

Terms & Conditions of Reverse Auction (RA)

Against this enquiry for the subject item/ system with detailed scope of supply as per enquiry specifications, BHEL may resort to “REVERSE AUCTION PROCEDURE” i.e., ON LINE BIDDING (THROUGH SERVICE PROVIDER). The philosophy followed for reverse auction shall be English Reverse (No ties).

1. For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.
2. BHEL will engage the services of a service provider who will provide all necessary training and Assistance before commencement of on line bidding on internet.
3. In case of reverse auction, BHEL will inform the bidders the details of Service Provider to enable them to contact & get trained.
4. Business rules like event date, time, bid decrement, extension etc. also will be communicated through service provider for compliance.
5. Bidders have to email the Compliance form before start of Reverse auction. Without this, the bidder will not be eligible to participate in the event.
6. In line with the NIT terms, BHEL will provide the calculation sheet (e.g., EXCEL sheet) which will help to arrive at “Total Cost to BHEL” like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service Tax for Services and loading factors (for noncompliance to BHEL standard Commercial terms & conditions) for each of the bidder to enable them to fill-in the price and keep it ready for keying in during the Auction.
7. Reverse auction will be conducted on scheduled date & time.
8. Those bidders who have given their acceptance for Reverse Auction (quoted against this tender enquiry) will have to necessarily submit ‘online sealed bid’ in the Reverse Auction. Non submission of ‘online sealed bid’ by the bidder for any of the eligible items for which techno commercially qualified, 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).
9. At the end of Reverse Auction event, the lowest bidder value will be known on auction portal.
10. The lowest bidder has to fax/e-mail the duly signed and filled-in prescribed format for price

- breakup including that of line items, if required, as provided on case-to-case basis to Service provider within two working days of Auction without fail..
11. Bidders shall be required to read the “Terms and Conditions” section of the auctions site of Service provider, using the Login IDs and passwords given to them by the service provider before reverse auction event. Bidders should acquaint themselves of the ‘Business Rules of Reverse Auction’, which will be communicated before the Reverse Auction.
 12. If the Bidder or any of his representatives are found to be involved in Price manipulation/ cartel formation of any kind, directly or indirectly by communicating with other bidders, action *as per extant BHEL guidelines*, shall be initiated by BHEL and the results of the RA scrapped/aborted.
 13. The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.
 14. **In case BHEL decides to go for reverse auction, the H1 bidder (whose quote is highest in online sealed bid) may not be allowed to participate in further RA process.**
 15. Online sealed bid should be 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 & 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.
 16. 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’:
 17. In case BHEL decides not to go in for Reverse auction procedure for this tender enquiry/RA fails/the rates received in the RA are not acceptable to BHEL, then BHEL reserves the right to open the sealed price bids (Part-II) and price impacts, if any, already submitted and available with BHEL & consider the same for ordering/award of contract.