ANNEXURE – A to TENDER 2761285E/OT-17
STANDARD TERMS & CONDITIONS
(FOR GUIDANCE TO THE SUPPLIERS)

A] Submission of Offer

TENDERS

Sealed tenders super-scribed with Tender Number, Due Date, Item Name & Supplier's Name shall be addressed to Manager / Purchase dept., Bharat Heavy Electricals Limited, Ranipet – 632 406, Tamilnadu, INDIA, so as to reach him on or before the date and time specified in the tender. It shall contain two separate sealed covers as under:-

Sealed envelope super-scribed "Cover I - Techno-commercial bid", with Tender Number, Item Name, Tender Due Date & Supplier's Name, containing:

a) **Documents to support the following Qualification requirement** –

Sl. NO	CRITERIA	VENDOR ACCEPTANCE / REMARKS
1	The bidder / vendor (OEM) shall have a minimum of five years continuous experience in the design, manufacture and supply of "Portable MPI Equipment". Vendor may indicate the actual number of years of experience in the field. Only those vendors (OEMs), who have supplied and commissioned at least TWO numbers of Portable MPI Equipment similar to the machine specified above, in the past five years (as on date of opening of tender) and such machine is presently working satisfactorily for more than one year after commissioning. Vendor has to submit at least one Performance certificate from their customers, for satisfactory performance of similar of higher capacity Portable MPI Equipment quoted against the enquiry for a period of one year.	
2	Name of the customer/ company where referred machine is installed.	
3	Complete postal address of the customer	
4	Month and year of commissioning.	
5	Parameters of equipment supplied and application for which the equipment is supplied..	
6	Name and designation of the contact person of the customer.	
7	Phone, FAX no. and email address of the contact person of the customer.	
8	Performance certificate from the customers regarding satisfactory performance of equipment (same or higher current output capacity) indicating date of commissioning, model no, capacity etc., supplied to them.	
9	BHEL reserves the right to verify the information provided by vendor. In case the information provided by vendor is found to be false/incorrect, the offer shall be rejected.	
After satisfactory fulfillment of all the above criteria condition / requirement, offer shall be considered for further evaluation as per NIT and all other terms of the tender.		

a) ***Earnest Money Deposit:*** NIL

b) ***Business Ratings*** given by International Rating sources like D&B etc., If applicable.

c) ***BHEL Order Reference:*** If same or similar or higher capacity equipment/s has been supplied to any other Unit of BHEL, the Purchase Order details (reference number and date) should be enclosed.

d) ***Complete technical Offer*** with details, catalogues, drawings,

e) ***Un-priced bid*** (i.e. Price bid without Price),

f) ***Filled-in BHEL's Technical Specification format*** enclosed with the Tender document,

g) ***Filled-in BHEL's Standard Terms & Conditions*** for Procurement of Equipment enclosed with the Tender Document,

h) ***Deviation summary*** submitted in two parts – giving the summary of technical deviations separately and the commercial deviations separately if any and

i) ***Shipping weight and cubage*** (length, width & height) size of packing, including special shipping arrangements that may be required like flat bed containers, open top containers, number of containers required etc.

Note

(i) The equipment offered, shall be strictly conforming to the specification and scope attached in each tender, for complete unit including accessories, called for.

(ii) Optional items offered, if any, would not be considered for evaluation. Procurement of such optional item/s will be at the sole discretion of BHEL.

(iii) All taxes and duties payable as extra to the quoted price should be specifically stated in offers. Offer from within India shall be submitted along with CST & TIN No. / Tariff No. etc, failing which the purchaser will not be liable for payment of such taxes and duties. Our TIN No. 33024364741, CST No. 1141686, BHEL ECC No. AAACB4146PXM008.

(iv) The un-priced bid is to be used to indicate relevant commercial implications without indicating price.

(v) Commercial terms including all applicable prevailing taxes and duties are to be indicated clearly in the offer.

(vi) No changes shall be entertained once the bid is opened unless otherwise specifically agreed to by BHEL.

(vii) Money values shall not be indicated anywhere in the un-priced bid.

(viii) Obtaining the Export Licence, if required, is the responsibility of the Overseas Supplier.

(ix) Time required for inspection (at Supplier's works), erection, commissioning and training the operators of BHEL from the date of intimation of site readiness by BHEL, at BHEL, should be clearly given in terms of numbers of working days.

(x) Techno-Commercial bid & its annexure if any should be serially numbered.

(xi) ***BHEL*** reserves the right to verify the information provided by vendor. In case the information provided by vendor is found to be false / incorrect, the offer shall be rejected.

(xii) ***Authorization Letter:*** Such of those tenderers who wish to participate in the Tender Opening, should come to attend the tender opening with an authorization letter which shall be duly signed and stamped in original, identifying the representative to be deputed for tender opening. A copy of the same shall be carried by the representative in original.

Sealed envelope super-scribed Cover – II (Price bid), with Tender Number, Item Name, Tender Due Date & Name of the Supplier, containing:

Price Bid (i.e. Un-priced bid but with Price duly filled-in) in conformance with the commercial terms as per Cover I.

The Prices shall be indicated in both figures and words, clearly specifying the currency used. Differential foreign currencies may not be used in a given offer.

Wherever there is a discrepancy between the figures and the words, the value as indicated by words shall be taken as the "Price" by the Purchaser. Similarly if there is a discrepancy between the Unit Price and the Value on

account of arithmetical error in the computation of the Value (Price x Quantity), only the Unit Price would be taken by the Purchaser for consideration. No corrections would be permitted. Error statements should be completely erased / struck out and fresh values given in the offer, which should be initialled and attested by the tender submitting authority.

