail within 120 days from the delivery of items or delivery of the required test certificates /other documents whichever is later.</p> <p>In case of rejection of the delivered items, either part or full, the vendor shall replace the rejected items as per the specification in the Purchase order/tender at their cost within specified days/months of communication of rejection to the supplier.</p> <p>In case of rejection of the delivered items, either part or full, if the supplier fails to replace the rejected items within the specified days/months of communication of the rejection, the same shall be treated as failure to execute the contract and actions as per the Guidelines for Suspension of Business Dealings with Suppliers /Contractors available in the webpage: <a href="http://www.bhel.com/vender_registration/vender.php">http://www.bhel.com/vender_registration/vender.php</a>. would be taken against such supplier.</p>	
<p><b>16</b></p>	<p><b><u>Payment terms:</u></b></p> <p><b>Indigenous:</b></p> <p>For Micro &amp; Small Enterprises vendors, BHEL Payment term is 100% direct EFT payment after 45 days from the date of receipt and acceptance of materials.</p> <p>For Medium Enterprises vendors, BHEL Payment term is 100% direct EFT payment after 60 days from the date of receipt and acceptance of materials.</p> <p>For Non MSME vendors, BHEL Payment term is 100% direct EFT payment after 90 days from the date of receipt and acceptance of materials</p> <p><b>Import:</b></p> <p>BHEL Payment term is 100% payment on CAD basis after 90 days from the date of receipt of documents, specified in PO, at BHEL bank. Respective bank charges to respective account.</p> <p>If supplier insists for Usance LC with 120 days' credit, the same will be opened one month prior to material readiness. Hence supplier shall intimate the material readiness accordingly along with MTC copies for opening of L.C. LC validity period will be 90 days and for any extension, applicable charges will be to supplier's account.</p> <p>If supplier insists for Usance LC with 90 days' credit, the same will be opened one month prior to material readiness, further loading @ 1.5% on the offered value will be considered. Hence supplier shall intimate the material readiness accordingly along with MTC copies for opening of L.C. LC validity period will be 90 days and for any extension, applicable charges will be to supplier's account.</p> <p>Marginal cost lending rate (MCLR) of SBI (as applicable on the date of bid opening, Techno commercial bid opening in case of two part bids) + 6%, shall be considered for loading for the period of relaxation sought by bidders.</p> <p><b>New Suppliers:</b></p> <p>In case of foreign supplier, first lot of mutually agreed quantity shall be supplied with payment as CAD basis after 90 days from the date of receipt &amp; acceptance of material. If insisted for LC, after acceptance of first lot, only Usance LC with 120 days' credit will be opened one month prior to material readiness.</p> <p>Offers with payment terms as Advance Payment &amp; LC at Sight Shall be rejected.</p>	

