

**BHARAT HEAVY ELECTRICALS LIMITED
INDUSTRIAL VALVES PLANT, GOINDWAL**

TERMS AND CONDITIONS FOR TENDER
(Ref Tender Enq. BHE:IVP:SC:RC24 Dated 19.12.11)

PRE-QUALIFICATION TERMS

1. **Bidders, who are not currently on registered list of BHEL IVP Goindwal Sahib, need to submit duly filled format for “Vendor Registration form”. This duly filled form can be submitted separately/immediately without waiting for the tender opening. If submitted separately, in the tender documents pl. mention that form has already been submitted with reference no. This will enable BHEL to evaluate the form and help in finalizing the tender at the earliest.** The form can be downloaded from our website www.bhel.com or can be requested at rk@ivp.bhel.in or vineet@ivp.bhel.in
Registered vendors with BHEL IVP GWL have to mention their vendor code.

Registered vendors with any other unit of BHEL are also required mention the vendor code given by respective BHEL unit along with photocopy of latest POs from BHEL unit. Duly filled form can be submitted along with/separately, which is required for evaluation/records if the vendor gets order through this tender.

2. BHEL reserves the right to accept/reject any offer based on evaluation of bidder’s capability. For verification of data presented for pre-qualification bid, BHEL may decide to visit the bidder(s) works.

Any fact found deviating from bids during evaluation shall make the bidder liable to be dis-qualified.

3. A copy of pre-qualification details can be submitted even before due date of opening for evaluation planning by BHEL.

4.
 - i. Bidders not registered with any unit of BHEL are required to deposit an **amount of Rs. 50,000/- as Earnest Money (EMD)** by way of DD in favour of BHARAT HEAVY ELECTRICALS LIMITED, INDUSTRIAL VALVES PLANT, GOINDWAL SAHIB payable at Goindwal Sahib only. Central/State PSUs/State owned Corporations are exempted from EMD, for which relevant documentary proof has to be submitted in the envelope of EMD.
 - ii. EMD shall be forfeited if after opening the tender, the bidder revokes his tender within the validity period or increases his earlier quoted prices.
 - iii. EMD shall be forfeited if the bidder does not commence the work within the period as per LOI/PO.
 - iv. EMD submitted by all unsuccessful bidders shall be refunded normally within 20 days of finalization of Rate Contract with interested bidders.
 - v. EMD shall not carry any interest. EMD amount (without any interest) shall be adjusted against security deposit SD/returned after receipt of security deposit (SD) for successful bidder.
 - vi. **IF THE OFFER IS NOT ACCOMPANIED WITH ACCEPTANCE OF TERMS AND CONDITIONS, IT SHALL BE CONCLUDED THAT ALL THE TERMS AND CONDITIONS ARE ACCEPTABLE AND NO CLAIM WHATSOEVER SHALL BE ENTERTAINED LATERON.**

PART-A

1. SCOPE OF WORK

Rates are invited for entering into Rate Contract for following scope of work in Hand operated Gate valves in size range 2"-150/300 to 6"-150/300GV in FL & BW type of valves.

Scope of work: The scope of work includes following sequence of operations:

- a) Draw all components from Store(s)
- b) Seat Ring Lapping with Emery Paste/compound
- c) Wedge Lapping by Emery Paste
- d) Blue Matching
- e) Yoke Assembly
- f) Valve Assembly
- g) Shifting the Final valve to Storage location

The work is to be carried out inside BHEL Goindwal premises on dedicated work centers for the same. The Work Centers, Machine Tools etc. required for above scope of work shall be provided by BHEL. All Fixtures, Pneumatic Tools and hardware/components as per Bill of Material etc required for above scope of work shall be provided by BHEL. The cost of Power consumption and Maintenance cost of these work centers shall be borne by BHEL. The material handling facility required if any shall be provided by BHEL.

The contractor has to engage sufficient labour as per quantum of work as and when order(s) placed upon him and minimum one supervisor for monitoring and smooth execution of above mentioned scope of work.

BHEL will carry out the preventive/breakdown maintenance of the machines engaged for work by subcontractor as and when need arises. However the subcontractor shall arrange for labour for its day to day cleanliness and oiling etc.

Calibration of fixtures/measuring instruments etc., is in the scope of BHEL and shall be carried out as per calibration schedule and as and when need arises.