Note

(i) The price break-up should be in line with technical specification / scope of the tender. (All charges like Cost of basic machine, accessories, spares, packing charges, forwarding charges {FOB / FCA}, freight, insurance, training, installation, erection and commissioning charges shall be shown Separately). Under no circumstances shall the Erection & Commissioning charges be included in supply.

Caution:
The suppliers are severely cautioned to note that the price bid document accepts the price in figures only. It does not allow the supplier to write the value by words. Therefore all care shall be exercised by the supplier while filling in the figures. Once the price bid is opened no option is available for the supplier to retract the offer under any grounds. If a supplier, for any reason whatsoever approaches BHEL with a request for change in the price, it would be treated as going back on the offer submitted. In such cases, action would be initiated by BHEL for suspending further business dealings with such suppliers as per policy of BHEL which prevails at that point of time.
Foreign / Overseas suppliers are hereby informed that offers with differential currencies are not permitted for a given tender document.

(ii) Additional Charges such as packing and forwarding (P&F) or FOB / FCA may be quoted either on lump sum basis or as a percentage of the basic cost of the machine.

(iii) Erection & Commissioning (E&C) value will include services to be rendered at BHEL like erection, commissioning, job proving, performance tests, training to operators etc. The E&C value shall be quoted separately by the bidders.

(iv) Charges for Erection & Commissioning (E&C) may preferably be given on lump-sum basis, clearly indicating the number of working / calendar days for which the charges are applicable. It should be noted by Supplier that Service Tax / Income Tax as levied by the Government of India is deductible from the E&C Charges. The Certificate of Income Tax deduction at source would be furnished by BHEL.

(v) Where applicable, the charges for erection and commissioning, or for any such service, which involves deputation of experts / engineers from the Supplier, *per-diem* rates are also to be furnished.

(vi) The estimated E&C value is **(5%)** of the Basic cost of the System if not specified otherwise.

(vii) In case where quoted value is less than the value (in %) specified herein or separate values are not mentioned in the offer, value for E&C portion shall be deemed to be considered as the value indicated herein **(5%)** and accordingly supply value will be adjusted from that quoted value and balance will be released as E&C payment as per the payment procedure mentioned in “Standard Commercial Terms & Conditions”.

(viii) Quotation for recommended spare parts as per O&M (with break-up) for two years should be indicated in the offer as essential spares.

(ix) No offer for individual accessories or part of equipment will be accepted.

(x) No Price Variation Clause will be entertained.

(xi) In case, there is a discrepancy in the term quoted in techno-commercial bid and price bid, the term as per the techno-commercial bid (Cover I) shall hold good and the commercial term quoted in the Price Bid (Cover II) shall not be considered.

(xii) In their own interest, all Tenderers are advised to double check their prices, applicable duties and taxes.

(xiii) The quotation should be valid at least for a period of 180 days from the tender opening date (Technical Bid).

(xiv) Offers should be submitted in three sets, one original and two copies.

(xv) The offers should invariably contain Signature (ink-signed) & Office Stamp of the Supplier. Any corrections / erasures in the offers should be initialled and stamped.

(xvi) Indian bidders should submit the prices in Indian Rupees only.

(xvii) Foreign bidders may submit their bid in their home currency. The currency should be clearly indicated in the un-priced commercial bid as well as in the price bid.

(xviii) **Indian Suppliers shall quote on FOR Destination basis only. Destination is BHEL, Ranipet Stores in India. Foreign Suppliers shall quote with delivery terms as CFR-Chennai Port / FCA-Popular Air-Port (wherever applicable) only. Delivery shall be on CFR Sea-Port basis / FCA-Popular Air-Port with the freight charges shown separately.** No other delivery terms shall be acceptable. The Port of delivery shall be a popular and commonly used international sea port. Freight charges for carriage from port of dispatch to Chennai Sea-Port shall be separately indicated in the price bid (CFR Charges). All home port charges like Quay Dues, Bill of Lading issue charges, ISPS, Loading permit charges, Handling Charges and all and any other charges shall be borne by the Seller only. In case the order/s are released on FOB basis, ocean transit would be arranged by the freight forwarder nominated by BHEL, details of whom would be included in the Purchase Contract. In the event that the order is released on CFR basis, shipment shall be arranged by the Seller. As per Government of India guidelines, BHEL Ranipet being a Government of India Undertaking the Bill of Lading shall be made with the Shipper as "Government of India". This shall be specifically confirmed by the Bidder.

(xix) In case of FOB contracts, shipping arrangements including Insurance, from Port of Delivery to Port of Discharge (Chennai Port, India) and further carriage to BHEL factory at Ranipet would be to the account of BHEL. In case of CFR contracts, Insurance and carriage from Chennai Port to BHEL, Ranipet would be to the account of BHEL. However, Container charges and stuffing charges for container shipment would be to the account of the supplier, where the containers are to be stuffed at the works of the supplier.

(xx) Port to Port carriage would be arranged through shipping agent nominated by Government of India / BHEL in the case of Sea Shipments and by nominated air-consolidation / freight forwarder agents of BHEL in case of carriage by air and

(xxi) List of shipping agents would be a part of the Purchase Contract.