17.	<p><b><u>Liquidated Damage (Indigenous &amp; Imports):</u></b></p> <p>1. Time is the essence of the contract.</p> <p>2. The ordered items shall be delivered as per the delivery period mentioned in the Purchase Order.</p> <p>3. In case the supplier supplies the ordered items beyond the delivery period specified, Liquidated Damages -LD - as detailed below shall be will be levied from the supplier without prejudice to any other relief /compensation available to BHEL, Tiruchirapalli under any other <i>condition</i> of the contract/applicable legal provisions. GST will be applicable on the deducted LD.</p> <ol style="list-style-type: none"> <li>1. LD shall be 0.5% of the undelivered portion per week or part thereof subject to a maximum of 10% of the total order value.</li> <li>2. Any deviation from the above LD clause, loading will be applied to the extent to which it is not agreed by the bidder (at offered value).</li> <li>3. Under GST regime, BHEL has to discharge GST liability on LD recovered from suppliers/contractors. Hence applicable GST shall also be recoverable from suppliers/contractors on LD amount. For this Debit note will be issued by BHEL indicating the respective supply invoice number.</li> <li>4. Indigenous: For “FOR Delivery terms”, Lorry way bill date will be taken for LD calculation for cases where E way bill is not mandatory. Wherever E Way Bill is involved, . the date of commencement of movement of vehicle as reflected in E way Bill [ the ‘Valid from’ date in the E way Bill] will be taken for LD calculation.</li> <li>5. Import: For CFR terms, BL date will be considered for LD calculation.</li> </ol>	
18.	<p><b><u>Warranty:</u></b></p> <p>Supplier to accept warranty against manufacturing defect and non -compliance with technical specifications in the enquiry for “18 months from dispatch or 12 months from commissioning, whichever is earlier”.</p> <p>Supplier shall replace defective material free of cost (inclusive of all Testing, Inspection, TPI, Service charges etc.) up to destination within two months from defect notification date.</p>	
19.	<p>Risk Purchase clause:</p> <ol style="list-style-type: none"> <li>a) In the event of any successful Tenderer's failure to fulfil any of the tender / Contract obligations including supply of whole or any part of the ordered items as per Contract / Agreement, BHEL has the right to terminate the contract and purchase from elsewhere ,at the risk and cost of the defaulted supplier, either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the time stipulated in the contract or if the same were not available, the best and nearest available substitute thereof. The supplier shall be liable for the additional expenditure/difference in Cost, if any, including consequential losses which BHEL may sustain by reason of risk purchase in addition to the applicable LD as per the Purchase order/contract.</li> <li>b) The decision of BHEL with regard to the additional expenditure / difference in cost and consequential losses incurred by BHEL shall be final and binding on the supplier.</li> <li>c) The amount recoverable under risk purchase shall be recovered from the defaulted supplier in all or any of the following manners: <ol style="list-style-type: none"> <li>i) from dues available in the form of Bills payable to defaulted supplier, SD, BGs against the same contract.</li> <li>ii) from the dues payable to defaulted supplier against other contracts in the same Region/Unit /any other region/unit</li> <li>iii) In-case recoveries are not possible with any of the above available options, Legal action shall be initiated for recovery against defaulted supplier.</li> </ol> </li> <li>d) GST will be applicable to the amount recoverable under risk purchase.</li> </ol>	
20	<p><b><u>Set-off Clause:</u></b> BHEL shall have the right to recover any money, which in the sole opinion of BHEL is due from the Contractor, from any money due to the Contractor under this Contract or any other contract or from the Security Deposit &amp; bank Guarantee’s, if any, furnished by the Contractor under this Contract or any other contract.</p>	
21.	<p><b><u>Non-Disclosure Agreement(NDA):</u></b></p> <p>The bidders shall enter into the Non-disclosure agreement totally voluntarily, with full knowledge of its meaning and without duress. (Format attached).</p>	

