SPECIAL CONDITIONS OF CONTRACT (SCC)

"Design, Supply and Expert Supervision for installation works of Borosilicate Glass Block Lining for 275 mtr tall single flue chimney at 1X660 MW Panki Thermal Power Plant at Panki, Kanpur, U.P."

BHARAT HEAVY ELECTRICALS LIMITED
POWER SECTOR NORTHERN REGION

1.0	**DEFINITION OF TERMS:** Throughout the Tender Documents including the Enquiry Letter, the following words shall have the meanings assigned to them herein, unless the subject matter or the context requires otherwise.
1.1	**Purchaser** shall mean M/s Bharat Heavy Electricals Limited (A Govt. of India Undertaking) incorporated under the Companies Act 1956 acting through its Power Sector Northern Region (PSNR), HRDI & PSNR Complex, Plot No. 25, Sector – 16A, NOIDA – 201 301 (UP) which expression shall include its successors and assigns. It may also be referred to as BHEL.
1.2	**Owner** shall mean the Customer or Client for whose project the enquiry is issued by Purchaser and shall include its successors and assigns as well as authorized officer(s)/ representative(s).
1.3	**Consultant** shall mean the agency appointed by Owner or Purchaser to provide consultancy services for the project and shall include its successors and assigns as well as authorized officer(s)/ representative(s).
1.4	**Tenderer** shall mean the Firm/ Company/ Organization which quotes against the Tender Enquiry issued by Purchaser. It may also be referred as Bidder or Vendor.
1.5	**Order/ Contract** shall mean and include the general conditions, bidding conditions, specific conditions, specifications, schedules, drawings, form of tender, covering letters, schedule of prices and quantities, letter of intent/ award of the Purchaser, Integrity Pact (if applicable), special conditions applicable to the project and subsequent amendments mutually agreed upon. It may also be referred as Purchase Order.
1.6	**Seller/ Contractor** shall mean the Firm/ Company/ Organization with whom the Order/ Contract is made and shall be deemed to include its successors, Representatives, heirs, executors, administrators and permitted assigns, as the case may be. It may also be referred as Supplier.
1.7	**Sub-Contractor** shall mean the person/ firm/ company/ organization to whom any part of the work has been sub-contracted by Seller/ Contractor, with the written consent of Purchaser, and shall include sub-contractor's heirs, executors, administrators, representatives and assigns.
1.8	**Engineer** shall mean the authorized officer of Purchaser to act as the engineer on its behalf for the purpose of the Order/ Contract.
1.9	**Site** shall mean and include the land and place on which the power station and related facilities are to be constructed and any adjacent land which may be allocated or used by Owner or Seller/ Contractor in performance of the Order/ Contract.
1.10	**Tests on completion** shall mean such tests as prescribed in specifications and/ or tests mutually agreed upon by Purchaser and Seller/ Contractor, to be performed by Seller/ Contractor after erection of equipment to establish its satisfactory operation as per specifications.
1.11	**Commissioning** shall mean successful completion of Trial Operation and readiness of the contracted/ ordered plant and materials for commercial use. This will include all consumables and inputs required for pre-commissioning.
1.12	**Initial Operation** or **Trial Operation** or **Reliability Run** shall mean continuous integrated operation of the contracted/ ordered plant and materials under varying loads as proof of satisfactory operation for a specified period.
1.13	**Inspection Agency** (IA) shall mean person(s) authorized by Purchaser / Owner to inspect the stores as per Order/ Contract at Contractor's/ Sub-Contractor's works. Vendors to raise inspection call on BHEL – CQS website.
1.14	Month shall mean calendar month and week shall mean 7 days.

1.15	**Consignee** shall mean the official(s)/ person(s) to whom the stores are required to be delivered in the manner indicated in the Order/ Contract.
1.16	**Plant/ Equipment/ Stores** shall mean the goods, machinery, components, parts, spares etc. required to be supplied by Seller/ Contractor as per Order/ Contract.
1.17	**Contract Engineer** (CE) shall mean the official who signs the Order/ Contract on behalf of Purchaser.
1.18	**Site Engineer** shall mean officer of Purchaser/ Owner authorized to receive and verify the in-coming stores, and issue Material Receipt Certificate (MRC)/ Stores Receipt Voucher (SRV).
1.19	**Site Inspection Agency** (Site IA) shall mean person(s) authorized by Purchaser/ Owner to inspect the stores/ works included in Order/ Contract at the Project Site.
1.20	**GENERAL** The words incorporating singular shall include plural and vice-versa, the words incorporating masculine gender shall include feminine gender and vice-versa, and the words incorporating persons shall include bodies, corporate, limited liability companies, partnership and other legal entities.

