

TERMS AND CONDITION FOR RATE CONTRACT FOR RING ROLLING OF FORGINGS

1. SCOPE OF WORK:

Contract for Ring rolling of Forgings having weight and dimension as per the Annexure -A .

2. VALIDITY:

The contract shall remain valid for a period of two years from the date of award of contract with the option to extend the contract by three months at the discretion of BHEL. For extending contract for further 3 months, no subsequent acceptance from vendor shall be obtained. BHEL reserves the right for short closing the contract, performance monitoring and quality surveillance at vendor's end. BHEL reserves the right to terminate the contract, at any time, without assigning any reason by giving notice of 15 days to this effect. The contract can be awarded, simultaneously, in full or in part, to more than one vendor or for shorter period.

3. ESTIMATED LOAD:

The total estimated load shall be approximately as per the Annexure-A for different mentioned categories. Total approximate load of forging to be ring rolled is 500MT (final delivery weight) for two years. Quantity can vary on either side. No minimum guarantee can be given. Quantity allotted will be at the sole discretion of CFFP, BHEL.

4. TRANSPORTATION:

The material shall be handed over to & received from vendor at F.O.R CFFP basis. Vendor has to arrange their own arrangement for to & fro transportation. Loading & Unloading of material will be done free of cost at CFFP for the Vendor.

4.1 Movement of tractor, trolley & vehicles within factory premises is to be regulated as per rules & avoided during peak traffic hours.

5. INSURANCE

Vendor will arrange adequate insurance cover during transportation of material to & from CFFP and also for the period material is lying with them for any theft or damage to the material or for damage to third party. All risk claims in this regard will be settled by Vendor.

6. RATES AND VARIANCE CLAUSE:

6.1 Rates are to be quoted for ring rolling charge on **per kg of final ring weight basis.**

6.2 During the period of rate contract , ring rolling charges shall varies as

$$CR = IR [ 1 + 0.6 ( RFPI - IFPI ) / IFPI ]$$

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CR- Current applicable rate  
IR- Initial quoted rate  
RFPI- Recent Fuel & Power Index  
IFPI- Initial Fuel & Power Index

(CR i.e current applicable rate shall be given to vendor as applicable on date of PO placement).

Rate shall be revised every quarter. Corresponding RFPI and PFPI month shall be as below-

Revision Quarter	RFPI month
Jan-March	July
April-June	Oct
July-Sep	Jan
Oct-Dec	April

RBI bulletin shall be taken as referred document for Fuel and Power index (Fuel & Power index in wholesale price index at Sl No 38). For information Fuel & Power index (IFPI) available for month of Dec'13 is 211.1.

6.3 Scrap rate will be calculated as below :

- Rate of scrap shall be based on monthly average of JPC rates. {JPC rates are issued on fortnightly basis. First fortnight (1<sup>st</sup> to 14<sup>th</sup>) hereby called "A" and second fortnight (15<sup>th</sup> onward) hereby called "B" }
- Monthly average of previous month shall be applicable for succeeding month. Month will start from 1<sup>st</sup> day i.e calendar month.
- In case JPC rates of one fortnight is not available, then rate of remaining fortnight of that month shall be considered i.e if rates of "A" are not available then rates of "B" shall be applicable and if rates of "B" are not available then rates of "A" shall be applicable.
- In case JPC rates of both the fortnights i.e "A" as well as of "B" are not available, then last available rates of previous month (rates of "B" and in case rate of "B" are not available then of "A") shall be applicable.
- Scrap rate shall be revised every calendar month.

6.4 The chips retained by the Vendor shall be treated as sale of MSTB chips by CFFP, BHEL. Sale invoice will be provided to Vendor from CFFP.

