

Business Rules for Reverse Auction (Only for Reference)

This has reference to tender no **TE 19000064 dtd 15-05-19**, BHEL shall finalize the Rates for “ **Supply of Socket Cap**” through Reverse Auction mode. BHEL has made arrangement with M/s **C1 India Pvt Ltd.** who shall be BHEL’s authorized service provider for the same. Bidders should go through the instructions given below and submit acceptance of the same.

The technical & commercial terms are as per

- (a) BHEL Tender Enq. No. **TE 19000064 dtd 15-05-19**,
- (b) Bidders’ technical & commercial bid (in case of two part bid) and
- (c) Subsequent correspondences between BHEL and the bidders, if any.

1. Procedure of Reverse Auctioning

- i. **Online Sealed Bid:** This duration of online sealed bid will be **30 minutes**. All bidders to submit their online sealed bids during this period.
- ii. **Online Reverse Auction:** The ‘opening price’ i.e. start price for RA and ‘bid decrement’ will be decided by BHEL.
- iii. If BHEL decides the lowest online sealed bid as the starting price, then the lowest bidder in online sealed bid shall be shown as current L1 automatically by the system and no acceptance of that price is required. System shall have the provision to indicate this bid as current L1.
- iv. Bidders by offering a minimum bid decrement or the multiples there of can displace a standing lowest bid and become “L1” and this continues as an iterative process.
- v. After the completion of the online reverse auction, the Closing Price (CP) shall be available for further processing.

- 2. Schedule for Reverse Auction:** The Reverse Auction is tentatively scheduled on **31-05-2019**: and the duration of online sealed bid will be **30 minutes**. All bidders to submit their online sealed bids during this period.

- **Online Sealed Bid:-**

- Start Time: 11:00 AM
- Close Time: 11:30 AM

- **Online Reverse Auction:-**

- Start Time: 12:00 PM
- Close Time: 01:00 PM

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3. **Auction extension time:** If a bidder places a bid in the last **5 minutes** of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for another **10 minutes**, for the entire auction (i.e. for all the items in the auction), from the time that bid comes in. Please note that the auto-extension will take place only if a bid comes in those last **5 minutes** and if that bid gets accepted as the lowest bid. If the bid does not get accepted as the lowest bid, the auto-extension will not take place even if that bid might have come in the last **5 minutes**. In case, there is no bid in the last **5 minutes** of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.

The above process will continue till completion of Reverse Auction.

Complaints/ Grievances, if any, regarding denial of service or any related issue should be given in writing thru e-mail/ fax to M/s M/s **C1 India Pvt Ltd.** with a copy to BHEL within **15 minutes** prior to initial closing time of Online Reverse Auction.

4. **Bid price:** The Bidder has to **quote the Landed Cost to BHEL (Overall i.e Total H) (after quoting rates of all the items)**. Price inclusive of Packing & Forwarding charges, all the routine & type tests as per tender scope, ED + cess, CST against C-form, Freight (bidder to provide original Freight paid receipt), insurance charges, etc. including loading (if indicated by BHEL due to deviations in technical/ commercial terms) for the Items specified. **Details are as shown in Excel Sheet for calculation of total cost to BHEL.**

5. **Bidding currency and unit of measurement:** Bidding will be conducted in Indian Rupees per Unit of the material as per the specifications of **TE 19000064 dtd 15-05-19.**

In case of foreign currency bids, exchange rate (TT selling rate of State Bank of India) as on scheduled date of tender opening (Part-I bid) shall be considered for conversion in Indian Rupees. If the relevant day happens to be a Bank holiday, then the forex rate as on the previous bank (SBI) working day shall be taken.

6. **Validity of bids:** Price shall be valid for **90 days** from the date of reverse auction. These shall not be subjected to any change whatsoever.

7. **Lowest bid of a bidder:** In case the bidder submits more than one bid, the lowest bid at the end of Online Reverse Auction will be considered as the bidder's final offer to execute the work.

8. Bidders shall be assigned a **Unique User Name & Password** by **M/s C1 India Pvt Ltd.**, Bidders are advised to change the Password and edit the information in the Registration

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Page after the receipt of initial Password from M/s **C1 India Pvt Ltd.** to ensure confidentiality. All bids made from the Login ID given to the bidders will be deemed to have been made by the bidders/ bidders' company.

