An ISO 9001 Company

Bharat Heavy Electricals Limited
(High Pressure Boiler Plant)
Tiruchirappalli-620 014, Tamil Nadu, India
Dept: MATERIALS MANAGEMENT/BOI

Annexure – B- Terms and Conditions

ACCEPTANCE OF TECHNO - COMMERCIAL TERMS & CONDITIONS BY THE BIDDERS

Description of the Equipment:	**HSFG Bolts & Nuts**
Enquiry No:	**Enq No 1801900367/14 dt. 27.04.2019**

Sl. No.	Terms and conditions	Vendor's confirmation
1 (a)	**Technical:** Supply shall be as per BHEL's Technical Specifications TDC:5:211/Rev.02 & Drawing:3-35-700-06802/Rev.02 attached with the enquiry, without deviation.	
1 (b)	Inspection by BHEL or BHEL Approved Third Party Inspection Agencies/Any IBR approved TPI agency at vendor works before dispatch is applicable. Shipment shall be made only after obtaining despatch clearance from BHEL.	
1 (C)	Confirmation & submission of all PQR documents as per annexure A (Technical pre-qualification requirements) Note: Vendors not meeting the PQR will not be considered for this tender.	
1 (d)	Offer will be considered on item wise basis for evaluation & ordering, as indicated in the tender. Evaluation will be on total cost to BHEL, after all loadings as applicable.	
1 (e)	Following are the splitting applicable for this tender (for the items with quantity more than 10,000 Nos, i.e for RFQ Sl Nos-10, 50, 60, 70, 80, 90, 110, 160, 180, 210 & 230) in the manner of 50:25:25 in terms of quantity. i. 50% of the quantity item wise will be offered to L1 vendor and 25% of the quantity item wise will be counter offered to the next lowest vendor and so on (Except H1 bidder) on acceptance of L1 FOR rates (i.e., balance 50% quantity will be frozen equally with the other two bidders whoever accepts to match L1 FOR rate) ii. In case counter offering rate is not accepted by any of the counter offered bidder such counter offered quantity also will be ordered on L1 vendor. iii. In the event of more than one vendor becoming L-1 for the same item, the quantity will be shared equally among all the L-1 vendors.	
2	**Firm Price:** The quoted / finalised rates shall be Firm till execution of the supplies. Offer with Price Variation Clause (PVC) will not be considered.	
3	The tender will be operated in two part bid system. One-part consisting of Technical bid with Commercial terms & conditions and other part is Price Bid. Based on the above and other conditions, as well as technical capability, vendors will be short-listed. The Techno-commercial bid will be opened on the due date and based on the suitability of techno-	

