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NOT FOR PUBLICATION

BHARAT HEAVY ELECTRICALS LIMITED



TENDER SPECIFICATION

FOR

MARINE-CUM-STORAGE-CUM-ERECTION INSURANCE

OF

2x660 MW MAITREE SUPER THERMAL POWER PROJECT

For

M/s BIFPCL.

TENDER NO. BHEL: CO: FIN: INS: BD: MAITREE STPP- PSER

VOLUME – I

TECHNO-COMMERCIAL BID

BHARAT HEAVY ELECTRICALS LTD.

Registered Office: BHEL HOUSE, SIRI FORT, NEW DELHI – 110 049 (INDIA)

Dhaka Office: 8th floor, Unique Height (BORAK),

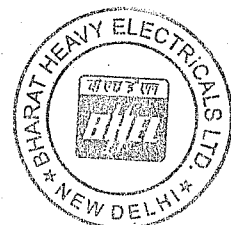
117 Kazi Nazrul Islam Avenue,

Eskaton Garden, Dhaka 1000.

Date of submitting of bids: On or before **1400** hrs on 26/07/2018

Date of opening techno-commercial bids **1430** hrs on 26/07/2018

Place of bid opening: Bharat Heavy Electricals Limited, Dhaka Office.





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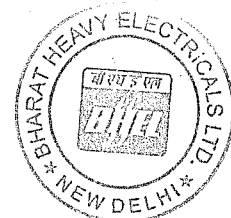
IMPORTANT NOTE

RECEIVER OF THIS TENDER DOCUMENT IS ADVISED TO CHECK AND ENSURE COMPLETION OF ALL PAGES OF TENDER DOCUMENT AND REPORT TO THE ISSUING AUTHORITY ANY DISCREPANCY IN TIME FOR CORRECTIVE ACTION, IF ANY BEFORE **19/07/2018**. THE TENDERER IS REQUIRED TO SPECIFICALLY MENTION IN A DEVIATION STATEMENT THE CLAUSES OF THE TENDER THAT ARE NOT ACCEPTABLE IN THEIR PRESENT FORM AND ALSO THE DEVIATION SOUGHT, IF ANY. IN CASE THERE ARE NO DEVIATIONS, THE TENDERER SHALL CLEARLY CERTIFY THE SAME IN THE NO-DEVIATION STATEMENT AS WELL AS THE FORWARDING LETTER. IT IS EXPECTED THAT THE DEVIATIONS (IF ANY) SHALL BE BARE MINIMUM AND OFFERS WITH UNACCEPTABLE DEVIATIONS ARE LIABLE TO BE REJECTED WITHOUT ANY FURTHER DISCUSSIONS.

Note: The prospective bidders can download the tender documents from our website (<http://www.bhel.com>). Alternatively, the same can be collected from our Dhaka Office, located at the following address:

**Sh. N N Sarkar, Project Manager, GM/Dhaka office
Bharat Heavy Electrical Limited.
8th floor, Unique Height (BORAK),
117 Kazi Nazrul Islam Avenue,
Eskaton Garden, Dhaka 1000.
Opposite of the BTCL Bhaban,
Poribagh, BanglaMotor.
Tel. No. +880 2 55138543
email: nnsarkar@bhel.in**

Corrigendum/Addendum, if any, in respect of tender shall also be published on the same website (<http://www.bhel.com>).





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LETTER INVITING TENDER

REF: BHEL: CO: FIN: INS:BD: MAITREE STPP- PSER

Dated 16/07/2018

M/s _____

**Sub: Marine-Cum-Erection Comprehensive Insurance Policy
for 2x660 MW MAITREE Super Thermal Power Project- PSER**

Dear Sirs,

Sealed tenders are invited in two-bid system where Part-I shall form the **Techno-Commercial Bid** and Part-II shall form the **Price Bid**. A set of tender documents is enclosed for submission of your most competitive offer as well as for the information asked for in the tender specifications, to the undersigned, **latest by 1400 hrs on 26/07/2018**.

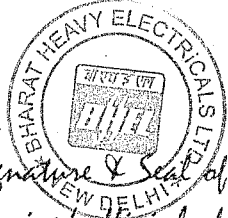
Techno-Commercial Bid shall be opened at 1430 hrs on the same day in presence of tenderers who may like to be present at that time. The date of opening of the Price Bid will be intimated subsequently. Bidders may be called for Techno-Commercial discussions, if so required, before price-bid opening. They are requested to keep in touch with BHEL for knowing the date and time of Price Bid opening.

However, in case there is no deviation, Price Bid is likely to be opened immediately after opening of the Techno-Commercial bid. Otherwise, the date of opening of Price Bid will be intimated subsequently.

All the queries on the tender may please be sent to us latest by 19/07/2018 through email to hina@bhel.in and neeraj@bhel.in so as to avoid any delays at the later date. Clarifications/amendments, if any, shall be sent to the Underwriters.

BHEL reserves the right to accept or reject any tender including lowest one, in part or full, without assigning any reason whatsoever.

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Pre-Qualification Requirements (PQR) for Bidders:

In order to participate in bidding, the bidders must fulfil the following pre-qualification criteria.

- 1. The bidder shall be an Insurance company, registered and incorporated as an Insurance Company (General Insurance Business) under the applicable laws in Bangladesh.**

(Bidders to submit the certified copy of Certificate of registration/incorporation of the company and Certificate/license from Insurance Regulatory body of Bangladesh for General Insurance/Non-Life Insurance Business)

- 2. Average Annual underwriting turnover (financial) of the bidder during the last 3 completed financial years, immediately preceding issue of this tender, should be at least USD 15 Million.**

(Bidders to submit certified copy of duly audited financial statements or Annual Report of the company for the last 3 completed financial years, immediately preceding the issue of this tender.)

- 3. Experience of having underwritten at least one EAR or CAR or SCE or MCE Policy by the bidder during last seven years ending 30.06.2018.**

(Bidders to submit the certified copy of at least one EAR or CAR or SCE or MCE Policy underwritten during last seven years ending 30.06.2018, clearly indicating the insurance policy coverage and nature of policy)

- 4. As part of the tender requirement, all the bidders are required to enter into Integrity Pact with BHEL. Only those bidders who have entered into such an Integrity Pact with BHEL would be competent to participate in the bidding.**

Note: Since the annual accounts and other documents submitted by the bidders in support of PQR requirement may be in the currency of Bangladesh i.e, BDT, the exchange rate (TT selling rate of Bangladesh Bank, central bank of Bangladesh) as on date of Part-I bid opening shall be considered for technical evaluation of PQR/bids. If the relevant day happens to be a bank holiday, then the forex rate as on the previous bank (Bangladesh Bank) working day shall be taken.

The bidders are also to note the following:

- a) The bids are to be filled and submitted in English language only. Documents submitted as a part of bid/PQR conditions in any language other than English shall be accompanied by a certified copy of document in English. The certification is to be done by the authorized signatory of the bidder signing the bid documents.

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- b) The currency of the contract for insurance premium as well as for claims settlement shall be in US Dollar (USD). Bidders are requested to submit their quotes in USD.
- c) The net insurance premium should be quoted exclusive of taxes and duties. The applicable taxes and duties, if any, are required to be indicated/quoted separately.
- d) No subsequent increase in premium rates will be allowed under any circumstances.
- e) Secrecy of BHEL information/documents to be ensured at all times.
- f) Unsolicited Price bid shall not be entertained.
- g) In case two provisions to the tender are considered to be contradictory, the same shall be pointed out as a part of Techno-Commercial bid. BHEL's decision in this respect will be final.
- h) The offer of the Bidder shall have to be kept valid for a period of 3 (three) months from the date of opening of Techno-Commercial Bid.
- i) **The MCE cover shall start from the date of despatch of first consignment or date of first instalment premium payment whichever is later. The approximate date of likely commencement of despatch is detailed elsewhere in the enquiry.**

The final date of cover shall accordingly vary and provision for extensions will be available in the policy.

The tender should be submitted in Two Separate sealed covers for price bids/Techno-Commercial bids as follows:

Envelope 1: "TECHNO-COMMERCIAL BID FOR 2x660 MW MAITREE SUPER THERMAL POWER PROJECT- PSER EAR/MCE POLICY"

Envelope 2: "PRICE BID FOR 2x660 MW MAITREE SUPER THERMAL POWER PROJECT- PSER EAR/ MCE POLICY"

These envelopes will be put in a larger envelope superscribing on this envelope "PRICE BID/TECHNO-COMMERCIAL BID FOR 2x660 MW MAITREE SUPER THERMAL POWER PROJECT- PSER EAR/ MCE POLICY COVER."

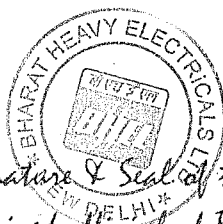
Tender No. and Due date of Tender Opening also must be superscribed on all the envelopes containing Bids/Tenders.

The bids shall be addressed to the below mentioned addressee and shall be submitted at the following address:

**Sh. N N Sarkar, Project Manager, GM/Dhaka office
Bharat Heavy Electrical Limited.
8th floor, Unique Height (BORAK),
117 Kazi Nazrul Islam Avenue,
Eskaton Garden, Dhaka 1000.
Opposite of the BTCL Bhaban,
Poribagh, BanglaMotor.
email: nnsarkar@bhel.in**

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Kindly note that in case you are not interested to submitting the offer for any reasons, you may please send a regret letter indicating reasons for the same immediately not later than the due date.

Clarifications if any, on the tender shall be sought by the bidders on or before 19/07/2018.

For the sake of understanding, it is clarified that the contents of the Letter inviting Tender is part of Tender terms and conditions.

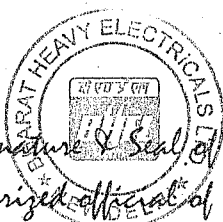
Thanking you,

Yours Sincerely
for & on behalf of BHEL


DGM (Finance)

Encl: One set of documents

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PROJECT INFORMATION

Salient features of the Project site:

1. Site location : Moithara Village, Rampal Upazila, Bagherat District, Bangladesh
2. Approach : The project site is situated on the left bank of Possur River and is about 14km northeast of Mongla Port and 23 kms. from Khulna city.
3. Nearest Airport : Dhaka Air Port,
4. Railway Station : Khulna
5. Seismic data : Seismic zone-1 as determined by Bangladesh National Building Code (BNBC-2012)
6. Capacity : 2 x 660 MW
7. Fuel : Coal

The tenderers are however, advised to acquaint themselves with the site conditions, before submitting their offer. No complaints whatsoever, on account of non- familiarization with the site conditions, will be entertained.

