

Instructions to bidders and Special Terms and conditions for rate contract (RC) / framework agreement (FA) for purchase of Enamelled Copper on finished basis under enquiry No. E-7083046

The supplies against this framework agreement enquiry shall be subjected to our general terms and conditions of the enquiry/ P.O. In addition, the terms and conditions given under this annexure shall specifically apply to this enquiry. Should there be any difference between the general terms & conditions and the conditions included in this annexure, the latter shall prevail.

- General :-** Material will be supplied on finished basis. Suppliers shall quote only **Fabrication Rate (In Rs / kg)** on FOR destination basis (indigenous bidders) and **Fabrication rate (In USD / kg)** on CFR basis (Foreign bidders) on e-procurement portal inclusive of tooling, packing and forwarding etc. Enamelled Copper to be supplied in accordance with the size, technical requirements as per individual purchase order (PO) placed under the Framework agreement. *Procurement will be carried out progressively as per BHEL's requirement under the framework agreement valid for one year after its finalization with additional three months for supplies. Further BHEL will have an option to short-close the framework agreement (FA) / rate contract (RC) within the validity of FA / RC, if required. FA/RC can also be extended for one more year with mutual consent.*
- FA Quantity & Technical Parameters :-** Our total estimated requirement is as follows which shall be purchased progressively as per our requirement under the framework agreement.

It No	Description of item	Specification	Nominal Quantity
1.	1.32 mm dia Enamelled Copper Conductor	AA28145 rev 02	12, 000 kg $\pm$ 25%
2	1.4 mm dia Enamelled Copper Conductor	AA28145 rev 02	20, 000 kg $\pm$ 25%
3	1.6 mm dia Enamelled Copper Conductor	AA28145 rev 02	17, 000 kg $\pm$ 25%
4	1.8 mm dia Enamelled Copper Conductor	AA28145 rev 02	2, 000 kg $\pm$ 25%
5	2.0 mm dia Enamelled Copper Conductor	AA28145 rev 02	500 kg $\pm$ 25%
6	1.0 mm dia Enamelled Copper Conductor	AA28145 rev 02	1, 000 kg $\pm$ 25%
7	1.25 mm dia Enamelled Copper Conductor	AA28145 rev 02	15, 000 kg $\pm$ 25%
8	0.8 to 2.24 mm dia (Bare) Polyesterimide Enamelled Round Copper Conductor	AA28146 rev 01	7, 000 kg $\pm$ 25%

Applicable to items 1 to 8 :

- Material to be supplied in bobbins of net weight of 10-20 kg each or as specified in individual POs.
- Packing & Marking shall be as per specification with additional details such as net weight, gross weight & Tare weight to be mentioned on each reel.

Vendor to submit valid ISO certificate as on due date of this tender.

Size of copper conductor, specification and grade of covering shall be mentioned in individual purchase order. Test Certificates as per annexure, purchase specification must accompany each lot. Final inspection for acceptance shall be at BHEL, Bhopal. BHEL may also conduct process audit or surveillance checks at the works, if required.

Advisory Note: Vendors are advised to ensure supply of material as per technical specifications, QAPs and other technical documents. Further, vendors are advised to strictly adhere to tolerance ranges of the specifications. Any deviation from technical parameters will result in rejection of material. However, bidder to note that under exigency/urgency conditions, BHEL may accept the material with minor deviations after penalizing the vendors as per BHEL quality / engineering recommendations (Quality deficiency Review Committee – QDRC) depending on the nature and gravity of quality issue.

- Procedure for Bid submission :-** Offer shall be submitted by the bidders in two parts;-

- Bid Part - I Technical cum Commercial bid
- Bid Part - II Price bid

Both Part - I & Part - II of the offer to be uploaded on BHEL e-procurement site using Class III digital signature. **Bidders to mandatorily put sign and seal on all the uploaded documents.** The quotation should be uploaded on the site before due date / time.

