

General Terms and Conditions (GT&C) for procurement of 04 types of Corona Rings

The following are the General terms and Conditions for the supply of 04 types of Corona Rings as per enclosed BHEL Drawings and Quality plan No INB 414 Rev 02 dtd 18.12.2013 to BHEL/ EPD Bengaluru.

1. Scope of supply common for both Indigenous & Foreign Vendors:

Corona Rings are to be supplied in fully finished condition with confirmation to the requirements of **Quality plan No INB 414 Rev 02 dtd 18.12.2013 and BHEL drawings** as detailed in the table below:

Item	Drawing Nos	Quantity/Nos	Approval
Corona Rings	3 987 14 31823 Rev 0	4900	Vendors must have valid approval from M/s. POWERGRID CORPORATION OF INDIA LTD (M/s. PGCIL) BEFORE PRICE BID OPENING otherwise their offer will not be considered.
	3 987 13 34723 Rev 0	5225	
	3 987 13 35123 Rev 0	9780	
	3 SK 3229 Rev 0	5410	M/s. POWERGRID CORPORATION OF INDIA LTD (PGCIL) approval NOT required

2. **Quantity variation wrt to tender quantity:** The actual procurement during contract period shall vary by $\pm 5.0\%$ at the time of ordering/actual supply with a consent of BHEL.
3. **Submission of offer:** Vendors can submit their offers for all the 04 line items. The cover should have the tender name and due date written on it. Individual offers Part A & Part B of each line item shall be put in a separate sealed covers and both the covers should be put in a single cover & should have the corresponding part name, subject of tender and due date written on it enabling BHEL/EPD to open the techno-coml bid & price bid of the individual item. (Please refer NIT attached).
4. **Distribution of Load Share:** Vendors can submit their offers for all the 04 line items. **L-1 status will be arrived at total landed cost in INR₹ of individual items.** Distribution of Load shall be in the ratio of 60:40. 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 & if 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 shall be linked to the vendor performance & their declared capacity. Vendors are requested to give their offer accordingly.
5. **Capacity:** The projected requirement of BHEL/EPD has been given in the tender. Vendors should indicate/ confirm their monthly capacity for supply to BHEL. Vendor's capacity to supply per month implies, vendor's ability to supply such quantities of

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items meeting BHEL/EPD quality requirements and delivery schedules. *Vendors shall intimate only such capacity that can be allocated to BHEL and not their total capacity*

Description of Corona Rings	Unit Wt	Minimum monthly capacity requirement	
	(kg)	Nos	Weight (MT)
3 987 14 31823 Rev 0	0.80	2500	2.0
3 987 13 34723 Rev 0	0.80	2500	2.0
3 SK 3229 Rev 0	1.30	2500	3.250
3 987 13 35123 Rev 0	1.40	2500	3.5
		Total weight (MT)	10.75

6. **Price:** The rates quoted for the item shall be on "**per piece**" basis and shall be firm and valid for the execution of the full quantity.
7. **The currency for Indigenous vendors will be INR₹ & the currency for Foreign vendors shall be US\$. No Price Variation Clause will be Applicable.** Rates to be written in both words and figures. Any discrepancy in rates between words & figures, only the price written in words will be considered. **No change in price will be entertained till the execution of total order quantity.**
8. **The date of PART-A: TECHNO- COMMERCIAL bid opening shall be taken / considered for evaluation of offers/bids & the exchange rate of State Bank Of India (TT selling rate of SBI) on that day shall be considered.** If the relevant day happens to be a bank holiday then the forex rate as on the previous bank (SBI) working day will be taken.
9. **Evaluation shall be done on the basis of total landed cost of individual items to BHEL/EPD Stores in INR₹.**
10. **Price Comparison:** *The calculation of LANDED COST is as given in the **Annexure A for Indigenous Vendors & Annexure E for Foreign vendors.** . The ranking of the vendors are prepared based on the Reverse Auction/Price bid & 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).*
11. 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.
12. **Packing & Transport:** Appropriate care has to be taken while sending/transporting Corona Rings to avoid transit damages / losses. In the event of any damages/losses, the supplier is liable to replace the goods. Sufficient care to be taken to **avoid mixing** of different types of corona rings & should be packed in individual lots & marked legibly during transportation. Corona Rings shall be packed in suitable wooden boxes and shipped in sea worthy containers if transported by sea.