BHEL is awarded the Design, engineering, manufacturing, shop testing, procurement, supply, transportation to site (location of use), handling, storage, insurance, taking any permit / approval required, erection, testing at site, commissioning, performance testing, training Employer's personnel and final completion of entire power plant inter alia including Steam Generators and auxiliaries, Turbine Generators and auxiliaries, all associated BOP packages. All civil, electrical and I&C works for the entire Power Plant as well as for the jetty and associated facilities and the 400kV / 230kV Sub-station as described in the Bidding Documents and complete in all respects for successful operation of both the Units of 660MW to dispatch Power to the Grid including Availability Guarantee for 2 (two) years for 2 x 660 MW Maitree Super Thermal Power Project on Turnkey Basis at Rampal, Bagerhat, Bangladesh.

For the purpose of erection of these projects, BHEL engages sub-contractors of high competence level and proven capability. Selection of major sub-contractor is done with a stringent system involving BHEL's client. All construction activities are carried out strictly in accordance with field quality plan approved by client. Client is also very actively involved during execution of the work at site with the well-experienced team of BHEL specialists.

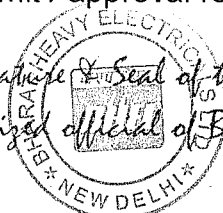
As a result of consistent good practices and being an ISO 9000 (Quality Mgmt. system), ISO 14001 (Environmental Mgmt. system) and OHSAS 18001 (Occupational Health & Safety system) certified organisation, BHEL has achieved remarkable result in this field and also committed to achieve better in times to come.

Scope of Work by BHEL:

1. The complete scope of work under the Notification of Award of contract Design, engineering, manufacturing, shop testing, procurement, supply, transportation to site (location of use), handling, storage, insurance, taking any permit / approval required,

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erection, testing at site, commissioning, performance testing, training Employer's personnel and final completion of entire power plant inter alia including Steam Generators and auxiliaries, Turbine Generators and auxiliaries, all associated BOP packages. All civil, electrical and I&C works for the entire Power Plant as well as for the jetty and associated facilities and the 400kV/230Kv Sub-station as described in the Bidding Documents and complete in all respects for successful operation of both the Units of 660MW to dispatch Power to the Grid including Availability Guarantee for 2 (two) years for 2x660MW Maitree Super Thermal Power Project on turnkey Basis at Rampal, Bagerhat, Bangladesh.

2. Milestone

SL.NO	MILESTONE ACTIVITY	DATES (Actual/Planned)
1	Start of Civil Work	20 th Sept. 2017
2	Start of Dispatch of Material	Oct. 2017
3	Start of Erection activity	June 2018
4	Trial operation completion	Feb-2021 Unit 1 Aug-2021 Unit 2

Civil work at project site has already started from 20th Sept. 2017. The insurance awarded through this tender shall also cover the civil work already completed or undergoing on the date of commencement of the Policy. However, any known or reported loss occurred before the date of payment of first instalment of premium shall not be considered in this insurance policy.

The Policy period shall be 50 months (w.e.f 20.09.2017). Further, the policy period may be extended as per requirements unit wise or for full sum insured. Where the extension is sought unit wise, the total sum insured will be equally divided to arrive at the Unit sum insured. The testing period shall also be Unit wise.

Likely Routes to be followed for transit of goods:

Consignments are likely to take following routes:

- ✓ Unit/ Vendor works to Kolkata/Haldia/Chennai port via road
- ✓ Haldia/Kolkata/Chennai to Mongla port/project site via Ships/ sea/ river barges
- ✓ Mongla Port to Project Site (15 Km) via road
- ✓ Unit/ Vendor works to Kolkata via road. Further transportation via Benapole border to project site via road (200 km)
- ✓ Foreign suppliers (outside India) to Project site

The above route is indicative and may change as per requirements.

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SECTION - I

INSTRUCTIONS TO TENDERERS AND GENERAL CONDITIONS OF CONTRACT

1. This tender, shall be duly signed & stamped on each page and sent in a sealed cover.
2. The Bid/tender may be sent by "COURIER / REGISTERED POST / BY PERSONAL REPRESENTATIVE" with adequate allowance for any delivery delays. The bids shall be addressed to Shri N N Sarkar, GM (Dhaka office), BHEL and shall be submitted/dropped in the Tender box placed at the Dhaka Office of BHEL. The tenders received after the Due Date and time of Submission are liable to be rejected.
In exceptional cases, where due to bulky size of the tender documents it is not possible to drop the bids/tender in the tender box, the Tender documents may be handed over to Shri N N Sarkar, GM (Dhaka Office), BHEL.
3. Tenders shall be opened at the time and date as specified in the tender notice in the presence of such of those Underwriters or their authorized representatives who may choose to be present.
4. The Underwriters shall closely peruse all the clauses and specifications indicated in the Tender Documents before quoting. Only such clarifications that are issued after discussions on technical deviations and which affect the tender stipulations in a substantial manner will be made known to rest of the tenderer before opening the bid. **Bidders may contact us before scheduled opening of the Price Bid to find out whether any clarifications have been issued or not, so as to eliminate chances of the same having not reached the right person/ office despite their dispatch by us.**
5. Underwriters must fill up all the schedules and furnish all the required information as per the instructions given in various sections of the tender specification, failing which tender is liable to be rejected.
6. The bidders shall quote the rates both in English words as well as in Figures.
 - a) If, in the price structure quoted for the required goods/ services/ works, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
 - b) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
 - c) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic

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error, in which case the amount in figures shall prevail subject to (a) and (b) above.

- d) If there is such discrepancy in an offer, the same shall be conveyed to the bidder with target date up to which the bidder has to send his acceptance on the above lines and if the bidder does not agree to the decision of BHEL, the bid is liable to be ignored.
7. All corrections and insertions shall be duly counter-signed by the authorized signatory of the underwriter.
8. The underwriter will not change the dealing office without prior approval of BHEL.
9. **Documents to be submitted by the successful bidder:** In addition to other requisite documents, the following will also be submitted by the successful bidder.
- (i) Sets of claim forms for various covers viz. Marine, Theft, Erection claims in adequate number.
 - (ii) Sets of documents needed for settlement of each type of Claim
 - (iii) Nomination of offices/representatives from Bangladesh and the site location who will attend to the requirements of respective offices, reply to all the queries and coordinate with the serving office/ officials.
10. **Documents to be submitted in the Techno-Commercial Bid: (Envelope-1)**
- (i) Documents in support of eligibility of the bidder as per Pre-Qualification Requirements.
 - (ii) Original tender document to be signed and returned as a token of acceptance of tender condition subject to technical deviation mutually agreed between BHEL and successful bidder.
 - (iii) Valid Power of Attorney in favour of person signing the bids on behalf of the bidder (Insurance Company)
 - (iv) Deviation Statement – **Annexure I**. Deviations, if any, are to be mentioned in the deviation statement only. The deviations mentioned elsewhere in the techno-commercial bid or the Price bid shall not be considered by BHEL.
 - (v) Declaration sheet – **Annexure II**
 - (vi) Certificate of Declaration for Confirmation of IDRA/TAC guidelines – **Annexure III**
 - (vii) Declaration – **Annexure IV**
 - (viii) Support letter from Lead Reinsurer-**Annexure-V**
 - (ix) Re-Insurer Credentials-**Annexure-VI**
 - (x) List of Internationally accepted exclusions – **Annexure VII**
 - (xi) Schedule of General Particulars- **Annexure-VIII**
 - (xii) Integrity Pact – **Annexure-IX**
 - (xiii) Un-Priced Price Schedule – **Annexure-X**

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11. The terms and conditions regarding Cancellation of Policy and its Consequences shall be in line with the IDRA / Regulatory Guidelines, if any.

This Policy may be cancelled at any time at the request of the Insured. The return premium will be calculated as below:

Return Premium = Deposit Premium – Actual Premium chargeable (for the period from commencement of the policy to the date of cancellation of policy).

The Actual Premium shall be calculated on pro-rata basis.

This Policy shall not be cancelled by the Insurers/Underwriters, except for non-payment of premium, in which case the Insurers/Underwriters shall give the Insured at least 30 days prior written Notice of Cancellation by mail and registered post at the address of the Insured.

12. Bidders have to ensure compliance of Guidelines issued by Government of Bangladesh/statutory body of Bangladesh with regard to Insurance/Insurer's responsibility & liability towards insured. The selected Underwriter will be liable to meet all requirements of the Regulator (IDRA) inclusive of penalties / payment of difference in premium arising out of violations (if any), committed by the Underwriter prior to / during / after the commencement / expiry of coverage of risk under this Policy and BHEL in no way will be responsible for such violations.

13. **Validity of offer:**

THE OFFER SUBMITTED BY THE UNDERWRITER SHALL BE KEPT VALID FOR ACCEPTANCE FOR A PERIOD OF THREE MONTHS FROM THE DATE OF OPENING OF TECHNO-COMMERCIAL BID. In case we call party(ies) for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the Tenderers unless otherwise agreed upon.

14. **FORMATION OF CONTRACT**

All the documents issued by BHEL as well as accepted by it upto the stage of premium payment will form part of the contract. Some of the examples are: Tender Document, Techno-Commercial/ Price Bid, MOM, MOU, Deviation Statement etc.

15. BHEL will not be bound by any Power of Attorney granted by the Underwriter or by changes in the composition of the firm made subsequent to the execution of the contract. BHEL may, however, recognize such Power of Attorney and changes at its discretion proper legal advice.
16. If the Underwriter gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract, if awarded. The MOU which will be evolved out of the documents exchanged is from tender to expression of intent will be required to be signed within 3 days of LOI. The Policy document complete with endorsement etc. will be made available to the site, BHEL Dhaka

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Office and BHEL, Delhi office within a week of issuance of cheque/deposit of premium, as submission of insurance policy is a pre-requisite of the payment by the customer.

17. Canvassing in any form in connection with the tender is strictly prohibited and the tenders submitted by the Underwriter who resorts to canvassing are liable to be rejected.

18. **STEPS IN THE PROCESS OF THE TENDER BY BHEL**

18.1 **Technical Qualification:** As a first step of evaluation process, the bidders Techno-Commercial bid of all the bidders shall be opened & scrutinized with a view to determine the eligibility of the bidder as per PQR, technical acceptability of the offers and to check the submission of required documents. If required, bidders shall be called for technical discussions.

