

	<u>ANNEXURE A</u>
	INSTRUCTIONS AND GENERAL CONDITIONS TO SUPPLIERS FOR QUOTING TENDERS
A.	DOCUMENT SUBMISSION
A.1.	BEFORE PURCHASE ORDER
A.1.a.	1. “Sub-delivery enquiry deviation format” as per below Clause-B 2. If MSE vendor - MSE / CA certificate as per below clause J are to be furnished. 3. Applicable technical/Quality documents as spelt out in the specification/ QP relevant for this enquiry 4. NO extra documents which is not called for in the enquiry shall be submitted. If submitted, such documents will not be reviewed and will be ignored fully.
A.1.b.	Unpriced offer submitted through EPS shall contain minimum of above documents, without which offer will be summarily rejected.
A.1.c.	Any query during enquiry stage shall be replied within two days failing which offer will be rejected as non-responsive.
A.2.	AFTER PURCHASE ORDER
A.2.a.	Technical datasheets/drawings, QP, Type Test Procedure/Type test reports (as applicable for the purchase order) to be submitted for BHEL review and approval within 10 days from the PO date or as mentioned in the PO, whichever is earlier.
B.	TECHNICAL DEVIATION
B.1.	Any deviation on technical/QP/packing requirements shall specifically be indicated in the “sub-delivery enquiry deviation format” attached along with the enquiry. Deviations / clarifications declared elsewhere will not be evaluated. Also, any deviations from the commercial terms and conditions shall be clearly spelt out in this format itself. Deviations / clarifications declared elsewhere will not be evaluated.
B.2.	Deviations taken, if any, taken by vendor as per our requirement above shall be clearly got accepted by BHEL in writing during enquiry stage itself. Acceptance of priced bid opening / reverse auction without the above will be deemed as summary withdrawal of such unaccepted deviations, if any.
B.3.	In the event of an order, no deviations, unless accepted clearly by BHEL in writing during enquiry stage itself will be entertained and all other techno-commercial requirements will be binding on successful bidder and failure to execute the terms will lead to disciplinary action by BHEL against the said bidder.
B.4.	Requirement as above will be binding on all suppliers who submits offers and comments/ deviations on this clause will not be allowed. Deviations on this requirement will lead to rejection of offer itself.
C.	QUOTING OF PRICES
	Price shall be quoted for Tender specification (including all Annexures / documents). Price impact will not be allowed for the bidders after opening of technical bid within the

	validity period unless there is any change made by BHEL in the tender specification. Not quoting any of the items in a package specified in enquiry (in technical or price bid) will lead to summary rejection of offers. Offers with validity less than 60 days (from the date of technical bid opening date) will be summarily rejected.
D.	PAYMENT TERMS
D.1.	1.IMPORTS: - BHEL Payment term is 100% payment on CAD basis after 60 days from the date of receipt of documents, specified in PO, at BHEL bank. Respective bank charges to respective account. <u>2.FOR INDIGENOUS NON MSE VENDORS ONLY</u> For stores - 100% direct payment after 60 days after acceptance of materials at stores. For site - 100% direct payment after 60 days from the date of dispatch against site acknowledged LR. In case foreign supplier, first lot of mutually agreed quantity shall be supplied with payment as CAD basis after 60 days from the date of receipt & acceptance of material. If insisted for LC, after acceptance of first lot, only Usance LC with 60 days credit will be opened one month prior to material readiness. 3.NEW SUPPLIER – New suppliers (Indigenous) not registered with BHEL, Trichy for the product, Payment shall be made 60 days after receipt and acceptance of materials. In case of new foreign supplier, first lot of mutually agreed quantity shall be supplied with payment as CAD basis after 60 days from the date of receipt & acceptance of material. If insisted for LC, after acceptance of first lot, only Usance LC with 60 days credit will be opened one month prior to material readiness.
D.2.	Payment will be processed only after completion of entire quantity in a package (entire quantities in all PO's in a package, subject to the acceptable tolerance as per PO) in the cases of orders finalized on package basis. Deviation is not acceptable and offer will be rejected on deviation.
D.3.	<u>Loading on Payment Terms (Indigenous vendors)</u> No relaxation in payment period will be made and offers asking for lesser payment period or alternate terms will be rejected. LC will not be operated for Indigenous vendors. Offers with payment terms as LC from indigenous vendors will be rejected.
D.4.	<u>Loading Criteria (Import vendors):</u>
	If the LC payment is insisted, USANCE LC with 60 days credit will be opened one month prior to material readiness, further payment will be considered @ 1.5% of the offered value. Hence, supplier shall intimate the material readiness accordingly for opening of LC. LC validity period will be 90 days and for any extension, applicable charges will be to suppliers account. Any deviation in the above payment terms, any other condition in the payment terms, or any other payment terms will not be accepted and offers will not be considered