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A. TERMS & CONDITIONS APPLICABLE TO INDIGENOUS VENDORS ONLY

13. 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 date of PO to execute the order quantities of vendor's indicated monthly capacity of individual items. However, if the quantity in a single PO exceeds the indicated monthly capacity for individual items, 30 days' time shall be given for the delivery of each subsequent quantity of the monthly capacity.

14. Delivery terms: F.O.R Destination- BHEL EPD Stores, Bengaluru.

15. Evaluation shall be done on the basis of delivered cost (i.e total landed cost to BHEL).
L-1 status will be arrived at total landed cost of individual items.

16. Rates, Duties, and Taxes: Basic price and present applicable taxes should be clearly mentioned in the price bid. 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**). 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 as applicable on the date of supply.

17. Payment Terms for Indigenous Vendors: 45 days credit from the date of receipt of material at BHEL stores & for the accepted quantity only. Relevant documents (Invoices, ED gate pass, Test certificates & reports) should accompany along with the material. Payment will be made only through NEFT on submission of relevant/proper documents.

- a. **MSE suppliers can avail the intended benefits only if they submit along with offer, attested copies of either EM II Certificate having deemed validity (two years from the date of issue of acknowledgement in EM-II) or valid NSIC certificate or EM II certificate along with CA certificate (format enclosed as per annexure-B) applicable for the year, certifying quantum of investment in plant and machinery with in the permissible limit as per the act for relevant status (micro or small) where the deemed validity of EM II is over .date to be reckoned for determining the deemed validity will be the last date of technical bid submission. non submission of such documents will lead to consideration of their bids at par with other bidders and MSE status of such suppliers shall be shifted to non MSE supplier till the supplier submits these documents"**
- b. **In comparative statement ranking of the vendors if found equal (L1) more than one vendor in all terms, then the factor will be applied as follows: a) The Qty. will be distributed among them equally or b) if Qty. is not possible to divide then we may ask all L1 vendors to give maximum discount or we will go for lottery method to get one L1 vendor & decide accordingly.**
- c. **Udyog Aadhaar portal is now operationalized and is available at <http://udyogaadhaar.gov.in/> where MSME can file the Udyog Aadhaar. FAQ link of the same is available at <http://udyogaadhaar.gov.in/UA/FAQ.aspx>.**

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B. TERMS & CONDITIONS APPLICABLE TO FOREIGN VENDORS ONLY.

18. Lead/ Delivery time, Foreign vendors: Maximum lead-time of 75 (45+30) days will be given for ordered quantities, i.e. Vendor will be given total of 75 days from the date of PO to execute the total order quantity.

19. Delivery terms: CIF Chennai

20. Freight, Insurance, Transportation etc from Chennai to BHEL/EPD Stores shall be applicable as per prevailing BHEL contract rates existing as on the date of tender opening.

21. **Price Comparison:** *The calculation of LANDED COST is as given in the **Annexure E**. The ranking of the vendors are prepared based on the Reverse Auction/Price bid & shall remain firm throughout the execution period.*

22. Payment terms for foreign Vendors: Irrevocable International letter of Credit (LC) with usance period of 75 (45+30) days from the date of Bill of Lading (BL). LC establishment charges & other bank charges in India will be borne by BHEL & other foreign bank charges will be borne by the vendor.

23. In addition to our general terms & conditions stated above the following points to be noted before quoting/ submission of offer:

- a. Only Original Manufacturers or their authorized agents are eligible to quote. No traders/agents are allowed to participate in the tender.
- b. The vendors who are approved by **M/s. POWERGRID CORPORATION OF INDIA LTD (M/s. PGCIL)** have to submit the valid approved document.
- c. **Vendors must have valid approval from M/s. POWERGRID CORPORATION OF INDIA LTD (M/s. PGCIL) BEFORE PRICE BID OPENING otherwise their offer will not be considered.**
- d. Validity of the offer shall be 90 days from date of price bid opening and extendable to a mutually agreeable period.
- e. New vendors who are not registered with BHEL shall fill the Supplier Registration Form (SRF) (Indigenous/foreign vendors as applicable) which is attached and are required to submit the same along with the techno-commercial bid.
- f. **BHEL reserves the right to conduct REVERSE AUCTION instead of opening the submitted sealed price bid, which will be decided after techno-commercial bid evaluation. Please refer Reverse auction guidelines which is available in BHEL web site www.bhel.com.**