18.2 Issue of clarifications, if applicable

18.3 Opening of price bids

18.4 **Price Bid Evaluation:**

The evaluation of price bids shall be done on the basis of total cost/delivered cost to BHEL for MCE Policy. Party quoting lowest total Premium, including taxes and duties, if any, in the Price Bid and adhering to tender stipulations in an unqualified manner will normally be declared L-1.

19.0 **MODE OF PAYMENT OF PREMIUM INSTALMENT**

BHEL will pay the premium in quarterly instalments as per market convention. All premium instalments will be paid by BHEL, PSER, Kolkata (India). Insurer shall send Instalment premium Bill/Tax invoice/ Proforma Invoice for payment of premium instalments at least 30 days before the Instalment due date. The payment may be remitted electronically or any other mode as per the convenience of BHEL. Successful bidder must submit their Bank details like Account No., Name of the Bank, Branch Address, MICR, IFSC, SWIFT Code etc. to the designated official of BHEL.

20.0 **Business Sharing**

20.1 This consortium of underwriter for this policy Contract will consist of a Lead Insurer and one Co-Insurer.

20.2 The business will be shared in the ratio of 70:30 between the Lead Insurer and Co-Insurer provided the co-insurer match L1 rate.

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- 20.3 In case, if L2 fails to accept L1 rates, BHEL will counter offer the co-insurance share to L3/L4/L5 parties in the same order.
- 20.4 However, in case L2/L3/L4/L5 party, who is offered co-insurance share, fails to accept the share of co-insurance, BHEL reserves the right to ask L1 bidder to underwrite 100% policy.
- 20.5 Lead Insurer will be solely and legally responsible to BHEL for effective execution of the Contract including coordination with the BHEL Units/Regions, Co-Insurer etc. for collection of premium, issue of Policy Document and prompt claim settlement.
- 21.0 **Rights of BHEL:** BHEL reserves to itself the following rights in respect of this proposal / contract without entitling the insurer to any compensation. In case, due to any of the reasons / causes mentioned below, BHEL decides to cancel the Policy, the consequences for the same shall be as per Clause 11.
- 21.1 If the Underwriter gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract, if awarded.
- 21.2 To short close/terminate the policy after due notice in the event of claims not getting settled in time/Service not being rendered to BHEL's satisfaction.
- 21.3 To get the policy serviced through another Insurance Co. in the event of poor servicing of the policy.
- 21.4 All the works shall be carried out under the directions and to the satisfaction of BHEL.
- 21.5 The acceptance or non-acceptance of tender will entirely rest at the sole discretion of BHEL and does not bind BHEL to accept the lowest tender or any other tender and to reject any or all of the tenders without assigning any reasons whatsoever. The decision of BHEL in this regard shall be final.
- 21.6 Those Insurance Cos. with whom litigation /arbitration are going on or with whom BHEL is having unresolved disputes for settlement of genuine claims may not be considered at the sole discretion of BHEL for award of any fresh job till resolution of the same and the decision of BHEL in this regard shall be final and binding on all bidders.
- 22.0 BHEL shall be issuing enquiry to insurance company and all dealings prior to award and after award policy will be only with underwriter directly. **No broker/agent will be allowed.**

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23.0 ARBITRATION

23.1 **The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (in India) as amended up to date, for disputes related to the quantum of the claim.** All disputes, related to the quantum of claim, between the parties to the contract arising out of or in relation to the contract other than those for which the decision of the Engineer or any other person is by the contract expressed to be final and conclusive, shall after written notice by either party to the contract to the other party be referred to sole arbitration of the General Manager or his nominee. The parties to the contract understand and agree that it will be no objection that the General Manager or the person nominated as Arbitrator has earlier in his official capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official outlet had expressed on all or any of the matters in dispute or difference.

23.2 In the event of the Arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the Court for any reason, it shall be lawful for the General Manager or his successor, as the case may be, either to act himself as the Arbitrator or to appoint another Arbitrator in place of the outgoing Arbitrator in the manner aforesaid.

23.3 The Arbitrator may, from time to time, with the consent of both the parties to the contract, enlarge the time for making the award.

23.4 Work under the contract shall be continued during the arbitration proceedings. The venue of the arbitration shall be the place from which the contract is issued or such other place as the Arbitrator at his discretion may determine.

23.5 All the above clauses will apply to the extent and in the manner that is commensurate with the Arbitration Act.

24. **Fraud Prevention:** The bidder along with its associates/ 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 BHEL management about any fraud or suspected fraud as soon as it comes to their notice.

25. Integrity Pact(IP):

(a) IP is a tool to ensure that activities and transactions between the company and its Bidders/Contractors are handled in a fair, transparent and corruption free manner. A panel of Independent External Monitors (IEMs) have been appointed to oversee implementation of IP in BHEL.

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The IP as enclosed with the tender (**Annexure-IX**) is to be submitted (duly signed by authorized signatory who signs in the offer) along with techno-commercial bid. Only those bidders who have entered into such an IP with BHEL would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification.

Details of IEM for this tender is furnished below:

Name : Shri D. R. S Chaudhary, IAS (Retd.)
 Address : E-1/164 Arera Colony, Bhopal-462016 (M.P), INDIA
 Email : dilip.chaudhary@icloud.com

- (b) Please refer Section-8 of the IP for Role and Responsibilities of IEMs. In case of any complaint arising out of the tendering process, the matter may be referred to the IEM mentioned in the tender.

Note:

No routine correspondence shall be addressed to the IEM (Phone/Post/email) regarding the clarifications, time extensions or any other administrative queries, etc. on the tender issued. All such clarifications/issues shall be addressed directly to the tender issuing (procurement) department.

For all clarifications/issues related to the tender, please contact:

Name: **1. Ms. Hina Arora, Sr.AO** **2. Neeraj Kumar, DGM (Fin.)**
 Deptt.: Corp. Finance (Insurance Cell)
 Address: 5th Floor, BHEL House, Siri Fort, New Delhi-110049 (INDIA)
 Phone : +91 11 66337298, 66337241
 Email: hina@bhel.in; neeraj@bhel.in
 Fax: +91 11 26001143

26. Shifting of Policy:

The underwriter will not change the dealing office without prior approval of BHEL.

27. Responsibility for re-insurance arrangement

It will be the responsibility of Tenderer to go for suitable re-insurance arrangement. It is mandatory on the part of insurer to furnish the details of re-insurance arrangement.

Bidders should ensure re-insurance of a minimum 99% of the risk. A certificate to this effect as per **Annexure-IV** is to be submitted.

27.1 Lead reinsurer's financial strength rating should not be lower than "A+" by A.M BEST or by Standards & Poor rating agency. **Certificate from the rating agency is also required to be submitted along with the Part I (Techno-Commercial) bid.**

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27.2 Lead reinsurer should retain at least 10% risk with itself, certificate required from lead reinsurer.

27.3 Other reinsurer's rating should not be lower than A- (A minus) by A.M BEST or by Standards & Poor rating agency. **Relevant certificates from rating agency to be submitted after award of contract.**

27.4 Other re-insurer shall not retain risk for more than lead re-insurers retention.

27.5 Reinsurance Slips from the lead reinsurer shall be submitted by the successful bidder after award of contract but before release of first premium. Reinsurance Slips/Cover note from other/follow reinsurers shall be submitted by the successful bidder after payment of 1st instalment premium but in any case before release of 2nd Instalment premium becomes due.

27.6 It shall also be ensured by the Insurer that premium are being ceded to the re-insurers timely. If required by BHEL, the Insurer shall submit the evidence in support of premium ceding to re-insurers.

28 Cut-Through Clause

BHEL may go for "Cut-through" clause (Tripartite agreement between Insured, Insurer and Re-insurer). Please confirm as per Declaration at Annexure-IV that you (bidder) will be able to arrange for Cut-through clause.

"It is understood and agreed that in the event of failure of the reassured to pay a recoverable claim under their policy for account of original assured then such original assured (subject to the provisions of the loss payee clause in the original policy) shall be entitled to recover claims directly from reinsurers for the proportion subscribed by the reinsurers subject to the reinsurance policy terms and conditions and subject to all premiums due as of the date of loss being fully paid and so same claim amount having been paid and/or agreement reached to pay by reinsuring underwriters to the reassured.

All claims that have been paid by the reinsuring underwriters to the reassured(s) shall be deemed to have been paid to the assured."

29 LAW GOVERNING THE CONTRACT AND COURT JURISDICTION

The Contract shall be governed by the Law for the time being in force in the Republic of India. The Civil Court at New Delhi, having ordinary Original Civil Jurisdiction shall alone have exclusive jurisdiction in regard to all claims in respect of this Contract.

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30. PARTIES WHOSE INTERESTS ARE INSURED

(FOR EAR/MCE & THIRD PARTY LIABILITY POLICY COVERS)

Principal Beneficiary: M/s Bangladesh-India Friendship Power Company (Pvt.) Limited, (BIFPCL)

Executing Agency: M/s. Bharat Heavy Electricals Ltd.,
Through, Power Sector Eastern Region, Plot no.-9/1,
Block DJ Salt Lake City, Kolkata- 700091
AND

Its SUB-CONTRACTORS/ Vendors/BHEL Units

Additional Insured : M/s Bangladesh Power Development Board,
lenders of BIFPCL and Govt. of Bangladesh.

All insurers rights of subrogation against such Insured/Co-insured for losses or claims arising out of the performance of the Contract shall be waived under such Policies.

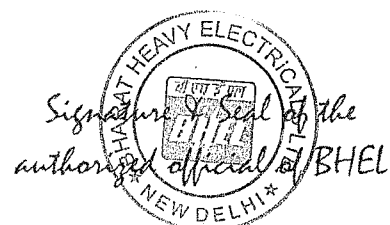
31 ISSUE OF NOTICE

The Underwriters shall furnish to the Engineer, the name, designation and address of his authorized agent. All complaints, notices, communications and references shall be deemed to have been duly given to the Underwriters, if delivered to the underwriter or his authorized agent or left at or posted to the address either of the underwriter or his authorized agent and shall be deemed to have been so given in the case of posting on the day on which they would have reached such address in the ordinary course of post or at which they were so delivered or left.