9. **Post auction procedure:** BHEL will proceed with the Lowest Bid in the Reverse Auction for further processing.
10. Any commercial/ technical loading shall be intimated to bidders prior to RA. The excel sheet provided in this regard shall cover all these aspects. Commercial/ technical loading if any, shall be added by the respective bidder in its price during online sealed bid & Online Reverse Auction. Modalities of loading & de-loading shall be separately intimated to the bidders. The responsibility for correctness of total cost to BHEL shall lie with the bidders.
11. Computerized reverse auction shall be conducted by BHEL (through M/s **C1 India Pvt Ltd.**), on pre-specified date, while the bidders shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by bidders themselves.

During the RA process if a bidder is not able to bid and requests for extension of time by FAX/ email/ phone then time extension of additional **15 minutes** will be given by the service provider provided such requests come before **5 minutes** of auction closing time. However, only one such request per bidder can be entertained.

Despite this extension if bidder fails to upload his prices due to extreme case of failure of Internet connectivity, (due to any reason whatsoever may be) it is the bidders' responsibility/ decision to send fax communication immediately to M/s **C1 India Pvt Ltd.**, furnishing the price the bidder wants to bid online with a request to the service provider to upload the faxed price online so that the service provider will upload that price online on behalf of the Bidder. It shall be noted clearly that the concerned bidder communicating this price to service provider has to solely ensure that the fax message is received by the service provider in a readable/ legible form and also the Bidder should simultaneously check up with service provider about the clear receipt of the price faxed. It shall also be clearly understood that the bidder shall be at liberty to send such fax communications of prices to be uploaded by the service provider only within the closure of Bid time and under no circumstance it shall be allowed beyond the closure of Bid time /reverse auction. It shall also be noted that the service provider should be given a reasonable required time by the bidders, to upload such prices online and if such required time is not available at the disposal of the Service provider at the time of receipt of the fax message from the bidders, the service provider will not be uploading the prices and either BHEL or the service provider are not responsible for this unforeseen circumstances. In order to ward-off such contingent situation bidders are requested to make all the necessary arrangements/ alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the reverse auction successfully. Failure of power or loss of connectivity at the premises of bidders during the Reverse auction cannot be the cause for not participating in

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the reverse auction. On account of this, the time for the auction cannot be extended and neither BHEL nor M/s **C1 India Pvt Ltd.**, is responsible for such eventualities.

- 12.** Proxy bids: Proxy bidding feature is a pro-bidder feature to safeguard the bidder's interest of any internet failure or to avoid last minute rush. The proxy feature allows bidders to place an automated bid in the system directly in an auction and bid without having to enter a new amount each time a competing bidder submits a new offer. The bid amount that a bidder enters is the minimum that the bidder is willing to offer. Here the software bids on behalf of the bidder. This obviates the need for the bidder participating in the bidding process until the proxy bid amount is decrementally reached by other bidders. When proxy bid amount is reached, the bidder (who has submitted the proxy bid) has an option to start participating in the bidding process.

The proxy amount is the minimum amount that the bidder is willing to offer. During the course of bidding, the bidder cannot delete or change the amount of a proxy bid.

Bids are submitted in decrements (decreasing bid amounts). The application automates proxy bidding by processing proxy bids automatically, according to the decrement that the auction originator originally established when creating the auction, submitting offers to the next bid decrement each time a competing bidder bids, regardless of the fact whether the competing bids are submitted as proxy or standard bids. However, it may please be noted that if a manual bid and proxy bid are submitted at the same instant manual bid will be recognized as the L1 at that instant.

In case of more than one proxy bid, the system shall bid till it crosses the threshold value of 'each lowest proxy bid' and thereafter allow the competition to decide the final L1 price.

Proxy bids are fed into the system directly by the respective bidders. As such this information is privy only to the respective bidder(s).

- 13.** Bidders are advised to get fully trained and clear all their doubts such as refreshing of screen, quantity being auctioned, tender value being auctioned etc from M/s. **C1 India Pvt Ltd.**.
- 14.** M/s **C1 India Pvt Ltd.**, shall arrange to demonstrate/ train the bidder or bidder's nominated person(s), without any cost to bidders. M/s **C1 India Pvt Ltd.**, shall also explain the bidders, all the business rules related to the Reverse Auction. Bidders are required to submit their acceptance to the terms/ conditions/ modalities before participating in the Reverse Auction in the process compliance form as enclosed. Without this, the bidder will not be eligible to participate in the event.
- 15.** Successful bidder shall be required to submit the final prices (L1) in prescribed format (**Annexure-VI**) for price breakup including that of line items, if required, quoted during the Online Reverse Auction, duly signed and stamped as token of acceptance without any new

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condition (other than those already agreed to before start of auction), after the completion of auction to M/s **C1 India Pvt Ltd.**, besides BHEL within two working days of Auction without fail.

