

**BHARAT HEAVY ELECTRICALS LIMITED, BHOPAL.
(MM-COPPER)**

Instructions to Bidders and Techno-Commercial Terms & Conditions to enquiry no. E-7093002.

Bids shall be submitted in two part bid system by the manufacturers i.e. principals and not their authorized agents. In exceptional cases only, if due to any constraint the principals are unable to submit the quotation themselves, they should give an undertaking that the quotation shall be submitted by their authorized agent (specifying the name & address) and the commitments made by such agent shall be honored by them.

The supplies against this rate contract enquiry shall be subject to our general terms and conditions of the enquiry/ P.O. In addition, the following techno-commercial terms and conditions shall specifically apply to this enquiry. Should there be any conflict between the general conditions and these specific conditions, the specific conditions shall prevail.

- 1. Procedure for Bid submission:-** Separate sealed envelopes containing the Bid part -I and Bid part-II shall be super scribed enquiry number and due date and shall be submitted before 11:00 hrs (IST) of the due date. The bids shall be submitted in two parts, in separate sealed covers as under

Bid part – I, **Technical Cum Commercial** (Techno-Commercial) bid with filled in Annexure-II and filled in copy of 'INTEGRITY PACT' duly signed by the authorized signatory of the vendor who signs the bid.

Bid part – II, **Price bid**.

**a) BID PART – I : Techno- Commercial bid
(In one separate envelope duly signed and stamped)**

The techno-commercial bid part – I shall contain complete commercial offer with description of the product offered, clause by clause acceptance to all the specifications, acceptance to all the clauses of this annexure-I, BHEL's general terms and conditions of enquiry and Purchase Order (PO) and **the filled in Annexure-II contained in this document**. However in case it becomes necessary to deviate, such deviations must be clearly brought out in bid part-I of the offer under the following heads:-

1. Deviations from Purchase Specification AA 12024 Rev 06.
2. Deviations from this "Instruction to bidders and Techno-Commercial Terms & Conditions applicable to this enquiry" i.e **Annex. I to III**.
3. Deviations from BHEL Bhopal terms and conditions of Indigenous enquiry and "BHEL PO Terms and Conditions (Indigenous)" (-applicable to indigenous suppliers-).

OR

4. Deviations from Terms and conditions of Foreign enquiry and General Terms and conditions for overseas Purchase order (-applicable to foreign suppliers only-).

Any deviation to INTEGRITY PACT' is not acceptable.

**b) BID PART – II : Price Bid
(In another separate envelope duly signed and stamped)**

Price bid should be submitted in Annexure "III". No other enclosure should be placed in this envelope nor should any condition be introduced. Price bid of only techno-commercial acceptable bidders (-A bidder who is found techno-commercial acceptable based on the bid but found not suitable when their works is assessed as per vendor registration system shall be treated as disqualified bidder-) shall be opened at a later date, which shall be informed giving 3 days minimum notice. The bidders who qualify in the techno-commercial bid have also to go for normal vendor registration process and price bids of techno-commercially acceptable bidders and registered with BHEL after successful completion of registration process shall only be opened after completion of registration formalities. The price bid part-II submitted along with bid part-I should have validity of 90 days from the date of its opening.

Alternatively: BHEL reserves the right to go for a **REVERSE AUCTION** i.e. “Online Bidding on Internet” instead of opening the price bid in which techno-commercially acceptable bidders only would be allowed to participate. For this purpose, BHEL's authorized service provider will contact the qualifying suppliers separately. In such case the sealed price bids submitted along with bid part-I will normally be opened.

In case reverse auction mode is not resorted to / not conducted or not successful or the results of the reverse auction are not acceptable to BHEL, the price bid Part-II to be sent along with techno-commercial bid as per **Annexure-III** of techno-commercial acceptable vendors shall only be opened giving minimum 3 days notice.

2. Technical / Purchase Specification:-

Material under enquiry shall conform to purchase specification AA 12024 Rev -06. Bidders are requested to submit a sample Test Certificates showing chemical composition as well as well mechanical properties for any of the lot recently produced for our evaluation along with the offer in bid part -I.

3. RC Enquiry Quantity and Size of CC Rod:- 2290 ± 30%

Lot wise quantity and delivery schedule indicated in the enquiry sheet is tentative. Actual procurement will be carried out progressively as per BHEL's requirement under the rate contract valid for 12 months after its finalization with an option to extend the same up to further 12 months with or without increase in quantity with mutual consent of the parties. The rates quoted shall be valid regardless of the quantity that may be awarded at the sole discretion of BHEL.

Our general requirement for CC rods is of 8 to 26 mm dia or above. Bidders are requested to indicate the complete range of CC Rods that they manufacture and can supply to BHEL.