32 USE OF LAND

No land belonging to BHEL or its customer under temporary possession of BHEL shall be occupied by the Underwriter without the written permission of BHEL.

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SECTION II

SPECIAL CONDITIONS OF CONTRACT

1.0 OVERALL SCOPE OF THE POLICIES:

Scope of these specifications cover issuance and servicing of

1. Marine and Storage-cum-Erection (MCE) Policy

The above policy shall be for providing Cover on "ALL RISKS" basis in the best interest of "insured" (BHEL) against physical loss or damage to the subject plant and machinery insured in consideration of premium paid, thereby protect the "Insured" (BHEL) by providing indemnity or make good of the loss in monetary terms against all uncertain contingencies.

This cover i.e MCE Cover can be arranged in the joint names of M/s Bangladesh Indian Friendship Power Company (Pvt.) Ltd. (BIFPCL) and BHEL, PSER covering interests and risks of M/s BIFPCL as the principal and BHEL, PSER as the Contractor and including all the sub-contractors employed by BHEL.

The scope of work to be executed by BHEL, PSER is indicated elsewhere in the tender enquiry.

The risk Coverage under the policies so issued by the "Underwriter" shall be applicable from the moment goods/consignments are lifted, mechanically or manually, from anywhere in India/abroad, for loading onto the transport (all modes included) and remain in force during transit up to the site of erection, unloading and storage at site (including materials already received at site) and at port cities for bonding and/or allocation to vendors for fabrication jobs etc., during hold ups due to procedural delays and transportation bottlenecks or clearance by various agencies, handling/shifting of goods/consignments for the purpose of assembly, erection, testing and commissioning and until completion of erection, testing, commissioning and initial operation of all connected systems in respect of equipment covered and during extended warranty period. Basically "All Risks" arising out of the following perils shall deem to have been covered under the policy.

In brief but not limited to, the following shall be covered under the policy.

Location Risks: such as Fire, Lightning, Theft, Burglary, Pilferage, Short delivery, Non delivery, Breakage etc.

Handling Risks: such as Impact of falling objects, Transportation, Collision, failure of cranes, Denting, Bending, Tearing, Bursting etc. whether caused by BHEL itself, its sub-contractors, customers or other parties.

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Operation/Maintenance: such as Failure of safety devices, Leakage of electricity or water, Insulation failures, short circuits, Tearing apart on account of centrifugal forces, entry of foreign material/substances, explosion, fire while carrying out welding / gas cutting, damage to plant & equipment under erection and surrounding properties of the owner etc.

Risks of Human: Such as Carelessness, Negligence (excluding wilful negligence), Faults in Element Erection, RSMD (Riot, Strike, Malicious Damage), SRCC (strike, riots, civil commotion), terrorism etc.

Acts of God: Such as Storm, Flood, Tempest, Hurricane, Inundation, Subsidence, Land slide, Rock slide, Earthquake.

The Marine policy shall include the following conditions also without any extra premium:

- 1) All risk institute cargo clause 'A'
- 2) Air freight cover
- 3) Institute replacement clause, special replacement clause (Air duty) and deferred unpacking clause.
- 4) Insurers right of subrogation against insured parties (excluding carriers) waived.
- 5) RSMD
- 6) Warehouse to warehouse basis
- 7) War, SRCC

1.1 BASIS OF SUM INSURED:

The "Sum to be insured" is the value of the goods / Plant / Machinery / equipment / other materials and consumables dispatched from BHEL Units / Divisions and their Vendors/suppliers in India and abroad at the time and condition it was just prior to the accident/Mishap. It is the duty of the "underwriter" to put back the "insured" (BHEL) in the same position as was prior to the accident/ mishap.

1.1a) Marine Cum Erection cover:

1.1a.1) Marine Cover

- i) 110% of Ex-works value of Plant & Equipment (including all spares and Type test Charges) to be supplied within the employer's country.
- ii) Applicable Taxes & duties plus packing and forwarding plus freight plus all other expenses.
- iii) Escalation 5% on (i) and (ii).

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1.1a.2) Storage, Erection, Testing Cover

1.1a.1 plus cost of storage, erection and testing which, inter-alia, includes:

- Erection, Testing and Commissioning Charges including SCE Insurance, including supervision and other incidental services by Vendors and BHEL Units/divisions.
- Testing period of **Three months** after commissioning
- Temporary civil works covering project office building, storage sheds, storage yard.
- Project Office Buildings and all office equipments and furniture
- Enabling facilities like temporary roads, temporary lighting, Construction Power Distribution Network and construction water etc.
- Miscellaneous Erection and testing expenses.
- Cost of material handling at site.
- Cost of contingencies such as requirement of foreign experts at site in case of damage/ loss to connected plants.
- Cost of lubricants, consumables.
- Supervision charges for BHEL engineers.
- Permanent Civil Works such as Buildings, Foundations, earthwork including materials for the construction thereon.
- Free Issue Materials

Should there be any act of "addition" or "omission" of the factors on the part of the "insured" which in the opinion or in view of the "underwriter" is "not required" or "required to be accounted for" the same shall be brought to the notice of the "insured" before Submission of Offer to enable BHEL clarify the matter, failing which BHEL will not accept rejection/ short settlement of claim.

1.1a.3) Sum Insured for Marine is inclusive of Escalation of 5%

1.1a.4) Escalation required under the SCE/Installation all risks Policy: 10% of Sum Insured

1.1a.5) **Third Party Liability Cover:** The cover shall insure against legal liability to third Parties for bodily injury or damage to property arising out of the construction, testing of facilities in Bangladesh. The sum insured shall be USD 5 Million AOA : AOY.

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1.2 PROCEDURE FOR CLAIM SETTLEMENT

1.2.1. The underwriter will put in place such a claim procedure that is positive prompt transparent and targets for 'zero' pendency status. Towards this end the underwriter will endeavor to educate the BHEL officials w.r.t. procedures and documentation requirement. A joint meeting between potential surveyors, underwriters and BHEL will be organized at the time and place suggested by BHEL for discussing this matter. The underwriter will take a fortnightly report from the surveyor to ensure the success of the procedure and keep BHEL posted.

1.2.2 The Insurer shall immediately depute or authorize the Insured to call a surveyor(s) from the approved panel but not later than 2 working days of receipt of intimation from the Insured in exceptional cases.

1.2.3 The surveyor shall call for all the documents in support of claim in one go but not in piece meal manner for expeditious settlement of claim, preferably at the time of visit or within 3 days thereafter.

If for any reasons BHEL does not respond/ provide all the particulars required by the surveyor, the insurer or surveyor as the case may be shall remind within 2 weeks in writing the site with a copy to their Regional Hqrs. In exceptional situations copy may be sent to this office also.

1.2.4 The surveyor shall send his findings to the Insurer within 15 days of his getting documents.

1.2.5 In case the claim is not found tenable or not settled for the claimed amount. He will seek the comments of BHEL within a week of receiving the survey report. The final view shall be taken within 15 days of receipt of reply.

In normal circumstances the claim has to be settled within 30 days from the date of first information, net of the time taken by BHEL for responding to surveyor's/ underwriter's comments.

1.2.6 In order to minimize the procedural formalities and in view of the insignificance of amount w.r.t. the project size, all the Marine claims up to USD 310 over and above the excess/ deductible franchise will be settled on the basis of statement signed by two officials of BHEL.

1.2.7 The insured will give required relevant document to the extent possible for settlement of claims. However, in case of non-availability of required documents Insurer will settle the claims based on the market information and engineering estimates. In short the emphasis should be on the spirit of indemnity and not on procedures.

1.2.8 All the claims arising under the Policy shall be settled in favour of BHEL. BHEL will provide necessary NOC from customer M/S BIFPCL for settlement of claim in favour of BHEL. The settlement of claims will be in USD.

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1.2.9 Rates for extension of Erection and Testing period.

The Policy period may be extended as per requirements of the Project/Site. The rates for extension beyond the policy period shall be on Pro-rata basis, subject to claim ratio under 100%. For claim ratio over 100%, the insurer shall provide the extension of Policy (under Normal period or Testing period, as required) at the mutually agreed rates.

2.0 EXCESS/ DEDUCTIBLE

For Marine Cover:

- 0.25% of consignment value subject to minimum of USD 310

For Storage /Erection and Testing Cover: 5% of the claim amount subject to minimum as below:

Type of Items	Normal Period	Testing Period
Major items	USD 50000	USD 150000
Other items	USD 10000	USD 25000

Note: Boiler, Turbine, Generator, & Power Transformer will only be treated as Major Items. All other items including accessories/spares of Boiler, Turbine, Generator, & Power Transformer will be treated as other Items for the purpose of above said deductibles.

- **Act of God Perils:** 10% of the claim amount subject to a minimum of testing period excess for Major/Other items, with an upper limit of USD 775194.
- **Fire / Explosion Claims:** 20% of claim amount subject to minimum of testing period excess for Major/Other items.
- **Third Party Insurance cover:** (a) Involving loss of life: Nil
(c) Involving Property damage: As per EAR

(The policy excesses (Normal /Testing Periods) shall apply for third party liability property damage claims. For third party liability claims arising out of Acts of God Perils the excess applicable to AOG claims shall be applied.)

- **Terrorism:** 5% of the claim amount subject to a minimum of USD 1550 and maximum of USD 387597.

3.0 SELF-SURVEY LIMIT:

For all claims this limit will be USD 310 over and above the excess applicable.

4.0 DOCUMENTS FOR REPLACEMENT / REPAIR COST.

The contract price is the sale price agreed with M/s BIFPCL Ltd for 2x660 MW MAITREE SUPER THERMAL POWER PROJECT. The cost includes dismantling, production, procurement, erection cost plus taxes and other expenses. The items supplied to site are billed by BHEL progressively based on notional/pro-rata per

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Kg rate also the amounts in the invoices to M/s BIFPCL Ltd./ Gate Pass are based on such pro-rata/notional rates. In the event of a loss, replacement / repair cost will be furnished by BHEL through Cost Certificates reflecting actual cost/expenses inclusive of expenses incurred on visit of officials/ experts (including foreign experts) as well as testing charges, if any, and the supervision cost by BHEL engineers to site. The claims shall be settled on the basis of cost indicated in the Cost Certificate by concerned BHEL Units and the site office that carry out such repair/replacement.

Taxes & duties will be payable by the underwriter based on actuals, which shall include payment or reversal of the same.