2.0 ABBREVIATIONS**:**

AWB	Airway Bill
BL	Bill of Lading
BOQ	Bill of Quantity
CIF	Cost, Insurance and Freight
CQ	Corporate Quality
CVD	Countervailing Duty
DMS	Document Management System
EMD	Earnest Money Deposit
E&C	Erection and Commissioning
FOR	Freight on Road
GR	Goods Receipt
H1	Bidder quoting highest landed cost to BHEL
IP	Integrity Pact
IEM	Independent External Monitor
L1	Bidder quoting lowest landed cost to BHEL
LC	Letter of Credit
LOI	Letter of Intent
LOA	Letter of Award
LR	Lorry Receipt
MDCC	Material Dispatch Clearance Certificate
MRC	Material Receipt Certificate
MSMED	Micro Small and Medium Enterprises Development
NIT	Notice Inviting Tender
O&M	Operation & Maintenance
PBG	Performance Bank Guarantee
P&ID	Process & Instrumentation Diagram
PO	Purchase Order
PQR	Pre-Qualification Requirement
FGD	Flue Gas Desulfurization
QS	Quality Surveillance
RA	Reverse Auction
RBI	Reserve Bank of India
RFQ	Request for Quotation
RR	Railway Receipt
SCC	Special Conditions of Contract
TCC	Technical Condition of Contract
USD	United States Dollar
INR	Indian National Rupee
LD	Liquidated damages
SBI	State Bank of India

3.0	**Price**
3.1	Indigenous Bidders to quote on FOR site basis and foreign bidders to quote on CIF basis (Port-Mumbai). For CIF Mumbai delivery, Insurance (Inland) and Transportation (Inland) shall be in BHEL scope. However, FOR site price for foreign bidder will be calculated by loading their CIF (Port-Mumbai) price up to site as per SCC clause 4.3.
3.2	Foreign bidders will have to quote CIF (cost, insurance & freight) basis. For importing materials on CIF basis, bidders to note following: a. Freight is to be quoted as inclusive in basic price by vendor and is not to be quoted separately.
3.3	a) Bids of Indian supplier shall be in Indian Rupee only. b) Bids of foreign suppliers shall be in USD and on CIF basis.
4.0	**EVALUATION CRITERIA**
4.1	Tenders will be evaluated on the basis of total cost taken into consideration loadings, if any, and all available financial advantages, including those available from Owner, taxation authorities etc.
4.2	For evaluation, exchange rate (TT selling rate of State Bank of India) as on date of tender opening (Part-I bid in case of two part bid) shall be considered. If the relevant day happens to be a bank holiday, then the forex rate as on the previous bank (SBI) working day shall be taken.
4.3	In case of foreign bidders, the quoted CIF price shall be loaded by following factors to arrive at total FOR Site price: a) Custom Duty as prevailing on date of price bid opening. c) Port handling/ clearing charges – @ 1% of CIF value. d) Inland freight- @ 1% of CIF value.
5.0	**Variation of Contract Value:**
	1. Rates shall remain Firm for any increase or decrease in the Order/ Contract value (Ex-works) up to plus or minus 30% (for any amendment) within two years from the date of original PO unless specified otherwise in NIT.

