



# Bharat Heavy Electricals Limited

**Ceramic Business Unit - Electroporcelains Division**

Prof.CNR Rao Circle, Indian Institute of Science Post, Malleswaram

BANGALORE – 560 012 INDIA

Website: www.bhelceramics.com



91(080) 23346352

91(080) 22182286

91(080) 23340535

## MATERIALS MANAGEMENT

**Tender Ref:** ARC/CBU/SGI-CAPS /AR /2015-16

**Date:** 29<sup>th</sup> April 2015

M/s

**Sub:** Annual rate contract 2015-16 for supply of different ratings of SGI Caps for BHEL-EPD, Bengaluru and IP Jagdishpur.

Dear Sir,

BHEL desires to enter into Annual Rate Contract with POWERGRID approved vendors for procurement of different ratings of SGI Caps as per BHEL Drawings and Purchase Spec EL-PS-12-0003 (Latest Revision) for disc insulators for a period of one year. The approximate requirements of SGI Socket Caps are as detailed below:

SI No	Description	Drg No	Unit Wt	Quantity ( Nos)			Weight ( MT )		
			kg	For EPD	For IP	Total	For EPD	For IP	Total
1	120kN Cap	39800100621/01	1.4	66000	115000	181000	92.40	161.00	253.40
2	160kN Cap	39800103321/02	2.0		300000	300000		600.00	600.00
3	210kN Cap	39800800621/01	2.5	32000	500000	532000	80.00	1250.00	1330.00
4	420kN Cap	39800600121/03	4.8	*52000		*52000	249.60	-	249.60

\* This quantity is likely to vary by ONE LAKH Nos (Additional)

**Order quantity may vary  $\pm$  by 30% at the time of ordering**

You are requested to refer our tender documents as enclosed and submit your offer for the same within due date as mentioned below:

EVENT	SCHEDULE
Last Date & Time for receipt of tender	Date : 19 <sup>th</sup> May 2015 (Tuesday) Time : 14.00 hrs ( IST )
Tender opening date & Time (Techno-Commercial bid)	Date : 19 <sup>th</sup> May 2015 (Tuesday) Time : 14.30 hrs ( IST )

The offer should be submitted/ dropped in the BHEL-EPD tender box (**Named BHEL-EPD**) located at the Reception office of the BHEL-EPD, Bengaluru factory premise in a sealed cover super scribing tender number & due date and tender shall be addressed to



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Sr DGM/ MM  
Bharat Heavy Electricals Ltd  
Electro Porcelains Division  
PB No: 1245, CNR Rao Circle, Indian Institute of Science Post  
Bangalore – 560 012

So as to reach here within 2:00PM on the due date and the tenders will be opened at 2:30PM on the same date in the presence of those vendors or their authorised representatives who wish to be present.

The offer shall be submitted in two parts-

- i. Part-A : TECHNO-COMMERCIAL and
- ii. Part-B : PRICE.( **Price bid for EPD Bengaluru & Price bid for IP Jagdishpur for individual items-item wise-should be given in two separate sealed cover**)

Vendor should submit their offer in two parts as indicated above. The offer containing both the parts shall be submitted in a sealed cover and the cover should have the tender name and due date written on it. Each part shall be put in a separate sealed cover and the cover should have the corresponding part name, subject of tender and due date written on it. If both parts are found in opened condition in a single sealed cover, the same offer will be liable for rejection. **Only the techno-commercial part will be opened on the due date.**

**The Part-A,** The filled up Pre qualification Techno-Commercial bid format and Third Party Non Disclosure Agreement Format, sealed & signed should also be submitted along with the offer.

**The Part-B,** Price bid for BHEL EPD Bengaluru & Price bid for BHEL IP Jagdishpur for individual items -item wise- should be given in two separate sealed cover.

If you are sending the offer through e mail , the offer to be sent only to e mail id as mentioned below;

<b>PART A: TECHNO COMMERCIAL BID</b>	<b>PART B: PRICE BID</b>
<b>E Mail to , technicalbid@bhelepd.com</b>	<b>E Mail to, pricebid@bhelepd.com</b>

**Subject of the e mail should be "Tender reference No & Due date"**

**Only original manufacturers or their authorised agents are eligible to quote.**

**Vendors participating in the tender are request to have DIGITAL SIGNATURE CLASS III which is pre requisite for e procurement.**



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Kindly note that if you are registered under MSMED Act 2006, confirm the same in your quotation and submit the latest valid certificate for Micro, Small & Medium Enterprises (MSME) and for the SC/ST ownership, If any for availing benefits as per the act.

