ANNEXURE – A

TERMS AND CONDITIONS OF THE ENQUIRY FOR INDIGEOUS SUPPLIERS

(A) <u>SCOPE OF SUPPLY:</u>

i) Supply shall be made strictly as per the WCPI mentioned in the Enquiry.
ii) All documents and certificates as per specifications shall be submitted during order execution.
iii) Deviation, if any, shall be clearly mentioned in your offer.
iv) Quantity variation up to - 5% is acceptable. Supply of extra quantity is not permissible.

(B) <u>SUBMISSION OF OFFER</u>:

i) Your Offers should be submitted in Two Part Bid System in our E-Procurement portal only. No other mode of offer submission is acceptable
ii) After the scrutiny of the Techno-Commercial bids, price bids of only qualified offers shall be opened.

(C) <u>OFFER VALIDITY:</u>

Validity of offer should be minimum 60 days from the date of Tender opening. The quoted / finalized prices shall be Firm till completion of the supplies

(D) <u>DELIVERY TERMS:</u>

- The prices are to be quoted on F.O.R. BHEL Trichy Stores basis (Inclusive of Packing, Forwarding, Freight & Transit Insurance Charges. All the items should be supplied at BHEL Stores at your own cost. Offers with any other delivery conditions will be rejected
- Delivery condition like Ex-works / Ex - godown / Transportation of materials through transport carriers from your works up to the transport carrier's office and taking delivery of goods by BHEL from such office of transport carriers is not acceptable to us

(E) <u>PAYMENT TERMS:</u>

i) For (Non-MSE) Bidders:

Payment term is "100% direct EFT payment after 60 days from the date of receipt and acceptance of materials at BHEL Stores".

ii) New Suppliers:

For new suppliers not registered with BHEL Trichy for the product, payment shall be made 60 days after receipt and acceptance of materials.

iv) **MSE Suppliers**:

Payment for MSE Indigenous vendors will be as per MSMED Act 2006.

(F) MSE CLAUSE:

(i) The bidder may also be a Micro and Small Enterprises (MSE) vendor registered as per MSE act as per the public procurement policy notified by the Central government.
(ii) 25% of the tendered quantity is earmarked for MSE suppliers in this tender.
(iii) Out of the 25% tendered quantity reserved for MSE suppliers, 6.25% shall be earmarked for procurement from MSE owned by SC / ST entrepreneurs and 3% shall be earmarked for Woman owned MSEs
(iv) In case MSE vendor participating in the tender quotes within the price band of L1 + 15%, they will be allowed to supply the portion of the requirement subject to acceptance of L1 price by MSE vendor. In case of more than one such MSE, the supply shall be shared proportionately.
(v) MSE suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either Udyog Aadhar certificate having deemed validity OR valid NSIC certificate OR Udyog Aadhar certificate along with attested copy of a CA certificate (Format enclosed at Annexure –C) applicable for the relevant financial year. Date to be reckoned for determining the deemed validity will be the date of bid opening (Part 1 in case of two part bid). Non submission of such documents will lead to consideration of their bid at par with other bidders.

(vi) Such Micro/Small Enterprises registered vendors must state the sub-category to which they belong and submit documentary proof for the same.
The sub-categories:
Enterprises owned by Scheduled Castes.
Enterprises owned by Scheduled Tribes.
Enterprises owned by other than above two categories
The enterprises under (a) & (b) means the proprietor in case of single owned firm and all partners in case of partnership firm and all directors in case of private/public limited must belong to SC/ST category.

(vii) To avail the intended benefits, all the relevant documents must be submitted along with offer. Post tender submission of these information will not be considered.

(G) UDYAM Registration

As per Gazette Notification no. S.O. 2119(E) dated 26.06.2020 issued by Ministry of MSME regarding change in definition of Micro, Small & Medium Enterprises (MSMEs) applicable w.e.f. 01.07.2020, you are hereby requested to obtain 'UDYAM Registration' and submit the same.

