

BHEL / PIPING CENTRE, CHENNAI

REF: ENQ.NO. 4211700001 E dt 06.12.2017 due on 18.12.2017
Fabrication and Supply of Tanks and Vessels(IBR/NON-IBR) with Vendor Material

- **Pre Qualified** is the criteria for consideration Vendor other than the BHEL Piping Centre/Chennai approved Vendors for – Fabrication and Supply of Tanks & Vessels(IBR/NON-IBR) with Vendor Material. After qualifying for registration, the new Vendors may be considered for future, in line with the system and policy. **Such Vendors will not be considered in this Enquiry.**
- The new Vendors may visit BHEL Online Vendor registration system - ***<https://supplier.bhel.in/>*** and submit all relevant data for formal registration. The bidder's documents shall be evaluated and BHEL may decide to visit the bidder(s) works for verification of data submitted towards evaluation of bidder's capability.

SDGM/Outsourcing



Bharat Heavy Electricals Limited

(A Govt. of India Undertaking)

Piping Centre, 80, G. N. Chetty Road, CHENNAI – 600 017

Phone : 91 (044) 28161315/28161320/28161297 .Fax-(044)28158247

e-mail: sandeepj@bhel.in

Dt: 06.12.2017

Ref: Enq No: 4211700001E

To

All approved vendors

Sir,

Sub: Tender for **Tanks & Vessels(IBR/NON-IBR)** with Vendor Material– reg.

Ref : Enquiry No: **4211700001E** : Dt **06.12.2017**

Due Date for Submission : Dt 18.12.2017

Please find the following tender documents enclosed for submitting the offer. The offers should be submitted online via E Procurement website <https://bheleps.buyjunction.in> on or before 18.12.2017- 14:30 Hrs. The offers will be opened at 15:00 hrs IST on the due date 18.12.2017 via e-procurement system(m-junction). Kindly submit your offers in e-procurement system well before the due date and time. *BHEL shall not be responsible for any E procurement System issues and Vendor's inability to submit the offers at the last minute.*

Enclosure:

1. Tender document for **Tanks & Vessels(IBR/Non-IBR)** with vendor material.
2. Price format – Annexure B
3. Techno Commercial Offer format– Annexure A
4. Applicable PGMA list
5. BHEL approved vendor list for raw material procurement
6. Standard QPs & TIPS pertaining to Tanks & Vessels Fabrication.
7. Integrity Pact (to be submitted along with Technical part bid without fail
8. Declaration by Bidder-AnnexureH

Details of Independent External Monitor (IEM):

Shri D.R.S Chaudhary, IAS (Retd.)

E-1/164 Arera Colony

Bhopal 462016

E-mail :: dilip.chaudhary@icloud.com

Prospective suppliers/ bidders may address their complaints/ representation as envisaged in the IP to the Head (MM) of the concerned Unit/ Region.

Please indicate Enquiry no. and Date and due date in all correspondences for easy reference and speedy response.


(SANDEEP)

Sr. Engineer/Outsourcing
SANDEEP
Sr. Product Engineer/Outsourcing
BHEL / Piping Centre,
T.Nagar, Chennai - 600 017.

**BHARAT HEAVY ELECTRICALS LIMITED**

(A Government of India Undertaking)
Piping Centre, Outsourcing Department
80, Gopathy Narayanasamy Road, T.Nagar, Chennai – 600 017.

Phone : 044 -28161315,2816297

Fax : 044 -28158247

PUR 002/01

INDIGENOUS ENQUIRY	ENQUIRY REFERENCE	DATE
	4211700001E	06.12.2017
As per list enclosed	DUE DATE FOR QUOTATION: 18.12.2017	
	THIS IS ONLY A REQUEST FOR QUOTATION AND NOT AN ORDER	

Suppliers Are Requested To Go Through Terms & Conditions before Submission of Offers

Sl. No.	Material Code	Description & Specification	Unit	Qty.	DELIVERY SCHEDULE		
					Qty.	Date	Remarks
-	-	MANUFACTURING AND SUPPLY OF Tanks & Vessels (IBR / NON IBR) With accessories with Vendor Materials (Annual Framework Agreement)	MT	800	STAGGERED	AS PER P.O.	

Encl. To Enquiry:

1. General Terms, 2. Terms & Conditions, 3.General Conditions, 4.Special terms and conditions, 5. Excel file format of offer submission, set of QP, QCP & Copy of Testing and Inspection Procedures, Sample Set of GMS and Drawings for various systems.

Dear Sirs,

Please submit your lowest quotation in two parts-Part- I –Technical Bid, Part-II-Commercial price Bid, subject to our terms and conditions as detailed in the tender document in E Procurement website <https://bheleps.buyjunction.in> on or before the due date **by 02:30 P.M.**

1. Techno commercial offers will be opened **at 03:00 P.M.** on the due date via e-procurement system <https://bheleps.buyjunction.in>.
2. Price should be FOR /Destination to any BHEL Projects site or to BHEL Shipping, Trichy/Thirumayam as per Price format inclusive of freight and transit insurance and remain valid for 90 days from the price bid opening /Reverse Auction date.
3. All the applicable taxes and duties shall be quoted as per format.
4. If the enquired items are coming under D.G.S & D rate contract, please indicate the rate contract prices duly sending a copy of the rate-contract along with your offer.
5. No revision of prices will be entertained after tenders are opened.
6. Manufacturer's name, brand name, trade mark or patent No. if any should be specified. Illustrative leaflets giving particulars are required along with quotation wherever necessary.
7. Products with I.S.I. certification marks will be preferred.
8. The purchaser shall be under no obligation to accept the lowest or any other tender and shall be entitled to accept or reject in part or full without assigning any reason what so ever.
9. Late tenders are liable to be rejected.
10. This tender will be finalized through reverse auction / Price Bid Opening process.
11. All clarifications may please be obtained to ensure the technical, quality, delivery, price requirements are understood, before submitting the offer.



Yours faithfully,

SANDEEP

Sr. Product Engineer / Outsourcing

BHEL / Piping Centre,

For BHARAT HEAVY ELECTRICALS LIMITED

Enquiry for supply of Tanks and Vessels (IBR / Non IBR) with Vendor Material
Enquiry No 4211700001 E dt 06.12.2017 due on 18.12.2017

To,

All Approved Vendors

Dear Sirs,

Sub: Fabrication and supply of Tanks and Vessels (IBR & Non-IBR) with vendor material

We are pleased to send this enquiry for the fabrication and supply of Tanks and Vessels (IBR/NON-IBR) **with VENDOR MATERIAL** on an "ANNUAL FRAMEWORK AGREEMENT BASIS" as per enclosed/attached documents and request to submit the offers by **14.30** Hrs on or before **18.12.2017** in Two Parts as below in the E Procurement website <https://bheleps.buyjunction.in>. Techno commercial bid will be opened on **18.12.2017** at **15:00** Hrs. **The approx Annual requirement is 800 MTS.**

Part I: Techno Commercial part for accepting Technical requirements and commercial conditions **"without filling the Price Portion"**.

"MONEY VALUE SHOULD NOT BE INDICATED IN THIS PART".

Part II: Price Bid with filled up values called for as per format enclosed.