	commercial bid, the price Bid of the techno-commercial suitable qualified vendors will be considered and opened on a suitable date with due intimation to vendors.	
4	**<u>Delivery term For indigenous Suppliers:</u>** The quote shall be on FOR BHEL Trichy Stores Basis (Tamil Nadu state). Packing & forwarding and Freight & Insurance to your account. **<u>Ex-Works Contracts will not be entertained.</u>** **<u>Delivery term For Import Suppliers</u>** Bidders should submit their offer on CFR Chennai Seaport basis with freight break up details. Pls. indicate the freight breakup details. FOB rate will be arrived by subtracting the corresponding freight break up from the CFR rate. BHEL reserves the right to order on FOB or CFR basis.	
5 (a)	**<u>Payment terms for Indigenous Suppliers:</u>** "100% direct EFT payment after 60 days from the date of receipt & acceptance of material at our stores. **<u>Payment terms for Import Suppliers:</u>** "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.	
5 (b)	**<u>Loading Criteria for arriving the L1 rate</u>:** **<u>For Indigenous Suppliers</u>** **<u>Loading Criteria</u> :** **Payment Terms: No deviation is permitted. Any deviation in the above payment term, any other conditions in payment term or any other payment term may not be accepted and the offers of such vendors are liable for rejection.** **<u>For Import Suppliers</u>** In the case of LC payment, only usance LC with 60 days credit will be opened one month prior to material readiness, further loading will be considered @ 1.5% on the offered value. Hence supplier shall intimate the material readiness accordingly for opening LC. LC validity period will be 90 days and for any extension, applicable charges will be to supplier's account. **Any deviation in the above payment term, any other conditions in payment term or any other payment term will not be accepted and the offers of such vendors will not be considered** **<u>For New suppliers</u>** For new suppliers not registered with BHEL, Trichy for the product, Payment shall be made 60 days after receipt and acceptance of materials & against 10% PBG valid for the Guarantee period. In case of 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 LC with 60 days credit will be opened one month prior to material readiness	
6 (a)	**Liquidated damages:** 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 order value per week of the delay or part thereof subject to a maximum of 10% of the total order value.	
6 (b)	**Loading Criteria for arriving the L1 rate:** Any deviation on BHEL LD clause, loading (Offered Value) will be applied to the extent to which it is not agreed by the bidder.	
7 (a)	**Guarantee / Warranty Period:** Guarantee clause applicable is "12 months from the date on which the material is put into use or 18 months from the date of supply whichever is earlier.	
7 (b)	**Loading Criteria:** **Guarantee / Warranty Period:** No Deviation is permitted. If still vendor offered any deviation on the Guarantee / warranty period, it may lead to rejection of offer.	
8	**Risk purchase:** If the supplier fails to deliver the goods within the delivery 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.	
9	**Delivery Period:** Vendors shall offer their best possible shortest delivery period	
10	**For Indigenous Vendor–** LR date will be considered for LD calculation. **For Import Suppliers-** OBL date will be considered for LD calculation.	
11	**Validity:** 90 days minimum from techno commercial bid opening (Part-1). Any Deviation with respect to validity your offer will not be considered. Ensure your quoted rates will have 90 days minimum validity from techno commercial bid opening. The delay in responding to BHEL technical clarification beyond four days will be subsequently added to the validity period, Revised Price Bids will not be encouraged.	
12	**For Import Suppliers, PORT OF LOADING SHOULD BE INDICATED WITHOUT FAIL. Weight of the Total Consignment shall be indicated in the offer.** **PORT OF DISCHARGE – Chennai.**	
13	**Inspection and testing requirements:** Inspection and testing requirements are to be carried out as per the specification and BHEL technical specifications. All test certificates are to be submitted in complete set.	

14	**Repair & replacements:** Within the guarantee period vendor has to replace damaged items on free of cost within a reasonable time of reporting from our end.	
15	**For Import Suppliers** a) Foreign Exchange rate prevailing on Techno – Commercial bid opening rate will be taken for calculation. If the date of opening happens to be a bank holiday, then the forex rate as on previous bank (SBI) working day shall be taken.	
16	Documents are to be submitted along with technical bid (Part-1) 01. Covering letter 02. Unpriced offer. 03. Signed technical specifications 04. Filed BHEL Terms and condition sheet (Annexure-B) 05. PQR (Annexure – A) 06. Third party non-disclosure agreement 07. Integrity Pact. Documents are to be submitted along with Price bid (Part-2) 01. Priced offer Note: All the pages of documents are to be signed and stamped by authorized signatory of the company.	
17	**MSE Applicability as per Annexure C. The vendors shall furnish valid certificates (CA certificate & UAM) as per annexure C, for availing the benefits of MSE with deemed validity in the offer itself.**	
18	**Make in India:** 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.	
19 a	**Important Information for Indigenous Suppliers:**	
	Kindly indicate the GST No of your Firm	
	Kindly Indicate the HSN Code for the Enquiry item.	
	Please indicate the applicable GST % (IGST, SGST, CGST)	
	Kindly Note the BHEL Trichy Unit GST NO : 33AAACB4146P2ZL	
	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.	
19 b	**In Case of Order Placement**: 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.	
	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 dispatch and quality 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	
	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. For this, Debit note will be issued by BHEL indicating the respective supply invoice number. Debit note will be available on our B2B portal.	
20	**Important Information for Import Suppliers**: **FOR CFR INCO TERMS – CONTAINERIZED CARGO** • For CFR terms, moved through CONTAINERS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL	