Part-I of the bid shall contain complete details of the product offered, filled in copy of 'INTEGRITY PACT', dully signed by the authorized signatory of the bidder who signs the bid, acceptance to the specification, all techno commercial terms & conditions and acceptance to the following:-

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- a) Deviations from this "Instructions to bidders and Special Terms and conditions for rate contract (RC) / framework agreement (FA) for purchase of Enamelled Copper on finished basis under enquiry E-7083046" – Annex – I
- b) Deviations from Purchase Specifications at clause 2 above.
- c) Deviations from BHEL Bhopal 'General Terms and conditions of enquiry'.

4. **Bid opening** :- The 'Techno-commercial' part of the bid i.e. Bid Part – I of the offers shall be opened on the due date of tender opening. Clarifications wherever required on this part shall be obtained from the bidders for their evaluation. The Price bid Part-II of such vendors alone shall be opened on a later date whose techno-commercial bids are found acceptable. The date of 'Price bid -Part II' opening shall be intimated to you later.

Alternatively: BHEL reserves the right to go for Reverse Auction (RA) (Guidelines as available on www.bhel.com) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. Bidders to give their acceptance for participation in RA in Techno-Commercial offer (Part-1). Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA.

Those bidders who have given their acceptance to participate in RA will have to necessarily submit 'Process Complaine form' (to the designated service provider) as well as 'Online Sealed bid' in the Reverse Auction. Non-submission of 'Process compliance form' or 'online sealed bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers / contractors (as available on www.bhel.com).

The bidders have to necessarily submit online sealed bid less than or equal to their envelope sealed bid already submitted to BHEL along with the offer. The envelope sealed price bid of successful L1 bidder in RA, if conducted, shall also be opened after RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed bid) thus obtained. The bidder having submitted this offer specifically agrees to this condition and undertakes to execute the contract on this awarded rates.

If it is found that L1 bidder has quoted higher in online sealed bid in comparison to envelope sealed bid (e-procurement) for any item(s), the bidder will be issued warning letter to this effect. However, if the same bidder again defaults on this count in any subsequent tender in the unit, it will be considered as fraud and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers / contractors (as available on www.bhel.com)

In case the number of vendors participating in English Reverse Auction is less than BHEL's requirement, relative status for balance vendors shall be taken from the online sealed bid for counter offer.

5. **Bid evaluation** :- The bids shall be evaluated on total delivered cost to BHEL on overall economy basis taking into account all duties/taxes/Cess etc as could be applicable. **All the 8 items will be evaluated separately.** SBI TT selling rate and LME CSP of grade A Copper of the date at which the tender (Bid part I) is opened will be considered for tender evaluation. In case SBI TT selling rate and LME CSP of grade A Copper of the date of tender opening is not available, the rate shall be taken of the **previous** working day.

Bidders may note that quoted rates shall be loaded, as per loading criteria decided by BHEL, for any deviation from the terms & conditions given in this enquiry, to arrive at landed BHEL Bhopal rate.

6. **Pricing Terms** :- Price to be quoted on FOR BHEL Bhopal for Indigenous vendors and FOB Load Port / CFR ICD Mandideep for foreign bidders. The quoted rates should be inclusive of packing, forwarding, Freight and insurance.

Copper Rate : The successful bidder will be asked to book LME CSP of the grade A Copper & FBIL + 20 paise exchange rate prevailing on the 3rd LME working day from date of issue of LOI (excluding date of LOI). In case, FBIL + 20 paise exchange rate of 3rd LME working day is not available, same of the **previous** bank working day shall be considered for ordering purpose. **Premium shall be fixed at 220 USD / MT for all items.** Multiplication factor (M.F) equivalent to effective Customs duty on CC rods/ Copper Cathodes & is variable in nature as per change in duty structure. Presently it is 1.055.

Fabrication Rate : Fabrication rate (including tooling, Copper packing - forwarding and other charges, if any, etc) as quoted in price bid shall be firm during the validity of Rate Contract.

