

PRE-QUALIFICATION TERMS

- P1 **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 should 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 alongwith/separately, which is required for evaluation/records if the vendor gets order through this tender.

- P2 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 disqualified.

- P3 A copy of pre-qualification details can be submitted even before due date of opening for evaluation planning by BHEL.

P4

P4(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.

P4(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.


P4(iii) EMD shall be forfeited if the bidder does not commence the work within the period as per LOI/PO.

P4(iv) EMD submitted by all unsuccessful bidders shall be refunded normally within 20 days of finalization of Contract with bidders.

P4(v) EMD shall not carry any interest.

P4(vi) EMD amount (without any interest) shall be adjusted against security deposit SD/returned after receipt of security deposit(SD) for successful bidder.

- P5 **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.**

 BHEL GOINDWAL	TERMS AND CONDITIONS FOR RATE CONTRACT TENDER ENQUIRY NO. BHE:IVP:SC:23 DATED: 19.12.2011 OPENING DUE DATE: 04.01.2012
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PART - A

1. Tenders in three part bids are invited. Tender is for machining of valves castings 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. BHE:IVP:SC:23 dated 19.12.2011	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:23 Dated 19.12.2011	PART-I "Techno-Commercial Bid" Tender Enquiry no. BHE:IVP:SC:23 Dated 19.12.2011 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:23 Dated 19.12.2011	PART-II "Price Bid" Tender Enquiry no. BHE:IVP:SC:23 Dated 19.12.2011 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. Machining prices in Rs. per piece.
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 "Machining of Valve Castings" 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 P4.

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. Excise duty and other taxes, if any, applicable on scrap retained by sub-contractor shall be borne by the sub-contractor.
- d. Contractor should quote rates for each item with retention of cutting/turning/boring of ferrous scrap.
- e. Excise duty/ VAT for materials lying at their works for a period more than 180/90 days resp., whatsoever may be the reason for retention of the material, if any, shall be borne by the Sub-contractor.
- f. 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. VALIDITY OF RATES:

The rates quoted by bidder should be valid for One Year from 01.01.2012 and will be applicable for all orders released till 31-12-2012. However, BHEL reserves the right to terminate the contract earlier also if the performance of the Vendor is not satisfactory.

4. ISSUE OF RAW MATERIAL:

Raw materials shall be issued from Main Stores and cost of loading & transportation shall be borne by the Sub-contractor. Minimum load of 3MT or higher will be issued to the vendor depending upon the availability of material.

5. INSPECTION:

- a. Inspection of the finished components will be done at vendor's premises after receipt of inspection request along with dimension report. No deviation unless authenticated by authorized BHEL Officials will be allowed. The inspection request and the dimensional report shall be in the format prescribed by Quality Department.

- b. BHEL reserves the right to carry out inspection at its premises as and when required.
- c. 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.

6. DELIVERY OF FINISHED COMPONENTS:

- a. All machined surfaces are to be applied with rust preventive oil of standard make.
- b. Vendor code and component code shall be embossed/ written on all the finished components.
- c. The inspected components shall be delivered at Component Stores along with 4 copies of delivery challan, bearing seal of Main Gate Security and 2 copies of Inspection Report.
- d. Delivery challan should have the details like PO No., IR NO., D1 dim, Component Code and special material description such as WCC/WC6/WC9/CF8/CF8M.
- e. Raw material description shall be embossed on the components for materials F6, F304, F316, X20 Chrome, F22 etc. along with Melt No reference in order to satisfy traceability conditions for the components covered under ISO/ CE Marking.
- f. Finished components shall be unloaded in designated area as directed by the Store-keeper.
- g. Finished goods shall be delivered at Component Stores at Sub-contractor's own cost.

7. DELIVERY SCHEDULE:

BHEL will release Sub-Contracting Orders from time to time based upon our requirement. Vendor shall be required to complete the order as per the schedule mentioned in PO/delivery requirement given through other communications.

8. ACCESS TO MANUFACTURING PREMISES:

During the currency of the contract and while Sub-Contracting Orders placed on the vendor are under execution, authorized representatives of BHEL shall be allowed free access to the manufacturing facilities for the purpose of inspection or monitoring the progress of purchase orders. This access will also be extended to representatives of BHEL's customers accompanying the authorized representative/s of BHEL, if our contractual requirements with our customer's call for the same.

9. GUARANTEE:

The components machined as per BHEL drawing should be free of machining/welding/gas cutting/fabrication defects. If the item is found defective after receipt during onward processing at Shop, total cost will be recovered from Sub-contractor as per clause no. 5c.

10. 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.

11. TERMS OF PAYMENT:

- a. Due payment against job work done shall be made within 30-45 days from receipt of accepted material at IVP Goindwal and receipt of following documents:
 - i. Two copies of Invoice i.e. Original & Duplicate for Transporter
 - ii. One Copy of Challan

- iii. Inspection Report
 - iv. Scrap Accountal statement for retained ferrous scrap duly verified by Sub-Contg. Deptt.
- b. The rejected material should also be deposited along with the accepted material through separate Delivery Challan.

BHEL releases payment through EFT mode ONLY. Necessary details may please be submitted by filling required format before release of payment.

12. FIRM PRICES:

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

13. BANK GUARANTEE & SECURITY DEPOSIT:

- a. Sub-contractor will have to execute a Bank Guarantee, in the prescribed format, for a sum of 5% of the value of the maximum materials likely to be in possession of the Sub-contractor at any point of time.
- b. Additionally, 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 contract after the successful execution of contract.