The following are enclosed for information:

1. **A. General Requirements, B. Terms and Conditions of Work, C. General Conditions, D. Special Terms and Conditions.**
2. Format for
 - a. Techno Commercial Offer (in Excel format)
 - b. Price Bid (in Excel format) for supply of Tanks and Vessels with vendor material
 - c. Declaration Annexure-H
3. Sample set of Group Manufacturing Specifications (GMS).
4. Set of Drawings pertaining to the Sample GMS under Point 3 and applicable Quality Documents.
5. Set of QCPs, Standard QPs, Technical Delivery Conditions for the raw materials to be used, TDC/TDG.
6. Integrity Pact
7. Packing Instructions –Annexure G

E procurement:

This Tender shall be processed via E procurement portal. Hence vendors are requested keep note of below Points:

- a) Vendor shall download all attachments as mentioned in above points 1 to 7.
- b) Vendor shall fill in **Annexure A - Techno Commercial Offer & Annexure B - Price Bid** (both in Encrypted Excel format) and upload the same in E-procurement website.
- c) Vendors shall take a print out of the Annexure H Declaration, fill the same with seal & Signature. The Annexure H Declaration shall be scanned and uploaded as an attachment separately.
- d) Vendors shall also upload the MSE document (if required) as per Clause 9 **Micro & Small Enterprises Vendors Loading.**
- e) Vendors shall take a print out of the Integrity Pact, fill the same with seal & Signature. The integrity pact shall be scanned and uploaded as an attachment separately.

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Vendor specific attention is drawn to the following:

1. The requirement of this specification in all parts **A. General Requirements, B. Terms and Conditions of Work, C. General Conditions, D. Special Terms and Conditions** which will form part of the contract arrived through this enquiry, are thoroughly read and understood before offering the rates. A confirmation to this effect and that all the Tender Conditions are being accepted is to be enclosed to the offer by a signed Letter **Annexure H**.
2. **F.O.R DESTINATION RATE TO ANY BHEL PROJECT SITE IN INDIA OR TO BHEL SHIPPING (TRICHY or THIRUMAYAM)** shall be Quoted inclusive of materials, manufacturing as per drawings and GMS and Quality requirements, Packing (as per Annexure G) and forwarding to the Various Project sites in India/BHEL Shipping(Trichy or Thirumayam) with transit insurance charges inclusive of Transportation rates, in Rupees per Metric Ton of Finished weight of Tank and its associated accessories, [IBR and Non IBR category] with separate break up of applicable taxes like IGST, CGST, SGST etc. with details.

Quotation shall be furnished strictly as per **Price Bid Format** "Annexure B" and **Techno Commercial Offer** "Annexure A", with all details as called for shall be uploaded in the E procurement website <https://bheleps.buyjunction.in>. Any values not indicated in the Price Format even if covered in any form in the techno commercial offer will not be considered for evaluation.

Techno commercial Bid will be opened first. Only after acceptance of the Techno Commercial Bids, Price bid will be opened/reverse auction shall be conducted. Prices quoted shall be kept Valid for a period of 90 days from the date of opening of the Price Bid/Reverse Auction for finalizing the rate-contract.

The Vendors shall submit Rate per Metric ton of Net cash outflow (Basic Rate + Freight rate) (GST applicable on net cash outflow mentioned as applicable at time of dispatch is considered for input credit, Hence GST amount is not added in the net Cash outflow), Paint Rate per MT on F.O.R destination basis (to any Project Site or to BHEL, Shipping (Trichy or Thirumayam) as per the price format for items in **Table A**.

Table A:

Item No	Material specification
1	Manufacturing and Supply of CS Tanks and Vessels with Accessories - Non IBR
2	Manufacturing and Supply of CS Tanks and Vessels with Accessories - IBR
3	Deareator assy with SS Internals - IBR
4	Manufacturing and Supply of SS Items (SS304, SS316 & SS321) Required for Tanks & vessels - Non IBR
5	Heat Treatment of Tanks (This Rate will be operated in addition to the Basic Rate for heat treatment of FULL Tank if required as per applicable QPs)
6	Painting Scheme NO.1 - Red Oxide -Total DFT - 60 Microns
7	Painting Scheme NO.2 - Synthetic Enamel-Total DFT -70 Microns
8	Painting Scheme NO.3 - Synthetic Enamel-Total DFT -120 Microns
9	Painting Scheme NO.4 - Heat Resistance Aluminium Gr1/Gr2 -Total DFT-40 Microns
10	Pain ting Scheme NO.5 - Heat Resistance Aluminium Gr1/Gr2 -Total DFT-125 Microns
11	Painting Scheme NO.6 - Epoxy - Total DFT - 200 Microns

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3. Tender committee shall evaluate the bids and finalize the tender either through Price Bid opening or Reverse Auction.

a. Incase of Price Bid Opening

All the techno-commercially qualified vendors shall be intimated on the date and time of Price bid opening. The sealed price bid shall be opened **via e-procurement portal** on the intimated date. Rates are to be Quoted as per Price Bid Format Annexure "B" for items in *Table A*. Out of the 11 items in *Table A*, Rates Quoted by vendors for Item No.1, 2 & 3 alone shall be considered for determination of L1/H1/H2..... Vendor(s). 20% of Highest Bidders (H1, H2.....) shall be eliminated itemwise from further Process for respective Items 1,2&3 (as applicable). *(Incase more than one vendor have quoted same Highest Price(s) then all the Highest bidders will be removed.)*

b. Incase of Reverse Auction:

Reverse Auction shall be conducted for individual line items in *Table A*.

- i. All the techno-commercially qualified Vendors shall submit their **ONLINE DYNAMIC SEALED BID** during the Start of **REVERSE AUCTION** for all items 1 to 11.
- ii. At the end of Online Sealed bid submission, 10% of Highest bidders (Hereinafter referred as 'H1,...') in respective Items No.1, 2 & 3 will be eliminated from further process, i.e., Highest bidders "H1,..." will not be allowed to participate in reverse auction. (In case of tie for H1,.. bids (identical online sealed bids), 15 minutes additional time shall be provided and all the participating bidders shall be informed by mail/message on bidding screen to enable bidders submit revised online sealed bids so as to break the tie as per new RA guidelines).
- iii. The online Start Price and decrement shall be provided by Tender Committee.
- iv. Subsequent reverse bidding price(s) (in decrements) as applicable shall be provided by the vendors except 10 % of highest bidders of online sealed bid.
- v. At the end of Reverse auction, another 10 % of the Highest Bidders will be eliminated from further process for respective Items No.1, 2 & 3 and will not be counter offered the L1 rates for respective items.

Note: • Incase any Vendor does not participate in the reverse bidding after the submission of **ONLINE DYNAMIC SEALED BID**, then the Value of their **ONLINE DYNAMIC SEALED BID** shall be considered for determination of Highest bidders.

• Incase RA is unsuccessful due to any reason (for any of Item(s) 1 to 11) then RA will be considered as failed for those item(s) alone and sealed envelope price bids will be opened and the tender shall be processed accordingly.

• In cases of tie among H1 bidders, even after extension of submission of online sealed bids once by 15 minutes, RA will be treated as failed and tender shall be processed through price bid opening.

4. Finalizing the contract

Itemwise L1 rates arrived through Price bid/Reverse auction shall be counter offered to other eligible vendors except Highest bidders (as indicated under para 3 above) and annual framework agreement will be finalized valid for the Twelve Months period with L1 Vendor and other vendors who accept our counter offer rates (Price Variation clause shall be applicable as mentioned in clause no. 5 below).

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Any Vendor(s) becomes highest bidder in any one or more of the Items No. 1, 2 & 3, then that Vendor shall be eliminated for those items alone as applicable. Rates quoted in Item 4 to 11 shall not be considered for determination of L1/highest bidders.