22.	<p><b>Intellectual Property Right</b></p> <p>The supplier shall, at all times, indemnify and keep indemnified the purchaser, free of cost, against all claims which may arise in respect of goods &amp; services to be provided by the supplier under the contract for infringement of any intellectual property rights or any other right protected by patent, registration of designs or trademarks. In the event of any such claim in respect of alleged breach of patent, registered designs, trademarks etc. being made against the purchaser, the purchaser shall notify the supplier of the same and the supplier shall, at his own expenses take care of the same for settlement without any liability to the purchaser.</p>	
23.	<p><b>PARTICULARS TO BE FURNISHED BY FOREIGN VENDORS FOR EVALUATION OF BIDS WITH CUSTOMS DUTY BENEFIT</b></p> <p>A. Whether PTA/ CEPA or any other agreement/treaty between respective Governments/Countries exists and the same is applicable for your supplies w.r.t this Enquired Items/tender.</p> <p>B. If yes, mention the Concessional Customs Duty (Such Duty Benefits)</p> <p>C. Documentary proof for the applicable Concessional Customs Duty (eg. PTA/ CEPA or other agreement) shall be submitted along with the Part-1 bid.</p> <p>D. Relevant documents and details to avail the above concessional duty benefits by BHEL shall be submitted by the supplier along with dispatch documents</p> <p>E. In the event of seller failing to provide appropriate documents along with dispatch documents for purchasers to avail disclosed concessional duty benefits in India, financial loss, so incurred, will be to the seller's account.</p> <p><b>Note:</b> Evaluation of the Price bids will be based on the above details only and unless mentioned/furnished by the vendor, Customs Duty benefit will not be applied for evaluation purposes.</p>	<p><b>VENDOR COMMENTS</b></p> <p>YES / NO</p> <p>%</p> <p>SUBMITTED/ NOT SUBMITTED</p> <p>CONFIRMED/ NOT CONFIRMED</p> <p>CONFIRMED/ NOT CONFIRMED</p>
24.	<p><b>Role of Agents</b></p> <p>a. BHEL strongly discourages the engagement of Agents by foreign principals, to deal with BHEL, in BHEL's tenders.</p> <p>b. In case of foreign suppliers representing through their Indian/foreign agents, agency agreement should be submitted, else offer is liable for rejection. Agency agreement requirements attached as separate file and full compliance to it shall be ensured while submitting the same.</p> <p>c. BHEL, due to business reasons would ban, would have banned Indian agents from dealing with BHEL. Any foreign principal who engages such a banned agent, or an employee of the banned agency, or any other person connected with the banned agency, at any time during the tender proceedings, would be disqualified from the tender proceedings. The decision of BHEL in this regard shall be final and be binding on the OEM. Hence in their own interests, prospective tenderers may check with BHEL. The list of banned firms is available on BHEL website <a href="http://www.bhel.com">www.bhel.com</a>.</p> <p>Vendors/ principals proposing to deal with BHEL by engaging and through an Indian Agent does so at their own risk. BHEL shall in no way be responsible for any consequences that may arise to the foreign principal on account of the antecedents / actions of their Indian agent.</p>	
25.	<p><b>Agency Commission:</b></p> <ul style="list-style-type: none"> <li>➤ If overseas principal has any tie-up with any third party/ agents, it should be declared while submitting offers.</li> <li>➤ In respect of offers from overseas suppliers, agency commission, if any, payable to their agents in India, shall invariably be shown separately in the Performa invoice and this will be paid by BHEL in India, in Indian rupees, on satisfactory completion of the contract.</li> <li>➤ Copies of current agency agreement / authorization letter in respect of agency commission shall be furnished along with offer.</li> <li>➤ For calculation of rupee equivalent agency commission, exchange rate as prevailing on the date of order will be taken.</li> </ul>	
26.	<p><b>Evaluation Criteria:</b></p> <p>The Evaluation Currency for this tender shall be "INR". The offers of vendors will be evaluated on total landed cost to BHEL, Trichy. The evaluation process is as detailed below:</p> <p><b>Indigenous:</b></p> <p><b>Total Landed cost = FOR Rate in INR (A) + Applicable Taxes (B) + Loading for payment term &amp; LD (C) – Applicable input tax credit (D)</b></p> <p>A. Indigenous vendors submit offers on Free on Road (FOR), Trichy in INR.</p> <p>B. GST and any other charges quoted by indigenous vendors will be added to the base price.</p>	

- C. Loading for payment terms & non-acceptance of Liquidated Damages (LD) will be added to the FOR value for arriving the landed rate.
- D. However, input credit is availed for GST (SGST, CGST/IGST), hence the same is excluded for arriving at the landed cost.