B] Opening of Offers

a) **Tenders shall be received up to 1400 Hours (P.M) on the said due date and be opened on the same day at 1430 Hours (P.M). Tenders received after 1400 Hours (P.M) would not be opened. The times indicated are Indian Standard Time (IST).**

b) **As per our purchase policy, any offer received after the appointed date and time specified in the tender document will be rejected. Such offers will not be taken up for consideration.**

c) If a Supplier submits only one envelope / cover containing all the bids or combined bids e.g. techno-commercial bid & price bid together, the bid is liable for rejection. The decision to accept such bids shall be the sole discretion of BHEL, which may be done by BHEL after segregating the bids so received.

d) Such of those Tenderers who wish so, may participate in the Tender Opening by deputing their representatives. The representatives would be allowed to participate in the Tender opening only on submission of a signed and stamped authorization letter issued by the Supplier. Representatives without the Authorization Letter would not be allowed to participate in the Tender Opening. Representatives who turn up after the Tender opening time / start of

the Tender opening would not be allowed to participate. After tender opening the details would not be given to such suppliers who choose to be absent at the Tender opening.

e) Details such as the Technical Specification, Price, Delivery Terms, and Delivery Period alone would be read out by the Tender Opening Officer.

f) If so required, BHEL reserves the right to open the Price-Bids, *'in-camera'.* Intimation to this effect would be given to the Supplier by BHEL, before the opening of the Price-Bids.

Note

(i) Bids including all enclosures and supporting documents like catalogues, pamphlets, etc., shall be provided in ENGLISH language only.

(ii) Offers sent by e-mail / fax or any other mode other than the two cover system specified above may be rejected

(iii) At its option, BHEL may consider extending the due date/s for the tender openings. Sufficient notice would be given by BHEL for such extensions.

(iv) Specifications are the basic essence of the "Product". Mere copying of the tender specifications by the Bidder into their offer document shall not make them eligible for consideration. Appropriate and sufficient evidence of conformity by way of drawings, data etc., shall be furnished. There should be an item-by-item commentary on the Specifications demonstrating responsiveness of the offered equipment to the specifications, and all deviations shall be summarized and provided in a "Deviation Statement", listing the points and the deviation against each point, and

C] Evaluation of Offers

a) The price bids of the technically acceptable offers alone, contained in Cover II shall be opened.

b) All bidders shall submit their offers by filling-in the format of the BHEL tender documents. Offers received in any other format are liable to be rejected. Offers are asked in BHEL's format for purpose of standardisation - to help in the offer evaluation.

c) **All the bids, domestic and foreign as well, shall be evaluated based on the "total cost to BHEL" including Supply and Erection & Commissioning after taking into account the applicable loading factors for deviations, if any. (Please read the Standard Commercial Terms and conditions for the loading factors). For evaluation, exchange rate (TT selling rate of State Bank of India) as on scheduled date of tender opening (Part-I in case of two part bid) shall be considered.**

d) Offer with any pre-conditions (like conditional discounts) for price are liable to be 'Not considered' / 'Rejected'.

e) In the event of any change in scope arising out of the discussions, such tenderers would be given a chance to submit their revised offer. The revised offer shall contain only the price addition / deletion for such change in the scope, over and above the original scope and price quoted. The original price quoted shall not be changed on account of the technical discussions. However, if there are extensive changes to the specification, BHEL would agree for obtaining fresh price bids from the technically qualified vendors. In order to arrive at the lowest offer BHEL will include cost of essential spares in the total cost unless specified in Technical Specification / Approved Scope otherwise.

f) BHEL reserves the right to reject without assigning any reasons / load any offer with factors other than already specified for such offers having deviations to BHEL Specifications, Standard Terms & Conditions at its discretion. The decision of BHEL in this regard shall be final.

g) BHEL reserves the right to reject an offer during tender finalisation / execution of a contract at any of BHEL projects / units due to unsatisfactory past performance.

h) BHEL reserves the right to operate Purchase / Price preference to Government of India Undertakings, which shall be given as per the guide lines of Government of India.

i) For the purpose of comparing prices, tender prices shall be converted to Indian rupees and the conversion shall be made by using the **exchange rate (TT selling rate of State Bank of India) as on scheduled date of tender opening (Part-I in case of two part bid).** This exchange rate will be followed till placement of order.

j) BHEL reserves the right to conduct negotiations on the "Price" and "Other Commercial Terms and Conditions" with the lowest ranked offeror, and

k) If so required by BHEL, Supplier may have to share their cost data / costing sheet with BHEL.

l) *Wherever deviations on the Standard Commercial Terms and Conditions of BHEL, are quoted by the supplier, such deviations would be loaded with "Load-Factors" by BHEL, to arrive at the landed price to BHEL. These load-factors are provided in the "Standard Terms and Conditions". However, BHEL reserves the right to apply, alter, modify, change, delete some or all the load-factors. The decision of BHEL would be final and binding on the tenderer in this regard. This decision would be communicated to the tenderers before the Price Bid Opening. The load-factors, as applicable then will be applied on the Prices, to arrive at the landed price to BHEL.*

m) With respect to conformance to BHEL's Terms & Conditions, if any Supplier's offer is found to be not conforming to specific Terms & Conditions, BHEL will have the option of loading such offer with the highest quote submitted by other participating Supplier in the tender. For example, if the offer of a Supplier does not include cost for Spares / FOB Charges / Training Charges, etc., highest price offered by others will be loaded to evaluate the lowest bidder. But the order will be placed on the price quoted by the party without affecting the scope of supply.