L1 rates for Manufacturing and Supply of SS Items/Paint rate/ Heat Treatment of Tanks (Item No. 4 to 11) shall be determined from the rates quoted by all the techno-commercially qualified bidders (including highest bidders of item no. 1,2&3 as applicable) and negotiation for these rates shall be done with vendors other than highest bidders (as applicable).

Determination of L1/Highest bidders shall be done separately for Item No. 1, 2 & 3 of Table A.

Negotiation of prices if required will be made with eligible L1 Vendors, both in case of price bid opening or in reverse auction process.

The Framework agreement shall be entered with eligible vendors of item No. 1, 2 & 3 who accepts the Counter offered L1 rates for all the items No 4 to 11 .

5. Price Variation Clause:

Price Variation clause (only for Basic Rate of Item No. 1, 2 & 3) shall be applicable on a half yearly basis as per below formula:-

$$P^1 = P^0 + P^0 (R1 * C1)$$

P^0 – Basic Rate finalized in Framework Agreement(FA)

P^1 – New Basic Rate

R1 - % of Pipes & Fittings respective Material Group, by value

C1 - % increase or decrease of Pipes & Fittings rates (As per Wholesale Price Index (WPI))

where,

R1 :

R1 = 45.62%-For Item No. 1

R1 = 41.40%-For Item No. 2

R1 = 42.78%-For Item No. 3

C1 :

$$C1 = \frac{(G^1 - G^2)}{G^2}$$

G^1 – Average Index of last 6 months (From the date of FA) of Steel: Pipes and Tube - Wholesale Price Index (WPI) Data 2011-12=100) from Department of Industrial Policy & Promotion from **www.eaindustry.nic.in**

G^2 – Index - Steel: Pipes and Tube - Wholesale Price Index (WPI) Data 2011-12=100) on the date of Reverse Auction.

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The Price variation clause shall be applicable only for Basic rate finalized in the Framework agreement. The PVC shall be applied as per the above formula on the 7th month from the start of FA to arrive at a new rate (Escalated/Desclated). The Purchase Orders created from the start of 7th month shall bear the new Escalated/Desclated rates. Incase of FA finalized on the day other than the start of the month then PVC shall be applied from the 1st day of 7th Calendar Month from the FA start date.

The Freight rate finalized in the Framework agreement shall be firm throughout the period of FA. Incase of extension of Framework agreement the PVC shall be applied for the extended period also.

6. Loading on Vendors

A. Loading on vendors will be progressively made as and when Design Documents are released.

No of Eligible Vendors	Item wise Proposed Loading %				
	L1	L2	L3	L4	L5 and above
1	100				
2	60	40			
3	50	30	20		
4	40	30	20	10	
Equal to or Greater than 5	30	70 % shared between Counter offer accepted Vendors.			

Incise L1, L2, L3.... vendors are not approved by NTPC/Customer, maximum loading on them may not be possible depending on the quantum of NTPC projects and Projects requiring customer approval available for loading.

B. A constituted committee shall monitor the performance and loading of the vendors. Incase of unsatisfactory performance by the vendors, the contract may be terminated.

Loading shall be subject to:

- Capacity utilization based on performance of Vendors. (At the time of Tender document submission, Vendors shall be asked to submit their capacity for completion of No. of Tanks/Month & Tonnage/Month).
- The performance of vendors determined by completion within delivery date.
- Loading shall be done based on PGMA Concept.
- Customer approved Vendors as applicable.
- Micro & Small Enterprises Vendor criteria

While ordering, Prices will be fixed based on the basic category i.e. IBR or Non IBR. The Price will be uniform and fixed on the rate based on Total weight, irrespective of the different materials being used for the shell/Dished Ends, internals like dispensers, pipes, fittings, flanges etc. Amendment to P.O. will be made for change in weight if any encountered due to accepted design change, for increase or decrease in price, and the same should be obtained for any change in weight before dispatching the tank, as P.O. amendments is not possible after dispatch.

Quotations shall be strictly as per the price bid format (Annexure-B) and should not be subjected to any correlation or indirect interpretations.

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All clarifications may please be obtained to ensure the technical, quality, delivery, price requirements are understood, before submitting the offer.

7. Deviations

All clarifications may please be obtained to ensure the technical, quality, delivery, price requirements are understood, before submitting the offer.

NO DEVIATION ON TENDER TERMS are acceptable. All the deliverables shall be meeting BHEL Technical Delivery conditions and Quality requirements. Incase of any unavoidable circumstances of engineering deviation during Purchase Order Execution, then Vendor shall get BHEL Engineering acceptance in writing (or) email, before proceeding, on a case to case basis.

8. Rates quoted shall be legible without any striking etc. in the format enclosed in e-procurement website and as per conditions indicated.
9. Quotations shall fulfill all the above requirements. Otherwise the offers may be summarily rejected as a whole or as part thereof. Rates are to be quoted strictly as per the format attached taking care of the requirements of various project sites, including responsibility of transportation to various sites as indicated.

Approximate Total quantum of Tanks and Vessels to be procured under **this Framework agreement will be 800 MT (approx).**

10. Micro & Small Enterprises Vendors:

- A. Micro & Small Enterprises (MSE) Vendors shall be asked to submit Valid MSE certificate along with the latest certification by CA while submitting the Techno commercial offer.
- B. 20% of the tendered Quantity is earmarked for all the eligible MSE Vendors who enter into annual FA. 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).
- C. Loading of MSE Vendors who enter into annual FA (*including SC/ST owned MSE*) shall be as follows:
 - i. If MSE Vendor is 'L1', the minimum 20% of the Total loading shall be given to the 'L1' vendor/ further loading shall be subject to **Loading Criteria Points 6** of above.
 - ii. If 'L1' is other than a MSE Vendor, then all MSE Vendor(s) L2, L3, L4 etc (as applicable) who accept the counter offer rates shall share the 20% of Loading. (*refer point 10.B above*)

Note: The MSE Vendors shall be treated on par with other vendors during Elimination process of Highest bidders (as applicable)

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“MSE Suppliers can avail the intended benefits only if they submit along with offer, attested copies of either Entrepreneur Memorandum Part II (EM II) certificate having deemed validity (Five Years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with attested copy of a CA Certificate (Format enclosed at Annexure 1 where deemed validity of EM II of five years has expired) applicable for the relevant Financial year (latest audited). Date to be reckoned for determining the deemed validity will be the date of bid opening (Part 1 in case of two part bid). Non Submission of such documents will lead to consideration of their bid part with other bidders. No benefit shall be applicable for this enquiry if any deficiency in the above required documents are not submitted before price bid opening. If the tender is to be submitted through E procurements portal, then the above required documents are to be uploaded on the portal. Documents should be notarized or attested by Gazetted officer.”

Note: Incase the MSE documents are already submitted for the current year 2017-18, then vendors need not submit MSE documents again. Vendors are requested to ensure the same with Outsourcing Department, Piping Centre for Tender submission.

Reverse Auction:

“BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. All bidders to give their acceptance for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA.

In case BHEL decides to go for Reverse Auction, only those bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit “online sealed bid” in the Reverse Auction. Non-submission of “online sealed bid” by the bidder will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.

The envelope sealed price bid of successful L1 bidder (for all items 1 to 11) in RA, will also be opened after RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed price). Punitive action in terms of warning letter/ banning of business dealings with the bidder who is found to quote higher in online sealed bids as compared to envelope sealed price bid.

