



REF : BHEL : PC : FITTINGS : MOU : 2015 REV 00

BHEL / PIPING CENTRE / CHENNAI

**TECHNO COMMERCIAL MEMORANDUM OF UNDERSTANDING FOR
SUPPLYING FITTINGS**

BETWEEN

M/s. BHEL, PIPING CENTRE, CHENNAI, 600 017

&

M/s. XXXXXXXXXX (V. Code - XXXXX), Area

VENDOR'S SIGNATURE WITH SEAL

BHEL PIPING CENTRE



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- This Techno commercial MOU is signed by M/s. DEE DEVELOPMENT ENGINEERS LTD. and M/s BHEL PIPING CENTRE CHENNAI for having agreed to the technical and commercial terms (except price & delivery) indicated below finalized through enquiry for the supply of Fittings against following material groups, purchase orders.

SL NO	Material groups	Description
1	FITCS	FITTINGS-CARBON STEEL
2	FITAS	FITTINGS-ALLOY STEEL (except P91)
3	FIT91	FITTINGS-WP91
4	FITSS	FITTINGS-SS
5	FITW9	FABRICATED FITTINGS-SA182F91
6	FITWA	FABRICATED FITTINGS-AS
7	FITWC	FABRICATED FITTINGS-CS

- The MOU will stand valid till 30.09.2017. The MOU validity may be extended, if required by M/s BHEL, with the consent of vendor. However if any change is required within the validity of the MOU, the MOU may be amended with mutual consent.
- Vendor is eligible to quote and get orders only for the product specifications and size range approved by BHEL. Offers received for items out of approval range will be rejected by BHEL.

SL NO	MOU TERMS
1	Type of Bid : AN ENQUIRY CAN BE EITHER A 'SINGLE PART' BID TYPE OR 'TWO PART' BID TYPE. The type to which (SINGLE OR TWO PART) an enquiry is resorted, will be indicated in the enquiry itself. Vendor has to submit their bids suitably.
1.1	<u>Single Part Bid :</u> Vendor has to submit only the PRICE BID in the format that will be sent along with the enquiry. It shall be noted that <u>no deviations to tender terms (techno-commercial) including delivery period, are allowed for single part tenders.</u>
1.2	<u>Two Part Bid :</u> In case of two part bid, two bids (Part I & Part II) have to be submitted : PART I : - Vendor has to confirm to supply as per MOU, in the format which will be sent along with enquiry. - Unpriced bid to be submitted to know the items for which the vendor has quoted. - Taxes and duties applicable. - Deviations if any, wrt enquiry shall be given in a separate sheet. Deviations mentioned elsewhere are not acceptable . PART II : Price bid has to be submitted in the format that will be sent along with the enquiry. Both PART I bid and PART II bid, each sealed in a separate cover, shall be sent indicating 'TENDER No. WITH DATE', 'TENDER OPENING DATE', 'ITEM DESCRIPTION : FITTINGS' & 'TECHNO-COMML' (OR) 'PRICE PART' and shall be sent to Sr. Manager / PURCHASE (FITTINGS)