D] Placement of Orders

a) Orders would be placed on technically acceptable financially lowest offer, based on the evaluation of BHEL.

b) For acceptable payment terms, guarantees and warranties, and other commercial terms and conditions, please see the detailed standard commercial terms of BHEL.

c) Any free replacement due to short supply or guarantee replacement attracting customs duty and other statutory levies shall be to Suppliers' account. Else, the same shall be recovered from the Bank Guarantee, / balance payment, agency commission, etc.

d) The successful vendor shall have to furnish a Contract Execution Bank Guarantee (CEBG) for 10% of the "Total PO value" in the prescribed format within 30 days from the date of Purchase Order but before L/C opening. CEBG shall be from one of the Consortium Banks of BHEL or from a reputed Bank and confirmed by any Consortium Bank of BHEL. All bank charges on account of issuance and confirmation of CEBG whether incurred in India or outside India will have to be borne by the vendor. The list of acceptable banks is given separately. **Kindly note that CEBG is applicable only for orders above Rs. 20.00 lakh.**

e) CEBG shall be kept valid until 30 days after the date of Erection & Commissioning (E&C) certificate, which will be issued on completion of Erection & Commissioning of equipment which includes erection, commissioning, job proving, performance tests, training to operators etc. As prescribed in PO.

f) If the supplier fails to submit CEBG even within 60 days from the date of PO, BHEL reserves the right to cancel PO and forfeit the EMD given by the supplier. In addition, in such case, action will be initiated in line with extant guidelines for Suspension of business dealings with such suppliers.

E] Execution of the Order

a) Within 30 days of the receipt of the Purchase Contract, the Supplier shall submit a detailed program for the manufacture and supply of the equipment in the form a PERT Chart and Gantt Chart, which shall be got approved by BHEL. The manufacturing progress will have to be furnished to BHEL periodically (fortnightly) in the form and manner required by BHEL (Usually with photographs and video recordings) with respect to the approved PERT and Gantt Chart.

b) In the event the Purchase Specification calls for approvals of drawings / Bill of Materials, the same shall be got approved by the Supplier from BHEL before proceeding further. Such approval points shall be called as 'Customer Hold-Points' and only after due approvals / clearances from BHEL, can the Supplier proceed to the next stage of manufacturing the equipment.

c) BHEL will have the option to pre-inspect the machine / equipment at Supplier's works by BHEL's own inspector or by third party agency appointed by BHEL **but this does not absolve the Supplier from giving the performance as agreed upon**.

d) Inspection call for carrying out the inspection shall be given 15 days before the scheduled contract delivery date for indigenous sources. BHEL requires clear 30 days notice to arrange for inspection for foreign sources. The Inspection date/s given by the Supplier shall be on firm basis.

e) Deviations, if any pointed out by the visiting Inspection team of BHEL shall be corrected and the machine as per specification shall be dispatched on or before the contract delivery date.

f) The final inspection for acceptance will, however, be carried out at BHEL's works at Ranipet.

g) **The contract delivery date is the date of receipt at destination for suppliers in India / the date of ex-works dispatch of the equipment for overseas suppliers in case of FOB or FCA contracts / the date of Bill of Lading (BL) for overseas suppliers in case of CFR contracts.**

In cases where carriage from the FOB sea-port is arranged by BHEL, in case of non-availability / delay of vessel / containers, the date of intimation of full readiness for dispatch, to the BHEL nominated shipping agent, by the Supplier shall be reckoned as the date of dispatch.

h) Travel & other local stay cost for the Engineers sent by BHEL will be to BHEL account.

i) Any training charges at Suppliers' works shall be borne by the Supplier.

j) The supplier shall arrange for packing suitably in all respects considering the peculiarity of the material involved for normal transport by sea / air / rail / road and suitably protected against effect of tropical salt laden atmosphere in the event of shipment being delayed at ports / store yards.

k) On receipt of the consignment at BHEL, intimation would be given to the Supplier. It is the responsibility of the supplier (either by himself or through his authorized nominee) to carry out the verification of the goods jointly with the representative of BHEL. The materials received shall be tallied with the Packing List / Delivery Challan and got acknowledged from BHEL. The materials would be deemed to have been received (but not accepted) by BHEL based only on such joint inspection and a jointly signed protocol. Partial acknowledgment shall not be given by BHEL. Acknowledgement of receipt shall be given only on receipt of all items as per the Purchase Order / Specification.

l) In case, any shortage is noticed viz-a-viz PO requirement in the main equipment / spares, such shortages shall be replenished by supplier on FOR destination basis without any cost implication to BHEL i.e. Custom Duty and freight charges etc. up to destination for such short supplies shall be borne by the supplier.

m) Only those documents specified for payment shall be routed through bank for payment. All other documents specified in the Purchase Order shall be sent directly to BHEL, either with the consignment or separately.

n) Equipment shall be dispatched only after getting the dispatch clearance of BHEL (Dispatch clearance would either be faxed / e-mailed as a scanned document / couriered.) and

o) Payment for the equipment shall normally be in two instalments. The first instalment would be for 80% of the order value (plus 100% of the duties and taxes, where applicable) through an irrevocable LC. The balance 20% payment would be released along with Erection & Commissioning and other applicable charges if any, after successful commissioning of the equipment. “At Sight L/c is payable after receipt of the documents at the opening bank”, for foreign suppliers. Payment to Indian suppliers would be through Electronic Fund Transfer (EFT). The EFT form which is a part of the tender document has to be filled in and submitted by the Indian bidder along with the techno-commercial offer in Cover-I. The detailed payment terms has been described in the “Standard Commercial Terms & Conditions” which is a part of tender document.