Fraud Prevention Policy

The Bidder alongwith 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 notice of BHEL Management about fraud as soon as it comes to their notice.

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A. General Requirements

1. Salient Points

Materials used shall be as per IS/ASTM/ASME/API standards meeting BHEL Technical Delivery conditions and Quality requirements, with relevant Test certificates, from BHEL approved sources for NTPC projects and Non NTPC Projects as per the approved vendor list. In addition wherever NTPC/Special projects are involved additional supplementary requirements are to be taken care while material is procured, meeting specific contract quality plans. Manufacturing shall be as per various BHEL drawings, Quality Control Procedures (QCP), Contract Quality Plans (CQP), Standard/General Quality Plans (SQP), Testing and Inspection procedures (TIP) etc with approved procedures and processes. Please note that for NTPC projects materials/ components shall be procured from the sources approved by NTPC.

- a) Finished items are to be dispatched to various project sites/BHEL Shipping (Trichy or Thirumayam) which will be indicated in the order. Responsibility of packing, forwarding and transportation to sites/ BHEL Shipping (Trichy or Thirumayam) will be with the Vendor.
- b) Vendors shall be conversant with relevant standards adopted by BHEL and manufacture in accordance with standards and relevant quality plans, drawings and specifications.
- c) Vendors shall get familiarized and understand fully all BHEL drawings, Group Manufacturing Specification(GMS), Quality Control Procedures , Quality plans etc and IBR requirements.
- d) Vendors shall submit the capacity for completion of No. of Tanks/Month and capacity for completion of Tonnage/Month.
- e) The quantum of work indicated is for overall appreciation of the job content and BHEL reserves the right to distribute the work to more than one vendor, or restrict ordering to limited items and limited quantity.
- f) Vendors shall have adequate capacity in procuring, handling, receipt of materials and usage etc. for carrying out the jobs in the most fitting manner to meet the expectations of Industry standards.
- g) The finished goods shall be offered to BHEL and Third party/customer inspection as detailed in the relevant Quality documents.
- h) For NTPC PROJECTS vendor has to follow Manufacturing Quality Plan approved by NTPC for each project. A typical QP no: 6937 QPC 10 Rev 01 dated 22.07.2009 is enclosed herewith for ready reference.
- i) List of Tentative projects are furnished for in the Annexure E.

The applicable List of Quality Control procedure (QCP's), Testing and Inspection Procedures (TIPs), Standard Quality Plans (SQPs) are given below, PDF copy of the same is uploaded in E Procurement website <https://bheleps.buyjunction.in>.

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1.1 Quality Requirements

Tanks and Vessels shall be manufactured, inspected and supplied as per the following documents:

- a) For NTPC Projects – Project specific NTPC approved QP vide doc No: XXXX:QPC:10 latest revision for Tanks and Vessels. (XXXX–denotes Customer number of the First Unit of the Projects). Project specific categorization list vide doc No. XXXX:PGMA:02 (latest revision) to be used for PGMA categorization.
- b) For Non-NTPC Projects - Standard QP – QPG: 05 Rev 01 for Tanks and Vessels and QP- QPG :06: Rev 01 for Deaerator along with project specific QP.

Contract Specific QP and Painting Scheme will be handed over at the time of ordering along with P.O.

The other quality documents and points to be referred and used are listed below. All the documents are furnished the E Procurement website <https://bheleps.buyjunction.in> and the vendors are required to confirm acceptance.

1.1.1 Painting Scheme

Contract specific approved painting scheme.

1.1.2 Raw Material Procurement

The raw materials & fittings shall be procured from approved vendor lists as given below which will be updated from time to time in *Vendor Information System (B2B)* and can be accessed by using the link - https://www.bheltry.co.in/vis/TPPC/raw_material_list.jsp .

- For NTPC Projects – NTPC and BHEL approved vendor list: QCP: 17 (latest revision). As on date Rev 02 dt 29.03.2016 is the latest.
- For Non-NTPC Projects BHEL approved vendor list: RM: VEND: LIST: PVM (latest revision). As on date Rev 04 dt 22.06.2015 is the latest.

1.1.3 List of Applicable QCPs

1. QCP:01:Rev02 dt 06.06.1995 QCP for dished ends – Non IBR quality
2. QCP:02:Rev03 dt 06.06.1995 QCP for dished ends – IBR quality (class II)
3. QCP:03:Rev03 dt 28.06.1995 QCP for vessels – Non IBR quality
4. QCP:04:Rev02 dt 28.06.1995 QCP for vessels – IBR quality (class II)
5. QCP:07:Rev02 QCP for surface preparation & stenciling, identification, end protection of piping components
6. QCP: 09:Rev01 QCP for surface preparation and painting.
7. QCP:12:Rev00 QCP for Local Heat Treatment

1.1.4 List of Applicable TIPS

1. BHE:NDT:PB:PT:01 Rev.18 - Procedure for Liquid Penetrant examination
2. BHE:NDT:PB:MT:01 Rev.18 - Procedure for magnetic particle examination.
3. BHE:NDT:PB:RT:01 Rev.20 - Procedure for Radiographic examination of welds.

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4. BHE:NDT:PB:UT:01 Rev.08 - Procedure for Ultrasonic examination of welds.
5. TIP:05 Rev.01 - Hydraulic test procedure for Pressure parts.
6. TIP:07 Rev.00 - Inspection Procedure for Packing.

1.1.5 List of Applicable SQPs

Contract specific QP and Painting Scheme will be handed over at the time of ordering along with P.O.

1.1.6 Packing as per Annexure G.

2. Scope of Work

2.1 Procurement and Provision of Raw Materials

2.1.1 Materials are to be procured from approved sources as per Para 1.1.2 of Quality requirements.

2.1.2 Materials shall have relevant test certificates from the Manufacturers containing the Details as required by Quality documents/drawings.

2.2 Manufacture and Fabrication

2.2.1 End Chamfering of Straight Pipes/Fittings:C.S/A.S/S.S

1. Marking, transfer of attestation, cutting and edge preparation of both the ends of pipe/fittings as per our drawings, relevant QCP, QP etc.
2. Cleaning applying rust preventive oils, painting, punching and stenciling of identification details as indicated in clause 6.0 of the enclosed B.TERMS AND CONDITIONS and as per relevant QCP.
3. Provision of end protection as per clause 1.e of the enclosed B.TERMS AND CONDITIONS and as per QCP:07 Rev 02.
4. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING".

2.2.2 Fabrication of Pipe with Attachments including Bottom Supports, Saddle Supports, Bracket Assemblies & Target Plate Assemblies, MITRE Bends out of Pipes, Welded Tees, Adapter

1. Marking, Transfer of attestation, cutting and edge preparation of both ends of pipe as per drawing, QCP's, CQP's etc.
2. Welding of attachments, fittings as per drawing.
3. MPI/X-ray, Heat Treatment and any other test if necessary, as per the Relevant QCP/CQP/SQP/TIPs etc.
4. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING "

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2.2.3 Fabrication of MITRE Bends out of Plates

1. Marking, transfer of attestation, cutting as per drawing.
2. Rolling/Bending the plate to form the required size of pipe.
3. Welding the seam as per drawing
4. Marking, cutting and Edge preparation of pipe as per drawing
5. Welding the cut pipes to make MITRE bends as per drawing
6. Welding of attachments, if any, as per drawing, and heat treatment if applicable as per QCP/CQP.
7. MPI/X-ray and any other test if necessary, as per the relevant QCP/CQP/TIPs etc.
8. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING".

