



BHEL PIPING CENTRE, CHENNAI

TECHNO-COMMERCIAL MEMORANDUM OF UNDERSTANDING FOR SUPPLY OF FITTINGS

BETWEEN

M/s. BHEL PIPING CENTRE, CHENNAI

&

M/s.

**DOC NO- BHEL: PC: MOU: FITTINGS
REVISION NO- 00
PRODUCT- FITTINGS**

RECORD OF REVISION

REV NO	DATE OF REVISION	RECORD OF REVISION
00	07.01.2020	ORIGINAL ISSUE

VENDOR'S SIGNATURE WITH SEAL

BHEL PIPING CENTRE

GENERAL:

- This Techno-Commercial MoU is signed between M/s BHEL Piping Centre, Chennai and M/s (Vendor) to finalize the Technical and Commercial terms (except price, delivery period and LD term) for the supply of Fittings. All terms and conditions agreed through this MoU shall stand valid for all tenders and Purchase Orders floated for the supply of Fittings.
- List of applicable products for which MoU is being entered to is indicated below-

SL No	MATERIAL GROUP	PRODUCT DESCRIPTION
1	FIF91	FORGING- SA182F91
2	FIF91NIB	NON IBR F91 FORGINGS
3	FIF92	FORGING- SA182F92
4	FIT91	FITTINGS- WP91
5	FIT92	FITTINGS- WP92
6	FITAS	FITTINGS- ALLOY STEEL
7	FITCS	FITTINGS- CARBON STEEL
8	FITDSS	FITTINGS - DUPLEX SS
9	FITFG	FORGINGS- CS & AS (EXCEPT F91)

SL No	MATERIAL GROUP	PRODUCT DESCRIPTION
10	FITFLG	FLANGES- CS, SS & AS (EXCEPT F91)
11	FITSS	FITTINGS- STAINLESS STEEL
12	FITSW	FITTINGS- SOCKET WELD
13	FITW9	FABRICATED FITTINGS- F91
14	FITWA	FABRICATED FITTINGS- AS
15	FITWC	FABRICATED FITTINGS- CS
16	FOR9	FORGED Y PIECE- F91
17	FOR9C	FORGED Y PIECE- CARBON STEEL
18	FOR9T92	F92 Y PIECE AND TEES

- This MoU will be applicable for all Single, Limited and Open Tender Enquiries floated by BHEL Piping Centre, Chennai.
- The MoU will stand valid till **31.03.2021**.
- The MoU validity may be extended even after the initial period if required by M/s BHEL with the consent of the supplier. However, if any change is required within the validity of the MOU, the MoU will be amended with mutual consent.
- By signing this MoU, the following terms and conditions are agreed by BHEL and the supplier in toto.

MoU TERMS:

SI No	MoU Terms
1	Type of Bid: Enquiry can be either 'Single part bid type' or 'Two part bid type'. The bid type to which an Enquiry will be resorted to will be indicated in the tender itself and vendors have to submit their bids suitably. Generally E-Tenders thru BHEL's Procurement portal will be resorted to. In case tender is addressed in conventional manner, the same will be indicated in the NIT. Suppliers will have to submit the quote accordingly.
1.1	Single Part Bid: In case of Single part bid, only "One bid" has to be submitted. Bid must consist of the following- - Supplier has to confirm for supply as per agreed MoU terms in the format which will be sent along with the Enquiry. Bids deviating from the MoU terms will be liable for rejection. - Price has to be submitted in the format which will be sent along with the Enquiry.