(H) Make in India:

i) Offers from Foreign vendors will not be considered. Offers of local vendors with less than the minimum local content as prescribed in this Tender will also not be considered. In the absence of any such information in the tender, the required minimum local content shall be 20%.

ii) For this procurement, Public Procurement (Preference to Make in India), order 2017 dated 15.06.2017, 28.05.2018 & 04.06.2020 issued by DPIIT and subsequent orders issued by the respective Nodal ministry shall be applicable even if issued after issue of this NIT but before finalization of contract/PO/WO against this NIT.

iii) In the event of any Nodal Ministry prescribing higher or lower percentage of purchase preference and/ or local content in respect of this procurement, same shall be applicable.

iv) Default margin of purchase preference shall be 20% to local suppliers with default minimum local content of 50%.

v) "For this procurement, the local content to categorize a supplier as Class I local supplier/ Class II local Supplier/ Non- Local supplier and purchase preference to Class I local supplier, as defined in Public Procurement (Preference to make in India), Order 2017 dated 04.06.2020 issued by DPIIT.

vi) In case of subsequent orders issued by the nodal ministry, changing the definition of local content for the items of the NIT, the same shall be applicable even if issued after issue of This NIT, but before opening of part-II bids against his NIT"

vii) For more details, pls. refer the Public Procurement (Preference to Make in India), order 2017 dated 15.06.2017 & 28.05.2018 and subsequent orders issued by the respective Nodal ministry.

viii) Self-Declaration format as per Annexure-B shall be submitted along with part-1 tender document

(I) BIDDER'S CONFIRMATION

i) Bidders have to confirm that, whether they have been black-listed / kept on hold / given Business holiday for a specified period by any Public Sector Undertaking or Government Departments/any other units of BHEL.

ii) The reasons for such action with details and the current status of such hold shall be clearly furnished to BHEL. If no such details are mentioned in the offer, it will be construed that the bidder is not under any such hold.

iii) However, at a later date if it comes to the notice of BHEL about any such hold under enforcement, BHEL reserves the right to reject the offer at any point of time and also under any stage of the finalization of the tender. Such bidders will not be permitted to participate in the further tender proceedings and will be communicated suitably.

(J) LIQUIDATED DAMAGES / PENALTY:

The delivery of the goods specified in the purchase order should be made within the time prescribed. Where the seller supplies or despatches the goods beyond the delivery period, Liquidated damages will be applicable as mentioned below:

i) Liquidated damages shall be 0.5% of the total order value per week or part thereof subject to a maximum of 10% of the total order value
ii) Any deviation from the above LD clause, loading will be applied to the extent to which it is not agreed by the bidder (at offered value)
iii) For “FOR Delivery terms”, Lorry way bill date will be taken for LD calculation.

(K) RISK PURCHASE CLAUSE:

i) The purchaser at his option will be entitled 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 dispatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitutes therefore.
ii) The supplier shall be liable for any loss, which the purchaser may sustain by reason of such risk purchases in addition to penalty at the rate mentioned in our LD clause.

(L) TENDER EVALUATION:

i) Tender evaluation will be carried out on the basis of Technical Specifications and Commercial Terms and Conditions specified in the tender documents and changes thereof (if any) will be communicated to all bidders before Price Bid Opening.
ii) The Tender will be evaluated on itemwise basis.

(M) COST EVALUATION:

i) Evaluation will be done on the basis of “Total landed cost to BHEL”.
ii) BHEL will consider the ranking after the loading is applied as referred above, wherever deviations are observed
iii) Ranking (L-1, L-2 etc.) will be done only for the Techno-Commercially acceptable offers.
iv) In the event of more than one vendor becoming L-1, the enquiry quantity will be shared equally among all the L1 vendors.