PO Rate Schedule		
A	LME CSP Rate (USD / MT) and exchange rate (Rs / USD)	LME CSP & Exchange rate (FBIL + 20 paise) shall be of the 3 rd LME working day from the date of issue of Letter of Intent (excluding date of LOI)
	Premium (USD / MT)	220 USD / MT (Fixed)
	Copper Rate (Indigenous bidders)	(LME CSP + Premium) x (FBIL + 20 paise) x M.F / 1000 – in Rs / kg
	Copper Rate (Foreign bidders)	(LME CSP + Premium) / 1000 – in USD / kg

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B	Fabrication rate (Rs / kg for indigenous bidders and FC / kg for foreign bidders)	The fabrication rate inclusive of all possible extras to be quoted in price bid on e-procurement portal
C	PO Rate	A + B

Note : Multiplication factor (M.F) shall be as per notional customs duty, presently it is 1.055
FC = Foreign Currency

8. **FA Qty. Allocation:-** Bidders to note that BHEL shall require 2 suppliers for uninterrupted supply against total requirement for each item and quantity distribution shall be in the ratio of 65 : 35 between L1 & L2. This distribution of quantities shall be subjected to committed capacity to BHEL, acceptance to the counter offer etc., if any, made by BHEL. In case number of qualified suppliers available for quantity distribution are 3 or less than 3, then the distribution shall be done amongst (N-1) bidders where N is the number of qualified bidders available for quantity distribution of total quantity and distribution shall be as under :

No of qualified vendors available for quantity distribution	L1	L2	Total
2	100		100
3	65	35	100

If number of vendors available for distribution of total quantity is less than the no. of vendors required by BHEL, then BHEL may either redistribute the quantity or reduce the requirement accordingly.

9. **Delivery Period:-** The material are required at BHEL as per delivery mentioned in individual PO. The desired delivery period is 45 days to be reckoned from the date of **Letter of Intent (LOI)**. Bidders shall commit suitable delivery period on FOR destination basis for indigenous bidders and FOB/CFR Nhava Sheva basis for foreign bidders. Bidders may note that delivery beyond committed schedule will attract penalty for delayed performance.
10. **Bidder registration :** Bidders who are NOT registered with BHEL shall have to submit completely filled bidder registration form along with their bid part – I. Those who have been registered are requested to furnish their supplier codes for BHEL Bhopal. Bidder registration form can be downloaded from hyperlink: https://www.bhelbpl.co.in/mm/supplier_forms.html
11. **Tender fees :** Tender fees @ Rs 1000 for indigenous bidders and USD 20 for foreign bidders are to be submitted in the form of cheque payable in name of 'M/s BHEL, Bhopal' (tender fees for E7083046). Tender fee is not applicable for vendor under MSMED act for micro & small category (Indigenous vendors).
12. **Monthly capacity:** Bidders to quote monthly capacity (MT) exclusively committed to BHEL for this RC.
13. **Replacement of rejected Goods :-** Final inspection for acceptance of quality shall be at BHEL's works Bhopal after receipt of material and results shall be binding on the suppliers. Pre-dispatch / source inspection may also be carried out by BHEL/TPIA. BHEL may conduct quality audit at supplier works for ensuring implementation of quality system and quality plan. In case of rejection due to non-compliance to agreed specification and for the reasons attributable to the vendor, the materials shall be rejected. The rejected goods will have to be collected by supplier with 10 days on receipt of PMIR/rejection intimation. The rejection goods are lying in BHEL at risk and cost of vendor. BHEL reserve the right to dispose off if goods are not removed within reasonable time. The replacement by vendor will be free of cost on "F.O.R. BHEL works basis" including interalia cost elements such as total transportation, insurance, any other taxes / levies etc as applicable. Vendor to provide all possible help in lifting the rejected material and supplying replacement as per BHEL / government guidelines.
14. **Terms of delivery:**

For indigenous bidders:

- F.O.R. destination on door delivery basis.