6.0	**TERMS OF PAYMENT AGAINST SUPPLY :** The bidder may opt for the terms of payment as per option A or option B which are specified hereunder:
	OPTION – A: THROUGH STANDARD MODE OF PAYMANT FOR BOQ ITEM NO. 1 :
6.1	**I. FOR INDIGENOUS BIDDER :** **(i)** 90 % of Basic Price of material supplied as per BOQ item No. 1 of Rate Schedule, along with 100% taxes and duties (as applicable) shall be paid on despatch of material within 90 days from the date of submission of following documents: a. Original tax invoice with three copies. b. Original LR/RR. c. Packing List in one original and two copies. d. Copy of material dispatch certificate (MDCC) issued by BHEL/UPRVUNL. e. Copy of valid insurance policy dated not later than the dispatch date. f. Quality certificate in one original and two copies. g. Copy of valid performance Bank Guarantee as specified under clause no. 7.0 of SCC. **(ii)** 10 % of Basic Price of material supplied as per BOQ item No. 1 of Rate Schedule shall be paid on issuance of Material Receipt Certificate within 30 days from the date of submission of following documents or within 90 days from the date of submission of documents of Despatch whichever is later: a. Signed commercial invoice in three originals. b. Material Receipt Certificate (MRC) issued by Site official, BHEL Panki site in one original and two copies.
6.2	**II. FOR FOREIGN BIDDER:** **(i)** 90 % of CIF Price of material supplied as per BOQ item No. 1 of Rate Schedule shall be paid on despatch of material within 90 days from the date of submission of following documents: a. Full set of original on board marine bill of lading and three non-negotiable copies thereof. b. Signed commercial invoice in three originals with certification that the goods shipped are under non-negotiable list of foreign trade policy 2015-2020. c. Packing List in one original and two copies. d. Insurance policy or Insurance certificate in the currency of the credit dated not later than the shipment date. e. Certificate of origin in one original and two copies. f. Quality certificate in one original and two copies. g. Copy of material dispatch certificate (MDCC) issued by BHEL/UPRVUNL. h. Copy of valid performance Bank Guarantee as specified under clause no. 7.0 of SCC.

	(ii) 10 % of CIF Price of material supplied as per BOQ item No. 1 of Rate Schedule shall be paid on issuance of Material Receipt Certificate within 30 days from the date of submission of following documents or within 90 days from the date of submission of documents of Despatch whichever is later: a. Material Receipt Certificate (MRC) issued by Site official, BHEL Panki site in one original and two copies. b. One copy of packing list.
	OPTION – B : THROUGH LETTER OF CREDIT FOR BOQ ITEM 1:
6.3	**I. For Indigenous bidder:** (i) **Ninety percent (90 %)** of Basic Price of material supplied as per BOQ item No. 1 of Rate Schedule, along with 100% taxes and duties (as applicable) shall be paid through irrevocable usance Letter of Credit at 90 days from the date of submission of following documents: a. Original tax invoice with three copies. b. Original LR/RR. c. Packing List in one original and two copies. d. Copy of material dispatch certificate (MDCC) issued by BHEL/UPRVUNL. e. Copy of valid insurance policy dated not later than the dispatch date. f. Quality certificate in one original and two copies. g. Copy of valid performance Bank Guarantee as specified under clause no. 7.0 of SCC. (ii) **Ten percent (10%)** of basic price of material supplied as per BOQ item no. 1 of rate schedule shall be paid through usance Letter of Credit at 30 days from the date of issuance of material receipt certificate (MRC) against presentation of documents specified below or within 90 days from the date of submission of documents of Despatch whichever is later.: a. Signed commercial invoice in three originals. b. Material Receipt Certificate (MRC) issued by Site official, BHEL Panki site in one original and two copies.

6.4	**<u>II.For Foreign Bidder:</u>** (i) **Ninety percent (90%)** of CIF Price of material supplied as per BOQ item No. 1 of Rate Schedule shall be paid through irrevocable Usance Letter of Credit at 90 days from the date of submission of following documents: a. Full set of original on board marine bill of lading and three non-negotiable copies thereof. b. Signed commercial invoice in three originals with certification that the goods shipped are under non-negotiable list of foreign trade policy 2015-2020. c. Packing List in one original and two copies. d. Insurance policy or Insurance certificate in the currency of the credit dated not later than the shipment date. e. Certificate of origin in one original and two copies. f. Quality certificate in one original and two copies. g. Copy of material dispatch certificate (MDCC) issued by BHEL/UPRVUNL. h. Copy of valid performance Bank Guarantee as specified under clause no. 7.0 of SCC. (ii) **Ten percent (10%)** of CIF price of material as per BOQ item no. 1 of rate schedule shall be paid through usance Letter of Credit (LC) at 30 days from the date of issuance of material receipt certificate (MRC) against presentation of documents specified below or within 90 days from the date of submission of documents of Despatch whichever is later.: a. Material Receipt Certificate (MRC) issued by Site official, BHEL Panki site in one original and two copies. b. One copy of packing list.
6.5	**<u>PAYMENT FOR EXPERT SUPERVISION FOR BOQ ITEM NO. 2:</u>** 100% of the Price of Expert Supervision provided as per item No. 2 of Rate Schedule shall be paid through RTGS / NEFT / Wire transfer on *prorata* man-days basis.
7.0	**PERFORMANCE BANK GUARANTEE:**
7.1	Bidder/Supplier shall furnish Performance Bank Guarantee of 5% of the PO Value excluding taxes and duties against Guarantee Period as per Clause No. 2.2.1 (F) of TCC.
7.2	The Bank guarantee shall be kept valid at all times during the entire Guarantee period. Same will be released after successful completion of Guarantee period as per Clause no. 8.0 of SCC.
8.0	**Guarantee Period:**
	Guarantee Period shall be 10 years from the date of **successful trial operation of Unit System**.