In case L1 vendor is not a Micro & Small Enterprise, 15% purchase preference will be given to the other participating M & SE vendor for ordering up to 20% of the tender quantity, provided the MSE accepts the counter offer of L-I Price .In case of more than one such M & SE's, the share of 20% will be distributed among them proportionately

4% of our total procurement is earmarked for procurement from Micro and Small Enterprises owned by SC/ST. In the event there is no participation from such M & SE, the same shall be met through other M& SE's.

Vendors will be given due opportunity to comply with BHEL requirements in a time frame in case there is any non-compliance in the original quote.

In case of vendors who are under HOLD/SUSPENSION either by POWERGRID or by BHEL MISCC, their offer will be considered provided the hold/suspension is lifted by POWERGRID/BHEL MISCC before opening of techno commercial bid . ***VENDORS SHOULD HAVE POWERGRID APPROVAL TILL THE EXECUTION OF THE CONTRACT.ORDERS WILL BE SHORT CLOSED IMMEDIATELY ON VENDORS WHO COMES UNDER HOLD/SUSPENSION BY POWERGRID DURING THE CONTRACT PERIOD. THE ONUS OF GETTING POWERGRID APPROVAL/LIFTING OF HOLD & SUSPENSION IS THE SOLE RESPONSIBILITY OF THE VENDORS.***

The tenders meeting our techno-commercial requirements will be considered for price bid opening at a later date for which eligible vendors will be intimated in due course. **BHEL reserves the right for conducting REVERSE AUCTION instead of opening the submitted sealed price bid, which will be decided after techno-commercial bid evaluation.**

Reverse Auction will be conducted by BHEL only if there is minimum four (04) techno commercially qualified offers are available.

H1 (Whose quote is highest in the initial ON LINE SEALED BID) will not be allowed to participate in the reverse auction.

BHEL will proceed with opening the sealed price bids incase the techno commercially qualified offers are less than four (04).Vendors should submit the price bid accordingly.

With Regards

Vijayan.B  
(Dy Engineer-MM)

R Ambarish  
( Sr Engineer-MM)



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**Integrity pact, Name & address of Independent External Monitor (IEM) is furnished below. Please note that appropriate details of Integrity Pact format attached should be filled up, duly signed and submitted along with the techno commercial offer by the bidder**

**Name & Address of IEM**

Shri D.R.S.Chaudhary, IAS ( Retd)  
Flat No L 202 & L203 (1st Floor),  
Ansai Lake View Enclave,  
Shamla Hills.  
Bhopal: 462 013 ( MP )  
Phone No 091 755 4050495. E mail [dilip.chaudhary@icloud.com](mailto:dilip.chaudhary@icloud.com)

**Enclosures:**

1. Tender terms & conditions (ARC/CBU/SGI-CAPS /AR /2015-16).
2. Annexure-I: Pre qualification Techno-Commercial bid format.
3. Annexure-II : Third Party Non Disclosure Agreement Format
4. Integrity pact format
5. Guidelines for Indian agents of foreign suppliers- Annexure-A
6. Purchasing specification (EL-PS-12-0003 Rev 02 dtd 30.04.2008)
7. Drawings for the socket caps, 3 980 01 00621 Rev 02 (120kN SGI Socket Caps)
8. Drawings for the socket caps, 3 980 01 03321 Rev 02 (160kN SGI Socket Caps)
9. Drawings for the socket caps, 3 980 08 00621 Rev 01 (210kN SGI Socket Caps)
10. Drawings for the socket caps, 3 980 00 00121 Rev 03 (420kN SGI Socket Caps)



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#### General terms and conditions

The following are the general terms and conditions for the supplies of different ratings of SGI Socket cap to the enclosed BHEL Drawings and Purchase Specification EL-PS-12-0003 (Latest revision) to BHEL-CBU (EPD Bangalore & IP Jagdishpur) under the annual rate contract 2015-16.