Personal protective equipments are must and has to be provided by Sub Contractor to all the operators.

2. Inviting tender

1. Tenders in three part bids are invited. Tender is for entering into half yearly Rate Contract for assembly of Industrial Carbon Steel valves as per relevant Drawings/as mentioned in Purchase Order. Regular Purchase Orders shall be placed thereafter based on our requirement from time to time.

Sealed tenders in three parts; Part-I: EMD, Part II: Techno-commercial bid and Part-III: Price bid are hereby invited as per applicable specifications and Drawings provided by BHEL. The relevant documents are attached with the Enquiry.

The three bids should be submitted in **separate sealed inner envelopes** duly mentioning the detail as follows:

Bid	Description	Superscription on envelope	Min documents to be submitted
Part-I	EMD envelop	EMD for tender enquiry no. dated	Draft payable at Goindwal Sahib/Proof of claiming exemption.
Part-II	Pre-qualification & Techno-Commercial bid in response to tender enquiry no. BHE:IVP:SC:RC24 Dated 19.12.11	PART-I “Techno-Commercial Bid” Tender Enquiry no. BHE:IVP:SC:RC24 Dated 19.12.11 Due date of opening: 04.01.2012 Sender:	1. Registration details/filled registration format 2. Acceptance of all terms and conditions.
Part-III	Price bid in response to tender enquiry no. BHE:IVP:SC:RC24 Dated 19.12.11	PART-II “Price Bid” Tender Enquiry no. BHE:IVP:SC:RC24 Dated 19.12.11 Due date of opening: 04.01.2012 Sender:	Price bid duly filled prices in words also along with the taxes as mentioned in unpriced bid. Assembly prices in Rs. per valve
PLEASE SEE AND FOLLOW THE CHECKLIST PROVIDED AT THE END			

All the sealed envelopes should be put in an outer envelope clearly mentioning Tender Enquiry No., item description as “Rate Contract for Assembly of Industrial Carbon Steel Valves” and due date of opening as 04.01.2012 time 1500 Hrs. on it.

Part-I: EMD should contain:

DD of requisite amount payable at Goindwal Sahib only **OR** if exemption is sought, proper documents as required and explained in Pre-qualification para 4.

Part-II: Techno-Commercial bid should contain

- a) The details/data/ information/ supporting documents as per requirement of Pre-Qualification Bid.
- b) Acceptance of Techno-Commercial terms and conditions should be attached next. This can be attached either by signing each page of terms and conditions or a confirmation statement. Any deviation proposed by bidder shall be considered by BHEL at its own discretion; and if finally considered, shall carry loading factor at the discretion of BHEL. If nothing is mentioned for any term, it shall be summarily concluded that the same is acceptable and no representation whatsoever shall be entertained later on
- c) Unpriced price bid, filling all other details except **unit price**.

Sealed quotations shall reach by 1500 Hrs on due date. Part-I shall be opened on due date at 1530 Hrs. Based on evaluation of pre-qualification and/or techno-commercial offers, Price bids of bidders who qualify from pre-bid qualification and techno-commercial evaluation shall be opened. The price bids may be opened after three days of the Part-I opening i.e. 07.01.2012 at 1630 Hrs, if all the bidders have accepted all the terms & conditions. Otherwise, the date & time of price bid opening shall be informed to all the bidders who qualifies in the Part-I.

Part III: Price Bids:

- a. The items are to be machined as per the scope and the drawing number/WPS as will be mentioned in Sub Contract Purchase Order and minimum rates are to be quoted by the Vendor (hereinafter referred as Sub-Contractor) on per piece basis (i.e. Body, Wedge, Yoke/Bonnet) and on FOR Goindwal Basis.
- b. Rates shall be inclusive of all statutory levies applicable if any except service tax which will be paid extra on submission of proper documents.
- c. Price bids of only those bidders shall be opened who qualifies in techno-commercial (Part-I) evaluation. The price bids may be opened after three days of the Part-I opening i.e. 07.01.2012 at 1630 Hrs, if all the bidders have accepted all the terms & conditions. Otherwise, the date & time of price bid opening shall be informed to all the bidders who qualifies in the Part-I.

