

GENERAL PURCHASE TERMS AND CONDITIONS FOR ITEM PROCURED IN INDIA

INSTRUCTIONS TO THE VENDORS/BIDDERS:

1. PURCHASER : Purchaser shall mean Bharat Heavy Electricals Ltd, a company registered under Indian Companies Act 1956 with registered office at BHEL House, Siri Fort NewDelhi - 1100049 or its authorized officers or other employees authorized to deal with the matters concerned and having Regional Service Centre at 690, Annasalai, Nandanam, Chennai- 600035.
2. BIDDER/VENDOR: means to those enquiries have been sent for any purchase.
3. SELLER: seller means the successful bidder who is getting the purchase order from BHEL.
4. These purchase specifications as a whole, duly furnishing all the details required and other documents as required in the following pages shall be duly signed and sent in sealed covers duly subscribing the item of purchase proposed as given in the enquiry.
5. Tenders/bids/offers are invited for scope of supply as per the specifications detailed and enclosed to the Enquiry.
6. The vendors shall closely peruse all the specifications before quoting. Should the vendor have any doubt about the meaning of any portion of the enquiry or find any discrepancies, or shall require clarifications, he shall at once contact the authority inviting bids for clarifications, before submission of bids.
7. The offers shall be submitted in total compliance of the Terms and Conditions. The offers will be opened on the due date.
8. The Rates Quoted should be FIRM till the Completion of the Order. No revision in rate shall be entertained after opening of the tenders. Rates quoted shall be exclusive of GST on FOR Destination basis. Supplier should furnish all GST details separately in their offer / invoice, for BHEL to avail GST CREDIT benefits. The GST value will be deducted while comparing your offer to arrive L1 status. We will not furnish any 'Concessional " Form
9. The rates quoted are to both in words and figures. In case discrepancy found between the rates quoted in words and figures, the least of the two will be treated as valid quoted rate.
10. The prices quoted shall be as applicable to any other Government Organization and a certificate to this effect must be submitted by the vendor without fail. If the rates are covered under DGS&D rates, copy of documents regarding rate contract rate and registration number to be furnished without fail.
11. The basic price shall be kept firm till completion of the order and will not be subjected to variation, unless otherwise agreed upon specifically. However statutory variations on Taxes and Duties on the rates prevailing at the time of delivery shall be applicable.
12. Payment will be effected only after receipt of total quantity of materials as per PO at the destination within the delivery date stipulated unless otherwise specifically agreed in the purchase order.
13. No revision of prices whatsoever will be entertained /accepted after tenders are opened.
14. na

15. "NO DEVIATION CERTIFICATE "shall be incorporated in the offer conforming to the terms and conditions of the enquiry.
16. "LATE TENDERS/BIDS" : The offers received after tender opening due date will be liable for rejection and shall not be considered.
17. Products with ISI certificates are preferred.
18. Manufacturer's name, Trade mark or patent number if any, should be clearly specified. Illustrative leaflets giving technical particulars/parameters are to be enclosed to the offers along with list of customers / their purchase orders to whom similar product had been supplied, in the past three years.
19. SSI units must highlight the status indicating registration number in their offer without fail for priority payment.
20. In case the bidder is not interested in /not in a position to quote for this enquiry, the same should be communicated without fail before due date of the tender submission for consideration in subsequent enquiries.
21. In case of participation by the authorized distributors/dealers on behalf of the vendor, the copy of the legal arrangements/terms and conditions agreed between the parties (duly made in stamped paper) should be enclosed. Due intimation in advance shall be given on or before the due date for consideration of such offers. The total responsibility for performance of the work/purchase as per specifications will be with the authorized vendor.
22. Unless otherwise mentioned, the offers are to be submitted in two parts. In such case :