E.	<u>Liquidated damages:</u>
E.1.	N / A
E.2.	Delivery of the goods specified in the purchase order should be made within the time prescribed. Failure to dispatch the materials in the time as per the delivery quoted in our Purchase Order would make the supplier liable to an un-conditional LD at the rate of 0.5% of the total purchase order value per week of the delay or part thereof subject to a maximum of 10 % of the total order value. <u>Loading Criteria on LD / Penalty:</u> Any deviation on BHEL LD / Penalty clause, loading (Basic material Value) will be applied to the extent to which it is not agreed by the bidder. If LD is accepted by the vendor only for undelivered portion, then loading of 10% on basic value will be applied.
E.3.	• Delivery period will be calculated from the date of manufacturing clearance. Manufacturing clearance will be issued by BHEL, based on the approval of required documents from customer/BHEL. • Document approval will be given by BHEL within three days from the date of submission. • Inspection call has to be raised minimum 14 days ahead of planned inspection date. • Despatch clearance will be issued by BHEL within two working days from the date of fully complete and accepted inspection report from customer and BHEL/BHEL inspection agency. • Any delay from inspection agency/BHEL further to the above will be eligible for delivery date extension.
E.4.	For Indian vendors, date of LR only will be considered for LD calculation irrespective of any other terms quoted by vendor in the offer.
E.5.	For CFR terms, BL date will be considered for LD calculation.
F.	<u>Risk purchase:</u> Deviation is not allowed in this requirement. If any offer is submitted with deviation in Risk Purchase clause, Loading factor is not applicable and that offer will be rejected. If the supplier fails to deliver the goods within the delivery period specified in the Purchase Order, BHEL 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 despatch within the delivery period mentioned in the Purchase Order.
G.	Guarantee / Warranty Period : 18 months from the date of supply or 12 months from the date of actual put in use, whichever is earlier.
G.1.	<u>Loading Criteria : Guarantee / Warranty Period :</u> No Deviation is permitted. If still vendor offered any deviation on the Guarantee / warranty period it may leads to rejection of offer
H.	REVERSE AUCTION
	BHEL reserves the right to go for Reverse Auction (RA) (Guidelines as available on http://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 http://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 http://www.bhel.com/).
I.	Vendors not registered in BHEL/Trichy vendor directory for the item group PO will be placed on un-registered suppliers also with temporary item code. For them, only if PO is completed and supplied satisfactorily with supplier performance rating of 75 or above (in 100), they will be considered for enlistment into BHEL/Trichy supplier directory.
J.	GOVERNMENT NOTIFICATIONS ON MSE VENDOR <i>i. If L1 vendor is an MSE vendor entire project package will be ordered on L1 vendor.</i> <i>ii. If a Non MSE vendor is coming as L1, then L1 prices will be counteroffered on MSE vendor who is quoting price within the price band L1+15% and if they are agreeing purchase order will be awarded for full/complete supply of total tendered value to MSE.</i> <i>iii. If more than one MSE vendors are available in the L1+15% price band then lowest of the MSE vendor will be selected for counteroffering. If lowest MSE vendor is not accepting, it will be counteroffered to the next MSE vendor in the price band and so on.</i> <i>iv. Finally, if none of the MSE vendor in the price band is not accepting it will be ordered on L1 non MSE vendor.</i> v. Minimum 25% earmarked quantity for MSE vendors (which includes 3% & 6.25% quantity for MSE owned by women entrepreneurs and SC/ST entrepreneurs respectively) will not be followed, as the procurement quantity will be evaluated and ordered as single package MSE suppliers can avail the intended benefits only if they submit along with the offer, attested/notarized copies of either