2.2.4 Machining of Small Fittings, Flanges, Target Plates, Condensing Loop Assembly, Load Bolts & Orifice Plates etc., Threading & Galvanising of Tubes/Pipes

1. Machining of flanges out of plates and machining of small size reducers, adapters, couplings, Load bolts etc., out of rods as per the relevant drawings. Fabrication of condensing loop assembly, target plates, orifice plates, washers and foundation bolts as per drawing.
2. Providing a coating of PLASTO PEEL for target plates to preserve the surface finish.
3. Threading and galvanizing of tubes/pipes as per drawings.
4. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING"

2.2.5 Bending of Pipes

1. Marking, transfer of attestation and cutting as per drawing
2. Bending of pipes and tubes as per BHEL drawing and QCP and carrying out heat treatment if applicable.
3. Edge preparation as per drawing
4. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING"

2.2.6 Plasma Cutting of Stainless Steel Plates

Marking and plasma cutting of plates as per drawing.

2.2.7 OD Turning of Pipes

1. Marking transfer of attestation cutting and edge preparation if required as per drawing.

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2. Machining of Pipe OD to the required size as per drawing.
3. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING"

2.2.8 Galvanizing and Threading

1. Galvanising shall be done by an approved process/sources meeting the standards/Drawings.
2. Threading may be done by lathe or thread rolling to meet the drawing requirement and shall be proved by Thread plug or ring gauge for Go and No-go. Wherever Threading is done with matched components as a part of this supply scope, threading can be matched and suited.
3. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING".
4. Electro galvanizing and yellow-chromatizing shall be as per the requirement of drawing/QCP, QP wherever indicated/approved sources.

2.2.9 Painting

1. Cutting to required size/length if required.
2. Surface preparation with power operated wire brush/shot blasting. For THERMALLY WORKED PIPES as per clause 6.0 of TERMS AND CONDITIONS.
3. Painting shall be as per "B.TERMS AND CONDITIONS OF WORK" clause 6.0 "CLEANING AND PAINTING", or as per relevant QCP/SQP/CQP's, inclusive of cost of paint.
4. Punching and stenciling of work order number, DU Number, No. off, weight, fabricator's code etc., as per clause 6.0 of the enclosed TERMS, AND CONDITIONS.
5. Providing end caps, VCI pellets (dosage: 100gms/cu.m) and packing as per our latest QCP. NOTE: For GI pipes/fittings and stainless steel pipes/fittings, the scope of work is similar to the above except application of painting/surface coating.
6. No painting needs to be applied for Stainless and Galvanized Pipes and fittings.

2.2.10 Providing End Caps:

All pipe ends shall be provided with end caps/protection in accordance with QCP/TIP. Cost of end caps shall be included in the rates quoted.

2.2.11 Packing (As per Annexure G) and forwarding including all charges connected with this.

3. Technical Conditions

Fabrication shall strictly conform to the dimensions and tolerances indicated in the respective drawing. Changes for individual DU lengths cannot be accommodated as a matter of right except under special circumstances. Manufacturing process should be as detailed out in the Quality Control Procedures. The Quality Plans and Testing and Inspection procedures should also be adhered to. Care must be taken to strictly adhere to the notes indicated in the drawing, QCP/QP/TIP. Punching, painting and work order stenciling shall be done as per enclosed terms and conditions.

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4. Inspection

All components shall be inspected at various stages by BHEL Quality control department/BHEL Autorised agencies and offered for Inspection to BHEL Inspection Department/IBR/NTPC or any other external Inspection agency (if required) at Vendor works. All equipments and instruments required for inspection shall be provided by the Vendor free of cost. BHEL representative will have free access to Vendor works during the currency of contract.

5. Delivery Schedule and Liquidated Damages

As the components are required to meet the delivery requirements of the projects urgently, **Expected Delivery shall be made progressively from 2 Months to 4 Months from placement of Order.** The sequential Delivery requirement will be discussed and finalized at the time of placing order. Liquidated damages at the rate of ½% of the total value of the Purchase order for each week of delay or part thereof will be levied subject to a maximum of 10% of full Purchase Order value without prejudice to any other relief or compensation to BHEL, under any other condition of the contract

6. Payment

Payment shall be made at 100 % of full value in 45 days from date of acknowledged LR on submission of original tax gate pass Invoices supported by inspection report issued by BHEL/ authorized agency along with acknowledged Lorry Receipt, IBR certificates and delivery challan having delivered the goods at site / BHEL Shipping in good condition after due verification. Bills shall be submitted only on completion of after the supply of Complete PGMA (System). Billing shall be made only on completion of the supply of a FULL PGMA/System along with copy MDCC in case of NTPC projects and IBR Certificates incase of IBR PGMA's. Original IBR documents and NTPC original MDCCs shall be submitted to Outsourcing dept for processing the bills for payment. Also quality documents shall be submitted in a CD to QC/BHEL and the acknowledged copy to be submitted along with bills. Bills of a part of the system will not be accepted for payment. Payment shall be made through E payment by ECS. All successful Vendors have to furnish appropriate Bank Account No. for the same.

Note: Acknowledgement date of LR shall be taken as zero date for payment.

In cases, of partial dispatches of a Purchase Order to the Site / BHEL Shipping (Trichy / Thirumayam) has been made and these POs are put under Hold by BHEL during the execution of the POs for any reason, then the Vendor shall submit the invoices along with the submission of original tax Gate pass invoice supported by IR issued by BHEL / authorized agency, IBR certificates, MDCC in case of NTPC project along with acknowledged Lorry receipt and delivery Challan for having delivered the finished goods at site / BHEL Shipping (Trichy / Thirumayam) for these part despatches and payments shall be processed accordingly after obtaining specific approval from competent authority on case to case basis. After lifting of Hold and Amending the delivery date accordingly, for the DUs delivered beyond the revised delivery date, LD will be applicable on the total order value as per the original POs terms.

Partial payment request (on case to case basis only) shall be made after a minimum period of 45 days of Hold and in all such cases 85% of dispatch value shall be considered for release of payment.

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7. Performance Guarantee

Vendors entering into contract with BHEL shall execute a performance guarantee for Defect free manufacture of the supplied Items and Good quality of the raw material, for a period of 24 Months from the date of supply of the materials. In the event of defects or performance related problems, the Vendors shall supply and replace the items, or rework and make good of the item at their cost at the project site, to the satisfaction of the Customer.

8. General

Vendors may furnish the most competitive offer after thoroughly understanding the Technical Requirements and Confirming to meet the same. Any detailed technical and commercial clarification may please be obtained before submission of the offer and Price Bid.

The Techno commercial Bid "Annexure A" and Price Bid "Annexure B" is to be filled up and uploaded in the E procurement Website.

Vendors shall ensure following are uploaded in E procurement website during Tender submission:

- a) Duly filled in Techno commercial Bid "Annexure A" - **Mandatory**
- b) Duly filled in Price Bid "Annexure B" - **Mandatory**

Attachments to be made separately are:

- c) Declaration – Annexure H duly filled in with seal and signature. - **Mandatory**
- d) MSE document (if required) as per Clause 9 **Micro & Small Enterprises Vendors Loading.**

All mandatory Documents viz Techno commercial Bid "Annexure A", Duly filled in Price Bid "Annexure B" and Declaration – Annexure H shall be uploaded in the E procurement webpage during submission of offers.

BHEL shall not be responsible wrong uploads, missing attachments, blank file uploads in E procurement webpage. Vendors are requested to submit the offers with utmost care to reduce the chance of rejection.