5.0 COST OF REPAIR / RECTIFICATION OF DAMAGED ITEMS:

It is usual that certain Repair / Rectification works arise due to damages to project materials. The required Repair/ Rectification may be carried out by BHEL or by Vendors of BHEL at their works under the supervision of BHEL Engineers.

The expenses incurred on Repair/Rectification such as Cost of Material, Cost of Labour, Other Direct Cost of Repair/Rectification, All Indirect Costs apportioned in Repair/Rectification Activity of Concerned Repair/Rectification Agency, Testing Charges, Supervision Charges of Technicians/Engineers of BHEL, etc. are to be borne by the underwriter.

For this purpose, Cost Certificate will be issued by the concerned Unit of BHEL and the same will be accepted by the underwriter without any dispute for settlement of insurance claims.

Supervision Charges at site, if applicable for Re-erection/Dismantling etc., will be paid along with the Site Overheads (which will be calculated @ 30% on Labour/Service Charges incurred on Dismantling/Re-erection Services at Site).

The supervision charges of BHEL Engineers are to be taken on Manday Rate basis less 10% as applicable for site as per prevailing Head Office/ Corporate Office circular at the time of Repair/Rectification. These Manday Rates are subject to revision every financial year. The same shall be reimbursed by underwriter in the event of insurance claim.

In certain cases, the site may call the Technicians/Engineers from Manufacturing Units/their vendors for repairs/rectification at Site. Charges for such visits of Technicians/Engineers will also be reimbursed by the underwriter.

The above said provision of Cost of Repair/Rectification will apply to damage to items at any stage i.e. transit, storage, erection, commissioning, testing and maintenance.

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6.0 CHARGES FOR MATERIAL PROCUREMENT

In case any of the BHEL's Region/Project Site procures any materials on behalf of supplying units for repair/replacement of damaged material from outside BHEL, 10% incidentals over and above the procurement cost shall also be payable by the underwriter.

7.0 INTEREST ON DELAYED PAYMENTS:

The Underwriter shall settle all claims within 30 days from the date of submission of Final Claim Bill accompanied by necessary documents. List of such necessary documents shall be furnished for each type of claim by the underwriter at the time of start of the Policy. Any delay in settlement of claims beyond 30 days, shall attract a penal interest at **TWO** percent above the ruling Bank rate of interest for the period of delay

8.0 ON-ACCOUNT PAYMENTS AGAINST CLAIMS:

In case of net claims exceeding USD 15500, BHEL may request for On-Account payment. On account payment will become due on establishment of prima facie admissibility of the claim. The Underwriter shall promptly make an on-account payment on the basis of firm estimates provided by BHEL. The underwriter will ensure that the surveyor releases his recommendations for On Account Payment promptly after submission of firm estimates by BHEL and documents required for establishing the admissibility of the claim.

9.0 THEFT / PILFERAGE CLAIMS:

9.1 The security / watch and ward arrangement in the project is in the purview / scope of the owner who has engaged his own security for the watch and ward of the project. Theft / pilferage are reported to them as per procedure. As for filing report with police is concerned, sending information to the police by registered post will be considered adequate in case FIR cannot be lodged with Police. In case the final report cannot be obtained, indemnity bond will be furnished which shall be acceptable to the underwriter.

However, the complaint so lodged with the security agency for such stolen items will be with brief description of the item and other details such as weight, value and exact time of notice of loss where available shall form the basis for settlement of claims by the Underwriter.

10.0 PANEL OF SURVEYORS:

Lead Insurers in consultation with BHEL shall make panel of surveyors for the purpose of handling claims of BHEL under this Policy Contract. The final list of the Surveyors' will be provided to BHEL within 1 month of start of the Policy. Surveyor shall be deputed from the panel as per the allotted claim limits.

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11.0 DEPUTATION OF SURVEYORS:

- 11.1 Within a reasonable time from the commencement of Policy the Underwriter shall discuss and furnish the list of surveyors containing their relevant details. Normally surveyors from that list only shall be deputed. BHEL reserves the right to review the list and can ask the Underwriter - not to depute a particular surveyor in case BHEL management feels that his deputation may jeopardize company's interest.
- 11.2 The Underwriter shall depute the surveyor within 2 working days on receipt of the intimation of the occurrence of the accident In the event of any delay in deputation of surveyor; BHEL reserves the right to engage any other surveyor from panel at the cost of the underwriter.
- 11.3 In case the surveyor causes undue delay, the underwriter will have to effectively and promptly intervene to expedite the process or to change the surveyor. In case surveyor loses the documents or does not pass them to the underwriter for any reason, photocopy will be asked from BHEL and the same shall be acceptable as if these are original papers.
- 11.4 The underwriter shall provide a copy of the survey report to BHEL if and when asked for. The surveyor shall be advised by the underwriter to directly submit his report on the causes and ways to avoid losses in future. However, BHEL will not pay any remuneration in this behalf. Potential reduction of claim due to such analysis will help to reduce the future claims

12.0 ESTABLISHMENT OF SITE OFFICE:

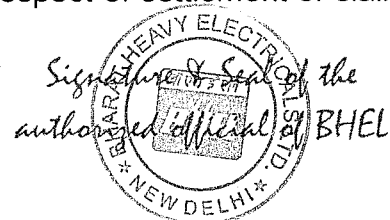
Underwriter shall either establish his site office at the Project site or make available a knowledgeable authorized representative, who shall be responsible for managing the day-to-day affairs pertaining to the claims. He shall also guide BHEL and expedite the settlement of claims apart from interacting with the external agencies. He shall also act as a catalyst, organize the visit of surveyors to site timely and arrange to settle the claims expeditiously. All expenses with regard to the above will be to the account of Underwriter. The representatives should be placed at such a location that he can reach the site within a day's time of getting the call. He will also be required to go to the site regularly, periodicity of which will be decided in consultation with the site management.

13.0 PROGRESS REPORTING AND REVIEW:

- 13.1 The Underwriter shall submit progress reports regarding the status of claims settled & pending for settlement, premium received and the claim amount settled etc. as and when called for. Periodic progress review meetings will be held at site/HQ during which the status of all the pending claims will be discussed and action plan drawn to liquidate the pending claims. The Underwriter shall depute their senior representative to attend such meetings, who are empowered to take spot decisions in respect of settlement of claims,

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whenever feasible. They shall also constantly update/review their work program to match the liquidation of pending claims vis-à-vis scheduled site/contract closing program.

14.0 PURCHASE PREFERENCE TO CENTRAL PUBLIC SECTOR UNDERTAKINGS:

If applicable, purchase preference shall be given to Central Govt. PSU organizations involved in Insurance business as per the Govt. of India guidelines in this regard.

15.0 MARINE/TRANSIT POLICY:

This policy intends to cover the following:

- a) To cover all goods, plant and machinery, equipment, tooling, instruments and other materials required for project construction including items brought in and sent back for repair/ rectification/ testing by any mode from anywhere in India/abroad to the site. However, if required for fabrication/ testing etc., materials can be diverted to other locations also. **It may be noted that BHEL will wait for 48 hours for the surveyor to conduct inspection of damaged items. If the surveyor, after intimation, does not come within 48 hours, the items will be sent for repair. After that BHEL inspection report will be accepted by the surveyor/ underwriter for settling claim.**
- b) Basically "All Risks" (including loading-unloading risks, pilferage, physical loss or damage burglary, theft, Non-delivery) in the Institute Cargo Clauses – A /ITC- A. The imports will be covered for war risks also and the transit within India for SRCC.

However, the following may be noted:

- A Underwriter to ensure and confirm that the scope of cover for the Marine / Transit Risks is comprehensive except for a few Internationally accepted "Exclusions" followed by all underwriters in the world.
- B The underwriter to indicate clearly any exclusion of the Risks not covered in the Policies to avoid any dispute at a later date. In the event of any ambiguity in his proposal with regard to this aspect, the interpretation of the "Insured" shall be final and binding on the "**Underwriter**". BHEL is absolved of any loss on this account.
- C The underwriter shall not attempt to avoid any unforeseen eventualities, which may arise during transit and allied storage and keep the facts in consideration while settling the claims.

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- D. The marine policy will cover all modes of possible transports like rail, road, boat, barge, ship, parcel, courier, post. Etc. Transportation may be either by single mode or combination of 2/3 modes. Any intermediate storage will also be covered.
- E. **Bidders may please note that transit/shipment through Barge is envisaged in this Project. The transits on Barge shall be over the deck/On deck cargo.**
- F. The marine cover will be valid for all consignments (indigenous or imported) during the course of their complete voyage from anywhere in India or abroad till its arrival finally at the project site. No separate declaration of consignments will be provided. Regarding imports, the cover will be only valid for equipment being sent abroad for repair/replacements and brought back.
- G. **Loading/Unloading Survey expenses:** There shall be Over Dimensional and/or High Value Consignments involved in the project. **Cost of Loading/Unloading surveys, if required, in respect of these consignments will be borne by the insurer/underwriter.**
The list of ODC Consignments (tentative) is attached at **Annexure- 1.**
- H. **MARINE/ INLAND TRANSIT COVER OF DAMAGED/ REPAIRED ITEMS**

In the event of any Mishap/ accident during transit, execution, testing and trial operation of the plant, it may become necessary that the damaged equipment / items may have to be sent from site to supplying unit/ vendors for investigation, repair, rectification, replacement of components, testing etc. The duly repaired equipment/ items subsequently will be dispatched back to site. Marine/ Inland transit cover for "to and fro" is also covered under the scope of the insurer. The quoted rates will be applicable for any additional requirement.

15.1 Basis of Valuation of Loss for Claim Settlement under Marine Cover:

Marine claims shall be settled as per the loss assessment method as described under

- **Indigenous equipment:** Ex-works cost plus taxes and duties and all actual expenses till it reaches Site
- **Imported items:** Invoice price plus all actual expenses up to port of landing (in India/Bangladesh) plus duties and taxes plus all expenses incurred within the country plus either 5%, or actual transportation cost whichever is higher.

15.2 STORAGE DURATION UNDER TRANSIT COVER:

The underwriter shall keep the transit/Marine cover operative as under without any extra premium. The marine transit proposed shall include an aggregate storage period of 180 days of project material at any intermediate site out of logistic compulsions and not necessarily in the ordinary course of transit. On termination of such transit at such intermediate storage locations and further onward

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transit/intermediate storage within the period of 180 days shall not be separately declared and shall be covered end to end. In this storage which is not customary, Marine Policy excess shall apply.