3. INSPECTION

- a. The sub contractor shall strictly adhere to the BHEL Quality Plan attached herewith (QP No.-QP:IVP:09 Rev:00) for all sizes of valves under stated scope of work. Stage inspection(s) if any as per Quality Plan shall be carried out by BHEL.
- b. Inspection of the finished product will be done at BHEL premises after receipt of inspection request along with Hydro Test Report for acceptance criteria in Quality Plan. No deviation unless authenticated by authorized BHEL Officials will be allowed. The inspection request and the Hydro Test report shall be in the format prescribed by Quality Department.
- c. In case of Rework at Sub Contractor's end due to operator fault, the rework shall be carried out by Sub Contractor free of cost. In this case if any extra consumables/components/materials are consumed by Sub Contractor, the cost of same shall be recovered from Sub Contractor.
- d. In case of rejection at Sub-contractor's end due to operator fault, raw material cost along with any other relevant charges will be recovered from subcontractor.
- e. If there is any casting touch/ excess casting material, the rectification of these defects is in the scope of Sub Contractor and also the Subcontractor has to ensure the rectification of these defects before final assembly/inspection.
- f. In case of rejection on account of Casting defects of Porosity/Pin Holes /Cracks etc, the repair /rework in such cases is in the scope of BHEL. However, the Sub Contractor shall get payment on proportionate basis for the work content completed by him.

4. DELIVERY OF FINISHED COMPONENTS

- a. The inspected components shall be delivered at designated Stores along with 4 copies of delivery challan and one copy of Inspection Report.
- b. Delivery challan should have the details like PO No., IR NO. Valve part no. and valve Serial No.

5. ISSUE OF COMPONENTS/MATERIAL

Raw materials/Components shall be issued from Component Stores and Main Stores of BHEL and Sub Contractor shall be responsible for shifting the material to allocated work centre(s).

6. PAYMENT

Payment will be made within 30-45 days of receipt of material and shall be released for job work done against Invoice accompanying the following documents;

- a. One copy of Invoice/Challan
- b. Inspection Report

The rejected material if any should also be deposited along with the accepted material through separate Delivery Challan.

7. VALIDITY of contract

The contract will be in operation for six months from the date of finalization. However, BHEL reserves the right to terminate the contract earlier also if the performance of the Vendor is not satisfactory. Based on the rate contract, *Sub-contracting POs will be released during the currency of the rate contract.*

8. CONFIDENTIALITY OF BHEL DRAWINGS/DOCUMENTS

Sub-contractor(s) shall ensure confidentiality of BHEL drawings and documents issued to them and shall not pass on the same to any unauthorized agency/person. Violation of the same shall tantamount to cancellation of the contract of the Sub-contractor.

9. FIRM PRICES

The contract shall be on the basis of firm prices. No variation in price shall be entertained during the validity of the contract.

10. DELIVERY SCHEDULE

During the currency of the rate contract, BHEL will release Sub-contracting orders from time to time based upon the requirement. The Sub-contractors will be required to complete the order as per schedule given in the purchase order.

11. SECURITY DEPOSIT AND INDEMNITY BOND

The Security Deposit shall be recovered at the rate of 5% from running bills of sub contractors. The Security Deposit shall carry no interest and shall be refundable after only after completion of work after payment of final bill under said rate contract after the successful execution of rate contract.

The Sub-contractor shall also have to indemnify BHEL for any loss to BHEL's material in custody of the Sub-contractor against theft or financial liability funding agency/financial institution or any other loss. The bond is to be executed on non-judicial stamp paper as per the format prescribed by BHEL.

12. LIQUIDATED DAMAGES:

'Time is the essence of the contract'. As such, delivery of goods specified in the Purchase Orders released under the scope this contract shall be made within the time limit prescribed therein. Liquidated damages clause will be applicable for delayed supplies @ 0.5% per week or part thereof subject to a maximum of 5%.

13. FORCE MAJEURE

If at any time during the continuance of the contract, the performance in which or in any part by either party of any obligations under the contract are prevented or delayed by reason of any war, hostilities,

acts of public enemy , civil commotion, sabotage, fires, explosions, epidemics, quarantine restrictions, or acts of God (hereinafter referred to “an events” then provided the notice of happening of any such event is given by either party to the other within 21 days of the occurrence thereof, neither party shall by reason of such event be entitled to terminate the contract nor shall either party have any claim for damages against the other in respect of such non-performance and delay in performance and delivery under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist. If the performance in whole or part of any obligation under the contract is prevented or delayed by reason of any such event, claims of extension of time shall be granted for periods considered reasonable by BHEL subject to prior notification by the Vendor to BHEL of the particulars of the event and supply to BHEL, if required, of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed a waiver of time in respect of remaining deliveries.