- 1. Scope of supply:** SGI socket caps are to be supplied in black condition in cast, neatly fettled, shot blasted and tested for cracks by MPI method dry/wet process without galvanizing in conformation to the requirements of our latest revised BHEL drawings & purchase specification EL-PS-12-0003 dated 30.04.2008.(Latest revision )
- 2. Quantity variation wrt to tender quantity :** The actual procurement during contract period shall vary by  $\pm 30\%$  at the time of ordering.
- 3. Price:** The rates finalized for the annual rate contract shall be valid for ONE YEAR with effect from release of ARC for supply. The rate contract shall have provision for further extension on same terms & condition for mutually agreed period with the mutual consent of both the parties. The rates quoted for the item shall be on " **per piece** " basis and should be firm and valid for the full quantity execution and **No Price Variation Clause will be Applicable** . Rates to be written in both words and figures. For any discrepancy in writing, only the price written in words will be considered. **No change in price will be entertained till the execution of total order quantity. Validity of the offer shall be minimum 90 days.**
- 4. Inspection for Indigenous vendors:** The routine inspection & acceptance testing for the supplied material shall be done at BHEL in line with purchase specification EL-PS-12-0003 Rev 02 dated 30.04.2008 (Latest revision ).However BHEL reserves the right to make pre-despatch inspection of material at vendor's place.  
**Inspection for Import:** Inspection at vendors works in line with purchase specification EL-PS-12-0003 Rev 02 dated 30.04.2008(Latest revision)
- 5. Delivery terms:** F.O.R Destination- BHEL EPD Stores, Bengaluru and BHEL IP Stores Jagdishpur.**Foreign vendors: CIF Chennai for BHEL EPD Bengaluru & CIF Mumbai for IP Jagdishpur. However freight charges from port to respective units will be loaded to arrive at L-1 status.**
- 6. Rates, Duties, and Taxes:** : In the price bid, basic price and present applicable taxes should be clearly mentioned. During reverse auction, the rates quoted shall be on COST TO BHEL basis as detailed in guidelines for cost to BHEL calculation sheet ( **Annexure-A** ) without unloading charges. The rates shall be exclusive of unloading charges but inclusive of freight & Insurance. Duties and taxes applicable on date shall be explicitly mentioned. The taxes & duties will be paid extra as applicable on the date of supply.
- 7. Payment Terms, For Indian vendors :** 45 days credit from the receipt of material at BHEL stores along with relevant documents (Invoices, Test certificates & reports) and test bars. Payment will be made only through NEFT.



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8. **Payment terms, For Foreign Vendors:** Our Payment Terms shall be **Irrevocable International Letter of Credit (LC)** with the usance period of 60 days from the date of inspection clearance at vendor's works. Incase of no inspection, date of bill of lading will be considered. LC establishment charges and other charges in India will be borne by BHEL. Bill of laden date will be considered also for pre inspection. Payment will be made through our Bankers. BHEL being a Government of India undertaking are governed by strict corporate and RBI guidelines and therefore shall not entertain any request for advance payment.

For effecting necessary payment the two sets of following documents should be submitted;

- Invoice.
- Bill of lading
- Packing list
- Test report
- Country of origin.
- A certificate to the effect that the materials shipped and shown in packing list are not more than invoiced.
- INSPECTION CLEARENCE CERTIFICATE ISSUED BY BHEL.**

9. **Capacity:** The projected requirement for both the units of BHEL has been given in the tender. Vendors should indicate/ confirm their monthly capacity to supply separately to each unit of BHEL. Vendor's capacity to supply per month implies vendor's ability to supply such quantities of items meeting the quality requirements and delivery schedules. Vendors shall intimate only such capacity that can be allocated to BHEL and not their total capacity. Also they should provide the following details in a separate annexure:

- Melting capacity
- Pouring capacity
- Heat treatment capacity
- Fettling capacity( Including out source if any )
- MPI capacity

To enable smooth supply of caps for our monthly requirement, vendors are expected to have following minimum monthly capacity for supply to BHEL units **irrespective of the % of order placed on them**. The tender not meeting the minimum monthly capacity as below is liable for rejection.

#### For indigenous vendors;

BHEL- Unit	Description of Socket Caps	Unit Wt of Cap	Minimum monthly capacity Requirement.	
		kg	Nos.	Weight (MT)
EDP Bengaluru	120kN Cap	1.4	13200	18.48
	210 kN Cap	2.5	15500	38.75
	420kN Cap	4.8	26000	124.80
	TOTAL WEIGHT FOR EPD (MT)			182.03
IP Jagdishpur	120kN Cap	1.4	14375	20.12
	160 kN Cap	2.0	37500	75.00
	210kN Cap	2.5	42000	105.00
	TOTAL WEIGHT FOR IP (MT)			200.12





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#### For foreign vendors;

BHEL- Unit	Description of Socket Caps	Unit Wt of Cap	Minimum quarterly capacity Requirement.	
		kg	Nos.	Weight (MT)
EPD Bengaluru	120kN Cap	1.4	33000	46.20
	210 kN Cap	2.5	31000	77.50
	420kN Cap	4.8	52000	249.60
	TOTAL WEIGHT FOR EPD (MT)			248.50
IP Jagdishpur	120kN Cap	1.4	28750	40.25
	160 kN Cap	2.0	75000	150.00
	210kN Cap	2.5	125000	312.50
	TOTAL WEIGHT FOR IP (MT)			502.75