(N) GST FOR INDIGENOUS SUPPLIERS:

1) Response to Tenders for Indigenous supplier will be entertained only if the vendor has a valid GST registration number which should clearly have mentioned in the offer. If any specific exemption is available, a declaration with due supporting documents need to be furnished for considering the offer.
2) Supplier shall mention their GSTN registration number in all their invoices 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), item description as per PO, Quantity, Rate, Value, applicable taxes with nomenclature (like IGST, SGST, CGST & UTGST) separately, HSN/ SAC Code, etc.
3) All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code).

4) 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.
5) All documents like Mill Test Certificate, LR copy, Guarantee/Warrantee certificate, work completion certificate, any other document mentioned in PO, shall be sent along with the vehicle/consignment. For all consignments received within the calendar month, input credit will be availed within that month in line with monthly returns filing cycle. In case of any discrepancy in the document or non-submission of documents mentioned in the PO, then BHEL will not be able to accept or account the material, in such case availing of tax credit will be deferred to next month or so.
6) In case of discrepancy in the data uploaded by 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 (details to be uploaded in GSTN portal) for the shortages or rejections in the suppliers, within the calendar month notified by BHEL.
7) 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 for the delayed period i.e. from the month of receipt till the month tax credit is availed, from the running bills.

(O) PACKING AND MARKING:

The supplier shall arrange for securely protecting and packing the material to avoid loss or damages during transit.

(P) ARBITRATION:

All disputes or differences whatsoever which may arise at any time during execution of the Contract shall be mutually settled by BHEL Trichy and Vendor as per provision of the Contract. However, in the event such disputes cannot be settled mutually, such disputes shall be settled as per the Arbitration and reconciliation Act, 1996 of the Govt. of India and its subsequent amendments. In case of disputes with the Central PSUs, the same shall be settled at Tiruchirappalli Jurisdiction as per the Guidelines of the Govt. of India. However, during the period such disputes are settled either by mutual discussions between the parties or by legal means, Vendor shall continue to do the work as per terms & conditions of Contract.

(Q) FRAUD PREVENTION POLICY:

The bidder along with its associate/ collaborators/ sub-contractors/ 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

(R) IN THE EVENT OF FORCE MAJEURE:

i) Notwithstanding the provisions contained in other clauses, the supplier shall not be liable for imposition of any such sanction so long the delay and/or failure of the supplier in fulfilling its obligations under the contract is the result of an event of Force Majeure. For purposes of this clause, Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable and not brought about at the instance of the party claiming to be affected by such event and which has caused the non – performance or delay in performance. Such events may include, but are not restricted to, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes excluding by its employees, lockouts excluding by its management, freight embargoes and Acts of GOD.
ii) If a Force Majeure situation arises, the supplier shall promptly notify the Purchaser/Consignee in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the Purchaser/Consignee in writing, the supplier shall

continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

iii) If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side.

iv) In case due to a Force Majeure event the Purchaser/Consignee is unable to fulfil its contractual commitment and responsibility, the Purchaser/Consignee will notify the supplier accordingly and subsequent actions taken on similar lines described in above sub-paragraphs

(S) OTHER TERMS AND CONDITIONS:

i) No revision of prices will be entertained at any circumstances after tenders are opened.

ii) BHEL reserves the right to negotiate or refloat the tender opened, if L1 price is not the lowest acceptable price to BHEL due to inter-alia other reasons.

iii) The correspondence between the bidder and BHEL through Email is considered as valid document Legally though not signed. It is treated as valid confirmations made on behalf of the respective company and comes under the legal ambit of the business transaction and hence binding on both the parties.

iv) If The Due Date of Tender Opening Happens to be a Holiday, those tenders Will Be Opened On Next Working Day.

v) If any quality problem is pointed out by BHEL w.r.t. supplied material, the same shall be settled and corrected immediately by the supplier. If the material cannot be accepted by BHEL, supplier has to replace the material with no extra cost. Collection of rejected material will be sole responsibility of the supplier.

vi) BHEL reserves the right to cancel the tender at any stage without giving any reasons.

vii) For any clarifications, you may contact to the following Email IDs and Phone Numbers:

   a. mpraja@bhel.in/04312574750
   b. psdevi@bhel.in/04312575870