14. DISPUTES/ARBITRATION

In the event of any dispute and /or difference arising between the Sub-contractor and BHEL as to interpretation and/or execution of the contract and/or the respective rights and liabilities of the parties, such disputes and/or differences shall be referred to the sole arbitrator nominated by BHEL. The provisions of the Indian Arbitration Act and the rules there under shall apply to such arbitration. The award passed by the arbitrator shall be final and conclusively binding on all the parties.

15. JURISDICTION

The court of the place from where the Sub-contracting order issued or is under execution during the contractual period shall alone have jurisdiction to decide any dispute arising out of or in connection with the purchase order.

16. MISCELLANEOUS

- a) BHEL reserves the right to split up the tender and place order with different tenderers and also increase or decrease the quantity. **The L1 bidder shall be decided on the basis of L1 value in total tender value for total tender requirement.** The Counter offer of L1 rates may be given to L2 and higher bidders except the highest quoted bidder. However BHEL reserves the right to give load to the other Sub Contractor(s) who accept the counter offers.
- b) BHEL reserves the right to accept or reject any part or whole of the tender without assigning any reason thereof.
- c) BHEL reserves the right to discontinue the stated scope of work during the currency of Rate Contract.
- d) In case of any loss that might be caused to BHEL due to lapse on the part of the workers deployed by Sub contractor, such loss shall be compensated by Sub Contractor and in this situation, BHEL has the right to deduct appropriate amount from his bills etc to make good of such loss beside imposition of penalty. In case of any deficiencies /lapses on the part of personnel deployed by Sub contractor, BHEL has right to terminate the contract forthwith or take any other action.
- e) All Personnel Protective Equipments/Safety Equipments (safety shoes, helmets, gloves etc.) are must and are to be provided by Sub Contractors to its workers deployed for work inside BHEL premises.
- f) In case of death/mishap/physical disability occurred during discharging the duties by Sub Contractor/ workers deployed by Sub Contractors inside BHEL premises, the compensation liability solely rests with the Sub Contractor.
- g) The Sub Contractor and its operators shall not be allowed to enter any restricted area/critical area/dangerous work zone inside BHEL premises without permission from BHEL.
- h) The quantity mentioned in tender enquiry is Tentative Quantity. The actual quantity may vary from indicated quantities.

- i) The identification and traceability w.r.t Make/Melt/Heat & Material type of raw material issued to Sub Contractor shall be maintained by him.
- j) The Sub Contractor(s) shall be responsible for compliance of following Labour laws/Acts
 - 1. Payment of Wages Act 1936.
 - 2. The Employees Provident Fund and Miscellaneous Provision Act 1952.
 - 3. The Factory Act 1948.
 - 4. The Employee State Insurance Act 1948.
 - 5. The Employment of Children's Act 1938.
 - 6. The Minimum Wages Act 1948.
 - 7. The Workmen Compensation Act 1923
- k) The Sub Contractor shall issue Navy Blue colored Uniform to the workers deployed by him inside BHEL premises.

17. PERFORMANCE MONITORING

- a) The Sub-contractor(s) with whom contract is entered into will be evaluated based on the "System for Performance Monitoring & Rating for Vendors", enclosed a Part B of Terms & Conditions.
- b) Performance Rating will be taken into consideration while releasing further orders on the Sub-contractor. Based on performance of the Sub-contractor, supplier control checks will be specified from time to time and will be binding on the sub-contractor.