16. Any variation between the final bid value and that in the confirmatory signed price breakup document will be considered as tampering the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings (as available on www.bhel.com).
17. Bidders' bid will be taken as an offer to execute the work/ supplies of the item as per enquiry no. **TE 19000064 dtd 15-05-19**. Bids once made by the bidder, cannot be cancelled/ withdrawn and bidder shall be bound to execute the work as mentioned above at bidder's final bid price. Should bidder back out and not execute the contract as per the rates quoted, BHEL shall take action as per extant guidelines for suspension of business dealings (as available on www.bhel.com).
18. Bidders shall be able to view the following on their screen along with the necessary fields during Online Reverse Auction:
 - a. Leading (Running Lowest) Bid in the Auction (only total price of package).
 - b. Bid Placed by the bidder.
 - c. Start Price.
 - d. Decrement value.
 - e. Rank of their own bid during bidding as well as at the close of auction.
19. BHEL's decision on award of contract shall be final and binding on all the Bidders.
20. BHEL reserves the right to extend, reschedule or cancel the Reverse Auction process at any time, before ordering, without assigning any reason, with intimation to bidders.
21. BHEL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause. In such cases, the decision of BHEL shall be binding on the bidders.
22. Other terms and conditions shall be as per bidder's techno-commercial offers and other correspondences, if any, till date.
23. If there is any clash between this business document and the FAQ available, if any, in the website of M/s **C1 India Pvt Ltd.**, the terms & conditions given in this business document will supercede the information contained in the FAQs. Any changes made by BHEL/ service provider (due to unforeseen contingencies) after the first posting shall be deemed to have been accepted if the bidder continues to access the portal after that time.

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- 24.** Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.

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 for suspension of business dealings (as available on www.bhel.com), shall be initiated by BHEL.

25. Reverse Auction Process

Reverse auction process is deemed to have been started upon receipt of 'Online Sealed Bids' from the bidders within the prescribed time frame as per Business Rules. After receipt of 'online sealed bids', start price & bid decrement will be decided by BHEL and the same shall be communicated to the service provider, to start the bidding process. Only those bidders who have submitted the 'online 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.

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BUYER NAME	BHARAT HEAVY ELECTRICALS LIMITED Insulator Plant , Jagdishpur Ind. Area Uttar Pradesh, Amethi- 227817 Mr. Rana Rashmirathi Dy. Mgr - MM E mail : rrr@bhelip.in Cell : 9532997309 Mr. N B Singh Dy Engineer- MM E mail : nbsingh@bhel.in Cell : 9415074440
AUCTION TO BE CONDUCTD BY	Name of Service provider: M/s C1 India Pvt Ltd, Gulf Petro Chem Building, Building No. – 301, 1st Floor, Udyog Vihar Phase – 2, Gurgaon, Haryana -122015, India. Tel: +91-124-4302000/203.
DATE OF AUCTION	- Date of Auction:25/01/19 - Online sealed bid auction time: 11:00 Hrs - Online reverse auction time: 12:00 Hrs - Online auction website mailto:auctions@c1india.com;

Documents Attached:		Business rules for Reverse Auction (Annexure-I)
(To be sent to the bidders)		Process Compliance Form (Annexure-III)
		Details of item (s) to be Reverse Auctioned (Annexure-V)
		Post RA Price confirmation by bidder(Annexure-VI)

Annexure – III

Process Compliance Form

(The bidders are required to print this on their company's letterhead and sign, stamp before RA)

To

M/s **C1 India Pvt Ltd,**

Gulf Petro Chem Building, Building No. – 301, 1st Floor, Udyog Vihar Phase – 2, Gurgaon,
Haryana -122015, India. Tel: +91-124-4302000/203

Sub: Agreement to the Process related Terms and Conditions

Dear Sir,

This has reference to the Terms & Conditions for the Reverse Auction mentioned in the Tender document for “**supply of Socket Cap.**” at BHEL Insulator Plant, Jagdishpur against BHEL Tender **TE 19000064 dtd 15-05-19.**

This letter is to confirm that:

- 1) The undersigned is authorized official/ representative of the company to participate in RA and to sign the related documents.
- 2) We have studied the Reverse Auction guidelines (as available on www.bhel.com), and the Business rules governing the Reverse Auction as mentioned in your letter and confirm our agreement to them.
- 3) We also confirm that we have taken the training on the auction tool and have understood the functionality of the same thoroughly.
- 4) We also confirm that, in case we become L1 bidder, we will FAX/ email/ the price confirmation & break up of our quoted price (including that of line items) as per Annexure-VI within two working days (of BHEL) after completion of RA event, besides sending the same by registered post/ courier both to M/s. BHEL and M/s **C1 India Pvt Ltd.**
- 5) We also confirm that in case we become L1 bidder, the envelope sealed price bid submitted by us shall be opened by BHEL and we agree to accept the lower of the two bids (RA closing price & envelope sealed price) for placement of order and we have understood that in case online sealed bid placed by us is found higher than envelope sealed price bid submitted by us, then BHEL may take action as stipulated in NIT.

We, hereby confirm that we will honor the Bids placed by us during the auction process.

With regards

Signature with company seal

Name –

Company / Organization

Designation within Company / Organization

Address of Company / Organization

- Sign this document and FAX/ email it to M/s **C1 India Pvt Ltd** prior to start of the Event.

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Annexure – IV

List of bidders and their address/ contact person details

Sl No.	Address	Contact Person
1	As per Attached Excel sheet i.e. CONTACTBIDDER.xls	

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Annexure – V

Details of item (s) for Reverse Auction

Tender Enquiry No. **TE 19000064** dtd **15-05-19** for the “**supply of SGI Socket Cap**” at BHEL Insulator Plant, Jagdishpur

	Item	Unit	Sub Total of Value of contract(in Rs.) as per TE-393 and cost to BHEL sheet provided.
	supply of Socket Cap	01	As per TE 19000064 dtd 15-05-19

Note:

1. **Above Cost sheet will decide L1/L2/L3 status.**
2. **Bidder to put value of “H” to be quoted in reverse auction.**

The offers of all the bidders are technically & commercially frozen as submitted by the bidders and clarified in subsequent correspondence, if any, with the bidders.

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Annexure – VI

RA price confirmation and breakup

(To be submitted by L1 bidder after completion of RA)

To

To

M/s **C1 India Pvt Ltd,**

Gulf Petro Chem Building, Building No. – 301, 1st Floor, Udyog Vihar Phase – 2, Gurgaon,
Haryana -122015, India. Tel: +91-124-4302000/203

CC: M/s BHEL BHARAT HEAVY ELECTRICALS LIMITED

Insulator Plant , Jagdishpur Ind. Area, Uttar Pradesh Amethi- 227817

Sub: **Final price quoted during Reverse Auction and price breakup**

Dear Sir,

We confirm that we have quoted.

INR Rs ----- (Landed Cost to BHEL (Overall) for the “**supply of Socket Cap.**” at BHEL Insulator Plant, Jagdishpur as per Tender **TE 19000064 dtd 15-05-19** during the Reverse Auction conducted today-08-2018 which will be valid for a period of 90 DAYS (Ninety) days. Price Break up as per Reverse Auction Template Format provided by BHEL is attached along with.

Thanking you and looking forward to the valuable order from BHEL.

Yours sincerely,

For _____

Name:

Company:

Date:

Seal:

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Annexure – VII

{JAGDISHPUR}
Bharat Heavy Electricals Limited
{Address}:

Ref:.....

Date:.....

To,

M/s. {Name and Address of the Bidder}

Kind Attention {Name of the contact person}

Dear Sir,

Subject: Warning Letter

This is with reference to our tender enquiry no. {...} dated {...}, your offer no. {...} dated {...}, your acceptance dated {...} to participate in reverse auction process and process compliance form dated {...}.

The reverse auction for procurement against subject tender enquiry was conducted on dated {...}. You had accepted the NIT terms and clause no. {...} of the said NIT states that *Bidders to submit online sealed bid less than or equal to their envelope sealed bid already submitted to BHEL* and a message to this effect was also flashed on the screen at the time of submitting online sealed bid. However, ignoring these you chose to bid higher in online sealed bid in comparison to envelope sealed price bid submitted by you with offer documents and which was opened on dated {...}

in your presence

OR

and you chose not be present during envelope sealed price bid opening.

This act of yours is in violation of NIT terms accepted by you in your offer documents and hence in line with NIT terms you are hereby warned not to repeat such act in future. Further, if you again default on this count in any subsequent tender, it will be considered as fraud and will invite banning action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com).

Yours sincerely,

{Name}

{Designation}

On behalf of BHEL

CC: HEAD/ SDC, for keeping record

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