The tentative annual requirement of various BHEL units (Bhopal, Jhansi , Hariwdar etc.) is as under :-

(All Qtys. in MT)

Unit/Divn	8 mm		10 to 13 mm		Above 13 & upto 23 mm		Above 23mm	Grand Total
	Merit	DEEC	Merit	DEEC	Merit	DEEC	Merit	
Bhopal	420	168	516	225	66	0	75	1470
Jhansi	259	93	300	105	9	9	0	775
Haridwar	0	0	10.5	34.5	0	0	0	45
Total	678	261	826.5	364.5	75	9	75	2290

The above size wise quantity breakup is tentative and can vary to any extent within the sizes as per BHEL's customer requirement. In case the CC Rod of exact dia indicated above is not available, bidders are to indicate & quote for the nearest size of CC Rod offered.

4. Qty. variation for rate contract :-

The contracted quantity shall be subjected to a variation of $\pm 30\%$.

5. Pricing Terms :-

This shall comprise of basic copper price, exclusive of duties & taxes, in terms of LME CSP of Gr. “A” copper in US \$ of Quotational period (QP), Premium and C&F charges etc, if any, as detailed hereunder :-

- a) **LME CSP Rate:-** This shall be the unknown average LME CSP of gr. A Copper in US \$ of corresponding QP.

Contd..3/-

- b) **Quotational Period (QP) :-** Generally QP shall be fortnight of booking. (First fortnight will be from 1st to 15th day of the calendar month where as second fortnight shall be from 16th day to the last day of the calendar month). BHEL can also consider opting for booking of any 15 days average, Forward, Spot & Futures if so desired by BHEL in the course execution of the RC.
- c) **Premium:-** Bidders are requested to quote premium in US \$ / MT for each size / size range as per price format Annexure – III.
- d) **Clearing & Forwarding Charges:-** These shall be payable wherever for delivery of the material at our job worker's premises is advised by BHEL.

The Seller shall furnish their price calculation sheet duly supported by a statement showing LME rates, TT selling rates of the quotational period certified by the authorized signatory along with invoice in case of award of rate contract.

6. Evaluation of Bids :-

Bids shall be evaluated on delivered cost basis (HESG cost). BHEL evaluates the bids considering the size range given in sl. No. 3 above as one item. bids Bidder may please note that the bids shall be suitably loaded for any deviation from the terms and conditions contained in this enquiry, to arrive at the delivered cost. Bids shall be evaluated considering LME of grade 'A' copper & the exchange rate prevailing on the date of technical bid opening, the premium quoted, discount offered and the prevailing Import duty & other taxes etc. as applicable.

In case of foreign bidders bids are invited both on FOB basis (-with destination port as JNPT/ Mumbai) and also on C&F/CIF JNPT Nhava Sheva /Mumbai basis. Bidders may please note that for the purpose of evaluation, SCI rates for Sea freight from the country of origin up to JNPT Nhava Sheva / Mumbai port shall be added to the FOB rates to arrive at the C&F / CIF rates. Further, operation on C&F/CIF basis shall be subject to permission of the concerned department of Govt. of India.

7. Allocation of RC Quantity :-

Since the aim of this tender enquiry is to develop new sources, tendered qty shall be distributed amongst all the successful bidders. The techno-commercial acceptable lowest bidder would get major share depending upon his supply capacity. However, initially order for relatively small qty. will be placed. Bulk ordering shall be considered only after successful completion of the initial lots.

8. Purchase of CC rods against DEEC licenses (Nil Duty benefit) :-

As per Govt. rules & regulation, duty benefit can be availed by the indigenous for supply of CC rods on 'NIL Duty' through ARO / Invalidation route in line with present practice. Indigenous bidders are requested to furnish procedure for such a sale with benefit of 'Nil duty'.

9. Terms of delivery :-

- (i) **For Indigenous Bidders:-** F.O.R destination basis, including P & F, Insurance and freight upto any destination within India. Normally CC Rod shall be delivered at our job worker's works as per the instructions in the delivery order issued by BHEL in line with the present practice.
- (ii) **For Foreign Bidders:-** FOB port of shipment (please indicate name of the load port) including P & F, any duty / taxes, THC, freight upto the load port. Bidders can also quote on C&F / CIF delivery basis indicating Sea freight in US \$ / MT added to the FOB rate to arrive at C&F / CIF quote. In the event of C&F/CIF contract, the bidder shall ensure minimum 15 days detention free period at the discharge port.