F] Erection and Commissioning (E&C)

a) Erection and Commissioning and due testing of the equipment as per specifications, at BHEL’s works shall be the responsibility of the Supplier. Job “Prove out” as specified in the technical specification is a part of the commissioning.

b) Training of BHEL personnel at BHEL Ranipet for a sufficient period or time for completion of one job as per ordering specification (as per the requirement of BHEL) is in the scope of supplier. Training shall include all aspects and facilities including maintenance and servicing.

c) Electric Power, Material Handling like Cranes, Consumables like cleaning clothes, oil, small hand tools etc would be provided free-of-cost by BHEL subject to availability. Where BHEL is not able to provide, it shall be the supplier’s responsibility to arrange for the same at their own cost.

d) Income tax, Service Tax and any other similar tax / duties /levies imposed by the Government of India, or the State Government, where the BHEL Unit is located, deductible at Source, during the tenure of the Order shall be deducted by BHEL. Such taxes are presently applicable on E & C Charges / Services Charges / Technical Fees and are to be borne by and are to the account of the Supplier / Service Provider. If such taxes / duties / levies / imposts become applicable on any other component of the order the same shall be deducted by BHEL as per the rules and regulations prevailing.

e) Wherever applicable, necessary Tax Deduction at Source (TDS) would be issued. Foreign Suppliers may check existence of any Double Taxation arrangement between the Government of India and their country.

f) Suppliers shall make their own arrangements for the stay of their Engineers / Technicians deputed to BHEL for the erection, commissioning, demonstration, training and the trial run of the equipment. Where available, BHEL would consider extending the facility of stay in their guest house, suitably.

g) The equipment would be considered as commissioned only on issue of “Commissioning / Put-to-Use Certificate” by BHEL engineers which shall be jointly signed with the supplier. This certificate would be issued only after successful installation, erection, commissioning, testing, Job-Proving and demonstration and training of BHEL personnel. It shall be the responsibility of the Supplier to ensure satisfactory commissioning, demonstration and training of BHEL personnel and getting the “Commissioning Certificate”. The equipment would be deemed to be accepted by BHEL, only on the issue of the “Commissioning Certificate” and

h) The Guarantee period shall start from the “Date of the Commissioning” of the equipment.

G] Post Commissioning

a) For claiming the balance payment (IInd Instalment – normally the balance 20%), and the Erection and Commissioning Charges, the Supplier has to submit a valid Performance Bank Guarantee (PBG). The format for the PBG is attached. The Guarantee shall be valid, covering the guarantee period with a claim period of three month beyond the validity and shall guarantee the performance of the equipment against all manufacturing defects. (Notwithstanding the inspection and acceptance of the equipment by BHEL on commissioning.) The Bank

Guarantee shall be for 10% of the value of the order (without the duties and taxes). {The PBG shall be prepared in same way as that of the CEBG}.

b) *As an alternative option to PBG, BHEL will retain an amount equivalent to 10% of order value in lieu of Bank Guarantee which shall be released on expiry of the Guarantee period. Suppliers have to confirm in their offer explicitly as to whether they are accepting for submission of PBG or retention of equivalent amount by BHEL. No interest will be payable by BHEL on the retention amount. In case supplier fails to confirm either of the two options, then their offer may not be considered.*

c) The Bank Guarantee (PBG) shall be released only on expiry of the claim period, provided there has been no claim by BHEL on the Supplier.

d) In the event the equipment malfunctions during the validity of the guarantee, such parts shall be replaced a new as per the requirements of BHEL.

e) Supplier will have to ensure deputation of their Engineers for Erection & Commissioning or for attending to any complaint during guarantee period within 21 days' of intimation. In case of delay BHEL reserves the right to get the job completed at the risk and cost of the Supplier.

H] Termination of Inquiry / Orders:

a) BHEL reserves the right to cancel any inquiry before opening of the tender, without assigning any reason.

b) BHEL reserves the right to cancel any tender and refloat a fresh tender, at any time after opening of the tender, in case it finds the response to its tender as not meeting its requirement. This shall be at the sole discretion of BHEL.

c) BHEL reserves the right to cancel the order for delay in supply beyond penalty period without any monetary or legal obligations and at the risk and cost of the Supplier. Any delay in getting the Export Licence cannot be quoted as an excuse for delayed delivery. BHEL reserves the right to cancel the order without any monetary or legal obligations, in case of delay in this regard.

d) BHEL reserves the right to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or despatch within the time stipulated or if the same were not available, the best and the nearest available substitute therefor. The supplier shall be liable for any loss which BHEL may sustain by reason of such rick purchases in addition to penalty at the rate mentioned in “Penalty” clause.