1.2	<u>Two Part Bid:</u> In case of Two part bid, two bids (Part I & Part II) have to be submitted: <u>Part I-</u> a) Supplier has to confirm to supply as per terms of MoU in the format forwarded with Enquiry. b) Unpriced bid shall be submitted to know the items for which the supplier has quoted. c) Applicable tax and duty shall be indicated explicitly. d) Technical deviations if any shall be indicated in a separate sheet. Any deviations indicated elsewhere will not be evaluated by BHEL. <u>Part II-</u> Price bid has to be submitted in the template available in E-Procurement portal. In case of conventional bid submission, price bid has to be sent along with the Enquiry in a separate cover.
2	<u>General Requirements (applicable for all suppliers):</u> a) Suppliers shall not alter the description, size detail and Techno-Commercial / Price bid formats of the tender. Alteration of any of the details as indicated above shall be treated as “Tampering” of the bid and will invite action as per existing guidelines in vogue. b) All fittings shall be painted, marked and packed as per respective TDC requirement. Latest TDC revision shall be referred in this regard. c) Suppliers shall quote only for the sizes that are within their manufacturing range approved by BHEL Piping Centre and fittings shall be manufactured only at the works / mills approved by BHEL Piping Centre. d) Packing shall be as per Packing Procedure PC:PKG:01 (Latest revision as per Annexure A). e) Melt number should be punched on the material without fail. All dimensions indicated in the documents should be hard punched on the material as per Purchase Order (in 'mm' and not in 'inch'). f) Serial number shall be "per size for PO quantity" and shall be continuous numeric only. Identified serial number shall be written on Manufacturing Test Certificate (MTC) only for future reference and correlation. Same shall not be written on IBR forms. All the individual test reports like dimensional report etc shall be indicated with serial number for correlation. For example, PO quantity is 100 nos in which 50 nos were offered and cleared by inspection, then MTC & all relevant test reports shall be indicated with 1 to 50 as serial numbers. For remaining PO quantity serial number shall start from 51 to 100. Serial number shall be hard punched on the external surface. g) Any cost implication arising due to non-compliance to TDC conditions will be debited from supplier's account after due intimation of the same.
3	<u>Technical Requirements:</u> Product wise technical requirement is indicated below. Even though the full list of technical requirements is indicated below, the applicable products are as indicated in Page 2 of the MoU.

VENDOR'S SIGNATURE WITH SEAL **BHEL PIPING CENTRE**

6	<u>Offer & Price Validity:</u> Offer shall be valid for 3 months from the date of Techno-Commercial bid opening or 60 days from Reverse Auction / E-Price Bid opening whichever is later. Quoted rates shall be FIRM till completion of supplies until otherwise specified in the Enquiry / PO.
7	<u>Taxes & Duties:</u> Applicable tax and duty in percentage shall be indicated explicitly in the offer.
8	<u>Delivery Terms:</u> a) 'FOR' BHEL Trichy stores / any project site in India as per BHEL's dispatch instruction. b) Wherever Direct to Site (DTS) advice is given, materials shall be dispatched directly to respective project sites. The remaining items shall be dispatched to BHEL Trichy stores after obtaining dispatch clearance from BHEL.
9	<u>Tender Process:</u> Tender shall be processed by opening E-Price bids submitted thru E-Procurement portal or thru Reverse Auction. The mode of tender process will be informed by BHEL after evaluation of Techno-Commercial bids. BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid submitted by the bidder and the same will be decided after Techno-Commercial evaluation of the bids. Reverse Auction guidelines shall be as per Annexure I to the MoU. Any revision to the same shall be communicated along with the tender. In case both indigenous and import suppliers are participating in the tender, price comparison will be made by considering Exchange Rate as on the date of Part I opening date (State Bank of India's TT selling rate will be considered). In such case, ranking will be done based on "Net Cash Outflow to BHEL" on "FOR BHEL Trichy stores" basis. In case only indigenous suppliers have quoted for the tender, ranking will be based on "Net Cash Outflow to BHEL" on FOR BHEL Trichy stores / any project site in India basis. Any loading based on deviations taken by vendors will be considered for arriving at Net Cash Outflow to BHEL. Ordering will be done only on item level L1 vendor and "NOT" as a total package. Hence Minimum Order Quantity (MOQ) / Minimum Order Value (MOV) condition will not be accepted. However, in case of emergency requirements, package ordering may also be resorted to. In such cases, the basis of evaluation will be explicitly indicated in the NIT.
10	<u>Delivery:</u> Delivery is tender specific and shall be indicated in the respective tenders.
11	<u>Inspection:</u> Inspection shall be by IBR (if applicable), NTPC (if applicable) or any other customer as specified in the respective contract requirement and BHEL / BHEL authorized TPI.