**Import:**

**Total Landed cost = CFR Rate in INR (A) + Applicable Duties (B) + Incidental Charges (C) + Loading for payment term & LD (D)**

- A. Import vendors to submit offers on CFR (Cost & Freight), Chennai port (LILo – Liner In Liner Out) basis in foreign currency, which will be converted to INR by multiplying with the Exchange rate (SBI TT Selling rate) as on the technical bid opening date.
- B. Customs duty, Safe guard duty and antidumping duty as applicable will be added to the INR price. Any change in custom duty, Safe guard duty and antidumping duty structure on the date of import will be applicable.
- C. Incidental charges of 2.26% will be added to the CFR Value. The incidental charge is inclusive of Insurance, port handling charges, & freight charges for movement from Chennai port to BHEL, Trichy.
- D. Loading for payment terms & Non-acceptance of Liquidated Damages (LD) will be added to the CFR value for arriving at the landed cost.

Note: "In the course of evaluation, if more than one bidder happens to occupy L1 status, effective L1 will be decided by soliciting discounts from the respective L1 bidders. In case more than one bidder happens to occupy the L1 status even after soliciting discounts, the L1 bidder shall be decided by a toss/draw of lots, in the presence of the respective L1 bidders or their representatives. Ranking will be done accordingly. BHEL decision in such situations shall be final and binding".

**27. General condition:**

- a) Bids including all enclosures and supporting documents like catalogues, pamphlets, etc., shall be submitted / uploaded in ENGLISH language only. If the documents submitted have other than English language, translation of the same shall be provided for evaluation.
- b) In addition to TCs in relevant IBR forms corresponding mill TCs should also be provided along with dispatch of tubes & pipes. Two sets of original of all such TCs are to be provided to BHEL, Trichy.
- c) Material is to be inspected by third party inspection agency as approved by IBR and test certificate are to be countersigned by respective Inspection agency in case the Mill is not approved by IBR.
- d) While dispatching the tubes & pipes, in addition to bundling with metal straps, we require slinging arrangement with nylon belt (not rope) for easy handling at loading and unloading points.
- e) Multiple PO may also be placed considering the applicable duty structure of the respective requirement/Qty.
- f) No revision of prices will be entertained after the tenders are opened.
- g) For the evaluation purposes, exchange rate (TT selling rate of SBI) as on schedule date of tender opening (Part I, i.e technical bid, in case of two part bid) shall be considered.
- h) BHEL will consider the ranking after the loading is applied wherever deviations are observed.
- i) BHEL reserves the right to negotiate L1 rate or re-float the tender opened if L1 price is not the lowest acceptable price to them inter-alia other reasons.
- j) In the event of our customer order covering this tender being cancelled / placed on hold / otherwise modified, BHEL would be constrained to accordingly cancel / hold / modify the tender / your purchase order at any stage of execution.
- k) Offer will be evaluated based on Landed cost to BHEL- Trichy on individual line item basis only.
- l) Vendor should physically weigh the materials before stuffing them into container and incorporate the same in BL and packing slip
- m) Offers for partial quantities of a given item are not acceptable to BHEL. While tenderers can quote for some or all the tendered items, no supplier shall quote for partial quantity of any given enquiry item. Such partial offer would not be considered in the enquiry for that item.
- n) No payment will be made for the excess quantity / length.
- o) Offer should be submitted only as per the Unit of Measurement (UOM) specified in the enquiry.

- p) All documents submitted with the offer shall be signed and stamped in each page by authorized representative of the bidder.
- q) This Tender is hosted in EPS portal & offer to be submitted through EPS portal only. You are requested to submit your 2 parts offer before due date & time of the enquiry through **NIC** (<https://eprocurebhel.co.in>) only.
- SEALED COVER BIDS / E-MAILS / FAX / MANUAL OFFERS WILL NOT BE ACCEPTED.

**28. Fraud Prevention Policy**

“The bidder along with its associate/collaborators/sub-contractors /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 notice of BHEL Management about fraud or suspected fraud as soon as it comes to their notice.”

**29. Suspension of Business Dealings with Suppliers/Contractors:**

The offers of the bidders who are under suspension as also the offers of the bidders, who engage the services of the banned firms /principal/agents, shall be rejected. The list of banned firms is available on BHEL web site [www.bhel.com](http://www.bhel.com).