14. INDEMNITY BOND:

Sub-contractor shall have to indemnify BHEL for any loss to BHEL's material in custody of the Sub-contractor against theft or financial liability against 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.

15. PENALTY AND TERMINATION:

If the Sub-contractor fails to deliver the material or any installment thereof within the period fixed for such delivery or at any time repudiates the purchase order before the expiry of such period, BHEL may without prejudice to the right of the Sub-contractor imposed damages for breach of the Sub-contracting order.

- a) Recovery from the Sub-contractor liquidated damages a sum equivalent to 0.5% of the price of any stores which the Sub-contractor has failed to deliver within the period fixed for delivery in the order for each week or part of a week (subject to a maximum of 5% of the price) during which the delivery of such components may be in arrears and where delivery thereof is accepted after expiry of the aforesaid period, or
- b) Withdraw the material and Sub-contract elsewhere without notice to the Sub-contractor, on the account and at the risk of the Sub-contractor, of the components not so delivered. The decision of BHEL in this regard shall be final and binding without canceling the Sub-contracting order in respect of the installments not yet due for delivery, or
- c) Cancel the Sub-contracting order or a portion thereof and if so desired Sub-Contract the materials not so delivered at the risk and cost of the Sub-contractor. If the Sub-contractor has defaulted in the performance of the original order, the BHEL shall have the right to ignore its tender for risk purchase even though the lowest. Where action is taken under this clause, the Sub-contractor shall be liable, for any loss which the BHEL may incur due to

the Sub-contractor failure to deliver the component within the period fixed for such delivery.

16. LOADING:

Contract will be entered into with requisite no. of vendors to ensure that our requirement is met. For this, BHEL reserves the right to give counter offers to other than L1 vendors.

Loading on a Sub-contractor will depend upon the previous and ongoing performance of the Sub-contractor as per performance monitoring system. BHEL may split the quantity among the vendors and place orders in any proportion based on our delivery requirements and vendor's capability. Normally minimum 60% available load shall be given to L1 Bidder and balance may be allocated to other bidders who have accepted counter offers of L1 rate. However BHEL reserves the right to give load to the vendor subject to his performance rating and existing maximum capacity notwithstanding the fact that the Sub-contractor is original L1. Loading may be altered during the course of contract based on ongoing performance of the Sub-contractor and also as per BHEL priority/ requirement time to time.

If any successful vendor is a new vendor, development PO will be released. On successful completion, further loading shall be decided.

17. 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.

18. 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.

19. **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.

20. **SUB-LETTING:**

The Sub-contracting order or any part thereof shall not be Sub-contracted, assigned or otherwise transferred without previously obtaining the BHEL's consent in writing.

21. **MISCELLANEOUS:**

- I. BHEL reserves the right to accept or reject any part or whole of the tender without assigning any reason thereof.
- II. BHEL reserves the right to discontinue any component due to design change during the currency of Contract.
- III. 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 connection, BHEL has the right to deduct appropriate amount from his bills etc to make good of such loss to BHEL beside imposition of penalty. In case of any deficiencies /lapses on the part of personnel deployed by Sub contractor, BHEL shall be within its right to terminate the contract forthwith or take any other action without assigning any reasons whatsoever.
- IV. All Personnel Protective Equipments/Safety Equipments are to be provided by Sub Contractors to its workers deployed for work inside BHEL premises.
- V. 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.
- VI. The quantity mentioned in tender enquiry is Tentative Quantity. The actual quantity may vary from this and is also subject to availability of raw material with BHEL.
- VII. The identification and traceability w.r.t Make/Melt/Heat & Material type of raw material issued to Sub Contractor shall be maintained by him during processing and onward final submitting the components in BHEL Stores. BHEL reserves the right to verify the compositions/mechanical/chemical properties of parent material at any stage of processing at Sub Contractors end and also of final machined components submitted in BHEL stores.
- VIII. The Sub Contractor shall supply the finished components with proper packing arrangement as specified in respective Purchase Order(s).
- IX. The Sub Contractor(s) who have deployed their labor for work within BHEL Premises shall be responsible for compliance of following Labor laws/Acts
 - Payment of Wages Act 1936.
 - The Employees Provident Fund and Miscellaneous Provision Act 1952.
 - The Factory Act 1948.
 - The Employee State Insurance Act 1948.
 - The Employment of Children's Act 1938.
 - The Minimum Wages Act 1948.
 - Workmen Compensation Act 1923 (Any other Labor laws as applicable will be taken into consideration for compliance of labor laws in this contract).



BHEL GOINDWAL

TERMS AND CONDITIONS FOR RATE CONTRACT TENDER ENQUIRY NO. BHE:IVP:SC:23
DATED: 19.12.2011 OPENING DUE DATE: 04.01.2012

22. PERFORMANCE MONITORING:

- I. The Sub-contractor/s with whom contract is entered into will be evaluated based on the “System for Performance Monitoring & Rating for Vendors”, enclosed as Part - B.
- II. 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.

23. DEVELOPMENT OF NEW ITEMS:

For any new items added in the scope of machining, in the first instance, a developmental order shall be placed. Further ordering will be done only after successful completion of the development order.

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>	Sealed envelope marked as Part-II "Pre-Qualification & Techno-Commercial Bids"	<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>
	(2) Unpriced bid (item prices not to be mentioned)		
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

- 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.
- 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
Q1	Quantity accepted
Q2	Quantity accepted with concession/deviation/rectification
Q3	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.

$$\text{Deduction} = 30 * \text{delay in days} / \text{PO delivery in days}$$

Note:

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

- c) 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. 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. 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.