CHECKLIST AND SEQUENCE OF DOCUMENTS TO BE SUBMITTED IN THREE PARTS BIDS

S. No.	Document	Status [pl. check the following for ready ref]
1.	EMD envelope	Sealed envelope marked as Part-I "EMD envelope" DD submitted/ proof of claiming exemption submitted
2A.	<p>Second envelope should contain</p> <p>(1) Pre-qualifying data, i.e. either of</p> <p>(A) Duly filled "Vendor registration form" [Registration form and any help in filling the same can also be asked from rk@ivp.bhel.in or vineet@ivp.bhel.in] 01859-224643</p> <p>OR</p> <p>(B) If existing vendor of BHEL IVP GWL, undertaking mentioning vendor code</p> <p>OR</p> <p>(C) If vendor of any other unit of BHEL, undertaking mentioning vendor code supported by copies of registration certificate and latest POs from BHEL unit.</p> <p>Alongwith any of above documents, clear undertaking of operations intended to be out-sourced, (refer para P1)</p> <p>(2) Unpriced bid (item prices not to be mentioned)</p>	<p>Sealed envelope marked as Part-II "Pre-Qualification & Techno-Commercial Bids"</p> <p>Yes</p> <p>1. Filled format attached/ BHEL IVP GWL Vendor code mentioned/BHEL unit registration certificate copy and latest PO copies attached.</p> <p>2. Other details attached.</p> <p>3. Acceptance of techno-commercial terms.</p> <p>Envelop sealed.</p>
3.	Price Bid sealed in separate envelope superscribing tender enquiry detail, due date of opening, sender address	Sealed envelope marked as Part-III "Price Bid" Yes, sealed
4.	All three sealed envelopes put in an outer envelope mentioning all details like Enquiry no., description, due date	Yes

Part-B

SYSTEM FOR PERFORMANCE MONITORING & RATING FOR VENDORS

1.0 The Supplier Performance Rating shall be used for assessing the performance of a supplier in comparison with other suppliers with a view to decide whether or not to continue to procure the products from the supplier if the Supplier Performance Rating is below a certain limit.

2.0 Supplier Performance Rating (SPR): Supplier performance shall be assessed taking into account the following main factors and calculated for each consignment / purchase order:

Rating	Weightage
Quality	60
Delivery	30
Service	10
Total	100

2.1 Quality Rating (QR):

Quality rating is based on acceptable quantity of material offered for inspection or delivered by supplier and shall be calculated as:

$$\text{Quality Rating (QR)} = \frac{(Q_1 + 0.75 \times Q_2 + 0 \times Q_3) \times 60}{Q}$$

Q	Quantity inspected
Q ₁	Quantity accepted
Q ₂	Quantity accepted with concession/ deviation/rectification
Q ₃	Quantity rejected

2.2 Delivery Rating (DR):

Supplier will be rated on delivery parameters wherein Delivery rating shall be 30 in case of adherence to PO delivery.

For non-adherence to PO delivery (i.e. delay in supply), marks to be deducted in proportion of delay to PO delivery.

$$\text{Deduction} = 30 \times \frac{\text{delay in days}}{\text{PO delivery in days}}$$

Note:

1. Delay is calculated on the date of GR/RR basis for indigenous items and date of inspection/ shipment (BL/AWB) etc. for imported consignments.

2. In cases, where delay is on account of BHEL in providing raw materials/ tools/ any other input, the delivery shall be extended with amendment to PO.

3. In case of rectification/replacement of item, the delivery is to be reckoned from the original supply date.

2.3 Service Rating (SR) 10% weightage:

The criteria for service rating shall be based on the Demerit factor (negative rating) to be updated by the User/ Quality/ MM(Sub Contg) group. The service rating shall be 10 in case there is no negative feedback against the vendor for the given supply. Else, the service rating should be reduced proportionally based on the Demerit factor.

Supplier Performance Rating (SPR) = QR + DR + SR

3.0 Usage of Supplier Performance Rating:

The following action is recommended based on SPR score:-

SPR Score	Grade	Action
95-100	A1	BHEL may consider award appreciation/commendation letter
90-95	A	Supplier can be considered for self certification or for reduced witness points during inspection
75-90	B	No action in normal course. If any deterioration comes to notice on analysis, the supplier may be informed
60-75	C	(i) Thorough analysis for identification of areas for improvement (ii) Enquiry to be sent only after concerned MM head approval
<60	D	To be dealt in accordance with the extant guidelines on Suspension of Business Dealings with Suppliers/ Contractors

4.0 Feed back to suppliers regarding performance rating:

The feedback to the supplier shall be given once a year. In case, the vendor does not contest the SPR ratings within 15 days of the dispatch of SPR rating by BHEL, it shall be construed that the vendor has accepted the SPR ratings provided by BHEL.