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

**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.

**Commitment by Bidder/ Supplier/ Contractor**

- 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.
- 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.
- 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 any act, including but not limited to, mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or tampers the tendering process or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, or does anything which is actionable under the Guidelines for Suspension of Business dealings, action may be taken against such bidder/ supplier/ contractor as per extant guidelines of the company available on [www. bhel.com](http://www.bhel.com) and/or under applicable legal provisions. Guidelines for suspension of business dealings is available in the webpage: [http://www.bhel.com/vender\\_registration/vender.php](http://www.bhel.com/vender_registration/vender.php).

**30. Cartel Formation:**

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

**31 Integrity Pact (IP):**

- (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.

IEM	Email
Shri Arun Chandra Verma, IPS (Retd.)	acverma1@gmail.com
Shri Virendra Bahadur Singh, IPS (Retd.)	vbsinghips@gmail.com

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

preliminary qualification.

- (c) Please refer Section-8 of 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 clarification/ issues shall be addressed directly to the tender issuing (procurement) department's officials whose contact details are provided below: Details of contact person(s):

(1)

Name: K Udaya Kumar  
Deptt: MM/RM  
Address: 4th Floor, 24 Building,  
HPBP, BHEL, Trichy- 620014  
Email: udayakumar.k@bhel.in  
Phone: 0431-257-7030

(2)

Name: Krishna Samad / DM  
Deptt: MM/Purchase/Pipes  
Address: 4th Floor, 24 Building  
HPBP, BHEL, Trichy-620014  
Email: krishnasamad@bhel.in  
Phone: 0431-257-1579

**32. Resolution of Disputes:**

The Parties agree that if at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which term shall mean and include any dispute, difference, question or disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the contract/tender which the Parties are unable to settle mutually), arise inter-se the Parties, the same may, be referred by either party to Conciliation to be conducted through Independent Experts Committee to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators.

The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof.

Notes:

1. No serving or a retired employee of BHEL/Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.
2. Any other person(s) can be appointed as Conciliator(s) who is/are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.

The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided in Annexure 1 to this Enquiry Terms and conditions for supply of seamless Tubes.

The Annexure 1 together with its appendices will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in these Enquiry Terms and conditions for supply of seamless Tubes. .

Except as provided elsewhere in this Contract, in case amicable settlement is not reached between the parties, in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the Contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the Contract ; or , in any manner touching upon the Contract, then, either Party may , by a notice in writing to other Party refer such dispute or difference to sole arbitration of an arbitrator appointed as per the Arbitration and Conciliation Act, 1996 (India) or statutory modification or re-enactment thereof and the rules made thereunder and for the time being in force .

This contract shall be governed, construed and interpreted in accordance with the laws of India.

The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the parties.

Subject as aforesaid, the provision of Arbitration & Conciliation Act 1996 (India) or statutory modification or re-enactment thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceeding under this clause.

The seat of arbitration shall be Trichy, Tamil Nadu, India

The cost of arbitration shall be borne as per the award of the Arbitrator.

Subject to arbitration in terms of clause above, the Courts at Trichy, Tamil Nadu, India shall have exclusive jurisdiction over any matter arising out of or in connection with this Contract.

Notwithstanding the existence or any dispute or difference and/or reference for the arbitration, the vendor shall proceed with and continue without hindrance the performance of its obligation under this Contract with due diligence and expedition in a professional manner except where the Contract has been terminated by either Party in terms of this Contract.