12	<u>Inspection Charges:</u> Inspection charges of BHEL / BHEL authorized TPI or customer is to BHEL a/c. However any other testing charges and IBR inspection (if applicable) should be included in the quoted rates.
13	<u>Forwarding of Test Certificates & Inspection Reports:</u> 1 set of ink signed originals of Test certificates (TC) along with Inspection Reports (IR) as called for in the TDC / approved Quality Plan shall be sent to Dy.Manager / Purchase (Fittings), BHEL Piping Centre immediately after the shipment / dispatch of items. TC & IR shall be furnished for each batch of shipment / dispatch. If entire PO quantity is manufactured in one lot but dispatched in phased manner, original "IBR Form" should be submitted with the first consignment. For subsequent consignments, attested Xerox copy of IBR along with copies of TC and IR indicating invoice detail against which original TC and IR was handed over to BHEL shall be submitted. Soft copies of all the test certificates shall also be submitted through email. Year of code for the technical standards shall be latest and the specific year shall be indicated in the MTC's as well as applicable IBR Forms.
14	<u>Payment Term:</u> 100% payment after 60 days after receipt and acceptance of materials (site acknowledgement to be submitted in case of Direct to Site supplies). However, PAYMENT FOR MSE VENDORS SHALL BE AS PER MSMED ACT 2006. No advance payment shall be made by BHEL. <u>PAYMENT DOCUMENTS</u> Payment shall be made against presentation of the following documents to BHEL. However a copy of Invoice and LR shall be sent to Purchase department immediately after physical dispatch. - Original GST compliant invoice and 1 xerox copy of the same. - Original site acknowledged Lorry Receipt (Goods Receipt (GR) date in case of BHEL Trichy stores) and 1 xerox copy of the same. - Original inspection report, works test certificate, IBR forms, raw material test certificate, Heat Treatment (HT) chart, NDT reports (PT/ MPI / UT / RT as applicable wrt TDG / approved QP). - Dimensional report, thickness measurement report (for Elbows, Tees) and any other reports as called for in TDC / approved QP. - If one original certificate / LR is applicable for more than one invoice quantity / invoice, Xerox copy is acceptable with original correlation details on the Xerox copy with attestation by supplier's Quality-in-charge. Dispatches shall be on "Door delivery CC attached" basis only. Road Permit (if any) will be provided by BHEL during dispatch clearance.
15	<u>GST compliance:</u> A declaration to the effect that all invoice particulars are / were uploaded in the GSTN network / portal & all tax liability as per GST rules and regulations have been and will be discharged, shall be mentioned in the invoice. If not mentioned in the invoice, a separate declaration shall be submitted as per

the requirement of BHEL.

b) 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 GST portal. The dealer has to submit necessary documents if there is any change in status under GST.

c) 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 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.

d) All invoices shall bear the HSN code for each item separately (harmonized system of nomenclature)/ SAC code (services accounting code).

e) Invoices will be processed only upon completion of statutory requirement and further subject to following:

a. vendor declaring such invoice in form GST anx-1

b. receipt of goods or services and tax invoice by BHEL

f) As the continuous uploading of tax invoices in GSTN portal (in gst anx-1) is available for all (i.e. both small & large) tax payers under proposed new GST return system, all invoices raised on BHEL may be uploaded immediately in GST portal on despatch of material /rendering of services. The supplier shall ensure availability of invoice in GST 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 GST anx-2).

g) 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.

h) 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

i) 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.

j) 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.

k) 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.

l) 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 which will be generated in GST portal subsequent to vendor accepting the TDS deduction in the GST portal, will be issued to the vendor.

m) For any such delay in availing of tax credit for reasons attributable to supplier (as mentioned