Note: All eligible vendors who enter into the annual Framework agreement shall submit the Integrity Pact (duly filled in with seal and signature) in Hard copy.

In addition to the "A.General Requirements of the enquiry as above, our "B.Terms and Conditions of Work", "C.General conditions", "D.Special Terms & Conditions" as enclosed shall also forms part of this enquiry conditions which may be understood clearly.

Thanking you



Yours faithfully,

SANDEEP
For **Product Engineer / Outsourcing**
Bharat Heavy Electricals Limited
BHEL / Piping Centre,
T.Nagar, Chennai - 600 017.

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B. Terms and Conditions of Work

1. Rate Quoted shall include the following

- a. Fabrication charges of Tanks & Vessels and its allied components including cost of raw materials, manufacture of dished ends. Dished Ends may be out sourced from BHEL approved suppliers with all test certificates including IBR TCs.
- b. Trial Assembly charges as called for in the drawing or by the Inspecting Authority.
- c. Cost of machining wherever involved.
- d. Charges for testing the components Eg. Hydraulic Testing, Mechanical testing of test plates etc.,
- e. Packing, and forwarding charges with End covers, as per clause 2.2.10 of SCOPE OF WORK to protect the pipe ends as below:
 - i. Plastic end caps for tubes/pipes up to and including 73.0 mm
 - ii. Metallic end caps with sheet metal of 1.5 mm thickness for OD above 73.1 mm and upto 610 mm, ie. Pipes Nb 80 and up to Nb 600 for the Tank Nozzles.
 - iii. Metallic rings Beyond Nb 600.
 - iv. Protecting Flange surfaces with wooden planks and fastening.
 - v. Dosing with Vapour phase corrosion inhibitor as Specified in QCP inside all pipes just before end capping.
- f. Cost of cleaning (power tool cleaning and Blast Cleaning) wherever applicable, painting and applying rust preventive oil on threaded portions, stenciling and punching of work order number, DU No. etc. as per QCP.
- g. Packing charges as per Annexure G
- h. Charges for local Heat Treatment (parts of the tank) and Non-destructive Testing (MPI. Radiography etc.)
- i. IBR fees for approving the Design, inspection of materials, inspection of fabrication at various stages, Testing including Hydrotest, Strength tests of Test coupons, and obtaining IBR Test Certificates and submission to BHEL.

If required the total work may be distributed depending on the delivery requirement and the capacity available from various Vendors. BHEL has the right to decide diversion of any jobs loaded from one Vendor to other if the progress of the job and response of the Vendor is not meeting the requirements of quality, delivery, project schedule or any other reasons, at the cost of the Vendor on whom the job was originally loaded. The Vendor shall extend fullest cooperation in this regard.

2. Taxes and Duties

The price quoted shall be clearly indicative of the basic price with **duty and taxes separate**. For GST input credit BHEL may require some supporting documents and Vendors shall fulfill the requirements for the same. Proof of payment of the duties shall be furnished as required by BHEL. Income tax shall be deducted at source as applicable.

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3. Documents

- a. Vendors shall furnish the Inspection reports, MDCC/CHP/COC Clearance and IBR Test Certificates etc as applicable along with Invoice, Delivery Challan & LR.
- b. All inspection documents like IR's, History Cards, Inprocess reports/charts, COC, CHP/MDCC, Lloyds/Third Party IR's etc to be submitted as soft file in a CD to Quality Department

4. Technical Requirements

- a. Fabrication shall strictly confirm to the dimension and tolerances indicated in the drawings. Care must be taken to strictly adhere the NOTES given in the drawing and QCP. They must ensure that correct dimensions and deviations, if any, are recorded properly in the Dimensional Report books and the same shall be made available to BHEL officials or their authorized agencies.
- b. All Fabrication, machining, heat treatment and non destructive testing and other testing should confirm to drawings / QCP / CQP /SQP/TIP.
- c. Bulk manufacture shall be taken up only after the approval of the first sample by our Inspection.
- d. In case of hot bending of pipes/tubes, shot blasting or acid pickling shall be done to remove scale etc.
- e. Extra joints shall be avoided as far as possible. Wherever it could not be avoided, the extra joint may be provided with the prior permission of BHEL. Extra joints should be incorporated in the inspection report and duly attested by our Inspection Engineer.
- f. Packing shall be made by the Vendor as per "Annexure G –Packing Procedure" to avoid transit damages.
- g. Any other work done outside the requirements of drawings, CQP/TIP/QCP shall have the prior written approval of the competent Authority of Outsourcing.
- h. Only the welding electrodes from approved sources shall be used as called for in the drawings.
- i. Adequate facilities like welding equipments, baking oven, handling facilities and measuring instruments (calibrated by BHEL or their authorized agencies) as called for must be available with the Vendor for the manufacture of Tanks/Piping components. All the above basic fabrication requirements must be under working condition and the same be made available for verification by BHEL officials or their authorized representatives whenever they are called for.
- j. Procurement of Welding electrodes, consumables like paints, VCI pallets. Etc. calibration of instruments and gauges (any NABL approved lab), heat treatment, non-destructive testing, laboratory services should be done only from BHEL approved sources.
- k. Radiographic Test Access Hole and Radiographic Plug should be provided wherever necessary as indicated in drawings.

5. Inspection

All fabrication components shall be offered for BHEL Inspectors/BHEL Authorized agencies. Apart from the above inspections, there may be third party inspection like Lloyds/ NTPC/IBR etc. as applicable and nominated by BHEL / customer as a specific customer requirement, which will be arranged by BHEL. Vendors shall complete the inspection documentation as apart of this basic scope. All facilities, equipments and

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instruments required for inspection shall be provided by the Vendor free of cost. BHEL's Representatives will have free access to Vendor's works during the currency of the contract. History cards shall be maintained for all the items (DU wise) duly signed by BHEL Inspector. One copy of the History card shall be handed over to QA&C/ Piping Centre, BHEL, Chennai. Inspection call Booking shall be raised in Vendor Information System.

6. Cleaning and Painting

The finished components shall be cleaned by power operated wire brush (in case of THERMALLY WORKED PIPES cleaning shall be by means of SHOT BLASTING) or by blast cleaning as required for the type of painting prior to application of primer paint. Rates Quoted shall include surface preparation by blast cleaning for Epoxy system/wire brush cleaning for enamel paint, application and cost of paint for the Basic painting schemes as per Price bid format.