I] Miscellaneous

i) Role of Agents

a) The Supplier shall furnish an authenticated copy of the Agency Agreement with his agent detailing the precise relationship between them and their mutual interest in the business so as to consider the offer of Indian Agent for indigenous portion of the supply along with techno-commercial bid. For main equipment, the offer shall be from Principal / Original Equipment Manufacturer only.

b) The Supplier shall furnish original authorization letter for the Indian Agent. The letter shall contain name, contact person, complete postal address including phone, fax and e-mail ID. It shall also spell out the type of services to be rendered by Indian Agent.

c) Indian Agent & Agency commission: In order to maintain sanctity of the tender system, it is mandatory that one Agent cannot represent two Suppliers or quote on their behalf in a particular tender enquiry i.e. an Indian Agent can represent only one Foreign Manufacturer against a particular Tender. If any Agent represents more than one Suppliers all such offers will be rejected. The CFR price quoted by the foreign bidder shall include the agency commission. However, the agency commission component payable to their Indian Agents shall be shown separately in the Offer, either as a lump-sum or as a percentage of the quoted price. This will be paid by BHEL in

Indian Rupees, on satisfactory commissioning & acceptance of the equipment. For calculation of Rupee equivalent of Agency Commission, exchange rate as prevailing on the date of Purchase Order will be taken and

d) For all discussions, technical clarification and negotiations etc. only the principal would be authorized for interaction with BHEL. The Agent shall not be a party to the discussions / negotiations and would not be normally allowed to participate.

ii) Terms & Conditions of Letter of Credit (L/C) for overseas suppliers (indicated for acceptance).

a) Unconfirmed irrevocable Letter of Credit only will be opened by BHEL. Confirmation of L/C is not preferred by BHEL. L/C confirmation charges in case of confirmed L/C, shall be to Supplier's account only.

b) Bank charges out side India are to the Supplier's account.

c) L/C opening charges will be loaded on the bidders' offer for comparison.

d) In case of L/C extension caused by delays attributable to the Supplier, the L/C extension / commitment charges are to be borne by the Supplier.

iii) Other terms & conditions for letter of credit: - Documents for negotiation

a) Signed Commercial invoice in quadruplicate, for a value not exceeding the draft amount, quoting the import Licence No and certifying goods evidencing shipment / airfreight of the merchandise are as per Applicant's Purchase Order. The amount of invoice after deducting Indian Agent's commission, if any, should not exceed the Credit amount. (The Indian agent's commission, if any, is payable in India in Indian rupees only.)

b) Certificate of Country of Origin, from the country of manufacture, issued by the Chamber of Commerce.

c) One set of Original and two sets of Non-negotiable copies of 'signed', 'unmarked', 'clean on board' Ocean Bill of Lading of a Conference Line Vessel, showing Shipper as "Government of India" Account M/s. Bharat Heavy Electrical Ltd, Unit: BHEL, Ranipet as consignee (The opening bank should not be notified as consignee), marked freight prepaid / payable at destination,

OR

Airway Bills / Air consignment notes / House Airway Bills showing the applicant as the consignee and marked freight payable at destination, indicating flight number and date."

d) Packing list in 4 copies in English, indicating dimensions of each case / bundle / piece shipped, with weight and number of items and description of each item it contains.

e) Certified copy of the fax / e-mail sent by the beneficiary to the applicant giving the following particulars of shipment, as the insurance is to be arranged by the Applicant in India: (a) Purchase Order Number & date; (b) Bill of Lading Number & date / Airway Bill No & dated and Flight no & date; (c) Name of vessel; (d) Port of Loading; (e) Number of case / pieces and weight; (f) Invoice Number, date and value (g) Purchase Order item number's despatched. The E-mail / fax is to be sent within 2 working days of shipment.

f) Beneficiary's certificate showing the relevant airmail / courier reference no. and date that the following clauses have been complied with:

1] Beneficiary to forward by Registered Airmail / Courier one complete set of original documents and one set of non-negotiable documents within 3 working days of obtaining shipping documents to Regional Manager (ROD), Bharat Heavy Electricals Ltd, No. 165, Thambu Chetty Street, Chennai – 600 001. India. (Phone: +91-44-25341249, 25341240 / Fax - +91-44-25340787; e-mail: raja@rodchn.bhel.co.in)

2] Beneficiary to courier at his cost 3 copies of complete set of non-negotiable documents to the Officer who released the Purchase Order.

3] Declaration by the Supplier certifying that the contents in each case are not less than those entered in the invoices / packing list and that the invoicing for the supplies effected is strictly in accordance with agreed rates as stipulated in the Purchase Order.

4] Declaration to the effect that all other documents as per purchase order has been couriered to the Purchase order releasing authority.

5) The carrying steamer should be seaworthy, less than 25 years of age and approved by Lloyds / Classification Societies / General Insurance Corporation of India from time to time and

6) Copy of Dispatch Clearance / Instruction issued by BHEL.

iv) Documents to be sent directly to the Purchaser prior to shipment

a) Manufacturer's Original Internal Inspection / Test certificate in triplicate.

b) Manufacturer's Original Guarantee certificate as per Purchase Order.

c) Inspection / Test Certificate issued by BHEL / Inspection agency specified in the Purchase Order. In the event that Inspection prior to dispatch is not carried out by the Engineers of BHEL, the Inspection certificate of the third party so authorized by BHEL and

d) Any other documentation as specified in the Purchase Order.

v) Conditions for transportation:

a) All shipping documents shall show the Purchase Order Number & Date, Import Licence Number & Date, and Letter of Credit Number & Date.

b) Transhipment is strictly prohibited.

c) Loading on deck is not permitted. The transport document must not contain a provision that goods may be carried on deck.

d) A transport document which is produced or appearing to have been produced by reprographic, automated or computerized systems or as carbon copy will be accepted as an original document provided that it is

marked as original and is ink-signed.

e) The transport document must contain all the conditions of carriage on the original document.

f) The transport document must not indicate the place of destination as being different from the port of discharge.

g) The transport document must not contain the indication 'intended' or similar qualification in relation to the vessel or other means of transport or port of loading or port of discharge.

h) The transport document must be issued by the carrier or his agent and not by any freight forwarder.

i) Transport documents bearing reference by stamp or otherwise, to costs additional to the freight charges are not acceptable.