For foreign bidders:

- BL (Bill of Lading) and invoice should bear incoterms (CFR Nhava Sheva).
- BL should also mention detention free period. Bidders' to confirm 21 days container free detention & free ground rent period from IGM date.
- Load port charges should be settled by the supplier and their shipping line and should not be passed to BHEL in form of destination port charges.
- Containers in which material are supplied will be moved by BHEL to BHEL's nominated CFS (Containerized Freight Station) without any financial liabilities to BHEL.
- Goods shall be dispatched by sea, unless stated otherwise in the purchase order.

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- Shipping line must allow the cargo to be transferred to BHEL's designated CFS (Containerized Freight Station) at destination port. In case same is not allowed by the shipping line, ground rent and all ground charges shall be as per BHEL's CFS only.
- Offer received on FOB basis may be considered on exceptional basis, BHEL will load freight, marine insurance, port handling charges and inland freight as per BHEL's contract to arrive at the landed cost. Goods shall be handled for ocean freight by BHEL's freight forwarder only, under FOB contract and OBL / HAWB issued by BHEL's appointed forwarder or his authorized agent (s) shall be accepted for negotiation. Freight amount to be indicated separately in their bids in case of FOB terms of delivery.
- Port congestion charges or any additional charges claimed by shipping line till delivery at destination port shall be to the Seller's account and in no case shall be borne by BHEL.
- Please visit www.bhelbpl.co.in for details of named Sea ports. Name of the gateway port so chosen by the seller in case of FOB delivery shall be indicated by the bidder in his offer.

15. **Transit Insurance:-** Transit insurance shall be by supplier (FOR destination basis – indigenous vendor) & by BHEL (on CFR ICD Mandideep basis & FOB load port basis) under its Marine Transit Insurance Policy. For indigenous vendors, all transit risk shall be covered under clause Inland Rail and Road – A (IRR – A). In case of foreign bidders where insurance by BHEL, bidders shall have to comply with our general terms and conditions in this regard. Also bidder shall have to render all necessary assistance needed by BHEL to recover the damages from the insurers, in the event of claim arising under the policy.
16. **Payments Terms :-** All bank charges (if any) shall be to bidders account only except LC opening charges (foreign bidders).

- (a) **Foreign Bidders :** For overseas supplier 100% payment will be considered through CAD with 90 days credit or irrevocable & un-confirmed LC with 90 days interest free period to be reckoned from the B/L date. In case of deviations from these payment terms, the bids will be loaded as per State Bank of India Base rate + 6% for the credit period short of 90 days for price comparison purposes on BHEL landed cost basis or offer may be rejected. The LC shall be established 2 months prior to shipment date, valid for a period of 90 days, unless agreed otherwise.
- In case of confirmed LC, LC confirmation charges will be to bidder's account only.

Foreign vendors to submit declaration of Permanent Establishment and Business Connection (PEBC) for remittance purpose. Declaration to be submitted in formats either as **annexure E or F** whichever is applicable as per their transaction entered into with BHEL.

In the absence of certificates from the vendor, withholding tax at applicable rates along with surcharge and cess will be recovered at the time of remittance to the vendor.

Vendor to submit **Tax Residency Certificate (TRC)** & form 10F (for obtaining DTAA benefits) as per **annexure G** in respect of services. The TRC is to be issued by authorities of the government of vendor's country. If the informative part of the format (other than residency) is not furnished by the authorities the same may be furnished by the vendor as a declaration.