The basic painting schemes are:

1. **Surface preparation SA 2 ½ Blast Cleaning (SSPC-SP10), Primer Red oxide Zinc Phosphate (Alkyd Base) to IS 12744 with DFT 2x30=60 Microns.**
2. **Surface preparation SA 2 ½ Blast Cleaning (SSPC-SP10), Primer Red oxide Zinc Phosphate (Alkyd Base) to IS 12744 with DFT 1x30 Microns, Finish Paint synthetic Enamel Long Oil Alkyd to IS 2932, Smoke Grey Shade 692 of IS 5 of 2x20 Micron thickness, With Primer+Finish Total DFT 70 Microns.**
3. **Surface preparation SA 2 ½ Blast Cleaning (SSPC-SP10), Primer Red oxide Zinc Phosphate(Alkyd Base) to IS 12744 with DFT 2x25=50 Microns, Finish Paint synthetic Enamel Long Oil Alkyd to IS 2932, Smoke Grey Shade 692 of IS 5 of 2x35=70 Micron thickness, With Primer+Finish Total DFT 120 Micron.**
4. **Surface preparation SA 2 ½ Blast Cleaning (SSPC-SP10) - Heat Resistant Aluminium paint to IS 13183 – Grade -2 (latest) 2x20 microns. Total DFT 40 microns Aluminium shade.**
5. **Surface preparation SA 2 ½ Blast Cleaning (SSPC-SP10) - Inorganic Ethyl Zinc Silicate primer to IS 14746 – 1x65 microns and finish cost - Heat Resistant Aluminium paint to IS 13183 – Grade -1 (latest) 3x20 microns. With Primer+Finish Total DFT 125 microns Aluminium shade.**
6. **Surface preparation SA 2 ½ Blast Cleaning (SSPC-SP10), with Epoxy Based Zinc rich primer to IS14589 Grade II 2x50=100 Micron thickness, with Epoxy based TIO2 pigmented Intermediate Coat 50 microns and Epoxy Polyamide cured finish paint 50 microns- Total DFT 200 Microns.**

Note: In spite of the surface preparation method mentioned in approved Painting Schemes all the tanks shall be surface prepared by Blast cleaning method and rates shall be quoted by considering same.

Incase of any Tank to be internally coated the applicable internal painting rate shall be given.

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The following details are to be stenciled:

The work order number (13 digits), DU number (3 digits) No off, weight, colour code and flow direction. The following details are to be hard-stamped: the work order number (13 digits), Du number, specification, melt number, firm code, quantity etc. as may be indicated. For pipes/ tubes of thickness less than 4.5 mm material specification shall be engraved/ punched with suitable punch. This shall be covered with an over coat of transparent varnish. Machined surfaces shall be given one coat of rust preventive oil (Bonito compound). The inside surfaces of all pipes and bends is to be thoroughly cleaned before dispatch. The conditions indicated in the relevant QCP/QP shall also be complied.

7. Packing

All pipe ends are covered by end caps as per specification already made. Stiffener should be provided for pipes beyond Nb 600. VCI pellets should be placed inside pipes before capping. Normal packing shall be made by the Vendor to avoid transit damages. ***Packing shall be strictly as per Annexure G*** (enclosed)

8. Bank Guarantee

A Revolving Bank guarantee on any Nationalized bank for a value of Rs 10 lakhs will be required to be executed for release of orders for the work to be awarded on the Vendor. Bank Guarantee shall be stamped in accordance with stamp act and the expiry date of BG must be after 60 days from the date of completion of warranty period(24 months). The BG claim date shall be 3 months from the BG expiry date.

As per the CVC Guideline vide No:02-07-01-CTE-30, "The Original Bank Guarantee should be sent to the beneficiary directly by the issuing Bank under the registered Post(A.D)"

Purchase Order will be released only after signing of the contract and receipt of Bank Guarantee.

Incase vendor has not submitted Bank Guarantee within 3 months of execution of Framework agreement, BHEL shall proceed with further action deemed fit as per BHEL rules.

9. Billing / Invoicing and Payment

Payment as per clause A.GENERAL REQUIREMENTS will be made on fulfillment of the following: Invoices shall be raised in duplicate with Clear indication of taxes and duties paid for the DU weights only.

All the invoices shall be addressed to

**Sr. Deputy General Manager, Outsourcing Department
BHEL Piping Centre,
No. 80 (Old No.93), G.N.Road,
T.Nagar,
Chennai, 600 017**

Separate invoices shall be raised for each purchase order/work order.

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10. Subletting

The Vendor shall not sublet or assign this contract or any part thereof to any one without the written permission of BHEL. In the event of the Vendor subletting or assigning this contract or any part thereof without such permission, the BHEL shall be entitled to cancel the contract and to execute the fabrication work elsewhere at the risk and account of the Vendor and the Vendor shall be liable for payment for any loss or damage which the BHEL may sustain in consequence of or arising out of such fabrication elsewhere. However for part operations such as Heat treatment, Radiography, NDT BHEL approved sources can be used if required.

11. Delayed Execution, Failure & Termination of Contract

a) Action and Compensation Incase of Bad Workmanship

If any work has been executed with unsound, imperfect or bad workmanship or with materials of inferior quality, the Vendor shall on demand in writing from BHEL specifying the work, materials/ articles complained of notwithstanding that the same may have been passed, certified and paid for, forthwith, rectify the work so specified in whole or in part as the case may require, at their own cost and in the event of his failure to do within reasonable period, BHEL will rectify or remove and re-execute the work at the risk and expense of the Vendor.

b) Compensation against damage of Plant & Machinery / Tools/ and Gauges.

BHEL reserves the right to claim adequate compensation from the Vendor on account of any damage caused to the plant and equipment / tools and gauges handed over to them for execution of work, due to careless handling or negligence on the part of the Vendor.

BHEL shall have general supervision and direction over the work. BHEL has the authority to stop the work, whenever such stoppage may be necessary to ensure the proper execution of the contract. BHEL shall also have the authority to reject all the work which does not conform to the specification.

BHEL reserves the right to suspend the work or part thereof at any time and no claim whatsoever on this account will be entertained.

Any change in the constitution of the Vendor's unit will have to be made only after getting the specific approval from Outsourcing (PC), BHEL, Chennai. Any deviation found later will be dealt with as deemed fit including cancellation of registration.

Partnership firm should have the Form A (Rule 5) Declaration issued by the Registrar of Firms and copy of the same shall be produced at the time of signing the contract.

All the statutory obligations such as ESI, PF, Labour Acts, Factory Act etc., will have to be taken care of by the Vendor. BHEL will have no liability on them. Notwithstanding the above, if any demand notice

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is served by the concerned statutory authorities for recovery of any of their dues on BHEL, the same would be paid without notice to the Vendor and recovered as a due from any pending / future bills.

All safety precautions and use of safety equipments are to be followed while carrying out the fabrication and dispatch of the same. The Vendor must have proper tools and handling equipments. There should always be responsible persons available to oversee the operation and compliance of safety regulation etc.

All documents of BHEL made available to the Vendor should be kept in strict confidence and under no circumstance be made available to others or allow others to make use of them. The secrecy of clause is binding on the employees of the Vendors also. Any contravention will be viewed seriously. Such documents should not be disposed of/destroyed without the prior approval of Outsourcing (PC), BHEL, and Chennai.

In addition to the above terms and conditions, the enclosed General Conditions of Contract will also apply in as they are not repugnant to the terms and conditions, specifically brought out above in this contract.

Thanking you


Yours faithfully,
SANDEEP
Sr. Product Engineer / Outsourcing
BHEL / Piping Centre,
T.Nagar, Chennai - 600 017
For Bharat Heavy Electricals Limited

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C. GENERAL CONDITIONS

1. Definition

Throughout these conditions and in the specifications, the terms:

- a) 'THE CONTRACTEE' / 'BHEL' means the Bharat Heavy Electricals Ltd, acting through Sr. Deputy General Manager / Outsourcing Piping Centre, Chennai, unless the contract otherwise provides.
- b) 'THE VENDOR' / 'SUB CONTRACTOR' means the person, firm or company with whom the order for fabrication is placed and shall be deemed to include the Vendor's successor (as approved by BHEL), representatives, heirs, executors and administrators as the case may be unless excluded by the term of contract.
- c) 'DRAWINGS' means the drawings exhibited or issued for the guidance of the Vendor.