Two part bids will be submitted separately as (a) – Techno commercial bid and (b) – Price bid in separate All commercial terms and conditions like payment terms, terms of delivery, guarantee , warrantee etc shall form part of techno commercial bid. The price bid shall contain only the price with taxes and duties. Techno/ commercial bid shall contain the total scope of work/purchase detailed in the specifications of the enquiry .
23. The rates quoted shall be in figures as well as in words. In case of difference between the words and figures, the least of the two will be treated as valid quoted rate. All entries shall be either be typed or to be written in ink. Erasers and over writing is not permitted and may render such bids be liable for rejection. All the cancellations and insertions shall be duly attested by the bidder. Wherever Sales tax is claimed, the Central or state Sales registration number should be given both in the offer as well as in the invoice/bill.
24. SAMPLES: sample should be submitted along with the offer, if asked for.
25. INSPECTION & ACCEPTANCE OF GOODS: It is subject to BHEL inspection at supplier's works before dispatch or on receipt at destination as the case may be, as per the agreed/approved Quality plan. Final / stage inspection will be carried out at the destination/supplier's works by the authorized inspection official in line with agreed quality plan. Wherever preliminary or stage inspection is to be carried out at supplier's works, the same is subject to final acceptance after receipt of the material at the destination and the decision of the Purchaser shall be final. The property of goods shall not pass until final acceptance by the purchaser. In case of delay in inspection process for reasons attributable to the seller, the financial loss /liability sustained by the purchaser shall be borne by the supplier. Since delivery period includes the time for pre dispatch inspection by BHEL, the supplier shall intimate the readiness of material for inspection well in advance to expedite the inspection process and to enable the supplier effect delivery in time.

26. **QUALITY PLAN** : BHEL may give the quality plan of their own else may request the vendor to submit the quality plan along with the offer , as applicable, for approval by BHEL. (please refer specifications) The quality plan is expected to cover generally specification of the items, stage inspections to be carried out, guarantee/warranty /test certificates/inspection reports, sampling plan as per IS . BHEL will also identify the inspection agency including the customer,as applicable. The bidder/vendor shall furnish the details of the inspection facilities available with him in the quality plan, as applicable. The quality Plan will be finalized before proceeding with execution of PO. The vendor is requested to ensure completion of QP in all aspects before proceeding with PO. The vendor should provide calibrated instruments etc for carrying out the inspection as per the quality plan.
27. **REJECTION** : The seller shall intimate the purchaser in writing within 15 days after receipt of rejection advice regarding the disposal of rejected material and action plan for replacement . If no information is received within this time, the purchaser shall be at liberty to return the material at the cost of risk of the seller after recovering the cost if any, including inward freight and other incidental charges incurred. The purchaser will not be responsible for the rejected material thereafter and no claim will rest on them.
28. **PACKING , MARKING & FORWARDING** :
- PACKING** : the supplier shall arrange for secure protective packing of the goods suitable for tropical conditions to avoid loss, damage or atmosphere action during transit by road/train/air. The packing standard shall comply with relevant national standards, where available, carriers' conditions of packing or established trade practice. The seller shall be liable to replace the material or reimburse the value of the loss not withstanding whether insurance is arranged by him or not. The packing materials and cases and packing charges are included in the quoted price unless otherwise agreed.
29. **MARKING**: The following marking shall be made on each package in **BLACK BOLD CAPITAL LETTER**:
- a. BHEL CONSIGNOR DIMENSION b. PSSR CONSIGNEE WEIGHT : GROSS & NET
 - c. The above marking should be stenciled or written in bold letters on the package. Should the packages be too small, suitable cards/metal tags giving these details may be tagged or nailed. Copy of the packing slip should be kept in each package without fail.

DESPATCH INTIMATION: immediately after dispatch, the Seller shall intimate **MANAGER/Purchase BHEL PSSR Chennai** the details of the items dispatched, quantity, order reference, LR/RR No and date by telegram/fax/ e-mail.

30. **TERMS OF PAYMENT**: Payment shall be made as per the following terms unless otherwise specified..

Where only supply is involved, 100% payment will be made within 30 days of satisfactory receipt of materials and on submission of Performance Bank Guarantee valid till completion of Guarantee Period and against submission of Store receipt voucher (SRV)/FARV (fixed asset acceptance receipt voucher)/MRV (material receipt voucher). These vouchers are issued by the consignee only.