- (b) **Indigenous suppliers:** Payment shall be made within 90 days against receipt and acceptance of material without over due interest OR within 45 days as per the MSMED act (only for vendors falling under Micro & Small category), whichever is applicable to the supplier. During bid evaluation, no loading of price with regard to preferential payment within 45 days will be done for the bidders covered under MSMED act (Micro & Small). BHEL reserves the right to reject offers with payment term other than the above standard payment terms. Such offers if accepted, the quoted rates will be loaded at the rate of SBI Base rate + 6% for price comparison purposes on BHEL landed cost basis. MSE suppliers can avail the intended benefits only if they submit along with offer, attested copies of either EM II certificate having deemed validity (Two years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with CA certificate (Format enclosed) applicable for the year and Udyog Aadhar copy, certifying quantum of investment in plant and machinery within the permissible limit as per the act for relevant status (Micro or small) where the deemed validity of EM II is over. Date to be reckoned for determining the deemed validity will be the due date of tender. Non submission of such documents will lead to consideration of their bids at par with other bidders and MSE status of such suppliers shall be shifted to Non MSE supplier till the supplier submits these documents.

Note : Please ensure declaration of UAM number by MSE bidders (indigenous bidders) on CPPP, failing which such bidders will not be able to enjoy the benefits as per Public Procurement Policy for MSEs Order, 2012 for tenders invited electronically through CPPP.

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17. **Taxes & duties :-**

For indigenous bidders : The bidders are requested to furnish the rate and type of duty / taxes as extra applicable to the product under this enquiry in their bid (along with details like HSN, SAC codes, GSTIN no. of vendor etc)

BHEL will avail tax credit as per GST rules. Vendors to note that GST portion of invoice shall be released only upon:

- Vendor declaring such invoice in his GSTR – 1 and
- Receipt of goods and tax invoice by the BHEL and
- Confirmation of payment of GST thereon by vendor on GSTN portal
- Above is subject to receipt of goods and tax invoice thereof along with vendor declaring invoice in his return and paying GST within timeline prescribed for availing TC by BHEL.

In case, GST credit is delayed / denied to BHEL due to non / delayed receipt of goods and / or tax invoice or expiry of timeline prescribed in GST law for availing such ITC (Input Tax Credit) or any other reasons not attributable to BHEL, GST amount shall be recoverable from vendor along with interest levied / leviable on BHEL.

In case, vendor delays declaring such invoice in his return and GST credit availed by BHEL is denied or reversed, subsequently as per GST law, GST amount paid by BHEL towards such ITC reversal as per GST law shall be recoverable from vendor along with interest levied / leviable on BHEL.

Further, any GST liability arising on BHEL under RCM (Reverse Charge) before actual receipt of goods and / or invoice thereof would be subject to recovery of interest leviable for the period between the date of such liability and actual date of eligibility of ITC based on receipt of goods, receipt of invoices and other conditions specified in GST law.

Note: - With reference to section 51 of CGST act 2017 read with notification no 50/2018 – Central tax dated 13.09.2018; BHEL will be liable to deduct TDS under GST with effect from 01.10.2018. Deduction shall be made @ 2% (1% CGST + 1% SGST) or 2% IGST (as applicable) of the payment made or the amount credited. Vendor to generate & submit invoices as per above.

As per GST rules GST-TDS @2% to be deducted on item value w.e.f invoice dt. 01.10.2018. GST-TDS as deducted from bill is deposited to tax authority and details of TDS deducted is updated in GSTR-2A in portal. Benefit to be availed on the basis of details available in GSTR-2A portal. BHEL will not issue any TDS certificate.

For Foreign Bidders: All taxes and duties leviable outside India shall be to the bidder's account and same shall not be borne by BHEL under any circumstances.

18. **Validity of Framework agreement:-** 12 months from the date of finalization of framework agreement (FA) by BHEL for ordering with additional time of three months for supplies. *Further, RC can be extended for 12 more months with mutual consent.*
19. **Short-closure of framework agreement -** BHEL will also have an option to short close the RC / FA within the validity of RC/FA, if required. Vendor to give acceptance for same.
20. **Validity of Offer :-** Offer should be valid for a period of 120 days from the date of technical bid opening date for finalization of the contract.
21. **Levy of Penalty for delayed performance:-** Penalty @ 0.5% per week or part thereof subject to maximum of 10% of the undelivered portion shall be applicable for delayed performance. Failure on the part of the bidder to accept this clause will attract the loading of 10% on the quoted price for the purpose of evaluation. Date of receipt of material at BHEL works i.e Clearance Note date will be considered for levy of penalty in case of indigenous vendors. LD recovery, the applicable GST shall also be recoverable from vendors.