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	BHEL PIPING CENTRE PURCHASE DEPARTMENT NO 80, GN CHETTY ROAD (II FLOOR) T.NAGAR, CHENNAI 600 017 In case offer is delivered through representative, offer shall be dropped in the Tender Box available at Purchase department, second floor of the above mentioned address.
2	<u>Technical Requirements:</u> Product wise technical points and common points are given below:-
2.1	<u>Technical points:</u>
2.1.1	BW FITTINGS OF SPECIFICATIONS LIKE SA234 WPB / WPC / WP11 / WP22 / WP91 ETC. (FITCS, FITAS, FITSS, FIT91) a) BHEL TDC No TDG:102:08 (or * latest revision) has been agreed in toto and shall be followed for manufacturing and supply of Butt Welded fittings. For SA234 WP91 fittings raw material sources shall be as per QCP:18 (Forgings - grade 91) and QCP:19 (Seamless Pipes - grade 91). b) Quality plan ref: QPG 46 rev 01 shall be followed. c) Agreed to supply fittings as per BHEL drawings, if any, sent along with enquiry. If there is any clarification in BHEL's drawings, vendor shall get it clarified. Vendors need not submit any separate drawing for approval. d) Edge preparation shall be done as per BHEL drg no: 3-80-300-19825 rev 03 OR 3-80-999-97744 rev 00, as applicable. EP style & D1 value shall be as mentioned against each item in the enquiry / PO . e) Tolerance shall be as per BHEL drawing no. 4-80-301-26192 rev 01 f) Offers shall be for Seamless / Welded construction as per enquiry (as mentioned against each item) g) Seamless construction is acceptable in place of welded construction. However Welded construction is not acceptable in place of seamless construction. h) All the reducers are concentric, unless otherwise specified as eccentric. All the elbows are LR, unless otherwise specified as SR.
2.1.2	FORGINGS TO SPECIFICATION LIKE SA105 / SA182 F11 / F22 / F91 (FITFG, FIF91, FITFLG, FIF91NIB) a) BHEL TDC No TDG:104:09 (or * latest revision) has been agreed in toto and shall be followed for manufacturing and supply of Forgings. For SA182 F91 and F92 fittings, raw material sources shall be as per QCP:18:- b) Agreed to supply as per BHEL drawings sent along with the enquiry. Edge preparation shall as per BHEL drawings. c) Vendor to submit quality plan for approval. Vendors who have already obtained approval shall confirm to manufacture as per the same. d) Plain Forgings (Forged Stubs), for which drawings are not given by BHEL, shall be supplied as proof



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2.1.3	machined with square ends only with tolerance OD +2 / -0 , ID +0/- 2 , L +2/- 2 mm FABRICATED TEES, Y PIECES & PIPE WITH ATTACHMENTS (FITW9, FITWA, FITWC) a) BHEL TDC No TDG:108:07, TDG:109:00 and TDG:101:06 (or * latest revision) has been agreed in toto and shall be followed for manufacturing and supply of FABRICATED TEES, Y-PIECES & PIPE WITH ATTACHEMENTS. b) Agreed to supply as per BHEL drawings sent along with enquiry. c) Vendor to submit the following for approval by BHEL/ PC, along with the Technical offer. If approval is already obtained from BHEL/PC, a copy of the same shall be provided: 1) Welding documents "Welding Procedure Specifications"(WPS) and "Procedure Qualification Records"(PQR). 2) NDE procedures 3) Vendor to submit quality plan for approval. Vendors who have already obtained approval shall confirm to manufacture as per the same. d) Edge preparation shall be as per BHEL drawings sent along with enquiry. * In case of any revision in TDC, the same shall be sent separately/along with the tender and may be agreed upon
2.2	<u>Common points</u> a) Vendors shall not alter the description and size details given in the enquiry. b) All fittings shall be painted, marked and packed as per TDC requirement. Vendors shall note the latest revision in this context. c) Vendor shall quote only for the sizes that are within their manufacturing range & fittings shall only be manufactured in their works, approved by BHEL Piping Centre. d) Packing shall be as per attached procedure ref: PC:PKG:01. e) Melt number should be punched on the material without fail. Also all the dimensions mentioned in the documents should be hard punched on the material as per the Purchase order (in 'mm' and not in 'inch'). f) Any cost implication arising due to non-compliance to TDC conditions will be debited from vendor's account after informing the same.
3	<u>Delivery Terms</u> : FOR - ANY SITE IN INDIA (including BHEL Trichy stores) as per BHEL dispatch instruction. Wherever DTS advice is given, fittings shall be directly sent to respective project sites. The remaining items shall be sent to BHEL/Trichy Stores after obtaining dispatch clearance from BHEL. In case the delivery site happens to be in the same state and vendor incurs VAT, the same shall be immediately intimated to BHEL. Only on written confirmation from BHEL, the same shall be sent directly to site. Else payment shall be restricted to applicable CST only.