10. **Lead/ Delivery time, Indigenous vendors:** Maximum lead-time of 45 days will be given for ordered quantities which shall be limited to vendor's indicated monthly capacity i.e. Vendor will be given total of 45 days from the PO date to execute the order quantities of vendor's indicated monthly capacity. However, if the quantity in a single PO exceeds the indicated monthly capacity, 30 days time shall be given for the delivery of each subsequent quantity of monthly capacity.
- Lead Delivery time for foreign vendors:** Maximum lead time of 90 days will be given for ordered quantities which shall be limited to vendor's indicated quarterly capacity i.e. Vendor will be given total of 90 days from the PO date to execute the order quantities of vendor's indicated quarterly capacity. However, if the quantity in a single PO exceeds the indicated quarterly capacity, 90 days time shall be given for the delivery of each subsequent quantity of quarterly capacity.
11. **LD Clause:** In case of delayed delivery beyond the date specified in the PO, penalty @ 0.5% of the order value per week up to a maximum of 10.0% will be levied on the defaulting quantity for the delayed period. Date of receipt of material at BHEL stores will be considered as delivery date.
12. **Risk Purchase Clause:** BHEL at its option will be entitled to terminate the contract and purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier fails to deliver within the stipulated time. **The supplier shall be liable for any loss, which BHEL may sustain by such risk purchases. The loss will be recovered from the vendor's outstanding bills with the concerned unit or any sister unit.**
13. **ACCEPTANCE TEST SAMPLES:** All testing samples required as per the sampling plan mentioned in the purchasing specification EL-PS-12-0003 Rev02 dated 30.04.2008 shall be taken from the supplied lot & deducted from the supplied lot quantity. Payment shall be made for net accepted quantity (after deduction of testing samples as per plan & rejections). The tested samples shall not be returned to vendor. **The supplier should have UTM of minimum 60MT capacity prior to Reverse Auction/Price bid opening.**



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### 14. ACCEPTANCE & REJECTIONS:

- A. The routine inspection & acceptance testing of material shall be done at BHEL EPD / BHEL IP in line with purchase specification EL-PS-12-0003 Rev02 dated 30.04.2008. Materials not meeting the requirement of drawing & purchase specification will be summarily rejected. However BHEL reserves the right to make pre dispatch inspection of materials at vendor's place.
  - B. The castings supplied are subsequently galvanized before assembling to make the finished product. The rework or rejection during galvanizing for defects attributed to vendor's manufacturing process, noticed at the time of galvanizing process by galvanizing sub-contractors will be treated as valid first-party rejections. The same shall be either replaced free of cost or payment towards rework will be adjusted from vendors pending bills. If such rejection is more than 5.0 % of supplied lot, the cost of galvanizing (including Zinc cost) will be debited to supplier's account.
  - C. The rejected lots should be lifted by vendor on his own cost within 15 days notice, failing which BHEL shall despatch the rejected material to vendor on freight paid basis through BHEL approved transporter & at the BHEL contract rate and same shall be recovered from their pending bills. However minor rejections should be lifted once in a year failing which BHEL will have no liability for such material.
15. The lowest price received through sealed bid/ Reverse Auction need not be commercially acceptable lowest price and BHEL reserves the right to NEGOTIATE the same. The price negotiations if considered necessary will be done with L1 bidder only.
16. **Price Comparison: Price comparison of the offer shall be considered on LANDED COST BASIS (COST TO BHEL).on individual items.** Landed cost shall be worked out on price quoted including freight, excise duty, sales tax after taking out CENVAT and VAT Benefit, as applicable. The comparative statement shall be worked out on landed cost basis for EACH ITEM. The calculation of LANDED COST is as given in the Annexure A. The ranking of the vendors prepared based on the Reverse Auction/Price bid opening date shall remain firm throughout the execution period. Any change in duty & tax structure during execution of the contract will not be considered for re-ranking of vendors. Interest @ Prime lending rate of SBI + 6% per annum will be loaded for the differential credit period (Specified credit period offered by supplier) and the differential amount (amount of payment specified-amount of payment asked for in the offer stage-wise). In case, the delivery basis stipulated by the Tender is different from that sought for, loading for the corresponding elements viz: freight, insurance etc. shall be made as per prevailing BHEL contract rates existing as on the date of tender opening. For the purposes of evaluation of the price, the exchange rates prevailing as on ORIGINAL TENDER OPENING DATE (Technical Bid ) will be considered. Even in case the tender opening date stands extended, the exchange rates that shall be taken will be original tender opening date. " For evaluation exchange rate ( **TT selling rate of SBI** ) as on scheduled date of tender opening ( Part-A Techno commercial bid ) shall be considered. "





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17. BHEL reserves the right/option to REFLOAT the tender if L1 price is not the lowest acceptable price to BHEL.