Where installation and commissioning is involved,

90% payment will be released within 30 days of satisfactory receipt of materials and acknowledgement (as per SRV/FARV/MRV) and balance 10% will be paid after successful installation and commissioning and on submission of Bank Guarantee for the 10 of the total order value valid for 30 days beyond the **GUARANTY/ WARRANTEE** Period from any of the consortium banks of
BHEL. (OR)

80% payment of Supply Value will be released within 30 days against Supply and an acknowledged receipt of materials (OR) SRV issued by the Consignee. And balance 20% payment of Supply value and 100% of the **TESTING and COMMISSIONING** will be released against Work Completion Certificate issued by BHEL and on submission of PBG (Performance Bank Guaranty) for 10% of the total order value valid for 30 days beyond the **GUARANTY/ WARRANTEE** Period from any of the consortium banks of BHEL.

31. SECURITY DEPOSIT : Where required , Security deposit or Bank guarantee shall be submitted for a sum equal to 10% of the total value of the order on receipt of confirmed purchase order from BHEL .(please refer specifications for applicability)
32. LIQUIDATED DAMAGES & RISK PURCHASE: Seller is to understand that "Time is the essence of the contract". Hence the delivery of the goods as mutually agreed, specified in the purchase order should be adhered to within the time mentioned. Where the seller supplies/dispatches the materials beyond the delivery date, as specified in the order, the Purchaser will have no obligations to accept the goods.
- The Purchaser reserves the right to levy liquidated damages @ ½ percent of the value of the goods delayed beyond the due date, for each week of delay or part thereof without prejudice to any other relief or compensation due to Purchaser under any other conditions of the order subject to a limit of 10%, unless the delivery extension is given. In case of delay in receipt of materials at the delivery point, for reasons not attributable to BHEL , the Purchaser will levy LD, if time extension and PO amendment is not issued. The vendor should request Purchaser for amendment to PO for time extension if reasons are not attributable to him before submission of invoice.
33. In addition to the above , in case the vendor shall fail to complete the supply of the any of the materials within the specified time (either partially or fully), it shall be lawful for BHEL PSSR Chennai ,to procure the same at the risk and cost of the supplier. In such event it will be obligatory on the part of the supplier to pay the additional expenditure incurred to BHEL PSSR for any loss due to such risk purchases.
34. INSURANCE: wherever delivery terms quoted for FOR Destination specifically agreed to and directed, the supplier shall insure at his cost the goods for all transit risks including 30 days storage risks from the date of delivery of goods at the final destination. In other cases, supplier must furnish of dispatch of each consignment immediately after dispatch. Failure to do this will make the supplier responsible for making good any loss which might have been recovered from the under –writers.
35. SUBCONTRACTING: This order or any part thereof shall not be subcontracted without the consent of the Purchaser. The total responsibility for the supply and performance of purchased items, as per guarantee rests with the seller, even if BHEL accepts the above arrangement..
36. METRIC SYSTEM : Seller shall indicate all the measurements only in Metric system.
37. INDEMNITY: Seller shall indemnify the Purchaser against any claim due to breach of patent, trademark, negligence, defective material, or injury to seller or his agent

38. GUARANTEE & WARANTEE :

The items purchased are to be guaranteed for satisfactory performance for a period of 12 (twelve) months from the date of commissioning or putting into use or for 18 (eighteen) months from the date of dispatch, whichever is earlier unless otherwise specified .

If any defect is noticed during the above period, the same shall be replaced free of cost on FOR Chennai/ destination basis within a reasonable time. The time for replacement based on the component and urgency will be intimated by BHEL and the vendor should replace the items.

To this effect Guarantee / manufacturer's test certificate shall be furnished along with the original documents.

39. Three sets of Operation & maintenance manuals/ technical literature, drawings etc are to be supplied free of charges along with the items being procured.

40. DISPUTES, ARBITRATION & JURISDICTION ;

All disputes between the Purchaser and the seller arising out of this transaction , other than those for which decision of the BHEL is final, shall after written notice by either part to the PO to other party by referred to sole arbitration of Executive Director or his nominee.

The Arbitrations shall be conducted in accordance with provisions of Arbitration and Conciliations Act 1996. The Purchase will be governed by the law for the time being in force in the Republic of India.

The civil court having ordinary original Jurisdiction at Chennai, Tamilnadu alone have exclusive jurisdiction in regard to all claims in respect of this transaction/ purchase. No other civil cour have jurisdiction in case of dispute , of this contract.

