



BHARAT HEAVY ELECTRICALS LIMITED  
PROJECT ENGINEERING MANAGEMENT, NOIDA

Date-7-Sep-22

CORRIGENDUM- 01

<b>PROJECT</b>	<b>:</b>	<b>4X250 MW BRBCL NABINAGAR FGD</b>
<b>PACKAGE</b>	<b>:</b>	<b>MISC.TANKS (SITE FABRICATED)</b>
<b>ENQUIRY NO</b>	<b>:</b>	<b>PE/PG/BRB/E-7066/2022 dtd 09.08.2022</b>
<b>SUBJECT</b>	<b>:</b>	<b>COMMERCIAL CHANGE</b>

Type of Corrigendum			
Technical Corrigendum -	<input type="checkbox"/>	Commercial Corrigendum -	<input checked="" type="checkbox"/>

In reference to the above mentioned tender enquiry for **MISC. TANKS(SITE FABRICATED)** package.

Please note the following:

Revised PVC formula (attached along with this corrigendum-01) shall be applicable in place of already provided PVC formula with NIT.

- Bidders who have not submitted their offer are requested to go through the same and submit their offer accordingly.
- Bidders who have already submitted their offer are also requested to go through the same and may revise their offer accordingly (if needed at their end).

All the other terms and conditions of the tender enquiry shall remain unchanged. All the bidders are requested to quote accordingly.

Yours faithfully,

For and on behalf of BHEL

Guru Das  
Manager

## PRICE ADJUSTMENT FORMULA FOR SUPPLY PORTION

Reference: Circular No. 34 of 2021-22 issued by SS&P, Ref:AA:SSP:PP:PVC dated 23/03/2022

- (1) The price adjustment formula is defined for price components related to Main Supply package and Mandatory spares.
- (2) The amount of price adjustment shall be computed as under:

$$EC = EC1 - EC0$$

EC1 will be computed as follows:

$$EC1 = 0.7 \times EC0 \{F + a \times A1m / A0m + Lb \times L1 / L0\} + 0.3 \times EC0 \{F + a \times A'1g / A'0g + Lb \times L1 / L0\}$$

Where

EC = Adjustment in Ex-Works supply Price.

EC1 = Adjusted Amount of Ex-Works supply Price.

EC0 = Ex-Works supply Price as per LOA/ PO.

(i) 'F' shall be fixed portion of the Ex-Works supply Price and shall be considered as 0.15.

(ii) 'a' shall be co-efficient which shall be considered as 0.6

(iii) A1m & A0m shall be Wholesale Price Index for "MANUFACTURE OF BASIC METALS" as published in RBI Bulletin, Sl.no. 1.3.14 and A1g & A0g are as per "BASIC CHEMICALS" as published in RBI Bulletin, Sl. No. 1.3.10 respectively, Base: 2011-12 = 100

(iv) 'Lb' shall be co-efficient for labour component in the Ex-Works Component of the supply Price which shall be considered as 0.25

(v) 'L' shall be consumer price index for industrial workers as published by RBI in RBI Bulletin, S.N. 1, Base year 2016=100 (Extract of website is pasted below for reference).

(vi) For the indices,

Subscript '0' refers to indices of the Base Month which shall be taken as the month before the month of the price bid opening.

Subscript '1' refers to indices of the month before the month in which delivery is required to be made as per the Purchase Order or its amendments issued. The latest available indices are to be extrapolated to the above defined month wrt the base month.

Source link of RBI bulletin: [https://rbi.org.in/Scripts/BS\\_ViewBulletin.aspx?Id=20964](https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=20964)

### **Note:**

- 1) Prices shall remain firm till completion schedule as defined in LOA/s. Price adjustment as defined above, shall be applicable only beyond completion schedule as per LOA. Price adjustment shall be payable to vendor only if the delay is not attributable to the vendor. However, if the delay is attributable to vendor then the negative price adjustment (if applicable) shall be passed on to BHEL.
- 2) The price adjustment shall be limited to (+) 10% of Ex-Works Supply Price including commissioning spares, Mandatory spares (excluding taxes)

## PRICE ADJUSTMENT FOR SERVICE PART (E&C)

- (i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour in accordance with the provisions described below:
- (ii) The price adjustment provisions shall be applicable for price components relating to service part (E&C) as per price break-up furnished by the Contractor.
- (iii) Only following components of the Contract Price will be subject to Price adjustment:
  - (a) Service part (E&C) component of Contract Price.
- (vi) The indices for price adjustment shall be as elaborated hereunder.
- (v) The price adjustment formula for the components of the Contract Price, as mentioned at Sl.No. (iii) above shall be as stipulated hereinafter.

### **a) Indian Rupee Portion of the Installation Services**

ER = ER1 – ER0

ER1 will be computed as follows:

**ER1 = ER0 (0.15 + L<sub>b</sub> x (L<sub>1</sub>/ L<sub>0</sub>))**

Where:

ER = Adjustment to Erection & Commissioning price component of contract price expressed in Indian Rupees payable to the contractor for each billing.

ER1 = Adjusted amount of Erection & Commissioning price component of contract price expressed in Indian Rupees payable to the Contractor.

ER0 = Value of the Erection & Commissioning work done in the billing period, which shall be calculated as under:

For the purpose of computing ER0, each Erection & commissioning bill (service part) during the E & C period up to the 'Completion of the Facilities' shall be calculated as described in this document.

L<sub>b</sub> – Coefficient of labour (for all categories) content in the Indian Rupee portion of the erection & commissioning =0.85

L=Indian field labour index namely, all India consumer price index for industrial workers (All India Monthly Average) as published labour bureau, Shimla, Government of India.

For the indices, subscript '0' refers to indices as on date of completion of delivery as per LOA.

Subscript '1' refers to indices as applicable for the month of execution of the E&C work

#### **Note:**

1) PVC shall be applicable only beyond original overall completion schedule as per LOA. PVC shall be applicable only if the delay is not attributable to contractor/ vendor. However, if the delay is attributable to vendor, then the negative price variation shall be passed on to BHEL.

2) The price variation shall be limited to +10% of total E&C price (excluding taxes).