## 7. ALLOTMENT CRITERIA

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Allotment of job to any Vendor is sole prerogative of CFFP, BHEL & no representation in this regard shall be entertained. However, generally the allotment will be based on:

- i) Vendors have to submit a list of machine/Furnaces designated for ring rolling of forging of CFFP under rate contract. All efforts shall be made to ensure that these machines/furnaces of L1 vendor are fully loaded keeping in view the delivery performance and ring rolling capacity.
- ii) Delivery requirement
- iii) Delivery performance of Vendor
- iv) Ring rolling capacity available at the time of allotment.
- v) No. of jobs waiting for completion at Vendors works
- vi) Total capacity vs ring rolling capacity made available to CFFP.
- vii) L1 vendor will be given preference. However CFFP reserve its right of allotment to Vendor to meet its delivery requirement.
- viii) The quantum available jobs vary throughout the year. Allotment of available jobs shall be made to eligible vendors. Vendor originally submitting lowest rate shall be given preference in allotment of jobs subject to other constraints.
- ix) CFFP, BHEL reserve its right to enter into rate contract with limited number of Vendor or all the Vendors & add vendor at any time.
- x) Vendors to submit a monthly status chart of all CFFP forgings pending with them. Non submission may lead to non allotment of jobs. Priority change & deliveries dates etc will also be decided on the basis of load chart.

#### 8. DELIVERY SCHEDULE & PENALTY CLAUSE:

- 8.1 Delivery after ring rolling in shortest period is very important. Average delivery shall be indicated in case of more than one forging. Failing to delivery schedules, standard LD/Penalty clause will be applicable (@ 0.5% per week subject to max. 10% of total ring rolling charges. The exit & entry date mentioned by CISF on challan at BHEL material Gate will be taken as material issue & receipt date.
- 8.2 In case of delays or non fulfillment of any other terms & condition given in Sub-Contracting Order, CFFP, BHEL may cancel the order in full or part thereof and get the job executed through some other agency or CFFP may execute the job itself. The difference on cost incurred by BHEL will be recovered from Vendor. Repetition may lead to cancellation of contract with the Vendor.
- 8.3 As per existing rule of Excise duty, all material sent for ring rolling shall be returned back before 180 days. In case CFFP, BHEL has to incur any additional cost by way of (a) Payment of Excise duty on full value of job (b) interest on Excise duty due to failure on Vendor account, it will be recovered from them. Any change in this rule by Govt. of India from time to time will be applicable.
- 8.4 Vendor should lift the material within next three working days of issue of order. failing to lift the material within specified period may result in cancellation of the allotment.
- 8.5 After inspection/clearance of job at vendor works, material must be delivered back to CFFP within next 7 working days.

#### 9. INSPECTION:

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- 9.1 Inspection may be done at Vendor's works before delivery of item. Vendor will give inspection call with dimensional report & other relevant details like S C Order no, Forge / SI no of item for inspection.
- 9.2 All facilities, equipment, calibrated instruments and standard gauges required for inspection shall be provided by the Vendor during inspection.
- 9.3 Identification marks shall be punched on each item by vendor i.e. Forge No / SI no in a yellow painted box.
- 9.4 If job not found ready for inspection on deputation of inspector, this will adversely affect the performance index of vendor.

#### 10. PAYMENT TERMS:

- 10.1 100% within 30 days after receipt and acceptance of job through e-mode with accountal of material & chips.
- 10.2 No packing & forwarding & transportation charge will be paid to Vendor.
- 10.3 In case of rejection other than ultrasonic defect the cost decided by CFFP will be final & binding to vendor.
- 10.4 Payment will be made once in a month for jobs completed & bill submitted before 7<sup>th</sup> of every month.
- 10.5 Payable amount shall be calculated on the **basis of final ring weight**. Weight given by CFFP shall be final in this regard. However incase of any dispute on weight of forging & machined item weight, it will be weighed at CFFP weigh-bridge & that will be treated as final.
- 10.6 Any penalty imposed will be deducted from the bills or deposit of the vendor.