9.0	**Inspection:**
9.1	Bidder will intimate BHEL after readiness of 100% material at their works along with Manufacturing Test Certificate/Warranty Certificate. BHEL will issue MDCC (Material Dispatch Clearance Certificate) based on Manufacturing Test Certificates.
9.2	Material shall be dispatched after issuance of MDCC (Material Dispatch Clearance Certificate) by BHEL.
10.0	**DELIVERY FAILURE AND TERMINATION / LIQUIDATED DAMAGES** :
	Timely dispatch/ delivery as stipulated in Order/ Contract shall be the essence of Order/ Contract. If the Seller fails to complete the dispatch within the time period stipulated in Order/ Contract, or within any extension of time granted by Purchaser, it shall be lawful for Purchaser to recover damages for breach of Order/ Contract without prejudice to any other rights and/ or remedies provided for, in the Order/ Contract and hereunder:
10.1	**<u>DELAYED DELIVERY FOR SUPPLY OF BOROSILICATE GLASS BLOCK:</u>** Purchaser reserves the right to recover from the seller liquidated damages, a sum equivalent to half (½) percent of the total contract price of BOQ item no. 1 of rate schedule per week or part thereof, subject to a maximum of ten (10) percent of the total contract price excluding elements of taxes, duties and freight, if the Seller fails to dispatch the supplies within the period stipulated in the Order. The Seller shall supply the total quantities of Borosilicate Glass Block Materials as per BOQ item Sl no. 1 according to the drawing details provided in the tender documents/intimated. Bidder shall intimate quantities as per their design before dispatch clearance. In case of any shortfall in the supplied quantities as per the specifications/area specified as per BOQ item Sl no. 1, the seller shall be liable for liquidated damages on the total price of BOQ item Sl no. 1 of rate schedule. Also bidder has to complete the shortfall quantities without any extra cost to BHEL. However, in case of upward revision in the total quantities of Borosilicate Glass Block Materials as per BOQ item Sl no 1 due to increase of area in square meters at a later date, appropriate time extension as per mutual agreement shall be provided and the delivery schedule shall also be extended accordingly. In case of delay in supply of additional/enhanced quantities of Borosilicate Glass Materials, the Liquidated Damages shall be applied only on the value of additional quantities of supplies (required due to enhancement/revision in the area) as per amendment to Purchase Order. In case of any amendment/ revision, LD shall be linked to the amended/ revised delivery date(s). **For Indigenous Bidder:** The date of LR/GR/RR shall be considered the date of dispatch for levying LD in line with the provisions of time schedule specified at clause no. 4 of TCC. The date of delivery of Goods at Panki Site shall be considered the date of receipt of goods which should not be more than 10 days from the date of GR/LR/RR. In case, if date of receipt of material at destination is beyond ten (10) days from the date

	of LR/GR/RR, such excess period shall be considered for the purpose of applying liquidated damages. **For Foreign Bidder:** The date of on board Marine Bill of Lading shall be considered the date of dispatch for levying LD in line with the provisions of time schedule specified at clause no. 4 of TCC. The shipping company's intimation regarding arrival of ship at destination port shall be considered the date of receipt of goods at the destination port which should not be more than one (01) month from the date of on Board marine Bill of Lading. In case, if date of receipt of goods at destination port is beyond one (01) month from the date of on Board Marine Bill of Lading, such excess period shall be considered for the purpose of applying liquidated damages.
11.0	**TENDERER TO INFORM HIMSELF FULLY:** It is the responsibility of tenderer to keep himself informed about all taxes & duties applicable on materials/ services as prevailing at the time of tendering. If the rates assumed by tenderer are less than the tariff rates prevailing at the time of tendering, the tenderer will be himself responsible for such under quotations.