10. Delivery Period :-

Materials are required from the ready stock and the bidders shall accordingly indicate the best possible delivery period. Date of inspection of material at seller's works (in the event of inspection) / or despatch ex-works/FOB (LR / BL date shall taken as proof of delivery) will be reckoned as committed delivery for all contractual purposes. The operation of penalty clause will also be governed accordingly with reference to this committed delivery.

11. Transit Insurance:-

Suitable transit insurance cover from the time the cargo is loaded on board the vessel / handed over to transport will be arranged by BHEL at it's own cost in the event of FOB contract. The bidder shall also render all necessary assistance needed by BHEL to recover the damages from the insurers, in the event of claim arising under BHEL's policy.

12. Bank Charges :-

All bank charges shall be to the bidder's account.

13. Levy of Penalty for delayed performance :-

Delivery under this enquiry is the essence of the contract. The delay in offering the materials for inspection / dispatch Ex-works/FOB, beyond the agreed schedule will attract penalty @ 0.5% per week or part there of subject to maximum of 10% of the value of the Goods so delayed.

14. Performance Bank Guarantee from New bidders:-

New bidders may please note that the CC rods to be purchased from them shall be issued directly to our job workers located any where in India for processing / making conductors as per BHEL requirement. All successful new bidders have to furnish order wise performance bank guarantee for 10% of the order value. Supplier's liability shall be with material / manufacturing defects only and not for other factors such as transit damage / reasons not attributable to the supplier. Order value shall consist of {material value + (freight + duties + stores incidental charges etc.)}. The validity of BG shall be one year from the date of issue. Supplier shall extend the BG as & when required, in case the validity falls short on a/c of testing of equipment or one year from the date of LR / BL, whichever is early.

15. Vendor Registration :-

All the new bidders (-who are not already registered with BHEL, Bhopal for this product-) are requested to fill up the enclosed registration form with all the enclosures and send the same along with the bid part-I. The registration form can also be down loaded from our web site www.bhel.com.

16. Payment terms :-

100% payment will be considered against receipt and acceptance of material within 90 days without any interest or within 45 days as per MSMED act whichever is applicable. **No loading of price with regard to preferential payment within 45 days will be done for the bidders covered under MSMED act.**

17. Taxes and Duties :-

All taxes and duties levy-able within India as on the date of dispatches of the goods shall be reimbursed by BHEL against documentary evidence. Bidders are requested to kindly indicate the taxes & duties applicable on the date of bid submission. All taxes and duties levy-able outside India shall be to the bidder's account and the same will not be borne by BHEL in any circumstances.

18. Validity of the Offer :-

The priced offers shall be valid for a period of 120 days from the date of techno-commercial bid opening. However BHEL can consider finalizing the tender quickly.

19. Validity of Rate contract :-

Validity of RC shall be 12 months (one year) after its finalization for ordering with additional lead time of 3 months for supply with an option to extend the rate contract validity up to one year with or without any increase in the quantity with mutual consent of parties involved.

20. Inspection of material :-

BHEL reserves the right to get the material source inspected through it's own Engineers/ Customer / Third party inspection agency. It is expected that the charges for preparing the ordered goods for TP inspection shall be borne by the bidder. Seller shall however submit the test certificates in duplicate for the chemical composition and the physical/ mechanical properties. Final inspection of the goods shall be on receipt of material at the works of BHEL and/or the job workers.

21. Replacement of rejected Goods :-

Final inspection for acceptance of quality shall be at BHEL's works Bhopal after receipt of material and results shall be binding on the suppliers. In case of rejection due to non compliance to agreed specification and for the reasons attributable to the vendor, the materials shall be replaced by vendor free of charge on "F.O.R. BHEL works basis" including inter-alia cost elements such as total transportation, insurance, all duties & taxes port clearance etc. as applicable. The rejected goods shall be subsequently returned to the vendor at his cost.

22. Integrity Pact – Independent external monitors (IEM) :-

With a view to maintain transparency, Integrity Pact has to be signed by all bidders as already stated at sl. No. 1 above. Following are the three independent external monitors (IEM) for this pact.

