



BHARAT HEAVY ELECTRICALS LIMITED

FABRICATION, STAMPING & INSULATOR PLANT

JAGDISHPUR, DISTT-AMETHI (UP)-227817, INDIA

Tender Ref: FSIP/Alumina/19-20/01 Dated 19.04.2019 TE No – 1900016 Dtd 19/04/2019

Annexure-I

General terms and conditions

The following are the general terms and conditions for the supplies of Alumina against enclosed BHEL Technical Specification No. PS/CRM/21 Rev.01 and PS/CRM/21-A Rev00 (Annexure-II)

1. **Scope of supply:** Supply of Alumina as per Specification No. PS/CRM/21 Rev.01 and PS/CRM/21-A Rev00
2. **Quantity variation w.r.t. to tender quantity:** Quantities mentioned in the tender are only indicative & projected figures are based on anticipated orders on BHEL. The quantities mentioned are not guaranteed order quantity or the limit for procurement during the contract period. The actual procurement during the contract period shall vary based on requirement w.r.t. orders with BHEL.
3. **Price & Validity of offer:** The rates finalized for the annual rate contract shall be valid for ONE YEAR with effect from release of Purchase Order for supply. The Purchase Order shall have provision for further extension on same terms & condition for mutually agreed period with the mutual consent of both the parties. The rates quoted for the item shall be on "per MT "basis. Validity of the offer shall be minimum 90 days.
4. **Inspection:** The inspection & testing for the supplied material shall be done at BHEL in line with Specification No. PS/CRM/21 Rev.01 and PS/CRM/21-A Rev 00.
5. **Delivery terms: Indian Suppliers:** F.O.R Destination- BHEL FSIP Stores Jagdishpur.
Foreign vendors: CIF Nhava Seva port, Mumbai for FSIP Jagdishpur.
6. **Mode of Despatch:** By Sea/ Road
7. **Earnest Money deposit & Security deposit:** NIL
8. **Evaluation-** Evaluation will be done on individual item basis and on landed cost basis. For Foreign suppliers, transportation cost from Nhava Seva port, Mumbai port to BHEL, FSIP Jagdishpur will be calculated on basis of standard rate applicable on the date of techno-commercial bid opening. The freight charges from port to FSIP, Jagdishpur will be loaded to arrive at L-1 status.
9. **Rates, Duties, and Taxes:** In the price bid, basic price and present applicable taxes should be clearly mentioned. During reverse auction, the rates quoted shall be on Cost to BHEL, FSIP, Jagdishpur basis. The rates shall be exclusive of unloading charges but inclusive of freight & Insurance. Duties and taxes applicable on date shall be explicitly mentioned. The taxes & duties will be paid extra as applicable on the date of supply.
10. **Customs Duty:** Customs Duty/IGST/Goods and Services compensation cess under Goods and Services Tax (Compensation to States) Act, 2017 element for imported items as per Special Conditions of Contract shall be included in the prices. Seller/ Vendor shall arrange for his own import license, if required, since Purchaser will not provide any import license. Therefore, Seller/ Vendor alone shall be responsible for any delay in getting import license or non-availability of the same or completion of other related formalities. Purchaser shall not be responsible for any financial liability, whatsoever, on this account.



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11. **Payment Terms- For Indian vendors:** 100% of basic price of material supplied, as per PO, along with 100% taxes & duties (as applicable) & freight charges, shall be paid on pro-rata basis within 45 days from the date of receipt of goods & receipt of complete documents as per order/contract subject to acceptance of materials.
12. **Payment terms- For Foreign Vendors:** Our Payment Terms shall be **Irrevocable International Letter of Credit (LC)** with the usance period of 90 days from date of bill of lading will be considered. LC establishment charges and other charges in India will be borne by BHEL. Payment will be made through our Bankers. BHEL being a Government of India undertaking are governed by strict corporate and RBI guidelines and therefore shall not entertain any request for advance payment.
For effecting necessary payment the two sets of following documents should be submitted;
i. Invoice.
ii. Bill of lading
iii. Packing list
iv. Test report
v. Country of origin.
vi. A certificate to the effect that the materials shipped and shown in packing list are not more than invoiced.
13. **Delivery period** - Delivery shall be as per delivery **Annexure-III**. For foreign vendors, the date of delivery will be considered as date of receipt of material at Mumbai port.
14. **LD Clause:** In case of delayed delivery beyond the date specified in the PO, penalty @ 0.5% of the order value per week up to a maximum of 10.0% will be levied on the defaulting quantity for the delayed period. Date of receipt of material at BHEL stores will be considered as delivery date for indigenous supplier and date of receipt at Mumbai port for foreign suppliers..
15. **Risk Purchase Clause:** BHEL at its option will be entitled to terminate the contract and purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier fails to deliver within the stipulated time. The supplier shall be liable for any loss, which BHEL may sustain by such risk purchases. The loss will be recovered from the vendor's outstanding bills with the concerned unit or any sister unit.