	1. EM II certificate having deemed validity (five years from the date of issue of acknowledgement in EM II) or 2. Valid NSIC certificate or EM II certificate along with original of CA certificate (Format enclosed) applicable for the year, certifying quantum of investment in plant and machinery within the permissible limits as per the act for relevant status (MICRO or SMALL) where the deemed validity of EM II is over. <i>Date to be reckoned for determining the deemed validity will be the last date of technical bid submission (Part 1 in case of two part bid).</i> Non submission of such documents will lead to consideration of their bid at par with other bidders and MSE status of such suppliers shall be shifted to NON MSE suppliers till the supplier submit this documents. Documents should be notarized or attested by a Gazetted officer. <i>Definitions of MSEs owned by SC/ST is under:</i> • <i>In case of proprietorship firm, proprietor must be SC/ST.</i> • <i>In case of partnership firm, the SC/ST partners must be holding at least 51% shares in the unit.</i> • <i>In case of private limited companies, at least 51% share must be held by SC/ST promoters.</i> Authorised Offices to Issue SC/ST certificate. The caste/Tribe/Community certificate issued by the following authorities in the prescribed form for SCs/STs can be considered. • District Magistrate / Additional District Magistrate / Collector / Deputy Commissioner / Additional Deputy Commissioner / Deputy Collector / 1st class stipendiary magistrate / Sub divisional Magistrate / Taulka Magistrate / Executive magistrate / Extra Assistant commissioner. • Chief Presidency magistrate / Additional chief presidency magistrate/Presidency magistrate. • Revenue Officer not below the rank of thasildar. • Sub-Divisional officer of the area where the individual and / or his family normally resides. <i>To avail the benefits of MSE under SC/ST category, the related documents as stated above should be submitted along with tender documents.</i> Note: Payment to MSE vendors will be as per MSMED Act 2006. However, this will be made only if vendor submits original of CA certificate applicable for the immediately preceding financial year in the applicable format along with original notarized copies of NSIC/EMII certificates as listed above.
K.	<u>GST (For Indigenous Suppliers):</u>
	1. Response to Tenders for Indigenous supplier will be entertained only if the vendor has a valid GST registration number which should clearly 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 number, commercial invoice number etc., then the Invoice number 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. - All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code). - 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. - All documents like Mill Test Certificate, LR copy, Guarantee/Warranty 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. - 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. - 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. - Under GST regime, BHEL has to discharge GST liability on LD recovered from suppliers/contractors. Hence applicable GST shall also be recoverable from suppliers/contractors on LD amount. For this Debit note will be issued by BHEL indicating the respective supply invoice number. - Our GST No. 33AAACB4146P2ZL - Application reference no. (ARN) : AA3306170074586
L.	GENERAL INSTRUCTIONS FOR SUPPLIERS
	Suppliers involving in fraudulent practices or delayed supply (or) non-Supply will be dealt with provision as indicated in “Guidelines for Suspension of Business Dealings with Suppliers / Contractors” which is hosted in website http://www.bhel.com/ The offers of the bidders who are under suspension as also the offers of the bidders, who engage the services of the banned firms, shall be rejected. The list of banned firms is available on BHEL web site http://www.bhel.com/ 1.0 Integrity commitment, performance of the contract and punitive action thereof: 1.1 Commitment by BHEL: BHEL commits to take all measures necessary to prevent corruption in connection with the tender process and execution of the contract. BHEL will during the tender process treat all Bidder(s) in transparent and fair manner, and with equity. 1.2 Commitment by Bidder / Supplier / Contractor: 1.2.1. The bidder / supplier / contractor commit to take all measures to prevent corruption and will not directly or indirectly influence any decision or benefit which he is not legally

	entitled to nor will act or omit in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India. 1.2.2. The bidder / supplier / contractor will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and shall adhere to relevant guidelines issues from time to time by Govt. of India / BHEL. 1.2.3. The bidder / supplier / contractor will perform / execute the contract as per the contract terms & Conditions and will not default without any reasonable cause, which causes loss of business / money / reputation, to BHEL. If any bidder / supplier / contractor during pre-tendering / tendering / post tendering / award / execution / post-execution stage indulges in mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, then action may be taken against such bidder / supplier / contractor as per extant guidelines of the company available on http://www.bhel.com/ and / or under applicable legal provisions.
M.	INSTRUCTIONS FOR IMPORT SUPPLIERS / FOREIGN VENDORS
M.1.	DELIVERY TERM IMPORT
M.1.a.	Import vendors to submit offers on CFR (Cost & Freight), Chennai port (LILO – Liner in Liner Out) basis.
M.1.b.	Port of loading should be indicated without fail.
M.1.c.	Port of discharge should be Chennai.
M.1.d.	The preferred shipment mode “Containerized Cargo” shall be specified clearly in the offer.
M.2.	FOR CFR INCO TERMS – CONTAINERIZED CARGO
M.2.a.	Indian Customs has imposed a penalty on late filing of Bill of Entries (Air/Sea Shipments) by the importer. The maximum free time allowed is 24 hrs from the time of arrival of cargo at final port of discharge. At present penalty is Rs.5000/- per day (for Initial 03 days) & Rs.10000/- per day (thereafter).
M.2.b.	Hence the supplier shall submit the Non-Negotiable Documents (Bill of Lading, Commercial Invoice, Packing List, Certificate of Origin, etc.) either by email or post/courier to BHEL well before the landing of cargo at final port of discharge.
M.2.c.	In case of any penalty due to late filing of Bill Of entry for reasons attributable to suppliers (as listed below), the same will be recovered from the bills of supplier:
M.2.d.	Non availability of Non-Negotiable Documents (NNDs) before the cargo arrival, Discrepancy in documents, Short landing of Consignments (For shipments on CFR – Chennai Port)
M.2.e.	All the shipments for the contracts (POs) finalized on CFR -Chennai Port basis
M.2.f.	Delivery Orders involving multiple agencies like liners/freight forwarders are not allowed. To avoid any delay, BHEL prefers Single agency office at the final discharge Port (Chennai) for issuing the Delivery Order to BHEL.
M.2.g.	The detention/demurrage charges arises due to the delay in collection of Delivery Orders from multiple agencies of liner/freight forwarder also whose offices are not at available Chennai, the same amount will be deducted from Vendor’s bills only.