In case the materials remain under intermediate storage for more than 180 days as mentioned above, the same will be treated as covered under transit policy on payment of additional premium at an agreed monthly rate.

15.3 DAMAGE / SHORTAGES IN SOUND BOXES:

Damages/ shortages found in sound boxes (damage apparently not visible) beyond self survey limit, only a Panchanama will be prepared by the insured for settlement of the cost of damaged / shortage items. These damaged / shortage items will be replaced by Manufacturers / suppliers at replacement price. It may not be feasible to indicate for individual items the original price for replacement items. The underwriter shall on the basis of panchanama settle such claims in full. No other document in this regard can be made available. In case of shortage noticed in sound boxes, the Open Delivery Certificate for transporters should not be demanded. However, the recovery rights will be protected. This will be applicable for both inward as well as outward consignments. Time limit for claim intimation from the date of arrival shall be as follows:

- | | | | |
|------|-----------------------------------|---|-----------|
| (i) | Shortage/ damage in sound boxes | - | 12 months |
| (ii) | Shortage/ damage in damaged boxes | - | 30 days |

15.4 Transfer of Title of the Goods

If as per contract, it is the responsibility of the BHEL to ensure safe delivery of goods to the customer, passing of title on high seas or sale in transit will not affect the insurance coverage and the policy will remain in force as if title has not been passed.

16.0 CLAIM RELATED STIPULATIONS:

16.1 INDIRECT COST ON ACCOUNT OF ADMINISTRATIVE AND FINANCING COST ON PROCUREMENT OF MATERIAL FROM VENDORS OUT SIDE BHEL:

Indirect Cost (applicable to all supply of repair parts & equipment except supply of parts & equipment from BHEL manufacturing units) will be charged on the total cost of procurement of repairs/ replacement material towards administrative and financing cost.

Underwriter may hereby note that the Erection price indicated has elements of "sum insured" inclusive of contingency and such indirect cost These are payable against all repairs/rectification claims lodged by BHEL.

The rate of such indirect cost is calculated annually by Units/Regions of BHEL based upon the last year actual expenses. A certificate from concerned Unit/Region which is procuring such material will be provided for such indirect cost.

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No request for other supporting documents/dispute in this regard will be entertained by BHEL at any point of time in respect of claim settlement.

- 16.2 It is normal practice to dispatch heavy structural and materials in open wagons where the RR is issued on "**SAID TO CONTAIN**" basis from the originating location. In case of any loss to such consignments, claims will be settled for 100 % value.
- 16.3 The materials dispatched by rail from Manufacturers/Suppliers warehouse are first brought to the "Rail head"/nearest railway siding which is a transfer point, where railways shall hand over delivery of consignment. From this point the consignment /goods are transported by rail to the Railway siding of the site. Actual verification of materials shall take place at the Railway siding at the time of physical delivery. Since the transit cover is from Warehouse to Warehouse basis, any losses/ damage occurred during entire process of transit shall be covered & marine claim shall be settled for 100% value.
- 16.4 In case consignment comes through road carriers, written statement of observations of condition of consignment i.e. shortage/damages recorded and signed by lorry driver over the challan/delivery certificate and duly counter signed by BHEL representative shall be honoured. The Insured will serve a formal notice of monetary claim on the carriers by Registered letter and produce the receipt issued by Post Office. No further shortage/damage certificate shall be asked by the Insurer for claim settlement. The letter will only be a demand to make good the loss and it will not contain a threat to go to the court in case transporter does not do so.
- 16.5 In case, claim is considered to be non-standard claim because of not getting damage/shortage certificate from carriers in spite of all the efforts (i.e. sending Notice through Reg. AD), Insurer shall settle such claims to the extent of 90% irrespective of claim amount. For other situations warranting under-settlement of the claim, the bidder will give in a separate statement forming part of the Techno-Commercial bid, the percentage of deduction underwriter proposes to apply. Once agreed to by us, this will form part of the MOU. However, it will not form part of evaluation formula.
- 16.6 The claim intimation for shortage/ damage under this category can be sent by the consignor or the consignee regardless of who suffer the loss.
- 16.7 **DEPUTATION OF WAGON / CARRIER TRACERS:** It is the responsibility of the "Underwriter" to appoint wagon/carrier tracers immediately on receipt of notice of the claim from BHEL in the event of "Non delivery" of goods /consignment. The goods/ consignment to be traced and delivered within a period mutually acceptable keeping in view the erection/commissioning schedule. If there is delay in doing so, which in the opinion of insured will delay the project schedule, the underwriter is to admit the replacement cost together with all the additional expenses incurred for arranging the replacement together with all costs incurred at site to expedite the connected erection and commissioning activities

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to meet the schedule. The consignment traced beyond the mutually agreed period will not normally be accepted by BHEL.

On the basis of non-delivery certificate/BHEL 's notice to carriers, the original consignment, if received subsequently will be intimated to the Underwriter for taking charge of the same without any implication on the settled claim.

17.0 Value of Single largest consignment & PBL

Following details are for the largest value consignment of

Equipment : GT with Generator from Siemens, Germany
 Weight and Dimension : Tentative Wt. of Generator: 330 MT (approx.) and weight of HP, IP and LP Turbine is approx. 145MT, 190 MT and 230 MT respectively.
 Value : Combined value of single largest value consignment is USD 61 Million (approx.)

The Per Bottom Limit (PBL) shall be USD 61 Million (approx.).

18.0 STORAGE, ERECTION & TESTING COVERS:

18.1 Underwriter to ensure and confirm that the scope of cover for the "Risks at site during Storage Erection & Testing" is comprehensive except for a few Internationally accepted "Exclusions". All underwriters will submit the list of these exclusions and the successful bidder will apply only those which are included in the list of all underwriters.

18.2 The Underwriter to indicate clearly exclusions of the Policies to avoid any dispute at a later date. In the event of any ambiguity in his proposal with regard to this aspect, the interpretation will be done to the advantage of the insured.

18.3 Covers shall include all risks in the course of movement of goods, Storage at site, Pre-assembly, Erection, Pre-commissioning, Commissioning and Trial operation of the equipment/facilities/Package as per the contract with the customer. Bidders can go through the relevant portion of the said contract if they so wish. However, for the reason of confidentiality, copy cannot be provided.

18.4 Erection Cover:

- All activities till Erection of complete unit & prior to Synchronization on coal firing shall be treated as Pre-commissioning activities & shall continue under the erection cover.
- In case the plant after the synchronization with the coal is under shutdown for attending to commissioning problems, the period of shutdown shall be considered as Erection period.
- The operation of any individual equipment /system prior to synchronization with coal will be covered and considered as erection cover.

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18.5 Testing Period Cover:

The testing period cover or cover during testing period will be till handing over of the plant/facilities by BHEL.

The testing, commissioning, trial run and handing over are as described below.

Reliability Test Run of the plant or a unit including common facilities, as the case may be, shall start for 30 (thirty) days after successful completion of all Performance Tests. During the specified period plant shall be operated continuously and in accordance with the prevailing power requirements of the transmission System/BPDP or as required by the employer.

For the successful completion of the Reliability Test Run, a maximum of four trippings of not more than combined outage of 24 hours are allowed.

18.6 DEFECT LIABILITY PERIOD COVERAGE REQUIRED: The Defect Liability Period shall be 24 months from the date of taking over by employer or date of provisional acceptance certificate whichever is earlier

19.0 PERIOD OF COVER: The cover for MCE policy will start either from the date of dispatch of first consignment of unit material separately or the date of payment of 1st instalment premium whichever is later. However, all consignments/ work done till date of commencement will be jointly inspected by the insurer and insured and damages/ losses already suffered will not be to the account of the insurer. However, all consignments starting from supplier's work on or after the date of premium will be deemed to have incurred under this policy even if received at site after the date of above referred joint inspection. The insurer will refund pro-rata premium based on the value of the consignment received till the commencement of the policy. Once inspection is done, consignee will be considered to have been insured under this policy for all purposes.

(A) Commencement of Marine Policy Period:

The cover for MCE policy will start either from the date of dispatch of first consignment of each unit materials separately or the date of payment of 1st instalment premium for MCE cover whichever is later.

(B) Commencement Storage Cum Erection Policy:

The risk for each project will commence from the date of arrival of first consignment at site/ start of physical work/storage at site or payment of premium whichever is later.

(C) Commencement of the Testing Period:

The plant shall be on initial operation with due permission from the purchaser during which all necessary adjustment shall be made by the contractor while

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operating, over all full load range enabling the plant to be made ready for the trial run.

The testing period shall start after completion of all pre-commissioning activities (which shall mean erection and testing of individual equipment/ system/ sub-assemblies individually and/ or in the group) in a manner that result into synchronization of the each individual unit.

20.0 PREMIUM FOR EARTHQUAKE.

The project location falls under the Seismic zone-1 as determined by Bangladesh National Building Code (BNBC-2012). Premium, if any, is to be indicated in the price bid in the appropriate column

21.0 ADD-ON COVERS (SCE/EAR)

In addition to the add-ons that may be available for projects as per market conventions as well as the ones that bidders may offer (which may be mentioned in the list of all add-ons available free of cost), BHEL also wishes to cover the following. The Premium, if any, for these add-on covers may be built up in the SCE/EAR price quoted by the bidders in the price bid:

- a) 50/50 clause
- b) 72 hours clause
- c) Free automatic reinstatement clause upto 10% of the Sum Insured.
- d) Loss minimization expenses.
- e) Professional fees
- f) Cross liability cover
- g) Waiver of contribution clause
- h) Damage due to falling objects
- i) Additional Custom Duty upto USD 1550388
- j) Cost of reproducing/ reacquiring information upto USD 50,000
- k) Amendment in fire fighting endorsement wordings.
- l) Debris removal upto USD 78125.00
- m) Expediting cost including Air freight and Express freight (Up to 30% of net claim amount)
- n) Pair or set clause
- o) Fragile Items like glass, insulation, refractory, insulators, mineral wool mattress, fire bricks etc. (in boxes or loose as may be) - with Sum Insured upto USD 312500.00
- p) Waival of Subrogation Clause
- q) Inland transit upto a value of USD 781250.00 to cover movement / transit between one part of site & other part of site including movement from / to off-site storage spanning over public road in between
- r) Civil Engineering Works – To cover the risk of loss or damage to the property brought on to the Site of Erection for the performance of the contract, as follows:-

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1. All permanent Civil Engineering Works such as buildings, foundations, earthwork including materials for the constructions thereon
2. All temporary civil works such as buildings, sheds

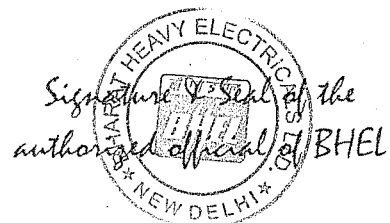
22.0 Endorsements for Free Covers and Discounts

The underwriter is to separately incorporate the free covers and discounts in the form of endorsement attached to the policy.