#### 11. BANK GUARANTEE / INDEMNITY BOND:

The Vendor has to submit a suitable Bank-Guarantee or FDR of scheduled Bank of BHEL and Indemnity Bond as required by CFFP, BHEL. Amount and validity of Bank Guarantee & Indemnity Bond will be informed separately at the time of order placement. All Bank Guarantee/Indemnity Bond shall be from scheduled Banks of BHEL in favor of CFFP, BHEL, Hardwar. BHEL reserve the right to ask for the Bank Guarantee / Indemnity Bond for increased amount depending upon the material availability with the Vendor from time to time. Bank Guarantee & Indemnity Bond shall be valid for the contract period till the return of last job allotted for ring rolling. In case of lapses, CFFP, BHEL reserve right to take appropriate step to recover job with the vendor.

#### 12. SCRAP:

- 12.1 Chips retained by Vendor will be treated as sold to them by CFFP. Accordingly all duties & levies (like ED, ST, Trade Tax, Service Tax, etc which ever applicable) shall be paid by CFFP. Rate of scrap for valuation purpose of scrap retained by subcontractor will be applicable on date of lifting of forging. However, date of sale will be considered as date on which material is received back against a particular order. Hence applicable rate of ED and VAT will be on scrap value on date on which material is received back against particular order.

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- 12.2 The difference in issued weight and returned weight of finished item will be treated as chips generated & retained by the vendor.
- 12.3 The scrap rate will be calculated based on the monthly average market scrap price posted on JPC web site under category of scrap HMS II, applicable for Delhi region. MSTB chips rate are 0.875 times of JPC-HMS2 rates based on inference drawn from relation between MSTC rates & JPC HMS2 rates of Delhi region. The date of issue of material will be considered for calculating the chips value at the applicable average monthly price of previous month.

For this purpose, the months for calculation and their applicable month will be like as given below for clarity:-

Average price of JPC Bulletin for the month:

- |             |  |
|-------------|--|
| a) December | - Applicable for the material issued in the month January. |
| b) January  | - Applicable for the material issued in the month February |
| c) February | - Applicable for the material issued in the month March.   |
| d) March    | - Applicable for the material issued in the month April    |
- so on.

The calculated average monthly price, rates will be rounded off upto two decimal points.

### 13. GENERAL:

- 13.1 Only indigenous manufacturer having ring rolling machine and heat treatment facility in India are eligible to quote. Ring rolling on open die forging press is not acceptable.**
- 13.2 Total work i.e. transportation, handling, ring rolling etc is to be carried out by vendor at his own risk, finance, tools, machinery, human resources & supervision.
- 13.3 No further sub-contracting to third party or sister concern by the vendor is allowed.
- 13.4 The rate contract is also subject to CFFP, BHEL, Hardwar's general terms & conditions (of enquiry terms & conditions and sub-contract order terms & conditions issued to vendor).
- 13.5 CFFP, BHEL reserves the right to suspend / cancel the rate contract unilaterally without any financial repercussions, if vendor's performance is not found satisfactory.
- 13.6 CFFP, BHEL will have the right to go for risk purchase clause i.e. CFFP, BHEL may get the ring rolling done of such items from elsewhere / alternative source at the risk and cost of vendor.

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- 13.7 Vendor will submit a total list of machines & instruments with capacities & handling facilities available with them with the offer. CFFP, BHEL reserve the right to verify the list submitted by vendor.
- 13.8 Report & details as required by sub-contracting cell, from time to time, will be submitted by vendor without fail & in timely manner or else action, as deemed fit will be taken against the vendor.
- 13.9 Vendor must observe / follow/ adhere to all State / Central Govt. Acts / Rules / Regulation in all aspect of operation of the contract. CFFP, BHEL shall not be liable for any fault by Vendor.
- 13.10 All statutory requirements under Minimum Wages Act 1948, Payment of wages Act 1936, Workmen compensation act 1923, EPF & MP Act 1952, Payment of Gratuity Act 1970, Payment of Bonus Act 1965, Income Tax Act, Service Tax Act and all other applicable Acts shall be complied with by the contractor.
- 13.11 Vendor shall comply with all statutory requirements, rules, regulations, notifications in relation to employment of his employees issued from time to time by concerned authorities.
- 13.12 Vendors must follow all environment laws & shall take all precautions. All operation of vendors shall be environment complaint.
- 13.13 Vendor to submit Name & address along with contact numbers & email address of the owner of the firm.
- 13.14 In case of any change in partnership/ownership/MOU of company same shall be informed to BHEL immediately with documentary proof. BHEL reserves the right to continue or cancel the rate contract with changed partnership/ownership/company.