The date of handing over of material to freight forwarder (B/L date) will be considered as proof of delivery for levy of penalty in case of foreign bidders.
22. **Guarantee:-** Enamelled Copper under this tender shall be free from any kind of manufacturing defects and shall be under guarantee for a period of 12 months from the date of dispatch.
23. **Fraud Prevention Policy :** The Bidder along with its associate/ 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 notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice.

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24. Integrity Pact (IP) — Independent external monitors (IEM)

- (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. Following Independent External Monitors (IEMs) on the present panel have been appointed by BHEL with the approval of CVC to oversee implementation of IP in BHEL.

The IP as enclosed with the tender 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 IEMs for this tender is furnished below :

Name: Sh. D.R.S Chaudhary, IAS (Retd)
Address: E-1/164, Arera Colony, Bhopal- 462016 (MP)
E-mail : dilip.chaudhary@icloud.com

AND

Name: Mrs. Pravin Tripathi, IA & AS (Retd.)
Address: D-243, Anupam Gardens, Lane IB, Neb Sarai, Sainik Farms, New Delhi - 110068
E-mail : pravin.tripathi@gmail.com

- (b) Please refer section 8 of the IP for roles and responsibilities of IEMs. In case of any complaint arising out of tendering process, the matter may be referred to any of the above IEMs mentioned in the tender. All correspondence with the IEMs shall be done through e-mails only.

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 clarification/ issues shall be addressed directly to the tender issuing (procurement) department.

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

Name	Neha	Ambika Singh	Rakesh Sharma
Landline No	0755 250 2499	0755 250 5297	0755 250 3792
Email	nehasingh@bhel.in	ambikasingh@bhel.in	r.sharma@bhel.in
Deptt	Copper Purchase (CMM – Copper)		
Address	Administrative building, 2 nd floor, BHEL Bhopal - 462022		

24. Quantity Tolerance :-

- (a) Against RC quantity : $\pm 25\%$.

(b) Against individual P.O. items : $\pm 5\%$. However, requirements such as the specified weight/length/No. of pieces and other dimensions shall be strictly adhered to. Any discrepancy wrt quantity mentioned in the Letter of Intent (LOI) must be brought to notice of BHEL before copper booking date as per LOI. Quantity supplied above the permissible limit of $+5\%$ may not be liable for payment and / or return to the vendor.

25. **Risk and Cost :** In case of non-supply of quality material as per Purchase order within reasonable time as per BHEL exigencies, BHEL may resort to taking alternate procurement action from elsewhere and recover the difference in total cost to BHEL including services / differential / administrative cost, if any, incurred by BHEL in this regard from the supplier as per extant BHEL norms.

NOTE : For this procurement, Public Procurement (Preference to Make in India), Order 2017 dated 15.06.17 and 28.05.18 and subsequent Orders issued by the respective Nodal ministry shall be applicable even if issued after issue of this NIT but before finalization of contract / PO / WO against this NIT.

In the event of any Nodal Ministry prescribing higher or lower percentage of purchase preference and / or local content in respect of this procurement, same shall be applicable.

26. In addition to above our General 'Terms and Conditions of indigenous enquiry' and 'BHEL PO Terms and Conditions' for indigenous & foreign bidders shall also be applicable to this tender. **Bidders may note that suitable loading will be done for arriving at the Landed cost to BHEL Bhopal price for any deviation from these general Terms & Conditions.**

27. **Pre qualification Criteria (mandatory for further consideration of offers)**

Please note that offers of only those bidders who meet pre-qualification criteria (Annexure A) shall be considered. Bidders to submit all supporting documents in compliance with each requirement.

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(Neha)

Sr. Engineer (Copper MM)