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- g. The tenders meeting our techno-commercial requirements will be considered for price bid opening/reverse auction at a later date for which eligible vendors will be intimated in due course.
 - h. Reverse Auction will be conducted by BHEL only if there is minimum four (04) techno commercially qualified offers are available.
 - i. H1 bidders (Whose quote is highest in the initial ON LINE SEALED BID) will not be allowed to participate in the reverse auction.
 - j. BHEL will proceed with opening the sealed price bids in case the techno commercially qualified offers are less than four (04). Vendors should submit the price bid accordingly.
 - k. 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.
24. BHEL reserves the right/option to REFLOAT the tender if L1 price is not the lowest acceptable price to BHEL.
25. Each of our purchase order specifies the drawing number and revision number clearly. Corona Rings 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.
26. **Acknowledgement** of BHEL Stores shall be only legal document towards receipt of material. 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.
27. **Inspection, Acceptance & Rejections:** Vendors to submit 02 nos sample of each individual Item for testing & acceptance. Bulk supply to be done after approval of the sample. The routine inspection & acceptance testing of supplied material shall be done at BHEL EPD, however BHEL reserves the right to make pre-dispatch inspection of materials at vendor's place. All testing samples required as per the sampling plan -QP No INB 414 Rev 02 dated 18.12.2013 will be taken from the supplied lot & the cost deducted accordingly and payment will be made only for the net accepted quantity. The tested samples shall not be returned to vendor. Materials not meeting the requirement of drawing will be summarily rejected. The rejected lots should be lifted by vendor on his own cost within 15 days' notice failing which BHEL will have no liability for such material.
28. **LD Clause:** In case of delayed delivery, late delivery charges @0.5% per week up to a maximum of 10% will be levied on the defaulting quantity for the delayed period as per the corresponding PO.

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29. **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.**
30. In case of unsatisfactory performance of quality / delivery BHEL will have right to discontinue the contract in part or full.
31. **Arbitration**: Settlement of dispute if any arises, at any time 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.
32. **Legal Jurisdiction**: In case of any legal proceedings, area of jurisdiction will be Bengaluru
33. **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."**
34. **ANNEXURE A Guidelines for calculation of Landed Cost/ cost to BHEL/EPD for Indigenous vendors. (SAMPLE SHEET)**

SL NO	Description	Example	Results (Rs) CST @ 2%	Results (Rs) Kvat @ 14.5%	Results (Rs) Kvat @ 5.5%
A	Unit Basic price including Freight & Insurance	₹100.00	97.80	96.92	98.81
B	Excise Duty & Cess on basic	12.50%	12.09	12.12	12.35
C	Subtotal of above	(A+B)	109.89	109.04	111.16
D	CST/VAT on SI No C	2.00%	2.20	15.81	6.11
E	Sub total	(C+D)	112.09	124.85	117.27
F	MODVAT		12.09	12.12	12.35
G	VAT Credit @80.50%		0.0	12.73	4.92
	COST TO BHEL	(E-F -G)	₹100.00	₹100.00	₹100.00

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35. **Annexure. B, C & D to be filled, signed, sealed & submitted by Indigenous vendors along with the techno-commercial bid. (Part A)**

36. **ANNEX.B
(MSE VENDORS) CERTIFICATE BY CHARTERED ACCOUNTANT ON LETTER HEAD**

This is to certify that M/s----- (herein after referred to as company) having its registered office at-----is registered under MSMED act 2006,(Entrepreneur Memorandum no(Part-II)-----dtd:-----Category-----

(Micro / Small).(copy enclosed).Further verified from the Books of accounts that the investment of the company as on date-----as per MSMED Act 2006 is as follows:

1.For Manufacturing Enterprises: Investment in plant & machinery (i.e. Original cost excluding land & building and the items specified by the Ministry of Small Scale Industries vide its notification no.S.O.1722 (E) dated October 5, 2006: Rs .-----lakhs.