#### 14. ARBITRATION AND GOVERNING LAW

All disputes or difference of opinion what so ever that may arise between the company and the Vendor upon or in relation to or in connection with the contract, the same shall be referred to sole arbitration of Head of CFFP, BHEL or such other person as nominated by the Head of CFFP. There will be no objection to any such appointment, or award of the Head of CFFP or the arbitrator so appointed. The award shall be final and binding on the company and the vendor. The arbitration proceeding shall be held at Ranipur, Hardwar. Work under contract shall continue during the arbitration proceeding, unless otherwise directed in writing by the company or unless the matter is such that the work can not be possibly continued till the decision of arbitration. Provisions of applicable arbitration and conciliation Act. shall apply.

15. Court at Hardwar shall have sole Jurisdiction in the cases arising out of this contract.

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**GENERAL TERMS & CONDITION OF THE CONTRACT:**

1. Sealed tender can be submitted in tender room of Material Management, CFFP, BHEL, Hardwar.
2. Tender must be submitted in two part with technical bid in one envelope and Price bid in second envelope. Technical/Price bid must be clearly mentioned on envelope.
3. The tenders duly filled-in will be accepted upto 13.45 Hrs on or before tender opening date in the tender of Material Management department, CFFP, BHEL, Hardwar. These will be opened on the tender opening day at 14.00 in the presence of tenderer or their one authorized representative who wish to be present.
4. Validity of offer should be for 180 days, for acceptance, from tender opening. However quoted rates shall remain valid with PVC during the contract period.
5. Incomplete tender will be ignored, however BHEL reserves the right to reject or accept any or all tenders without assigning any reason.
6. The vendor shall take adequate steps to prevent any loss or damage to any materials entrusted to him. The vendor shall be liable to pay, to the company, for the damages due to negligence or otherwise in executing the ring rolling work entrusted to him or any other failure or any breach of terms and conditions on the part of the contractor.
7. If the Vendor neglects work or fails to observe and/or follow any of the terms and condition of the agreement, CFFP, BHEL, may without prejudice to their any other rights, terminate this contract by giving 15 days notice in writing with or without forfeiting the Bank Guarantee & Indemnity Bond of the Vendor. The termination of contract by the CFFP, BHEL shall be without prejudice to the CFFP, BHEL's right to recover from the contractor the cost of completing the work by any other agency.
8. The Vendor should have sufficient financial resources to meet all expenses & contractual obligation.
9. Vendors not registered with CFFP, BHEL need to submit duly filled supplier registration form (SRF) along with Technical Bid. SRF can be downloaded from <http://www.bhel.com>.
10. SRF should be sent along with all the necessary documents for evaluation at CFFP, BHEL. Rate contract shall be entered into only with vendors approved in CFFP, BHEL. Vendors failing to meet BHEL's SRF requirement of approved vendor shall be neglected.
- 11.

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Pre-Qualification Criteria for Ring rolling Rate contract

Name of Vendor:.....

Evaluation shall be done on the basis of delivered cost (i.e.) "total cost to BHEL". Please confirm the following or else your offer is liable to be rejected.