	above), interest (calculated @ SBI base rate + 6%) along with penalty (if any) will be deducted / recovered for the delayed period i.e. from the month of receipt till the month tax credit is availed, from the running bills. in case GST credit is denied to BHEL due to any reason not attributable to BHEL, GST amount along with interest levied or leviable on BHEL will be recovered from payment due to vendor.
16	<u>BHEL Standard Guarantee Clause:</u> The materials are to be guaranteed for satisfactory performance for a period of 24 months from the date of dispatch or 18 months from the date of commissioning / putting into use whichever is earlier and if any defect is noticed during the above period, the same shall be rectified / replaced free of cost on FOR destination basis within a reasonable time, maximum limited to the agreed delivery period. To this effect a guarantee certificate should be sent along with the dispatch documents in the event of an order.
17	<u>LD Clause:</u> If the supplier fails to deliver the items within the delivery date as applicable for the PO, the purchaser shall deduct Liquidated Damages, a sum equivalent to 0.5% of the price for each week of delay up to a maximum of 10% of the price of delayed / undelivered portion. For the purpose of LD calculation, LR date will be reckoned as the delivery date.
18	<u>CANCELLATION / TERMINATION OF CONTRACT, DEFAULT / BREACH OF CONTRACT AND RISK PURCHASE</u> In case of abnormal delays (beyond the maximum late delivery period as per Penalty clause) in supplies / defective supplies or non-fulfilment of any other terms and conditions given in Purchase Order as enumerated subsequently in this clause, Purchaser shall be entitled to cancel the Order / Contract either in whole or portion thereof without compensation to Seller / Contractor and if the Purchaser so desires, may procure upon such terms and in such manner as deemed appropriate, stores not so delivered or others of similar description where stores exactly complying with particulars are not, in the opinion of the Purchaser, which shall be final, readily procurable, at the risk and cost of the Seller / Contractor and the Seller / Contractor shall be liable to the Purchaser for any excess costs provided that the Seller / Contractor shall continue the performance of the Order / Contract to the extent not cancelled under the provisions of this clause. The Seller / Contractor shall on no account be entitled to any gain on such repurchases. If bidder does not agree to the above Risk Purchase Clause, BHEL reserves the right to reject the offer. Risk & Cost Clause, in line with Conditions of Contract may be invoked in any of the following cases: - Contractor / supplier's poor progress of the work vis-à-vis execution timeline as stipulated in the Contract, backlog attributable to contractor/ supplier including unexecuted portion of work / supply does not appear to be executable within balance available period (#) considering its performance of execution. - Withdrawal from or abandonment of the work by contractor before completion of the work as per contract. - Non completion of work / Non-supply by the Contractor / supplier within scheduled completion / delivery period as per Contract or as extended from time to time, for the reasons attributable to the contractor / supplier. - Termination of Contract on account of any other reason (s) attributable to Contractor / Supplier. - Assignment, transfer, subletting of Contract without BHEL's written permission resulting in termination of Contract or part thereof by BHEL. - Non-compliance to any contractual condition or any other default attributable to Contractor / Supplier. Risk and Cost amount against Balance Work $\text{Risk \& Cost Amount} = [(A-B) + (A \times H/100)]$ Where,

A= Value of Balance scope of Work / Supply (*) as per rates of new contract B= Value of Balance scope of Work / Supply (*) as per rates of old contract being paid to the contractor / supplier at the time of termination of contract i.e. inclusive of PVC & ORC, if any. H= Overhead Factor to be taken as 5 In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero). *(Balance scope of work / supply) Difference of Contract Quantities and Executed Quantities as on the date of issue of Letter for 'Termination of Contract', shall be taken as balance scope of Work / Supply for calculating risk & cost amount. Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities. Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items total Quantities as per issued drawings would be deemed to be contract quantities. Substitute / extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute / extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions. However, increase in quantities on account of additional scope in new tender shall not be considered for this purpose. Note: In case portion of work is being withdrawn, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work / supply' for calculating Risk & Cost amount. LD against delay in executed work / supply in case of Termination of Contract in case of Risk and Cost Option LD against delay in executed work / supply shall be calculated in line with LD clause of the contract for the delay attributable to contractor / supplier. For limiting maximum LD value, contract value shall be taken as Executed Value of work / supply. Method for calculation of "LD against delay in executed work / supply" is given below. - Let the time period from scheduled date of start of work till termination of contract excluding the period of Hold (if any) not attributable to contractor / supplier= T1 - Let the value of executed work / supply till the time of termination of contract= X - Let the Total Executable Value of work / supply for which inputs / fronts were made available to contractor / supplier and were planned for execution till termination of contract= Y - Delay in executed work / supply attributable to contractor/supplier i.e. T2= (1- X/Y) * T1 - LD shall be calculated in line with LD clause of the Contract for the delay attributable to contractor / supplier taking "X" as Contract Value and "T2" as delay attributable to contractor / supplier. Note: In case portion of work / supply is withdrawn, no LD shall be applicable for portion of work / supply withdrawn. Recovery from Supplier Recoveries from contractor / supplier on whom risk & cost has been invoked shall be made from the following:

	a. Dues available in the form of Bills payable to contractor / supplier, SD, BG's against the same contract. b. Dues payable to contractor / supplier against other contracts in the same Region / Unit / Division of BHEL. c. Dues payable to contractor / supplier against other contracts in the different Region / Unit / division of BHEL. d. Legal Options for recovery of dues payable by the supplier / contractor.
19	<u>MSE Preference:</u> a) In case the supplier belongs to MSE's (Micro Small Enterprises), registration copy in this respect shall be submitted along with the offer. MSE suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either EM II certificate having deemed validity (5 years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with attested copy of a CA certificate (where deemed validity of EM II certificate of 5 years has expired) applicable for the relevant FY (latest audited). b) Further if MSE's are owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs, the same may be intimated. c) Small Enterprises that has graduated to a higher category are also eligible for intended benefits for 3 years from the date of such graduation. Certificates to this effect shall be submitted along with the offer for availing MSE preference. d) In case the item is divisible, and where L1 is not MSE vendor, participating MSE's quoting price within price band of L1 + 15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25% of quantity (item level). In case of more than one such MSE, the supply shall be shared proportionately within this 25%. In case L1 is MSE vendor, entire order will be done on the L1 vendor. e) Out of the 25% reserved for MSE vendors, 3% reservation will be applicable for women owned MSE's and 6.25% reservation will be applicable for MSE's owned by SC / ST. (supporting documentary proof to be submitted along with the tender). f) If MSE vendor/s do not match the counter offered price, the quantity will be ordered on L1 vendor. In case item is not divisible, the following procedure will be followed: • If L1 is from a MSE vendor, the contract for full quantity will be awarded to L1. • If L1 is not MSE supplier, the lowest bidder among MSE vendors will be invited to match the L1 price subject to MSE supplier's quoted price falling within the margin of purchase preference and the contract shall be awarded to such MSE supplier subject to matching the L1 price. • In case such lowest eligible MSE supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the MSE suppliers within the margin of purchase preference matches the L1 price, then the contract will be awarded to the L1 bidder.
20	<u>PURCHASE PREFERENCE FOR MAKE IN INDIA</u> Public Procurement (Preference to Make in India), Order 2017 dated 15.06.2017, 28.05.2018 & 29.05.2019 and subsequent Orders issued by the respective Nodal Ministry shall be applicable. In the event of any Nodal Ministry prescribing higher or lower percentage of purchase preference and / or local content in respect of the products mentioned, same shall be applicable. In case item is divisible, following procedure will be followed- • Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the

	contract for full quantity will be awarded to L1. - If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder. In case item is not divisible, , the following procedure will be followed: - Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1. - If L1 is not from a local supplier, the lowest bidder among the local suppliers will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference and the contract shall be awarded to such local supplier subject to matching the L1 price. - In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract will be awarded to the L1 bidder.
21	<u>Suspension of Business Dealing:</u> In order to protect the commercial interests of BHEL, it becomes necessary to take action against suppliers / contractors by way of suspension of business dealings, who either fail to perform or are in default without any reasonable cause, cause loss of business / money / reputation, indulge in malpractices, cheating, bribery, fraud or any other misconduct or formation of cartels so as to influence the bidding process or influence the price etc. Suspension of Business Dealings could be in the form of "Hold" or "Banning" a supplier / contractor or a bidder or an applicant for registration as a registered supplier. For this purpose, the abridged version of guidelines hoisted at website http://www.bhel.com/vender_registration/vender.php (Suspension of business dealings with suppliers / contractors) is being followed across all BHEL units. Vendors shall keep themselves aware of these guidelines before submission of their bid.
22	<u>FRAUD PREVENTION POLICY</u> The Bidder along with their associates / collaborators / sub-contractors / sub-vendors / consultants / service providers shall strictly adhere to BHEL fraud prevention policy displayed on BHEL website at "www.bhel.com/pdf/BHEL Fraud Prevention Policy.pdf" and shall immediately bring to the notice of BHEL management about any fraud or suspected fraud as soon as it comes to their notice.
23	<u>Note:</u> - MSE vendors to submit <u>original</u> CA certificate as per BHEL prescribed format based on latest FY audited financial data latest by July of the subsequent FY. In case of new vendors, the same to be submitted along with the signed copy of the MoU. - Revisions indicated are as on date of issue. Any revision any of the documents indicated in the MoU shall be communicated along with the Enquiry and PO. - Evaluation and ordering will be done on item level and not on package basis unless otherwise indicated in the Enquiry. - PO copy with all details will be forwarded to successful supplier/s and acknowledgement for receipt of PO shall be sent within 5 days from the date of receipt.