that the freight charges quoted is on LILO (LINER IN LINER OUT) basis including extra charges, if any, like Container Imbalance Charges, Trade Imbalance charges or any other charges payable to the Liner. No other charges other than the quoted Freight rate will be paid by BHEL excepting applicable Terminal Handling Charges, Container cleaning Charges, DO charges to Shipping Liner at Discharge Port. 14 FREE DAYS FOR Container detention shall be provided. If any deviation is taken by Tenderer, a loading of 22% on the freight rate per MT shall be considered by BHEL for arriving at the Total Landed Cost.

- In case of shipment through Containers on CFR basis, the BL should bear the endorsement that "14 free days for Container Detention is applicable".

BREAKBULK CARGO

- For CFR terms, moved through BREAK BULK BASIS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis. The materials will be Custom cleared from Port itself.
- The Indian Customs 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. Rs.5000/- per day (for Initial 03 days) & Rs.10000/- per day (thereafter)
- The vendor should furnish the Non-Negotiable Documents (Air Way Bill/Bill of Lading, Commercial Invoice, Packing List, and Certificate of Origin) either by email or post/courier to BHEL well before the landing of cargo at final port of discharge.
- Vendor will be held responsible for the penalty arises against the late filing of Bill Of entry due to:
    - Non availability of Non-Negotiable Documents (NNDs) before the cargo arrival
    - Discrepancy in documents
    - Short landing of Consignments (For shipments on CFR/CPT/CIF/CIP – Chennai Port)
- All the shipments for the contracts (POs) finalized on CFR -Chennai Port basis

(i) Delivery Orders involving multiple agencies like liners/freight forwarders are not allowed. There must be a single agency office at the final discharge Port (Chennai) for issuing the Delivery Order to BHEL.

(ii) The detention/demurrage charges arise 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.

(iii) Apart from the normal charges like Terminal Handling Charges, Container cleaning Charges, Delivery Order Charges at final port of discharge no other charges will be borne by BHEL.

(iv) The liner/freight forwarders should be properly communicated by the Vendor for not to claim such charges for issuing Delivery Order. If the liner/freight forwarder claims such charges in their invoices, the same amount will be deducted from the Vendor bills

	without any prior intimation in order to avoid the delay in Customs clearance. The likely additional/hidden costs or charges are: 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 **<u>Transport Conditions for Import:</u>** 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. • 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. • 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". • Otherwise, No-objection Certificate shall be issued to the Liner, authorizing BHEL to get the Delivery Order without producing the Original Bill of Lading. • 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. • **<u>Following details to be endorsed in OBL</u>** a. Import & Export Code (IEC) of importer : *0588138690* b. GST Identification No (GSTIN) of importer : *33AAACB4146P2ZL* c. Official email id of importer:*santoshj@bhel.in* ; *asvasalu@bhel.in*	
21	**<u>Discrepancy in payment documents submission:</u>** 1. A vendor / bill who or which has been blocked for reasons like MSME certification / GST compliance / BG etc. – upon getting the discrepancy resolved, if the discrepancy resolved date falls as due date for payment or beyond the due date for payment, then accordingly the due date for payment will stand extended by a week from the date of passing the bill. 2. When vendor himself submits the complete bill along with requisite documents as called for in the PO after due date for payment, then the due date for payment will stand extended by a week from the date of passing the bill.	
Note:	BHEL may negotiate the L1 rate, if not meeting our budget/estimated cost. BHEL may re-float the tender opened, if L1 price is not the acceptable price to BHEL. Any deviation in specified commercial terms- Annexure B, will lead to rejection of offer. **Any other Techno –Commercial Terms indicated by the vendor in**	

	their offer elsewhere will be ignored. BHEL will proceed with tender evaluation as per Annexure B only.	

Vendor's Seal and Signature