23.0 Other important conditions/points to be noted by the tenderers and necessarily agreed

- 23.1 Supervision is included in the sum insured and accordingly the supervision charges shall be paid while settling the claim. Replacements claims will be settled based on the certificates/invoices for the Replacements from BHEL's supplying units who are the suppliers.
- 23.2 If the taking over period is completed prior to the policy period, insurer shall refund proportionate premium.
- 23.3 If the testing period included is not fully consumed during the normal policy period or extended period, the same shall be taken into account during further extended period and extensions arranged accordingly.
- 23.4 Division/Branch of the underwriter shall be chosen by BHEL.

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Glossary

BHEL /INSURED shall mean **Bharat Heavy Electricals Limited**, a Company registered under the Indian Companies Act.1956,with its Registered Office at BHEL HOUSE,SIRI FORT, NEW DELHI-110049 or its authorized Officers or its Engineers or other employees authorized to deal with any matters with which these persons are concerned, on its behalf.

'GENERAL MANAGER' shall mean the Officer in Administrative charge of the Project for which insurance is being arranged.

'ENGINEER or 'ENGINEER-IN-CHARGE' shall mean Engineer deputed by BHEL. The terms includes Deputy General Manager, Construction Manager, Resident Manager, Site Engineer, Resident Engineer and Assistant Site Engineer of BHEL at the site as well as the officers in charge at Head Office.

'SITE' shall mean the place or places at which the plants/equipment are to be erected and services are to be performed and **'UNIT'** shall mean BHEL units and their vendors supplying the plant / material to site as per the specifications of this Tender.

'CLIENTS OF BHEL' or 'CUSTOMER' shall mean the respective project authorities to whom BHEL is rendering supply, erection and commissioning the equipment/services.

'Insurer / Bidders / Tenderers / Underwriters shall mean the company who submits the tender and enters into contract with BHEL and shall include their executors, administrators, successors and permitted assigns.

'CONTRACT or 'CONTRACT DOCUMENT' shall mean and include the policy, the work order, the accepted appendices of rates, Instruction to tenders , General Conditions of Contract, Special conditions of contract and the Letter of Intent / Acceptance letter issued by BHEL. Any conditions or terms stipulated by the Underwriter. In the tender documents or subsequent letters shall not form part of the Contract unless specifically accepted in writing by BHEL.

'LETTER OF INTENT' shall mean the intimation by a letter / fax to the Underwriter that the tender has been accepted in accordance with provisions contained in the letter. The responsibilities of the Underwriter commences from the date of issue of this letter and all the terms and conditions of contract are applicable from this date.

'PLANT' shall mean and connote the entire assembly of the plant and equipment covered by the Contract.

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'EQUIPMENT' shall mean all equipment, Machineries, Materials, Structures, electrical and other components of the plant covered by the Contract.

'PRE-COMMISSIONING', 'COMMISSIONING' & 'TESTING' shall mean and include such test or tests to be carried out by BHEL or their subcontractor as considered necessary by BHEL in order to ascertain the quality, workmanship, performance and efficiency of the erected equipment.

'APPROVED', 'DIRECTED' or 'INSTRUCTED' shall mean approved, directed or instructed by BHEL.

'SUB-CONTRACTOR' shall mean the agency/agencies appointed by BHEL/PS-ER for Handling at Site, Storage, Assembly, Erection and Commissioning of the equipment at site.

'CLAIM' shall mean intimation of loss communicated to the Insurer verbally / telephonically followed by written communication.

'SURVEYOR' shall mean, the Independent Loss Assessor appointed by the Insurer with the consent of Insured to assess the loss within the frame work of MOU and policy document only. Insurer has to provide a Panel of Surveyors with their credentials to BHEL for approval after placement of order on them.

'SINGULAR' and 'PLURAL' etc. Words carrying singular number shall also include plural and vice versa where the context so requires. Words imparting masculine gender shall be taken to include the feminine gender and words imparting persons shall include any Company or Association or Body of Individuals, where incorporated or not.

'FIRM ESTIMATES' shall mean the estimates provided by BHEL after a thorough review of damage and the work involved in bringing the goods / Plant / Machinery / equipment / other materials and consumables in its original condition as it was just prior to the accident/mishap.

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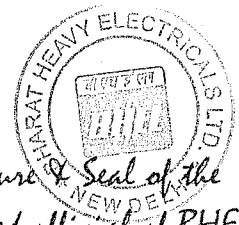
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authorized official of Underwriters

Signature & Seal of the
authorized official of BHEL





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

ANNEXURE I

DEVIATION STATEMENT

(Pl. strike off the clause which is not applicable and ticks the other)

1. THIS IS TO DECLARE THAT WE DO NOT HAVE ANY DEVIATIONS IN THE STIPULATIONS OF YOUR TENDER AND ACCORDINGLY ACCEPT ALL THE STIPULATIONS WITHOUT ANY RESERVATIONS WHATSOEVER.

OR

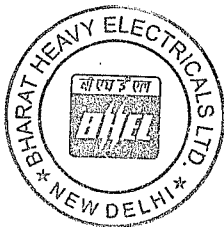
2. THE FOLLOWING DEVIATIONS ARE BEING TAKEN:.

- a) Para no..... section
- b) Para no..... section
- c) Para no..... section
- d) Para no..... section

I, _____ hereby certify that except the deviations mentioned above, we do not have any other deviations to the TENDER NO. BHEL: CO: FIN: INS: BD: MAITREE STPP- PSER dated 16/07/2018. Deviations, if any, mentioned elsewhere in our bid (whether Techno-commercial bid or Price bid) may be treated as null and void by BHEL.

For and on behalf of underwriter

(Signature & seal of authorized signatory)





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

ANNEXURE - II

DECLARATION SHEET

I, _____
hereby certify that all the information and data furnished by me with regard to this Tender Specification No. BHEL: CO: FIN: INS: BD: MAITREE STPP- PSER are true and complete to the best of my knowledge. I have gone through the specifications, conditions and stipulations in detail and agree to comply with the requirements and intent of specification.

I, further certify that I am the duly authorized representative of the under mentioned tenderer and a valid power of attorney to this effect is also enclosed.

For and on behalf of underwriter

(Signature & seal of authorized signatory)





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

ANNEXURE III

**CERTIFICATE OF DECLARATION FOR CONFIRMATION OF TAC/
BANGLADESH GOVT. INSURANCE ACT & RULES/GUIDELINES**

I, _____

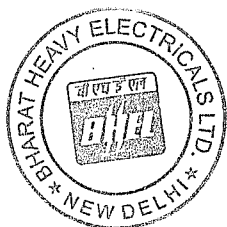
hereby certify on behalf of that our offer no..... dtd.....against tender specification No BHEL: CO: FIN: INS: BD: MAITREE STPP- PSER does not breach of Insurance Act/IDRA/TAC and applicable guidelines. I further confirm that in the event of disclosure at a later stage that the same is in breach and BHEL is put to any disadvantage or face cancellation of the Policy or any claim becomes substandard/untenable, the whole liabilities arising out of this shall lie wholly on us and will bear all consequences thereof.

I, further certify that I am the duly authorized representative of the underwriter and competent to agree as above and a valid power of attorney to this effect is enclosed.

I, further certify that there is no tariff violation. In case some violation is pointed out at a later date, the same shall be taken care of in line with clause 12 of Section I.

For and on behalf of underwriter

(Signature & seal of authorized signatory)





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

Annexure- IV

DECLARATION

We Will go for a suitable re-insurance arrangement and will furnish the details of re-insurance arrangement in the event of becoming a successful bidder. The Re-insurance will be done with a reinsurer having financial strength rating of not lower than "A+ (A plus)" by A.M BEST or by Standards & Poor rating agency for lead re-insurer and not be lower than A- (A minus) by A.M BEST or by Standards & Poor rating agency for other reinsurers, with a minimum re-insurance of 99%, as per terms of tender.

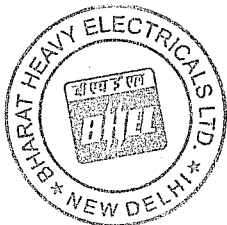
We further confirm that we will arrange Tripartite agreement between Insured, Insurer and Re-insurer for Cut-through clause.

CUT THROUGH CLAUSE

"It is understood and agreed that in the event of failure of the reassured to pay a recoverable claim under their policy for account of original assured then such original assured (subject to the provisions of the loss payee clause in the original policy) shall be entitled to recover claims directly from reinsurers for the proportion subscribed by the reinsurers subject to the reinsurance policy terms and conditions and subject to all premiums due as of the date of loss being fully paid and so same claim amount having been paid and/or agreement reached to pay by reinsuring underwriters to the reassured.

All claims that have been paid by the reinsuring underwriters to the reassured(s) shall be deemed to have been paid to the assured."

Signature of re-insurer



For and on behalf of underwriter

(Signature & seal of authorized signatory)



Annexure- V

2x660 MW MAITREE SUPER THERMAL POWER PROJECT

(ON THE LETTER HEAD OF LEAD RE-INSURER)

SUBJECT: SUPPORT LETTER FOR BHEL POLICY CONTRACT REINSURANCE QUOTE AGAINST BHEL TENDER SPECIFICATION NO. _____

We hereby confirm that as on today's date, we have financial security rating _____ by Security Rating Agency namely _____.

We confirm that we have provided a re-insurance support of _____% to M/S _____ for tender specification no _____ in respect of _____ of Bharat Heavy Electricals Limited.

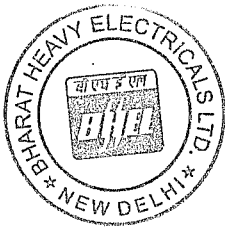
Further, we agree to enter into Tripartite agreement between Insured, Insurer and our company as Re-insurer for "Cut-through" clause as required under the tender.