	• During the Contract period, any of our sister units of BHEL Piping Centre will be entitled to place order for this item on the same terms and conditions with the consent of the supplier. • BHEL reserves the right to cancel the tender without assigning any reasons what so ever. • Deviation taken after placement of order will not be accepted (Technical, delivery & payment term). • Lowest prices received against BHEL tenders do not mean order will be placed on that Supplier. BHEL reserves the right to consider or not to consider the same. • BHEL reserves the right to negotiate or re-float the tender opened if L1 price or other details are not acceptable to them. • BHEL reserves the right to order on more than one vendor at the lowest acceptable price to BHEL. • Suppliers are requested to make themselves aware of "BHEL Fraud Prevention Policy" and "Suspension of Business Dealings with Suppliers / Contractors) available at www.bhel.com. • "Annexure I on RA guidelines" and "Annexure A on latest revision of documents" forms an integral part and shall be read along with the MoU. • "Checklist of documents for invoice payment processing" and "flow chart for material dispatch activities" are also sent for easier reference and understanding. The same are to be followed. • Signing of this MoU doesn't guarantee either the Enquiry or the order from BHEL. • Any condition(s) if specifically indicated in the Enquiry or PO will override the MoU conditions.
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ANNEXURE A

S.No	DOCUMENT DESCRIPTION	DOCUMENT NUMBER	LATEST REVISION
1	EP DRAWING	3-80-300-19825	REV 04
2	TOLERANCES	4-80-301-26192	REV 01
3	LIST OF RAW MATERIAL SOURCES FOR SA182 F91	QCP 18	REV 03
4	RM SOURCING LIST (SEAMLESS PIPES)	QCP 19	REV 03
5	TDC FOR BW FITTINGS	TDG 102	REV 09
6	TDC FOR SOCKET WELDED FITTINGS	TDG 103	REV 02
7	TDC FOR FORGINGS	TDG 104	REV 10
8	TDC FOR FABRICATED TEE AND Y PIECE	TDG 108	REV 07
9	TDC FOR PIPE WITH ATTACHMENTS	TDG 109	REV 00
10	PACKING PROCEDURE	PC:PKG:01	REV 00
11	QP FOR BW FITTINGS	QPG 46	REV 01
12	QP FOR FORGINGS	QPG 87	REV 01

Annexure I – Reverse Auction Guidelines

BHEL reserves the right to go for reverse auction (RA) (guidelines as available on www.bhel.com) instead of opening the sealed envelope price bid submitted by the bidder. This will be decided after Techno-Commercial evaluation. Bidders to give their acceptance with the offer 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.

Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'Process Compliance Form' (to the designated service provider) as well as 'Online Sealed Bid' in the Reverse auction. Non-submission of 'Process Compliance Form' or 'Online Sealed Bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant Guidelines for suspension of Business Dealings with Suppliers / Contractors (as available on www.bhel.com).

The bidders have to necessarily submit Online Sealed Bid less than or equal to their envelope sealed price bid already submitted to BHEL along with the offer. The envelope sealed price bid of successful L1 bidder in RA, if conducted, shall also be opened after RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed price) thus obtained. The bidder having submitted this offer specifically agrees to this condition and undertakes to execute the contract on thus awarded rates.

If it is found that L1 bidder has quoted higher in online sealed bid in comparison to envelope sealed bid for any item(s), **the bidder will be issued a warning letter to this effect**. However, **if the same bidder again defaults** on this count in any subsequent tender in the unit, **it will be considered as fraud and will invite action by BHEL as per extant Guidelines for Suspension of Business Dealings** with Suppliers / Contractors (as available on www.bhel.com).