	Description	Vendor Confirmation /Comment (In case of blank, it shall be deemed to be accepted by vendor)
1	Only Indigenous vendors having Ring rolling machine need to quote. Details of ring rolling machine i.e type, make etc to be mentioned.	
2	Vendor must have heat treatment Facility. Details of Heat treatment furnaces to be mentioned.	
3	Vendor must follow technical specification FTECH 02 (4 pages) Dt 28/01/14 enclosed with enquiry.	
4	Vendor must be ISO 9002 Company.	
5	Year of establishment of Company.	
6	Maximum Height and weight of ring that can be made.	
7	Vendor must lift the material within one week from the date of placement of order.	
8	In case vendor is not registered with CFFP BHEL Haridwar for ring rolling, duly filled up "Supplier Registration Form" must be submitted with techno-commercial bid (form available on website <a href="http://www.bhelhwr.co.in">www.bhelhwr.co.in</a> & <a href="http://www.bhel.com">www.bhel.com</a> ). If duly filled SRF & complete set of required documents are not received within 15 days of opening of techno commercial bid, offer may not be considered for price bid opening. If registered at any other unit of BHEL, vendor code may be furnished.	
9	L-1 vendor has to submit BG/FDR from consortium bank and Indemnity Bond before lifting of Forgings from CFFP, BHEL as per clause 11 of rate contract terms and conditions.	
10	Transportation of Forging to and fro from vendor's works shall be vendor's responsibility. Transportation and Insurance cost shall be borne by vendor.	
11	BHEL reserves the right to go for Reserve Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. All bidders to give their acceptance for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA. In case BHEL decides to go for Reverse Auction, only those bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'online sealed bid' in the Reverse Auction. Non-submission of 'online-bid' by the bidder will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.	
12	Provide name, mobile no. & email address of the contact person	
13	Validity of offer: One year from date of tender opening.	
14	Delivery schedule:- Acceptable as per tender enquiry.	
15	Enquired quantity may increase or decrease without any implication of rate quoted.	
16	In case of any difference observed in conditions confirmed above & elsewhere in the offer, terms quoted above shall be treated as final and binding on vendor.	
17	All other commercial term and condition as per tender enquiry (including rate contract terms and condition) shall be acceptable.	

Date:

Signature with Seal of the Company

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Annexure-A

CATEGORIES OF FORGING FOR RING ROLLING

Category SI No	OD mm (Min)	OD mm (Max.)	Wt. range of Ring (kg)	Height Range	Whether want to quote category(Indicate Yes/No accordingly)	Max & Min Height of Ring that can be ring rolled (Vendor to mention in case of quoting for category)
01	2501	3500	2000 to 5000 Kg	100-400mm		
02	2501	3500	2000 to 5000 Kg	401-800mm		
03	2501	3500	5000 to 7000 Kg	100-400mm		
04	2501	3500	5000 to 7000 Kg	401-800mm		
05	3501	4500	2000 to 5000 Kg	100-400mm		
06	3501	4500	2000 to 5000 Kg	401-800mm		
07	3501	4500	5000 to 7000 Kg	100-400mm		
08	3501	4500	5000 to 7000 Kg	401-800mm		
09	4501	5000	3000 to 8000 Kg	100-400mm		
10	4501	5000	3000 to 8000 Kg	401-800mm		

Note:- Vendor is required to submit the above details along with techno commercial bid on their Letter Pad duly signed.



**PRICE BID**

Category SI No	OD mm (Min)	OD mm (Max.)	Wt. range of Ring (kg)	Height Range	Max & Min Height of Ring that can be ring rolled <i>(Vendor to mention in case of quoting for category)</i>	Rate in per Kg of Final Ring Wt.
01	2501	3500	2000 to 5000 Kg	100-400mm		
02	2501	3500	2000 to 5000 Kg	401-800mm		
03	2501	3500	5000 to 7000 Kg	100-400mm		
04	2501	3500	5000 to 7000 Kg	401-800mm		
05	3501	4500	2000 to 5000 Kg	100-400mm		
06	3501	4500	2000 to 5000 Kg	401-800mm		
07	3501	4500	5000 to 7000 Kg	100-400mm		
08	3501	4500	5000 to 7000 Kg	401-800mm		
09	4501	5000	3000 to 8000 Kg	100-400mm		
10	4501	5000	3000 to 8000 Kg	401-800mm		

**\*Above mentioned rate are strictly on per Kg of Final Ring Wt. as per enquiry terms and condition.**

Note:- 1) Vendor is required to submit the above price bid on their Letter Pad duly signed.