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4	Price: Quoted price shall be FIRM till the completion of supply. Bidders shall submit their bid for FOR - BHEL Trichy Stores/ Any site in India. Rates quoted shall be inclusive of all charges (Testing, IBR Inspection, Packing, Forwarding , Freight & Insurance). <u>Taxes & Duties to be indicated separately.</u>
5	Tender Process: Tender shall be processed by E-procurement/ conventional sealed Bids. Prices shall be finalized through opening of sealed price bid or through reverse auction. This will be informed by BHEL after evaluation of Techno-commercial bids. Price Comparison shall be made by considering the Exchange rates as on Technical bid opening date. (State Bank of India – TT Selling Rates) Ranking will be based on Net Cash Outflow to BHEL on FOR-Trichy Stores/Any site in India basis.
6	Ordering will be done on item level L1 vendor only and NOT as a total package. Hence Minimum Order Quantity (MOQ) / Minimum Order Value (MOV) condition will not be accepted.
7	Test certificates (TC) along with Inspection Reports (IR) as called for in the TDC (Three ink signed originals) shall be sent to Sr. Manager, Purchase (Fittings)/ Piping Centre BHEL Chennai immediately after the shipment/dispatch of items. TC & IR shall be furnished for each batch of dispatch / consignment. If entire PO quantity is manufactured in one lot but dispatched in phased manner, original IBR FORM should be submitted with the first consignment. For subsequent consignments , attested Xerox copy of IBR along with Xerox copies of TC & IR indicating Invoice detail against which original TC & IR was handed over to BHEL shall be submitted. Soft copies of the all the test certificates shall also be submitted through email. Year of Code for the technical standards shall be latest and the specific year has to be mentioned in the Manufacturer's test certificates, as well as applicable IBR Forms.
8	Offer Validity:- 90 days from the date of technical bid opening / 60 days from the date of last reverse auction.
9	Delivery :- Delivery shall be as indicated in the respective tenders.
10	Response :- If the vendor is not interested / not in a position to participate in the tender, vendor shall send regret letter for not participating with reason, before due date of the tender.
11	Taxes and duties:- ED/CST/Octroi or any other, to be indicated clearly in the offer.
12	Transport:- Shall be arranged by supplier.
13	Inspection:- IBR & BHEL/ BHEL approved Third Party inspection agency / BHEL Customer.



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14	Inspection Charges: Inspection charges of BHEL/ their representative and customer are to BHEL A/c. However any other testing charges and IBR inspection charges should be included in the quoted prices.
15	BHEL Standard Guarantee Clause: The materials are to be guaranteed for satisfactory performance for a period of 24 months from the date of dispatch or 18 months from the date of commissioning / putting into use whichever is earlier and if any defect is noticed during the above period, the same shall be rectified/replaced free of cost on FOR / Destination basis within a reasonable time, maximum limited to the agreed delivery period. To this effect a Guarantee certificate should be sent along with the dispatch documents in the event of an order.
16	LD Clause :- If the supplier fails to deliver the fittings within the period specified in the contract the purchaser shall deduct Liquidated Damages, a sum equivalent to 0.5% of the price for each week of delay up to a maximum of 10% of the price of delayed/undelivered portion. However it may be noted that loading on quoted prices for LD shall be done to the extent to which the bidder is not agreed (for e.g. if vendor agrees for LD max. of 6% then the remaining portion i.e. 4% shall be loaded on his quoted rates for evaluating the offer). For the purpose of LD , LR date will be taken as the delivery date. LD will be calculated for the number of days delayed from the PO delivery date. %LD per day and LD value calculations are elucidated below: No of days delayed = LR date – PO delivery date %LD per day = (No of days delayed) * (0.5 / 7) subject to a maximum of 10% . [% LD to be rounded to nearest two decimals] LD Value = %LD calculated above * Value of the delayed supply Vendor to indicate max. agreed LD in following space -----, if agreed max LD is not 10%, the remaining portion shall be loaded in quoted rates.
17	Risk Purchase Clause : Alternatively the purchaser at his option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefore. The supplier shall be liable for any loss which the Purchaser may sustain by reason of such risk purchases in addition to penalty at the rate mentioned under liquidated damages.