41. GENERAL : All other conditions which might have been quoted by the Seller and are in contravention to the terms prescribed in the order and which have not been specifically accepted in writing by the Purchaser will not be applicable to this order. The Seller should intimate the Consignee in writing regarding the readiness of material , in cases where Purchaser has agreed to arrange collection with a copy to MANAGER/Purchase /BHEL PSSR Chennai.
42. ANY REFERENCE MADE HEREIN (ENQUIRY/PURCHASE ORDER) TO ANY OF THE NATIONAL/INTERNATIONAL STANDARDS IMPLIES IT'S LATEST EDITION FOUND OTHERWISE.
43. THE VENDORS SHOULD SUBMIT GUARANTEE, SOUNDNESS & BONAFIDE CERIFICATES WHILE SUPPLYING THE ITEMS. SUGGESTED FORMAT IS GIVEN UNDER 43.1, 43.2 & 43.3

PROFORMA (TYPICAL)- TO BE FURNISHED BY THE SELLER WHILE SENDING MATERIALS

- 43.1. GUARANTEE Certificate : Certified that the materials dispatched vide RR/LWB/PBW nodated conform to the quality as per specification of the Purchaser vide PO No Dated And guaranteed for 12 months from the date of putting the same to actual use /consumption /commissioning or 18 months from the date of dispatch whichever is earlier against all manufacturing defects, faulty materials, bad workmanship etc. if any defect is noticed during the above period, the defective materials shall be replaced or rectified free of cost on FOR/Chennai/destination basis within a reasonable time.

Date : signature with seal

- 43.2. SOUNDNESS CERTIFICATE : certified that the materials dispatched under RR/LWB/PWB Nodatedcovered by our invoice No Dated.....for Rs.....against yourorder.....datedwere in a sound condition at the time of dispatch. The material supplied against this order conforms to the specification mentioned therein and if found defective at the time of inspection by you, the same will be replaced free of cost.

Date : signature with seal

- 43.3. **BONAFIDE CERTIFICATE** : I have personally examined and verified and do hereby certify that the goods in respect of which the payment is being claimed have actually dispatched by me /us under RR/LWB/Air consignment Note No.....Postal receipt Number..... Duly drawn in favour of the consignee which is genuine and mentioned in the bill and I hold myself personally responsible for the

correctness of this statement. I further certify that the above mentioned RR No...../LWB No...../Air consignment Note No...../ postal receipt

No.....has been forwarded to the consignee mentioned in the Purchase order under Registered Post with acknowledgement due.

44. The purchaser reserves the right to cancel or split-up the tender /offer and place order for individual items with different vendors with varying quantities in line with the enquiries.
45. **FORCE MAJEURE** : the following shall amount to force majeure – Acts of God, Acts of government, war, sabotage, riots, civil commotion, police action, revolution, flood, fire, cyclone, earthquake, epidemic and other similar causes over which the vendor is not having any control. If the vendor suffers delay in fulfilling the obligations due to force majeure, as defined above, BHEL will grant only delivery time extension , by a period of time equal to the period of delay provided that on the occurrence of any such contingency , the vendor shall immediately reports to BHEL in writing the causes of delay. The vendor is not eligible for any other compensation.
46. **Tender Conditions for MSE supplier**: 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 /I certificate along with CA certificate (Format enclosed as per Annexure - I) applicable for the year, certifying quantum of investment in plant and Machinery within 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".
47. BHEL shall consider any new supplier as MSE vendor provided anyone of the following documents are submitted along with their offer/application a). Valid NISC certificate b). Entrepreneurs memorandum Part II (EM II) valid based on deemed validity of 5 years) c). Valid EM II certificate along with attested copy of CA certificate as per prescribed format Annexure -1 applicable for the relevant financial year (latest audited), where the deemed validity of EM II is over However credentials of all MSE suppliers will be verified before considering the intended benefits for MSE suppliers as per above clause (Public procurement policy 2012 and MSMED act 2006)at time of tender valuation

MSEs are exempted from payment of earnest money (EMD) in addition to free issuance of Tender Documents