Sl. No.	IEM	Address	Phone Nos.
1.	Shri D. P. Bagchi, IAS (Retd.)	Y-165, Regency Park-II, Phase IV, DLF City, Gurgaon – 122 009	+91 - 124 - 4040876 +91 - 9818264645
2.	Shri Kanwarjit Singh, IRS (Retd.)	D6/12, Vasant Vihar, G.F, New Delhi – 110 057	+91 - 9868109389
3.	Shri J. M. Lyngdoh, IAS (Retd.)	Plot No. 144 – 145, Pragati Resort, Proddator Village & P.O. Shankarpally Road, Rangareddy Distt. (A.P.)	+91 – 841 - 7224101

23. Bidders may note that the bids shall be suitably loaded for any deviation from this annexure, the enclosed 'Terms and Conditions of Indigenous Enquiry' and 'BHEL PO Terms & Conditions (Indigenous) OR 'Terms and Conditions of Foreign Enquiry' and 'BHEL PO Terms & Conditions (Overseas) to arrive at delivered cost to BHEL (HESG price).
24. The rate contract shall be operated by all the BHEL units (e.g. Bhopal, Jhansi Haridwar etc.) independently as per their requirements.
25. Bidders are requested to submit annexure-II dully filled and signed by authorized signatory along with bid part-I.
26. Bidders may please note that our trained assessors / BHEL team may assess their works as per our new task force system.
27. Following are the established suppliers of BHEL for supply of the CC rods i.e the product under this enquiry are need not to apply.
- i) M/s Hindustan Copper Ltd., Talaja
 - ii) M/s Hindalco Industries Ltd., Mumbai
 - iii) M/s Sterlite (India) Ltd., Mumbai
 - iv) M/s Norddeutsche Affinerie, Germany
 - v) M/s Societe Lensoise Du Cuivre (S.L.C.), France

All other bidders whether registered with BHEL or not are requested to in this tender enquiry.

(A.K VERMA)
Manager (MM-Copper)

SL. NO.	DESCRIPTION	TO BE FILLED-IN BY THE BIDDER
1.	Name of the supplier with Web site address, if available	
2.	Address of the Regd. Office	
3.	Tel.No. / Fax nos. (With STD code)	
4.	Name & designation of the contact person.	
5.	E-mail address of the contact person	
6.	Address of the works at which inspection / delivery is offered.	
7.	(i) Name of the place where delivery of CC Rods required. (Only for indigenous suppliers)	At job worker's premises anywhere in India
	(ii) Name of the load port. (Only for foreign suppliers)	
8.	Acceptance to Purchase/Technical Specs enclosed with the enquiry.	
9.	Acceptance to all Terms & conditions of Tender enquiry contained in the Annex-I	
Please enclose request for deviation wherever becomes necessary to deviate for Sl. No. 8 & 9		
10.	Acceptance for finalization of Price bid part-II through on line bidding (Reverse Auction).	
11.	Delivery period offered EX-works / FOB load port in no. of days to be reckoned from the date of LOI / Delivery Order etc.	
12.	Delivery Terms offered	
13.	Additional freight charges per MT over FOB rates indicated in the price bid for C&F/CIF JNPT Nhava Sheva / Mumbai Sea port deliveries. (Only for foreign suppliers)	
14.	No. of days committed for detention free period at the discharge port. (Only for foreign suppliers)	
15.	Acceptance for supply of CC Rod under ARO / invalidation root with benefit equivalent to duties / taxes as applicable (Only for indigenous suppliers)	
16.	Payment terms offered.	
17.	Acceptance of penalty @ ½ % per week or part there of subject to max. of 10% of goods delayed to be reckoned from the date of inspection / despatch from the works (LR / BL date shall be taken as proof of delivery).	
18.	Validity of the offer to be reckoned from the date of bid opening).	
19.	Acceptance for QP which shall be the calendar fortnight OR any 15 days as advised by BHEL.	
20.	Sizes of the CC rods that are being manufactured and can be supplied to BHEL (Please indicate all possible size of CCR in below table).	
21.	S. No.	1 2 3 4 5 6 7
	Size of CCR	

Signature of the Authorized Signatory
Name & Designation of Authorized Signatory

Price Format For Supply of Copper CC Rods Under Enquiry No. E7093002

SL. NO.	DESCRIPTION	TO BE FILLED-IN BY THE BIDDER					
1.	Name & Address of the supplier						
2.	Name of the currency for this bid						
3.	Quantity discount offered in Rs./MT or US \$ / MT.						
4.	C & F Charges, if any, in Rs./MT or US \$ / MT.						
5.	Sizes of the CC rods that are being manufactured and can be supplied to BHEL (Please indicate all possible size of CC Rods in below table).						
Sl. No.	1	2	3	4	5	6	7
Size of CC Rods							
Premium in US \$/ MT							

NOTE:-

1. Please mention nominal dia of CC Rod what you have indicated in bid part – I and quote the Premium accordingly.
2. The quantity discount as offered shall be applicable from the first transaction and shall be adjusted in the invoices itself irrespective of R/C quantity allocated.
3. Basic Copper price shall be as per sl. no. 7 annex-I.
4. For the purpose of evaluation the size range would be taken as per the range indicated at sl. no. 3 of Annex.-I.

Signature of the Authorized Signatory
Name & Designation of Authorized Signatory