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18	<u>Payment Term:</u> No advance payment shall be made by BHEL. <u>100% payment after 45 days after receipt of materials:</u> Payment shall be made against presentation of following documents to our Purchase Department. However a copy of Invoice and LR shall be sent to Purchase department immediately after the dispatch is effected. (Documents to be submitted within 1 month from the date of invoice) 1) Original Invoice and copy of the same. 2) Original site acknowledged LR (GR date for in case of Trichy stores) 3) Original Inspection report, Works Test certificate, IBR Forms, Raw material Test certificate, HT chart, NDT reports (PT/ MPI/UT/RT as applicable w.r.to TDG) Dimensional report, Thickness measurement report (for Elbows, tees) and any other reports as called for in TDC. General Note : If one original certificate /LR is applicable for more than one invoice QTY/Invoice , Xerox copy is acceptable with original co relation details on the Xerox copy with attested by vendor Quality in charge .
19	<u>Micro Small Enterprises: (MSE)</u> In case the supplier belongs to MSEs (Micro Small Enterprises) – Indian vendors , Registration copy in this respect shall be submitted along with the offer. The MSE certificate shall be certified by a Chartered Accountant for the current status. The following is the benefit for the MSEs’: In tender, participating MSEs quoting price within price band of L1+15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 20% of quantity (Item level). In case of more than one such MSE, the supply shall be shared proportionately. This shall be applicable only for items with quantity more than 10 nos. Out of the 20% reserved for MSE vendors , 4% shall be earmarked for MSE owned by SC/ST entrepreneur (supporting document proof to be submitted) If the MSE vendor do not match the counteroffered price, that quantity will be ordered on L1 vendor The current status of your organisation is – (tick the appropriate box) 1) Micro ☐ 2) Small ☐ If Micro /Small & Owned by SC /ST ☐ You are required to submit any one of the supporting documents for MSE status & SC/ST ownership, if applicable. 1) EM-II certificate having deemed validity (five years from date of issue of acknowledgement) or ☐ 2) Valid NSIC certificate or ☐ 3) EM-II certificate along with CA certificate (format enclosed as per annexure-I) ☐





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	4) Proof for SC/ST ownership , if applicable
20	<u>NOTE :-</u> • 20% reservation for MSE vendors (Indian) is as per MSE clause mentioned above. • Ordering will be done on item level L1 vendor and not as a total package unless specified in the enquiry . • The PO copy with all details will be given to successful bidders in soft mode also. • Acknowledgement for receipt of PO shall be sent within 5 days from the date of receipt of the PO. • During the Contract period, any of our sister units of BHEL Piping Centre will be entitled to place order for this item on the same terms and conditions with the consent of the vendor. • BHEL reserves the right to cancel the tender without assigning any reasons what so ever. • Deviation taken after placement of order will not be accepted (Both technical & on delivery) • Lowest prices received against BHEL tenders do not mean order will be placed on that Supplier. BHEL reserves the right not to consider the same. • BHEL reserves the right to negotiate or re-float the tender opened if L1 price or other details are not acceptable to BHEL. • BHEL reserves the right to order on more than one vendor at the lowest acceptable price. • Vendors are requested to take note of the "BHEL FRAUD PREVENTION POLICY" available in website www.bhel.com. • Vendors are requested to ensure that correct rates are being quoted in the price bid. In-case vendors do not honor their quoted rates, after price bid opening, stating that they have quoted low / erroneous prices, it shall be viewed seriously by BHEL. Vendors are requested to go through the 'Guidelines for Suspension of Business Dealings with Suppliers/Contractors' available on www.bhel.com on "Supplier Registration" page.

No deviations to MOU shall be taken by vendor while submitting offer. If any other document except called for in the tender is submitted they will not be considered / evaluated by BHEL .Terms finalized in MOU shall be final.