2. For Service Enterprises: Investment in equipment (original cost excluding Land & building and furniture, fittings & other items not directly related to the service rendered or as may be notified under the MSMED Act,2006.). Rs. -----lakhs.

The above investment of Rs. ----- Lakhs is within permissible limit of Rs.----- -Lakhs for-----Micro/Small (strike off which is not applicable) Category under MSMED Act 2006.

(Signature)

Name

Membership no.

Seal of chartered accountant

Date:

37. **Annexure C** **Un Priced Format**

Vendors to fill this format & submit along with the Techno- Coml bid. (Part A)

Item	Drawing Nos	Quantity /Nos	Quoted. Yes /No	Approved by M/s.PGCIL & copy of Approval enclosed Yes /No.
Corona Rings	3 987 14 31823 Rev 0	4900		
	3 987 13 34723 Rev 0	5225		
	3 987 13 35123 Rev 0	9780		
	3 SK 3229 Rev 0	5410		

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38. **Annexure D**

THIRD PARTY NON-DISCLOSURE AGREEMENT

I,-----on behalf of the -----
(Name of company), acknowledge that the information received or generated, directly or indirectly, while working with BHEL on contract is confidential and that the nature of the business of the BHEL is such that the following conditions are reasonable, and therefore:

I warrant and agree as follows:

I, or any other personnel employed or engaged by our company, agree not to disclose, directly or indirectly, any information related to the BHEL. Without restricting the generality of the foregoing, it is agreed that we will not disclose such information consisting but not necessarily limited to:

Technical information: methods drawings, processes, formulae, compositions, systems techniques, inventions, computer programs/data/configuration and research projects.

Business information: Customer lists, projects, schedules, pricing data estimates, financial or marketing data.

On conclusion of contract, I, or any other personnel employed or engaged by our company shall return to BHEL all documents and property of BHEL, including but not necessarily limited to: drawings, blueprints, reports, manuals, computer programs/data/configuration, and all other materials and all copies thereof relating in any way to BHEL's business, or any way obtained by me during the course of contract. I further agree that I, or any others employed or engaged by our company shall not retain copies, notes or abstracts of the foregoing.

This obligation of confidence shall continue after the conclusion of the contract also.

I acknowledge that the aforesaid restrictions are necessary and fundamental to the business of the BHEL, and are reasonable given in the nature of the business carried on by the BHEL. I agree that this agreement shall be governed by and construed in accordance with the laws of the country.

I enter into this agreement totally voluntarily, with full knowledge of its meaning, and without duress. Dated at-----this -----day of 20-----

Signature
Name
Company

Disclaimer/Important: All information contained herein is confidential and not to be disclosed to parties not specified herein.

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39. **ANNEXURE E** Guidelines for calculation of Landed Cost/ cost to BHEL for Foreign vendors only. (SAMPLE SHEET)

CORONA RINGS			
TT Selling rate Approx. Rs.60/USD\$	Approx USD/Unit	USD \$	\$1.00
CIF Chennai. Assessable value	A	INR ₹	₹ 60.00
Basic Customs Duty (BCD)@7.5% onA	B		₹ 4.50
Counter veiling duties (CVD)@12%on (A+B)	C		₹ 7.74
Edu. Cess @3%on CVD(C)	D		₹ 0.23
Edu. Custom Cess @3%on (B)	E		₹ 0.14
<u>SAD@4%on (A+B+C+D+E)</u>	F		₹ 2.90
Total Duties (B+C+D+E+F)			₹ 15.51
C&F charges Approx .Rs.19520/-Container as per ROD Chennai			₹ 0.98
Transport charges/Container	Rs.28000		₹ 1.40
Payment Loading			₹ 0.00
Sub Total (1)			₹ 77.89
Cenvat Credit on (C+D+F)			₹ 10.88
NET LANDED COST TO EPD in INR			₹67.01

40. **Annexure-C Un Priced Format**

Vendors to fill this format & submit along with the Techno- Coml bid. (Part A)

Item	Drawing Nos	Quantity /Nos	Quoted. Yes /No	Approved by M/s.PGCIL & copy of Approval enclosed Yes /No.
Corona Rings	3 987 14 31823 Rev 0	4900		
	3 987 13 34723 Rev 0	5225		
	3 987 13 35123 Rev 0	9780		
	3 SK 3229 Rev 0	5410		