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

In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/Port Trusts *inter se* and also between CPSEs and Government

	Departments/Organizations (Excluding disputes concerning Railways, Income Tax, Customs & Excise Departments, such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013 –DPE (GM)/FTS-1835 dated 22-05-2018.
33.	<p><b><u>In the event of Force Majeure:</u></b></p> <p>a. Notwithstanding the provisions contained in other clauses, the supplier shall not be liable for imposition of any such sanction so long the delay and/or failure of the supplier in fulfilling its obligations under the contract is the result of an event of Force Majeure. For purposes of this clause, Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable and not brought about at the instance of the party claiming to be affected by such event and which has caused the non – performance or delay in performance. Such events may include, but are not restricted to, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes excluding by its employees, lockouts excluding by its management, freight embargoes and Acts of GOD.</p> <p>b. If a Force Majeure situation arises, the supplier shall promptly notify the Purchaser/Consignee in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the Purchaser/Consignee in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.</p> <p>c. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side.</p> <p>d. In case due to a Force Majeure event the Purchaser/Consignee is unable to fulfil its contractual commitment and responsibility, the Purchaser/Consignee will notify the supplier accordingly and subsequent actions taken on similar lines described in above sub-paragraphs.</p>
34.	<p><b><u>Execution of the order:</u></b></p> <p>a. BHEL will have the option to pre-inspect the materials at Supplier's works by BHEL's own inspector or by third party agency appointed by BHEL or BHEL's end customer/s.</p> <p>b. If the inspection fails, the vendor shall offer the material again as per ordered terms and specifications for further inspection.</p> <p>c. The mere act of the pre-dispatch inspection (PDI) does not absolve the Supplier from giving the specifications as agreed upon in the Purchase Order.</p> <p>d. In the case of overseas suppliers Inspection call for carrying out the inspection shall be given 30 days before the scheduled contract delivery date. The Inspection date/s given by the Supplier shall be on firm basis. For local Suppliers the Notice period of Inspection shall be 10 working days.</p> <p>e. In the event of any short supply, it shall be the responsibility of the supplier to deliver such short supplied/ missing items on Free-of-Cost basis at BHEL stores, including customs clearances at Indian Ports in the case of foreign suppliers.</p>
35.	<p><b><u>Caution:</u></b></p> <ul style="list-style-type: none"> <li>The suppliers are severely cautioned to note that the price bid document accepts the price in figures only. It does not allow the supplier to write the value by words. Therefore, all care shall be exercised by the supplier while filling in the figures. Once the price bid is opened no option is available for the supplier to retract the offer under any grounds. If a supplier, for any reason whatsoever approaches BHEL with a request for change in the price, it would be treated as going back on the offer submitted. In such cases, action would be initiated by BHEL for suspending further business dealings with such suppliers as per policy of BHEL which prevails at that point of time.</li> <li>The tender documents downloaded by the Bidders shall at no point of time be changed, altered or modified in any manner by the Tenderer. If such changes are made by any tenderer, it shall be considered as tampering with BHEL's terms and the offer shall be summarily rejected, whenever it is noticed by BHEL. Such Bidders would be disqualified from the Bidding Process and their offers would be forfeited / Bank Guarantees invoked. They would also not be allowed to participate in future tenders of BHEL.</li> </ul>
36.	<p><b><u>Enclosures:</u></b></p> <ol style="list-style-type: none"> <li>1. TDG 101 Rev 13 Dt. 13.03.2020</li> <li>2. SIPPP21-08 Colour Codes</li> <li>3. Non-Disclosure agreement.</li> <li>4. Supplier facility report format</li> <li>5. Pre signed Integrity pact.</li> <li>6. PQR:MM:Pur:Pipe:PC Rev 00 dt 15.03.2021</li> </ol>

**SIGNED BY MANUFACTURER / MILL**

(On behalf of BHEL)

Name of Mill:  
Designation / Department:  
Seal & Signature

## Annexure C

### VENDOR DETAILS

SL NO	DESCRIPTION	To be filled by bidder
1	VENDOR NAME	
2	QUOTATION REFERENCE	
3	QUOTATION DATE	
4	TELE, MOBILE NO	
5	FIRM MAIL ID	
6	CONTACT PERSON	
7	OFFICE ADDRESS	
8	ORDER TO BE PLACED ON	
9	COUNTRY OF ORIGIN	
10	PORT OF LOADING	
11	PORT OF DISCHARGE	

Vendor Seal & Sign