$$\text{Risk \& Cost Amount} = [(A-B) + (A \times H/100)]$$

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 Vendor/ 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)

16. The lowest price received through sealed bid/ Reverse Auction need not be commercially acceptable lowest price and BHEL reserves the right to NEGOTIATE the same. The price negotiations if considered necessary will be done with L1 bidder only.
17. **Price Comparison:** Price comparison of the offer shall be considered on LANDED COST BASIS (COST TO BHEL, FSIP Jagdishpur) on individual items. Landed cost shall be worked out on price quoted including freight, GST



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after taking out GST Benefit, as applicable. The comparative statement shall be worked out on **landed cost basis for each item**. The ranking of the vendors prepared based on the Reverse Auction/Price bid opening date shall remain firm throughout the execution period. Any change in duty & tax structure during execution of the contract will not be considered for re-ranking of vendors. For the purposes of evaluation of the price, the exchange rates prevailing as on ORIGINAL TENDER OPENING DATE (Technical Bid) will be considered. Even in case the tender opening date stands extended, the exchange rates that shall be taken will be original tender opening date. "For evaluation exchange rate (**TT selling rate of SBI**) as on scheduled date of tender opening (Part-A Techno commercial bid) shall be considered. "

18. BHEL reserves the right/option to RE-FLOAT the tender if L1 price is not the lowest acceptable price to BHEL.
19. **Distribution of Load Share:** Based on the number of bidders accepting the L-1 rates offered as per price bid evaluation criteria of this tender, BHEL may consider, to the extent possible, following percentage of work load amongst the bidders based on their rank i.e. L1 , L2, L3 etc. subjected to acceptance of L1 rate by other successful bidders. In case some bidders refuse the counter offer the offer shall be given to next eligible bidder ranking wise. Ratio of splitting will be as given below, order can be split among maximum 3 no of bidders as per requirement. If no bidder accepts the counter offer for L2 /L3 share, whole quantity order will be placed on L1 bidder.

No of Vendor	Percentage share of 1st (L1) vendor	Percentage share of 2nd (L2 etc.) vendor	Percentage share of 3rd (L3 etc.) vendor
1	100	0	0
2	60	40	0
3	50	30	20

20. **Performance during contract execution:** The orders will be placed during the contract period on vendors for eligible share from time to time for actual requirement. The loading of order share on the vendors will also be subjected to their performance ratings (Quality rating, Delivery rating & Service rating) for the supplies made during the contract period. The vendors with consistence good performance will be preferred over poor performing vendors and encouraged with more order share. In case of breach of contract or any issue which hampers the successful execution of contract, the business dealing with the vendor may be suspended in line with the extant guidelines of BHEL and also on the following ground.
- Supplier does not honour his own offer or any of its conditions within the validity period.
 - Rejection of three consecutive supplies due to reasons attributed to suppliers (Once a lot is rejected, is reworked/segregated and accepted, it still constitute rejection)
 - After placement of order, supplier fails to execute a contract.
 - Supplier fails to settle sundry debt account, for which he is legitimately liable, within one year of its occurrence.
 - Supplier performance rating falls below 60%.
 - Supplier works are under strike/ lockout for a long period.
21. BHEL will have the option to defer the supplies of any purchase order with a notice period of 20 calendar days.



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22. In case of unsatisfactory performance of quality / delivery BHEL will have right to discontinue the contract in part or full.
23. Acknowledgement of BHEL Stores shall be only legal document towards receipt of material.
24. The vendor will have to follow all the legal and statutory requirements and BHEL norms. BHEL will not be responsible in any way if the vendor is fined or penalized due to non-fulfillment of these requirements by any government agency.
25. **Arbitration:** Settlement of dispute, if any arises, at anytime between the BHEL and the vendor upon or in relation to or in connection with the vendor, the same shall be referred to the sole arbitration of the Head of the BHEL unit or to person appointed by him. The award of the arbitrator shall be final and binding on both BHEL and the vendor
26. **Legal Jurisdiction:** In case of any legal proceedings, area of jurisdiction will be Lucknow, UP
27. **Suspension of Business dealings with BHEL :** "the guidelines for suspension of business dealing or available on Website:-<http://www.bhel.com> and will be guiding criteria in case of any misconduct / default / use of illegal means etc. is re-sorted by vendor / Vendor. The details of different type of default / misconducts or available in guidelines.
28. **Fraud Prevention Policy:** "The bidder along with its associate / collaborators / sub-Vendors / sub-vendors / consultants / service providers shall strictly adhere to BHEL fraud prevention policy displayed on BHEL Website:-<http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice."
29. A copy of Conditions of Purchase (Indigenous) is attached herewith. In case vendor wins the bid, these conditions of purchase are to be met up the extant not contradicting with the terms and conditions stipulated above (i.e. General Terms and Conditions of Tender).
30. The tender not meeting the above conditions may not be entertained.