j) The Bills of Exchange must be dated and presentation of documents for negotiation must not be later than 15 days after the date of shipment / airfreight and in any case not later than the expiry date of the Credit.

k) Each case / bundle / piece should be painted with 4 " wide yellow colour strip around it for facilitating easy identification at port of discharge.

l) In case of consignments where individual items as per Purchase Order are listed in the packing list / Invoice, the price and values for each and every item should be indicated.

m) Material shall be dispatched through the agency nominated by BHEL.

n) Indian suppliers shall dispatch the equipment, freight prepaid, on door-delivery basis (FOR Destination – Destination: BHEL Stores) through any one of the approved carriers of BHEL only and

o) In the event there is a delay by the Supplier in negotiating the document, any demurrage / wharfage arising out of the same shall be to the account of the Supplier and shall be deducted from the final payment. Also, in such cases, the Supplier shall authorize the Steamer / Shipping agent to freely release the consignment to BHEL.

vi) Delivery period

The contractual delivery period will be reckoned from the date of LOI, which shall be binding on the contract. Bidder should quote time period separately for 'Supply' and 'E&C'. The bidders should quote their earliest schedule for Supply and E&C against the schedule indicated in the NIT. BHEL, however, reserves the right to accept an offer not meeting the NIT schedule. Supply period indicated by bidder should include reasonable time required for approval of drawings and other inputs from BHEL. Delivery is the essence of all contracts for BHEL. Such of those suppliers, who quote for higher delivery would be loaded with a factor of 1/2% per week, subject to a maximum of 4%. Such of those Suppliers whose offer is more than 8 weeks of the delivery specified by BHEL, would not be considered further in the tender, and their Price Bid would not be considered.

vii) Reverse auction (RA) / on-line bidding on internet:

Against this enquiry for the subject item/ system with detailed scope of supply as per enquiry specifications, BHEL may resort to “REVERSE AUCTION PROCEDURE” i.e., ON LINE BIDDING (THROUGH A SERVICE PROVIDER). The philosophy followed for reverse auction shall be English Reverse (No ties).

1. For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.

2a. BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. All bidders to give their acceptance for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA.

2b. In case BHEL decides to go for Reverse Auction, only those bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit „online sealed bid‟ in the Reverse Auction. Non submission of „online sealed bid‟ by the bidder will be considered as Common Guidelines for Conducting Reverse Auction tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.”

2c. Those bidders who have given their acceptance for Reverse Auction (quoted against this tender enquiry) will have to necessarily submit „online sealed bid‟ in the Reverse Auction. Non-submission of “online sealed bid” by the bidder for any of the eligible items for which techno-commercially qualified, will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.

3. BHEL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line bidding on internet.

4. In case of reverse auction, BHEL will inform the bidders the details of Service Provider to enable them to contact & get trained.

5. Business rules like event date, time, bid decrement, extension etc. also will be communicated through service provider for compliance.

6. Bidders have to fax the Compliance form before start of Reverse auction. Without this, the bidder will not be eligible to participate in the event.

7. In line with the NIT terms, BHEL will provide the calculation sheet (e.g., EXCEL sheet) which will help to arrive at “Total Cost to BHEL” like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service

Tax for Services and loading factors (for non-compliance to BHEL standard Commercial terms & conditions) for each of the bidder to enable them to fill-in the price and keep it ready for keying in during the Auction.

8. Reverse auction will be conducted on scheduled date & time.

9. Bidding for RA will start as per RA schedule specified in business rules. After receipt of „online sealed bids" by the participating bidders, start price & bid decrement will be decided by BHEL and the same shall be communicated to the service provider, before the online Reverse Auction. Only those bidders who have submitted the „on-line sealed bid" within the scheduled time shall be eligible to participate further in RA process. However, the H1 bidder (whose quote is highest in online sealed bid) will not be allowed to participate in further RA process provided minimum four bidders have submitted online sealed bids.

a) Wherever more than one bidder is H1, all H1 bidders will not be allowed to participate in further RA, provided minimum 3 bidders are left after removal of all such H1 bidders.

10. At the end of Reverse Auction event, the lowest bidder value will be known on auction portal.

11. The lowest bidder has to fax/e-mail the duly signed and filled-in prescribed format for price breakup including that of line items, if required, as provided on case-to-case basis to Service provider within two working days of Auction without fail.

12. Bidders shall be required to read the "Terms and Conditions" section of the auctions site of Service provider, using the Login IDs and passwords given to them by the service provider before reverse auction event. Bidders should acquaint themselves of the "Business Rules of Reverse Auction", which will be communicated before the Reverse Auction.

13. If the Bidder or any of his representatives are found to be involved in Price manipulation/ cartel formation of any kind, directly or indirectly by communicating with other bidders, action as per extant BHEL guidelines, shall be initiated by BHEL and the results of the RA scrapped/ aborted.

14. The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.

15. If reverse auction is declared as null by BHEL, then the techno – commercially price bids and impact bids if any , available before reverse auction , will be opened by BHEL on the date declared by BHEL, with due intimation.

16. 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 their offer. The envelope sealed price bid of successful L1 bidder in RA, if conducted, would also be opened after the RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed price) thus obtained. It is considered that the bidder having submitted their offer specifically agrees to this condition and undertakes to execute the contract on thus awarded rate/s.

17. If it is found that L1 bidder has quoted higher in the online sealed bid in comparison to the 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, 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)."