2. Execution

The whole contract is to be executed in the most approved substantial and workman like manner to the entire satisfaction of the BHEL or the Inspecting Officer, who shall have power to reject any of the fabrication of which he may disapprove and his decision thereon and on any question as to the true intent and meaning of the specifications of drawing or of the work necessary for the proper completion of the contract shall be final and conclusive. The BHEL may require alterations if any to be made during the progress of fabrication/machining and should these alterations be such that either party to the contract considers an alteration in the charges is justified, such alterations shall not be carried out until amended cost of fabrication /machining charges have been submitted by the Vendor and accepted by the BHEL. Should the Vendor proceed to fabricate and without obtaining the consent of the BHEL in writing to an amended cost of fabrication/machining charges, the Vendor shall be deemed to have agreed to execute fabrication at such charges as may be considered reasonable by the BHEL.

3. Force Majeure:

If at any time during the continuance of this contract the performance in whole or part by either party of any obligation under this contract shall be prevented or delayed by reason of war, hostilities, acts of public enemy, civil commotions, sabotage, fire, flood, explosion, epidemic, quarantine restrictions or acts of God (here in referred to as events), then provided the notice of the happenings of any such event is given by either party to other party within 21(twenty one) days from the date of occurrence thereof, either party shall reason of such event, not be entitled to terminate this contract nor shall either party have any claim for damages against other in respect of such non-performance and delay in performance and delivery under the contract shall be resumed soon as practicable after such event has come to an end or ceased to exist and the decision of the BHEL as to whether the deliveries, have been so resumed or not shall be final and conclusive. If the performance in whole or part of any obligation under the contract is for extension of time shall be granted for periods, considered reasonable by the Vendor to the BHEL subject to prompt notification by the Vendor to the BHEL of the particulars of the events and supply to the BHEL if required of any supporting evidence. Any waiver of time in respect of particular part and thereof shall not be deemed to be a waiver of time in respect of remaining deliveries.

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4. Termination of Contract:

If as a result of difficulty in procurement of raw materials or due to force majeure reasons or any other reasons whatsoever the Vendor is unable to keep the delivery schedule of BHEL the extension of time may be granted by the BHEL to the extent considered necessary. Should there be delay in supply beyond the extended date of delivery, it shall be open to the BHEL to terminate the contract in part or full and make other arrangements for executing fabrication elsewhere at the cost and risk of the Vendor.

5. Interpretation

Any dispute or difference of opinion in respect of interpretation, effect of application of this particular condition of the Vendor of the amount recoverable hereunder from the Vendor shall be decided by the BHEL and decision shall be final conclusive.

6. Book Examination Clause

- a) The Vendor shall, whenever required, shall produce for examination by any officer of the BHEL authorized in that behalf, any cost or other account book, account voucher, receipt letter memorandum, paper or writ or any copy of extract from any such document, and also furnish information and returns verified, in such a manner as may be required in any way relating to the execution of the contract (the decision of such officer of the BHEL on this question and relevancy of any documents, information or return, being final and binding on the parties). The obligation imposed by this clause is without prejudice to the obligation of the contract/ Purchase orders or any orders binding the Vendor.
- b) The Vendor shall, if the authorized officer of the BHEL so required (whether before or after the prices have been finally fixed), extend facilities to the officer of BHEL concerned to visit the Vendor's work for the purpose of the examining the process of manufacture and estimate or ascertaining the cost of production of the articles. If any portion of the work be carried out by the Vendor or any sub-Vendor or any subsidiary or an allied firm or Company, the authorized officer of the BHEL shall have power to secure the books of such Vendor or sub-Vendor or any subsidiary or allied firm or company and the same shall be open for inspection.

7. Set of Clauses

Payment shall be subject to the deduction of any amount for which the Vendor is liable under this contract, or any contract in respect of which Bharat Heavy Electricals Limited, Piping centre, Chennai the Contractee.

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8. Laws Governing the Contract

- a) The contract shall be governed by the Laws of the Government of India in force.
- b) Irrespective of the place of execution of the contract, place of delivery, place of payment under the contract, the contract shall be deemed to have been made at the place at which the acceptance of the tender has been issued.

9. Jurisdiction of the Court:

The Courts of the place from where the acceptance of the tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

10. The Global Compact

The Global Compact is a signature initiative of then United Nations Secretary General Kofi Annan and Four United Nations Agencies.

- *Office of the High Commissioner for Human Rights.
- *International Labour Organisation.
- *United Nations Environment Programme.
- *United Nations Development Programme.

This is a broad based initiative and engages:

Individual Companies
Business Associations
International Labour
Human Rights, Environment and Development Organisations
Academic & Public Policy Institutions and United Nations.

The Contractee (BHEL) is a member of this Global Compact.

As a participating company,

- We have the obligation to Support and respect Human Rights within our spheres of influence.
- Make sure We are not complicit in Human Rights abuses.
- Make sure We are not employing forced or compulsory labour.
- Refrain from employing Child labour.
- Eliminate discrimination in our hiring and firing policies.
- Support a precautionary approach to environmental challenges.
- Undertake initiatives to promote greater environmental responsibility.
- Encourage development and diffusion of environmentally friendly technologies.

Vendor shall also ensure to fall in line with the above principles.

Yours faithfully,


SANDEEP
Sr. Product Engineer / Outsourcing
BHEL / Piping Centre,
T.Nagar, Chennai - 600 017.

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D. Special Terms and Conditions

- a. BHEL reserves the right to increase or decrease the tendered quantity and split the tendered quantity among more than one Vendors and place orders accordingly, based on commitment, requirement and Vendor's capability in terms of delivery and quality or any other reason like contract priorities, logistics etc.
- b. Lowest prices received against BHEL tenders need not be the technically acceptable one and in that case BHEL reserves the right not to consider the same.
- c. Price Format Excel has a formula inbuilt in it. Hence vendors shall enter the rates as applicable in the Excel and print of that may be submitted. DO NOT CHANGE THE FORMULA IN THE PRICE FORMAT. BHEL shall not be responsible for wrong value due to the vendor's mistakes during handling the Excel. Net cash outflow formula is given in the bottom of the Price Format excel.
- d. BHEL reserves the right to negotiate or re-float the tender opened if L1 price is not the lowest acceptable price to them inter-alia other reasons. BHEL reserves the right to negotiate the L1 rate/finalise this tender through reverse action.
- e. BHEL may order on more than one vendor at the lowest acceptable price to BHEL.
- f. All vendors shall maintain quality system and organization as per BHEL requirement. This will be periodically audited by BHEL.
- g. Digitally signed soft copies of purchase orders will only be issued to vendors and all the PO related documents like GMS, Drawings, customer approved quality plans, painting schemes etc. shall be sent by e-mail only. No hard copies for same will be issued to vendors.
- h. All welding process shall be approved. Approval for new process should necessarily be obtained before initiating regular production.
- i. BHEL has developed an Vendor Information System site, Vendor shall establish compatible system to interact with BHEL and download the online data through the Internet.
- j. All inspection documents like IRs, History Cards, in process reports/charts, COC, Lloyds / Third party IRs etc to be submitted as soft file in a CD to Quality Department. As soon as the despatches are made, vendors shall upload scanned copy of LR, DC, IR and Tax Invoice in B2B system.
- k. Vendor has to furnish details of utilization of the Road Permits/Way Bills/E.sugam from time to time. Any further requirement of Road Permits can be given based on this statement only.
- l. *Vendors are instructed not to wait till last minute for Tender submission. BHEL shall not be responsible for any E procurement System issues and Vendor's inability to submit the offers at the last minute.*

Yours Faithfully,

For Bharat Heavy Electricals Limited