

ANNEXURE - I

Instruction to bidders and Terms & Conditions for Enquiry No. E-1393031

E-tenders are invited in **Two-Part Bid system** for purchase of the equipments / items as per enquiry. The supplies against this tender enquiry shall be subject to our general Terms and conditions of enquiry and PO. In addition, the terms and conditions given under this annexure shall specifically apply to this enquiry. Should there be any difference between the general Terms and conditions of enquiry & PO and the conditions included in these annexures, the latter shall prevail.

1. **General:-** Complete items including spares, if any, shall be supplied directly to FOB Sea Port in accordance with the technical requirements as agreed at the time of actual order.

The quoted rates shall be inclusive of **all tooling cost, packing & forwarding charges** on FOB Sea Port basis and shall be strictly in accordance with the requirement of price format no extra charges shall be payable on whatsoever account.

2. **Guidelines for Reverse Auction:** Wherever it is felt that procurement may be done through Reverse Auction, the bids shall be invited in two parts/ three parts or single part bid (Price Bid) where Techno-Commercial MoU already exists. Wherever, the evaluation is done for individual line item, separate envelope sealed price bid for each line item shall be taken.

Decision to go for RA would be taken after evaluation of techno-commercial bids. The NIT would contain following **clause**:

"BHEL reserves the right to go for Reverse Auction (RA) (Guidelines as available on www.bhel.com) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. Bidders to give their acceptance with the offer for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA.

Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'Process compliance form' (to the designated service provider) as well as 'Online sealed bid' in the Reverse Auction. Non-submission of 'Process compliance form' or 'Online sealed bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com).

*The bidders have to necessarily submit online sealed bid less than or equal to their envelope sealed price bid already submitted to BHEL along with the offer. **The envelope sealed price bid of successful L1 bidder in RA, if conducted, shall also be opened after RA and the order will be placed on lower of the two bids (RA closing price and envelope sealed price) thus obtained. The bidder having submitted this offer specifically agrees to this condition and undertakes to execute the contract on thus awarded rates.***

If it is found that L1 bidder has quoted higher in online sealed bid in comparison to envelope sealed bid for any item(s), the bidder will be issued a warning letter to this effect. However, if the same bidder again defaults on this count in any subsequent tender in the unit, it will be considered as fraud and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com)."

As a reminder to the bidders, system will flash following message (in RED Color) during the course of 'online sealed bid':

"Bidders to submit online sealed bid less than or equal to their envelope sealed bid already submitted to BHEL"

3. **Tender evaluation:-** All the items of this tender enquiry shall be purchased from a single source based on the over all economy and bids shall be evaluated on total delivered cost to BHEL site taking into account all duties/taxes, freight etc as could be applicable. Bidders may note that quoted rates shall be loaded for any deviation from the terms & conditions given in this enquiry. Tender evaluation shall be carried out on the basis of technical specifications and commercial

terms & conditions specified in the tender documents and changes thereof, if any, shall be communicated to all the bidders before price bid opening. Techno-commercial bid should normally not to be rejected (in the case of two-part bid system) without giving the bidder an opportunity to withdraw the deviations/furnish the clarifications/documents by appropriate cut-off date.

4. **Technical Parameters:-** All items including spares, if any, shall conform to the specifications, drawings etc. mentioned against each item in the enquiry sheet. Bidders shall submit their design/ drawings/technical data, QA plan etc. along with techno-commercial bid part-I for our review / approval.
5. **Vendors Approved by BHEL's Customers:-** Bidders to note that acceptance of their offer is subject to approval by BHEL's customer, wherever required. If asked, bidders to provide credentials for approval from our customer.
6. **Pricing Terms:-** Firm. No price variation shall be allowed and hence bidders are requested to quote firm price only.
7. **Delivery Period:-** Bidders shall commit suitable delivery on FOB Sea Port basis. Bidders may note that delivery beyond committed schedule will attract penalty for delayed performance.
8. **Terms of delivery:-** Prices are to be furnished on FOB Seaport basis. Please mention the name of Seaport (as per list attached with enquiry) related to delivery.
9. **Transit Insurance:-** Up to FOB Sea Port by vendor scope. From FOB Sea Port to India by BHEL scope.
10. **Payments Terms:-** 100% payment through un-confirmed irrevocable Letter of Credit with 90 days usance period. L/c shall be established 30 days prior to readiness of material and shall be valid for another two months i.e the L/C shall remain valid for a period of 90 days from date of opening. Or 100% payment through CAD payable on 90th day of B/L. Any other payment terms i.e L/c at sight etc, shall be loaded @ SBI base rate + 6 % for the purpose of bid evaluation.
11. **Taxes & Duties:-** All taxes & duties as applicable within India will be reimbursed by BHEL and same will be considered for price comparison purposes. Bidders to indicate type of taxes/duties and their rates applicable as on the date of bid submission.
12. **Validity of Offer:-** Offer should be valid for a period of 90 days from the date of technical bid opening date for finalization of the contract.
13. **Levy of Penalty for delayed performance:-** Bidders may kindly note that penalty @ 0.5% per week or part thereof subject to maximum of 10% of the order value shall be applicable for delay in supply beyond contractual delivery period. Bidders are requested to give specific acceptance for penalty clause. LR/GR/BL date will be taken as proof of delivery for calculating delayed performance.
14. 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.

Fraud Prevention policy and List of Nodal Officers shall be hosted on BHEL web site, vendor portals of Units/Regions intranet.

(Name of Firm)
Seal & Sign by Authorized signatory)