Authorised representative's signature

Name:

Address:

Seal of the company





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

Annexure- VI

(ON THE LETTER HEAD OF LEAD RE-INSURER)

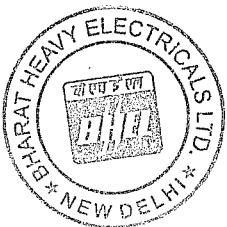
RE-INSURER CREDENTIALS

1. Name :
2. Registered at :
3. Rating :
4. Last update in rating :
5. Rating updated by Agency :

Authorised representative's signature

Name:
Address:

Seal of the company





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

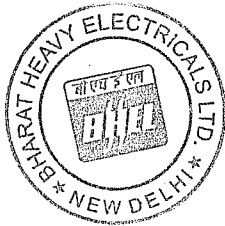
Annexure - VII

LIST OF INTERNATIONALLY ACCEPTED EXCLUSIONS

- 1.
- 2.
- 3.

For and on behalf of underwriter

(Signature & seal of authorized signatory)





2x660 MW MAITREE SUPER THERMAL POWER PROJECT

Annexure - VIII

SCHEDULE OF GENERAL PARTICULARS

NOTE: Tenderers are requested to fill in the following details and no column should be left blank

1. Name and address of the tenderer:

2. Fax/ e-mail address:

3. Phone No. (Office):

4. Name, designation contact phone no. and email address of the official of the tenderer to whom all the references shall be made

5. Name, designation contact phone no. and email address of the official of the tenderer to whom all the references shall be made at

Head Office (HO)-

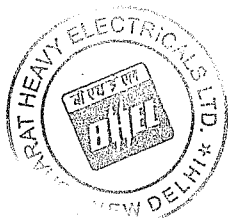
Regional Office (RO)-

Divisional Office (DO)-

Date

For and on behalf of insurer

(Signature & seal of Authorized signatory)





INTEGRITY PACT

Between

Bharat Heavy Electricals Ltd. (BHEL), a company registered under the Companies Act 1956 and having its registered office at "BHEL House", Sir' Fort, New Delhi - 110049 (India) hereinafter referred to as The Principal", which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the ONE PART

And _____ (description of the party along with address), hereinafter referred to as The Bidder/ Contractor" which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the OTHER PART'

Preamble

The Principal intends to award, under laid-down organizational procedures, contract/s for

Marine Cum Storage Cum Erection All Risk Policy for 2x660 MW MAITREE SUPER THERMAL POWER PROJECT

The Principal values full compliance with all relevant laws of the land, rules and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s)/ Contractor(s). In order to achieve these goals, the Principal will appoint independent External Monitor(s), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1- Commitments of the Principal

1.1 The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

1.1.1 No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

1.1.2 The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all, Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

1.1.3 The Principal will exclude from the process all known prejudiced persons.

1.2 If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2 - Commitments of the Bidder(s)/ Contractor(s)

2.1 The Bidder(s)/ Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

2.1.1 The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or to any of the Principal's employees involved **in the tender process or the execution of the contract or to any third person any material , immaterial or any other benefit which he / she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.**

2.1.2 The Bidder(s)/ Contractor(s) will not enter with other Bidder(s) into any illegal or **undisclosed agreement or understanding, whether formal or informal . This applies in particular to prices,**





specifications , certifications , subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

2.1.3 The Bidder(s)/ Contractor(s) will not commit any penal offence under the relevant IPC/ PC Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of **competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship , regarding plans, technical proposals and business details, including information contained or transmitted electronically.**

2.1.4 The **Bidder(s)/ Contractor(s) will, when presenting his bid , disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.**

2.2 The **Bidder(s)/ Contractor (s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.**

Section 3 - Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/ Contractor(s), before award or during execution has committed a transgression through a violation of Section 2 above, or acts in any other manner such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/ Contractor(s) from the tender process or take action as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors". framed by the Principal.

Section 4 - Compensation for Damages

4.1 If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent Earnest Money Deposit/Bid Security.

4.2 If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.

Section 5 - Previous Transgression

5.1 The Bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

5.2 If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section 6 - Equal treatment of all Bidders/ Contractors / Sub-contractors

6.1 The Bidder(s)/ Contractor(s) undertake(s) to obtain from all subcontractors a commitment consistent with this Integrity Pact and report Compliance to the Principal. This commitment shall be taken only from those sub-contractors whose contract value is more than 20 % of Bidder's/ Contractor's contract value with the Principal. The Bidder(s)/ Contractor(s) shall continue to remain responsible for any default by his Sub-contractor(s).

6.2 The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.

6.3 The Principal will disqualify from the tender process all bidders who do not sign this pact or violate its provisions.

Section 7 - Criminal Charges against violating Bidders/ Contractors /Subcontractors

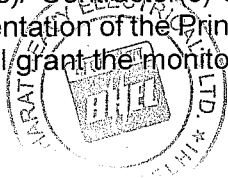
If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section 8 -Independent External Monitor(s)

8.1 The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

8.2 The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, BHEL.

8.3 The Bidder(s)/ Contractor(s) accepts that the Monitor has the right to access without restriction to all contract documentation of the Principal including that provided by the Bidder(s)/ Contractor(s). The Bidder(s)/ Contractor(s) will grant the monitor. upon his request and demonstration of a valid interest, unrestricted and





unconditional access to his contract documentation. The same is applicable to Sub-contractor(s). The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s) / Sub-contractor(s) with confidentiality,

8.4 The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the contract provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

8.5 As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or heal the situation, or to take other relevant action. The Monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

8.6 The Monitor will submit a written report to the CMD, BHEL within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.

8.7 The CMD, BHEL shall decide the compensation to be paid to the Monitor and its terms and conditions.

8.8 If the Monitor has reported to the CMD, BHEL, a substantiated suspicion of an offence under relevant IPC / PC Act , and the CMD , BHEL has not , within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

8.9 The number of Independent External Monitor(s) shall be decided by the CMD, BHEL.

8.10 The word 'Monitor' would include both singular and plural.

Section 9 - Pact Duration

9.1 This Pact begins and shall be binding on and from the submission of bid(s) by bidder(s). It expires for the Contractor 12 months after the last payment under the respective contract and for all other Bidders 6 months after the contract has been awarded.

9.2 If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified as above, unless it is discharged/ determined by the CMD, BHEL.

Section 10 - Other Provisions

10.1 This agreement is subject to Indian Laws and jurisdiction shall be registered office of the Principal, i.e. New Delhi.

10.2 Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

10.3 If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

10.4 Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

10.5 Only those bidders / contractors who have entered into this agreement with the Principal would be competent to participate in the bidding. In other words, entering into this agreement would be a preliminary qualification.

For & On behalf of the Principal
(Office Seal)

Nearaj

Place-----

Date-----

Witness:

(Name & Address)



For & On behalf of the Bidder/ Contractor
(Office Seal)

Witness:

(Name & Address)



UNPRICED PRICE SCHEDULE

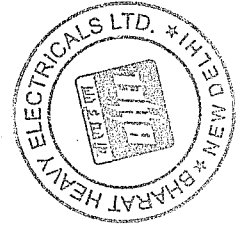
2x660 MW MAITREE SUPER THERMAL POWER PROJECT

PRICE BID

SCHEDULE OF RATES

(INSURANCE FOR MARINE, STORAGE, ERECTION, TESTING & COMMISSIONING)

SN	Description of Cover	Cover period	Sum Insured (In Million USD)	Amount of Premium (In USD), excluding taxes and duties, if any.	
				in figures	In words
1.0	Marine Cargo				
1.1	Main Plant Equipment, Spares and material (Sum Insured is inclusive of the following: Taxes and duties, Freight and Escalation @5%)	50 months	1111.04	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
2.0	SCE Cover / Installation all Risks (EAR/CAR) 1) Storage, Erection and Testing Cover for Main Plant Equipment (including three months testing period) but excluding Escalation @ 10 %	50 months	1592.23	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX



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BHARAT HEAVY ELECTRICALS LIMITED



TENDER SPECIFICATION
FOR
MARINE-CUM-STORAGE-CUM-ERECTION INSURANCE
2x660 MW MAITREE SUPER THERMAL POWER PROJECT
For
M/s BIFPCL.

TENDER NO. BHEL: CO: FIN: INS:BD: MAITREE STPP- PSER

VOLUME - II

PRICE - BID

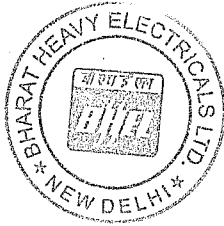
BHARAT HEAVY ELECTRICALS LTD.

Registered Office: BHEL HOUSE, SIRI FORT, NEW DELHI - 110 049 (INDIA)

Dhaka Office: 8th floor, Unique Height (BORAK),

117 Kazi Nazrul Islam Avenue,

Eskaton Garden, Dhaka 1000.



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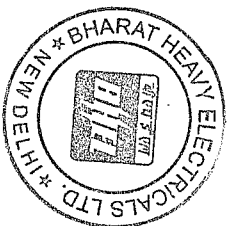
2x660 MW MAITREE SUPER THERMAL POWER PROJECT

PRICE BID

SCHEDULE OF RATES

(INSURANCE FOR MARINE, STORAGE, ERECTION, TESTING & COMMISSIONING)

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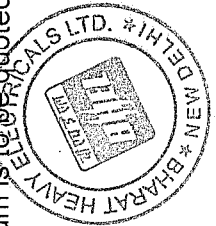
SN	Description of Cover	Sum Insured	Amount of Premium (In USD), excluding taxes and duties, if any.	
			In figures	In words
3.0	ADD ON COVERS			
a)	Third Party liability including cross liabilities (Extension of MCE/EAR Policy) AOA:AOY	USD 5 Million		
b)	Surrounding Properties with FLEXA	10% of the Policy Sum Insured		
c)	Earthquake Cover	Policy sum insured		
d)	STFI	Policy sum insured		
e)	Extended Maintenance Cover / Defect Liability Period	24 Months		
f)	Escalation	10% of Sum Insured		
g)	Terrorism	Policy sum insured with a loss limit of USD 310 Million per location		

4.0 Taxes and Duties, if any. Please Specify _____ (%)

Total Premium [Sl. No. 1 to 4] (In Figures).....

Total Premium [Sl. No. 1 to 4](In words).....
 Note:

(a) FEA discount may please be considered in view of availability of Fire Fighting systems inside the Plant premises
 (b) The Premium is to be quoted after applying discounts but before applying taxes and duties as applicable.



Signature and seal of the Bidders