M.2.h.	Apart from the Terminal Handling Charges, Container cleaning Charges & Delivery Order Charges at final port of discharge, any other charges will not be borne by BHEL.
M.2.i.	The liner/freight forwarders shall be informed by the Vendor not to claim any additional charges (like charges listed below) for issuing Delivery Order. In case if the liner/freight forwarder claims such charges, the same amount will be deducted from the Vendor bills with/without any prior intimation in order to avoid the delay in Customs clearance. The likely additional/hidden charges are listed below. a. CIC - Container Imbalance Charges/Surcharges b. EIC - Equipment Imbalance Charge/Surcharges c. CAF - Container/Currency Adjustment Factor d. BAF - Bunker adjustment Factor e. RDS - Rupee Depreciation Surcharge f. CDS - Currency Depreciation Surcharge
M.3.	<u>TRANSPORT CONDITIONS - IMPORT</u>
M.3.a.	The Original Documents (Bill of Lading, Invoice, Packing List, Certificate of Origin & Test Certificate) shall reach BHEL well in advance before the vessel arrival. The soft copies of the above shall be forwarded to BHEL immediately after shipment
M.3.b.	In the event of delayed submission of documents by the supplier, an amount up to 5% of the invoice value will be retained towards demurrage & other charges and the difference if any between actual charges and recovery will be settled separately through supplementary invoice.
M.3.c.	In such cases, the Supplier shall authorize the Steamer / Shipping agent / transporter to freely release the consignment to BHEL by providing a "Surrender Bill of Lading".
M.3.d.	Otherwise, No-objection Certificate shall be issued to the Liner, authorizing BHEL to get the Delivery Order without producing the Original Bill of Lading.
M.3.e.	This is required to ensure avoidance of demurrage at Chennai Sea-port that may arise in case of delayed presentation of documents by the Seller
N.	Force Majeure Notwithstanding anything contained in the Contract, neither the Seller and nor the Purchaser shall be held responsible for total or partial non-execution of any of the contractual obligations, should the obligation become impossible due to occurrence of a 'Force Majeure' which directly affect the obligations to be performed by the Purchaser or the Seller. Such events include war, military operations of any nature, revolutions, quarantine restrictions, floods, earthquake, or acts of God, restrictions by Govt. authorities over which the Seller or the Purchaser has no control. Seller and Purchaser shall endeavour to prevent, overcome or remove the causes of force Majeure. The party claiming to be affected by Force Majeure shall notify the other party in writing without delay, within two weeks on the intervention and on the cessation of such circumstance. The notifying party shall specify the matter constituting Force Majeure, explaining to what extent contractual obligations will thereby be prevented or delayed and the further period for which it is estimated that such prevention or delay will continue. Extension of time sought by the Seller along with supporting evidence and so granted by the Purchaser for the supply/ work affected, if any, shall not be construed as waiver in respect of remaining deliveries. Notwithstanding above provisions, Purchaser shall reserve the right to cancel the order/ Contract, wholly or partly, in order to meet the overall project schedule and make alternative arrangements for completion of deliveries and other schedules
O.	<u>Make in India:</u> For this procurement, 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

shall be applicable even if issued after issue of this NIT but before finalization of contract/PO/WO against this NIT.

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.

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

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.