18. **Distribution of Load Share:** The load will be distributed to eligible vendors for in the ratio as indicated below:

- i. **For BHEL-EPD Bengaluru:** Among two most competitive vendors in the ratio of 60:40 for all the ratings of caps.
- ii. **For BHEL IP Jagdishpur:** Among three most competitive vendors in the ratio of 50:30:20 for all ratings of caps, in case technically qualified response is four or more. In case the technically qualified response is only two/three, the load distribution will be 60:40.

**Order quantity may vary by 30% at the time of ordering.** The load sharing is, however subject to acceptance of counter offer that is calculated with reference to the negotiated L1 price. The eligible vendors will be asked to match negotiated/ finalized L1 price. In case of more than one vendor having same ranking, the load share corresponding to the ranking and the next ones will be clubbed together and will be equally distributed among such vendors. In case, any eligible vendor does not accept the counter offer, opportunity will be given to the next ranking vendor. **In case no other vendor accepts the counter offer of L-1 price the total 100% of the NIT quantity will be given to L-1 bidder.**

The load distribution during the execution period of rate shall be linked to the vendor performance & their declared capacity.

19. **Performance during contract execution:** The orders will be placed during the contract period on vendors for eligible share from time to time for actual requirement. The loading of order share on the vendors will also be subjected to their performance ratings (Quality rating, Delivery rating & Service rating) for the supplies made during the contract period. The vendors with higher declared capacity with consistence good performance will be preferred over poor performing vendors and encouraged with more order share. In case of breach of contract or any issue which hampers the successful execution of contract, the business dealing with the vendor may be suspended in line with the extant guidelines of BHEL and also on the following ground.

- Supplier does not honour his own offer or any of its conditions within the validity period.
- Rejection of three consecutive supplies due to reasons attributed to suppliers (Once a lot is rejected, is reworked/segregated and accepted, it still constitute rejection)
- After placement of order, supplier fails to execute a contract.
- Supplier fails to settle sundry debt account, for which he is legitimately liable, within one year of its occurrence.
- Supplier performance rating falls below 60%.
- Supplier works are under strike/ lockout for a long period.

20. Each of our purchase order specifies the drawing number and revision number clearly. SGI caps to the drawing of the latest revision number only will be accepted.

BHEL will have the option to defer the supplies of any purchase order with a notice period of 20 calendar days.



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21. In case of unsatisfactory performance of quality / delivery BHEL will have right to discontinue the contract in part or full.
22. Appropriate care has to be taken while shipping SGI caps to avoid transit damages / losses. In the event of any damages/losses, the supplier is liable to replace the goods. Care has also to be taken to avoid mixing of different ratings of cap during shipment.
23. Validity of the rate contract shall be considered as the last date for placement of PO.
24. Acknowledgement of BHEL Stores shall be only legal document towards receipt of material.
25. The vendor will have to follow all the legal and statutory requirements and BHEL norms. BHEL will not be responsible in any way if the vendor is fined or penalized due to non-fulfillment of these requirements by any government agency like Sales Tax, Excise etc
26. **Arbitration:** Settlement of dispute, if any arises, at anytime between the BHEL and the vendor upon or in relation to or in connection with the vendor, the same shall be referred to the sole arbitration of the Head of the concerned BHEL unit or to person appointed by him. The award of the arbitrator shall be final and binding on both BHEL and the vendor
27. **Legal Jurisdiction:** In case of any legal proceedings, area of jurisdiction will be Sulatanpur UP for BHEL IP and Bengluru in case of BHEL EPD.
28. The tender not meeting the above conditions may not be entertained.

### ANNEXURE A Guidelines for calculation of Landed Cost/ cost to BHEL- For Indian Vendors

SL NO	Description	Example	Results (Rs)
A	Basic price including Freight & Insurance	100.00	97.80
B	Excise Duty & Cess on basic	12.5%	12.23
C	<b>Sub total of above</b>	<b>(A+B)</b>	<b>110.03</b>
D	CST on SI No C	2.00%	2.20
E	<b>Sub total</b>	<b>( C+D )</b>	<b>112.23</b>
F	MODVAT		12.23
	<b>COST TO BHEL</b>	<b>( E-F )</b>	<b>100.00</b>