J] Force Majeure

If at any time during the currency of this contract, the performance in whole or in part, by either party of any obligations under this contract shall be prevented or delayed by reason, of any war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine, restrictions or acts of GOD (hereinafter referred to as events), then provided notice of happening of any such events is given by either party to other within ten days from the date of occurrence thereof, neither party shall reason of such events be entitled to terminate this contract nor shall either party have any such non performance and delay is resumed as soon as practicable after such events has come to an end or ceased to exist. If the performance in whole or part of any obligation under this contract is prevented or delayed by reason or any such event claims for extension of time

shall be granted for period considered reasonable by the purchaser subject to prompt notification by the seller to the purchaser of the particulars of the events and supply to the purchaser if required of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed to be a waiver of time in respect of remaining deliveries.

K] Others

a) In case of any contradiction in the terms and conditions given here and elsewhere in the other documents of the tender, it shall be the responsibility of the tenderer to get it clarified from BHEL. The officer authorized to provide such clarifications is the Manager / Purchase Dept., Phone: 04172 – 254086 & 254343, e-mail vrp@bhelrpt.co.in and sunny@bhelrpt.co.in

b) Alterations to the conditions of the Tender can be done only by the authorized officer, at any time before the date and time of tender opening. Such changes, if any, would be communicated in writing and / or hosted in the web-page.

c) If any Supplier attempts to bribe, or pay commission, gift or any advantage or bring in undue influence either by himself or on his behalf any one including a stranger to the tender, in addition to instituting legal proceedings as per the extant laws prevailing, will disqualify the supplier from this tender and all future tenders of BHEL. Decision of the Purchaser would be final in this matter.

d) The laws governing this transaction shall be the laws in India.

e) Wherever not specified, INCO Terms 2010 shall be used to interpret the Commercial terms and conditions and

f) In the event of an order, Supplier shall agree to settlement of disputes or differences, if any, by way of arbitration, in accordance with the “Rule of Arbitration” of the Indian Council of Arbitration.

g) **Suspension of Business dealings with Suppliers**: Before submitting offer, prospective bidders are advised to visit our web-site www.bhel.com / supplier registration to familiarize themselves with BHEL’s policy and procedures of Suspension of Business Dealings with Suppliers.

Submission of offer shall be deemed to be evidence of the Bidder to have read and understood the above said policy.

h) **Treatment of Banned / Under performing Vendors**: Any supplier who has been put on “Hold” or “Banned” from having business dealings with BHEL, Ranipet or any other unit of BHEL shall not submit their offer against this tender. If any such offers are received they would be summarily rejected and sent back. During the processing of tender, if any unit of BHEL puts a supplier on “Ban” then further processing of the offer will not be taken up and in case an order is placed, BHEL, Ranipet may resort at their discretion to cancel the PO either fully or partially.

i) **Applicability of Integrity Pact**:- Submission of duly-filled & signed BHEL standard format of Integrity Pact (This will be part of tender document wherever applicable) without any deviation by Suppliers along with the un-priced (Techno-Commercial) bid is pre-requisite condition for evaluation of the offer. Copy of Integrity Pact with applicable nominated IEM is attached along with the tender documents, wherever applicable for ready reference of Suppliers. If any Supplier attempts to bribe, or pay commission, gift or any advantage or bring in undue influence either by himself or on his behalf any one including a stranger to the tender, in addition to instituting legal proceedings as per the extant laws prevailing, will disqualify the supplier from this tender and all future tenders of BHEL. Decision of the Purchaser would be final in this matter.

The offer/s of such of those bidders who do not accept for submission of the CEBG and PBG or confirmation for retaining PBG amount for the value and period specified herein above is likely to be summarily rejected. No correspondence would be entertained by BHEL in this regard, on this subject. BHEL specifically draws the need of this mandatory requirement to the notice of all Bidders. The Price Bid of such of those offerers failing to meet this requirement would not be considered for the Price-Bid Opening.

The language in the tender downloaded by the Bidders shall at no point of time be changed, altered or modified in any manner by the Tenderer. If such changes are made by any tenderer, it shall be considered as tampering with BHEL's specifications and the offer shall be summarily rejected, whenever it is noticed by BHEL. Such Bidders would be disqualified from the Bidding Process and their offers would be forfeited / Bank Guarantees invoked. They would not be allowed to participate in future tenders of BHEL.

(Applicable only for Indian bidders)

IN THE LETTER HEAD OF THE C.A. FIRM

TO WHOM SO EVER IT MAY CONCERN

This is to certify that M/s ……..having its registered office at ……..is registered under MSMED Act 2006 and categorized under ……unit vide their Registration Number……(copy enclosed)

Further certified that the investment of company in Plant & Machinery as on 31st March …… is Rs……Lacs i.e. below Rs.25 Lacs / 5 Crores as permissible for Micro / Small unit respectively under MSMED ACT 2006. Hence the company is under category of Micro/Small(strike off whichever is not applicable) unit for the financial year ……

It is further certified that cumulative investment in Plant & Machinery during …….. (01/04/…… - till date) is below the permissible limit of Rs.25 lacs / 5 Crores for Micro / Small unit respectively and Company is under the category of ……unit as on date i.e. 31/03/……..

The Directors of the company have been instructed to intimate their clients in case of change of investments in Plant & Machinery, if any, in future with proper supporting documents.

This Certificate is VALID FOR ONE YEAR ONLY from the date of issue subject to the above referred instruction with reference to "Change of Investments"

for ……
Chartered Accountants

Name:
Membership Number:
Full address
Place:
Date: