

 An ISO Company	BHARAT HEAVY ELECTRICALS LIMITED (A Government of India Undertaking) பாரத மிகுமின் நிறுவனம் BOILER AUXILIARIES PLANT, Indira Gandhi Industrial Complex, RANIPET- 632 406 (Tamil Nadu)	Ph: 04172-284030, 284158, 241170 Email: vdinakar@bhelrpt.co.in ssvasan@bhelrpt.co.in
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SECTION – I

NOTICE INVITING TENDER (NIT)

(This is only a request for an offer and not a Contract)

Sealed Tenders are hereby invited from experienced Sub-Contractors to finalise the Rates for entering into Annual Rate Contract for the year 2017-18 for Machining / Fabrication / Chrome Plating / Nitriding / Assembly of jobs for Boiler Auxiliaries components like APH (Air-Pre Heater), ESP (Electrostatic Precipitators), FANs (Industrial Fans), G&D (Gates and Dampers), Chimney, Bunkers, CHP(Coal Handling Plant), AHP(Ash Handling Plants), WEG(Wind Electric Generator), Desalination, Fabric Filters etc..in accordance with the Technical Specification/BHEL Engineering Drawings/Quality Documents out of materials/components to be supplied by BHEL/Ranipet as free issue.

Enquiry No. & Date	667104E Date 14-09-2017
Due Date &Time for Submission Of Offer	10-10-2017 Prior to 09.45 AM
Date & Time for Tender Opening (Other than Price Bid)	10-10-2017 by 10-00 AM
Place Of Submission Of Offer	At Tender Box located in Outsourcing department, Third Floor, Administrative Building, BAP/BHEL/Ranipet-632406.
Place Of Tender Opening	MDP Hall At Third Floor/BAP/BHEL/Ranipet

This tender specifies a set of prequalification criteria defining the eligibility for the vendors to quote against a particular Rate Schedule/Group of Rate Schedules of this tender. The Bidders are advised to go through all the enclosed Tender documents terms & conditions detailed under **Sections I to XII, Annexures- A to M**, and Rate Schedules carefully before submitting their Offer.

All the **Annexures A to Annexure-M** should be filled, wherever applicable by the bidders without fail for evaluation of their offer and **all necessary / Self attested copies of the supporting documents** as required are to be attached.

The bid shall be submitted in two parts namely (1) Techno Commercial Bid and (2) Price Bid.


Kindly refer to the **Section-IV** – General Terms and Conditions of the tender for detailed procedure for submission of offers and details of exemption from submission of EMD for vendors registered with MSME

Kindly refer to Section-II to Section-IV for detailed scope. Sealed Tenders are hereby invited from experienced Contractors for the above scope.

Contact details / address for any clarification

Senior Manager-(Contracts)
Outsourcing Department, Boiler Auxiliaries Plant
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Senior Manager(Contracts)/OS

 AN ISO 9000 COMPANY	Bharat Heavy Electricals Limited (A Government of India Undertaking) Boiler Auxiliaries Plant, Ranipet – 632 406		☎: 04172-284030, 284158, 241170
	OUTSOURCING DEPARTMENT		E-Mail : vdinakar@bhelrpt.co.in ssvasan@bhelrpt.co.in
Enquiry No	667104E	Due Date & Time for submission of offers	Prior to 09.45 Hrs On 10-Oct-2017
Enq-Dated	14-Sep-17	Date & Time of Tender opening	By 10-00 Hrs On 10-Oct -2017
<u>SECTION II</u> Techno Commercial Terms & Conditions			

Scope of the enquiry is to finalise the Rates for entering into Annual Rate Contract for the year 2017-18 for Machining / Fabrication / Chrome Plating / Nitriding / Assembly of jobs for Boiler Auxiliaries components like APH (Air-Pre Heater), ESP (Electrostatic Precipitators), FANs (Industrial Fans), G&D (Gates and Dampers), Chimney, Bunkers, CHP(Coal Handling Plant), AHP(Ash Handling Plants), WEG(Wind Electric Generator), Desalination, Fabric Filters etc..in accordance with the Technical Specification/BHEL Engineering Drawings/Quality Documents out of materials/components to be supplied by BHEL, Ranipet as free issue.

1.0 Contract period for this Enquiry is One Year from the date of finalization of the contract in line with ARC Main/LDD contract

- 1.1 For study and quoting of rates for various Rate Schedules, Representative Drawings, QWI against the Rate Schedules indicated in the **ANNEXURE-C** for each category of machining / fabrication are kept at BHEL office for vendor study on all working days from Monday to Saturday from 09.00 Hrs to 16.00 Hrs.(up to 3 days prior to the due date for submission of tender).
- 1.2 Vendors are requested to have a perusal of these drawings, QWI, etc., before submitting their offer. **The offer has to be submitted Only in ANNEXURE-C** duly signed therein by the authorized person of the Contractor with rubber stamp in the space provided in **ANNEXURE-C**. No deviation or change from the Tender conditions will be entertained and BHEL reserves the right to reject such offers.
- 1.3 Based on the Rate contract, to be finalized, the Firms shall accept and undertake all jobs awarded to them under various Rate Schedules allotted to them and execute them to the satisfaction of BHEL. Failure to comply with this requirement will be viewed seriously.
- 1.4 BHEL will conclude that the offer has been submitted by the firm, fully understanding all the requirements both explicit and implied and other conditions and accepting the same. After tender opening, contractors do not have any right to change / alter any of the conditions either partly or fully. Offers of any such firms doing so, will be rejected.
- 1.5 Vendors are requested to refer to **SECTION-IV** of this tender for the procedure involved in submitting the offer in two parts.

2.0 FIRM RATES :

- 2.1 Please quote **FIRM** rates per KG., per MT., per No., per Meter., per Square Meter., etc. as called for in **Price Bid format ANNEXURE-D** which are applicable to the firm (for Conversion Work only). The rate shall include the following and the operations called for in the conditions indicated in the tender.
- (a) The rate shall include all consumables for welding as stipulated in the drawings/QWIs /welding procedures and any indirect materials required for fabrication.
 - (b) The rate shall be inclusive of the Transport Charges (inclusive of Toll Charges, if any) for Collection of Raw Material with allowances as specified in **Clause 3.0** and other components from Stores at BHEL, Ranipet and Dispatch of finished goods to Shipping/Stores at BHEL, Ranipet. (The rate shall be common for all vendors irrespective of the location/distance of their factory from BHEL, Ranipet). No extra transport charges shall be allowed for multiple collection and deliveries.
 - (c) The Rate shall include Transport charges (inclusive of Toll Charges, if any) for Return of balance materials to BHEL, Ranipet Stores.
 - (d) The rate shall include machining of castings, forgings and fasteners which are supplied as free issue by BHEL, Ranipet.
 - (e) The rate shall include safe delivery of the finished fabrications as per QWIs and Drawings to withstand transit damages by rail/road.
 - (f) The rate shall include cost of materials for protecting machined/threaded areas to avoid physical damages while handling, transportation and storage.
 - (g) Splicing of Structural, shall be done with prior permission from Outsourcing, BHEL, Ranipet.
 - (h) The rate shall include Painting charges including Red Oxide painting / application of rust preventive oil as applicable for the Rate Schedule.
 - (i) Stenciling of Finished Product for Identification as per Clause 9.2
 - (j) The rate shall include cost for rectification of raw materials such as straightening, removal of bend, twist, etc. wherever necessary.
 - (k) The rate shall include **LPI wherever required as per QWIs / Drgs /Sketches**. All other NDT charges like MPI/UT/RT etc payable extra as per Clause 11.0.
 - (l) Offering the jobs for inspection to BHEL /Customer or its authorized inspection agency is in Contractors scope and the quoted rate shall include the same.
 - (m) The description and PGMAs given in the each Rate schedule is only indicative. Any items of similar nature shall be loaded against Rate Schedule based on the work content. For payment purpose, only Rate schedule numbers shall be considered.
 - (n) The rate shall include any Trial assembly as called for in the drawings/QWIs or by inspection authorities in accepting the assembly.
 - (o) The rate shall include offering the jobs for inspection to BHEL /Customer of BHEL or their authorized inspection agencies.
 - (p) Machined/ Threaded areas are to be suitably protected to avoid physical damages while handling, transportation and storage with out any extra charge .
 - (q) **Note 1:** As the charges for shot blasting, painting, heat treatment and NDT (Other than LPI) are payable extra as per extra Rate Schedule, the rate quoted **shall not include** the cost of shot blasting, painting, heat treatment and NDT.

Note 2: The rates to be quoted for Rate Schedules requiring the intermediate operations (including shot blasting, painting, heat treatment, NDT) **shall NOT include** the cost of to & fro transportation and handling of the products to the respective firms and back. Where as separate Rate Schedules are added for the same. Hence whenever intermediate operations are required to be carried out, the Charges for TO and FRO Transport is payable extra.

Note 3: Vendors are requested to quote the rates for each Rate Schedules (RS) in Rs. per MT (OR) as applicable for conversion, scope of work, and meeting the terms and conditions of this tender in full.

- 2.2 The rates shall be FIRM and not subject to any variation/escalation on any account during the validity of this Contract period. The rates are operative for placement of job work orders valid for **One Year from the date of finalization of the contract** on Rate Contract basis to be entered into between BHEL and the Contractor in line with ARC Main/LDPP contract .
- 2.3 The total available load in excess of Shop capacity from time to time will be distributed to those Contractors with whom Contract is entered into and to that contract the addenda shall be placed in a phased manner subject to the Rank L1, L2, L3..., the availability of potential and also depending upon vendor performance such as collection of materials in time, manufacture according to our plans/requirements, meeting quality requirements, sequential and timely dispatch of components, Prompt & Quick response, prompt returning & accounting of balance materials, Settlement of outstanding dues if any, and also the maintaining of minimum required facilities available at the Contractor's works to meet the job requirements and submission of such other reports as called for then and there.
- 2.4 The L1, L2 and L3 Vendors will be loaded for more quantum, subject to other performance criteria specified above.
- 2.5 BHEL does not guarantee ordering of any minimum quantity or does not guarantee more share for the lowest tenderers. However, if the L1-contractors are performing well in terms of sequential dispatches and required tonnage interalia meeting the requirements laid down above, the same will be considered during loading.
- 2.6 "Notwithstanding anything to the contrary, including, but not limited to, provisions relating to extension of time and compensation/or delay, time shall be the essence of the Contract."
(The scope of Machining / fabrication, Customer approved Quality plan will be indicated in the PO as Addenda).
- 2.7 In case if the quantum of load is beyond the capacity of vendors in the opinion of BHEL or for shorter delivery requirements, BHEL reserves the right to extend/award the contract for manufacture of items covered herein to other probable new or alternative sources, without prior intimation to the contractors and BHEL's decision is final in this regard.
- 2.8 The Contractors are responsible till the Finished/Semi-finished components are safely deposited to BHEL, Ranipet. They should carefully pack, load, stack by providing wooden reapers, etc. for avoiding damage during transit and lash the consignment properly at the time of despatch so that the consignment reach the destination safely.
- 2.9 Job Work orders will be issued after entering into Rate contract with the Sub-Contractors. Discrepancy in the JWOs if any, has to be settled immediately then and there within 10 days from the date of Job Work Order.

3.0 Raw Material Issues and Accounting :

The weight indicated in GMS/DRG/ and or as per Scope indicated in the PO addendum will be the basis for accounting of raw materials issued. For billing conversion / transportation charges if any the weight indicated in GMS/Drawing only will be considered. Raw materials will normally be issued with process allowance as given below for economical operations.

Description	Invisible wastage	Working allowance	Total process allowance
Sheets	2%	1%	3%
Plates	2%	2%	4%
Structurals (Beams, Channel, Angles, Flats Rods, Pipes, Tubes, Packing etc.,)	0.5%	0.5%	1%
** Plates of PGMAs 7xx42, 7xx44, 7xx45, 7xx46, 7xx47, 7xx49 and 7xx50. The number of permitted joints for these PGMAs are detailed in ESP:SQP:284: (Latest revision)	0.5%	1.5%	2%

Cleared material shall be collected by the Contractors at the earliest without any delay. Kerf allowance (invisible wastage for gas cutting) for basket, gratings (RS AF06 to AF09) will be allowed @ 2.5 mm for each width of flat out of plates up to 30 mm thickness for material accounting purpose.

- 3.1 The Cutting Plans should be of "Optimum only", in order to maximize the utilisation of the material issued, specifically where the left out material can better be used for other jobs. The balance material, if any after Cutting Plan approval/ machining / fabrication shall be returned to our Stores at Contractor's cost. BHEL reserves the right to call for the returning of the balance material not withstanding its designation (ie. Whether Scrap / Big-size-Scrap)
- 3.2 Balance Material arising out of issued quantity shall be returned by the vendor. However, if original issued quantity is insufficient due to the shape or size required to be cut, cutting plans may be furnished for BHEL approval for further materials **within One Week of drawal of Materials**. Any off – cut available from the material issued by BHEL should be returned to BHEL as per approved cutting plan.
- 3.3 Wherever firm comes across receipt of excess material due to the error in GMS/Drawings that is to be brought to the notice of AGM/OS immediately. Since material is issued on weight basis, any excess material received on account of section weight variation or otherwise, the same is the property of BHEL, not withstanding the status of MAS. Such information shall be declared by the supplier to BHEL immediately.
- 3.4 Inventory statement has to be submitted every month by the firm for the free issued materials. If the Fabricator fails to produce or properly account the materials so issued, BHEL, Ranipet will have the right to take further action as deemed fit including recovery of the value of the materials along with the respective administrative charges and statutory levies from the running bills of the Fabricator / temporary suspension of load / termination of contract / de-listing.
- 3.5 Any act of Contractor resulting in dishonest misappropriation or conversion of the materials so issued for his own use shall constitute the offence of Criminal Breach of Trust under Indian Penal Code and /or such other offences under any other provisions of law and the Contractee shall have every right to proceed against the Contractor under Criminal Law in order to ensure proper punishment to such perpetrator/s for the said offence/s. In such cases, BHEL shall take all necessary steps to recover the material available with those firms.
- 3.6 Movement of BHEL materials from Contractor's premises to any other Firm(s), if necessary, for the purpose of production related work shall be documented properly, signed by the sender & receiver and the same to be authenticated by the concerned OS official, otherwise such materials will be treated as shortage by BHEL Accounts.
- 3.7 Protecting the material issued by BHEL under safe custody until completing the delivery as required is vendor's responsibility.

4.0 Working Allowance: After scrutinizing the design documents, wherever additional allowance is required, the process planner is authorized to increase/decrease the process allowance. Any how, this will be adjusted through MAS. This is done to avoid unnecessary supplementary issues. Whenever the demand weight is less than Off-Cut weight the process planner is entitled for raising MIV or giving Net Weight Credit (NWC) to the firm.

- 4.1 Wherever shearing and punching, raisal of supplementary MIV are involved, No process allowance is applicable.
- 4.2 For HASTE ALLOY MATERIALS the weights of component as per drawing will hold good for accounting of raw materials. Raw material will be issued in running meter for haste alloy material and since coils are in running meter, there will be no process allowance for all shearing operations. The Carbon steel (CS) portion of Haste alloy welded seals must be painted with one coat of Red Oxide. The contractor will have to return all the balance material of haste alloy strip, in issued width, to BHEL, Ranipet Stores at Contractor's cost.

5.0 Scrap / OFF–Cut Norms :

SI	Description	Scrap Size (mm)	Off Cut Size (mm)
1	CS/AS Sheets & Plates	Below 500 X 250	500 X 250 & above
2	Rolled Sections Including Structural(other than CS/AS rods less than dia 40mm/tubes/pipes): Length	Below 1000	1000 & above
3	CS/AS Rods equal or greater than dia 40mm, RHS, SHS, Tubes and Pipes: Length	Below 500	500 & above
4	SS Non Ferrous Sheets & Plates	Below 500 x 250	500 x 250 & above
5	SS Non Ferrous Structural, rods, tubes, pipes: Length	Below 250	250 & above
6	Haste Alloy Length	Below 250	250 & above
7	Big Size scrap Length x Breadth CS/AS	(2500 & above)X (150-249)	-----
8	WSTE/NAXTRA Materials.	Below 500 x 250 Below dia 350	500 x 250 & above Dia 350 & above

The issue of various wool, CAF Joints, Asbestos rope etc. will be as per required Quantity. Excess material issued if any will be treated as scrap in view of practical problems (Re-Packing, verification, receipt, accounting, storage etc.)

- a) All Off-Cuts (Ferrous, Non-Ferrous, SS etc.) are to be returned to BHEL stores with RSV at contractors' cost.
- b) Returning of Off-Cuts/Prime material to BHEL is mandatory. Failure to return the materials (prime material/off-cut) will entail recovery of the cost of materials along with GST & other Statutory levies as applicable plus departmental/administrative charges fixed from time-to-time **cl.7.7** from any of the running bills of the supplier/other means of recovery available for the non-returned quantum. The non returned quantum of material (Prime/off-cut) will be as per FMAS approved by BHEL.

- c) Wherever the materials are supplied by BHEL for mock-up test, welders qualification test etc. (except for Nitriding & Case Hardening), the same will be treated as scrap as classified above.

6.0 Recovery for Turning and Boring Scrap:

- 6.1.1 Normally the difference between the issued-weight and the net-weight is considered as off-cut/scrap. Wherever machining operation (including Drilling) is involved the difference between individual-piece-weight (ie. Blank weight) and the finished-weight will be considered for T-and-B calculation.
- 6.1.2 In case of machining jobs, out of the total Turning & Boring Scrap value 70% will be deducted, wherein balance 30% will be treated as Non-Collectable scrap. (It may please be noted that recovery towards 100% of T and B Scrap will be applicable for all material other than Ferrous Alloy Steel/Carbon Steel (viz. other than for Non-ferrous, Stainless Steel-Magnetic & Non Magnetic) as detailed elsewhere in this document. Recovery towards T and B scrap is not applicable for rate Schedules listed in **Section XI**.)
- 6.1.3 During the currency of the contract the recovery for Turning and Boring scrap shall be as per the Extra Rate Schedule No. as given below.

Sl.No.	Description	Rate Schedule
01	Recovery Rate for Turnings and Borings scrap of CS/AS	E44 (already finlaised in LDPP ARC)
02	Recovery Rate for Turnings and Borings scrap of SS Non magnetic , Non Ferrous	E45(already finlaised in LDPP ARC)
03	Recovery Rate for Turnings and Borings Scrap of Stainless Steel- Magnetic	E46

- 6.1.4 All scraps (Ferrous, Non-ferrous, SS, CS/AS, WSTE etc.,) including Turnings and borings need not be returned to BHEL. Contractors can dispose the above scrap, on completion of Final-Material-Accounting for the respective IP. Necessary cost shall be recovered along with GST and any other statutory levies as applicable.
- 6.1.5 Returning of Off-cuts/Prime-material to BHEL Stores is mandatory. Incase where those materials are not returned, cost shall be recovered along with all applicable statutory levies such as GST etc along with our departmental charges/Administrative charges
- 6.1.6 Recovery for 70% of the value of T and B Scrap generated will be made for Ferrous AS/CS Steel. However, total amount of Scrap generated in each IP shall be projected in FMAS for accounting purposes.
- 6.1.7 As far as "Other than Ferrous CS/AS Steel" concerned,
- Recovery for 100% of the value of the T and B Scrap will be made (viz. for Non- ferrous, SS) along with GST and any other statutory levies as applicable.
 - The amount of Scrap generated in each IP shall be projected in FMAS.
- 6.1.8 However, recovery for Turning & Boring Scraps are not applicable for Rate Schedules listed in **Section XI** (where T and B are negligible).

7.0 Disposal of Scrap :

Contractors who wish to dispose off the scrap from their end are permitted to do so subject to the following conditions:

- (a) Scraps shall be disposed off only after submission and approval of Final Material Accounting Statement (FMAS) by BHEL

- 7.1 Wherever attested materials are issued, the balance materials are to be returned only in the attested condition. Otherwise **Cl. 7.7** below will be applicable.
- 7.2** The materials rejected due to reasons attributable to vendors like (a). Faulty workmanship, (b). Improper storage of raw material issued by BHEL (c) improper handling (d) improper packing etc.. will entail recovery at prime material's cost as per **Cl. 7.7 along with GST and any other statutory levies as applicable.**
- 7.3 The materials rejected due to other than reasons **u/cl.7.2** shall be returned to BHEL, Ranipet Stores failing which recovery will be made as per **Cl. 7.7.**
- 7.4 The material supplied by BHEL, Ranipet. shall properly be utilized as per the Scope in Contract/drawings/QWIs in job work order to meet the design and quality requirements of the product. Hence economic cutting plans are required to be submitted by the Contractor for approval in the following cases:
- (a) For sheets & plates where the original issued quantity is more than 5 MT.
 - (b) Whenever the issued quantity is insufficient owing to shape or size.
 - (c) All stainless steel/Haste alloy/non-ferrous items.
 - (d) Excess issue in weight against demanded quantity wherein the excess quantum is more than off-cut norms (**vide Cl. 5.0**).
 - (e) For items like flanges, rings, cover plates, etc. where demanded weight is in excess of net weight with higher rate of process allowance. (However cutting plans need not be submitted where the collected material weight and net weight difference which is less than off-cut weight). In any case, cutting plan need to be submitted for issue weight 5 MT and above.
- 7.5 However, in working out such economic cutting plans, it is to be ensured that the details as prescribed in QWIs shall follow. After the approval of the cutting plans, any off-cut, available from the issues made either in original or in supplementary shall be returned to the BHEL, Ranipet Stores at the Contractor's cost. The cutting plans as approved by the Outsourcing, BHEL, Ranipet shall be kept at the Contractor's premises and to be made available as and when demanded by the BHEL Officials or their representatives. It should also be ensured that the jobs shall be as per the approved cutting plans. All returnable materials (prime/off-cut) as per Cutting Plan approval covering letter shall be returned to BHEL, Ranipet Stores immediately without waiting for the W.O./P.O completion to avoid any payment hold and subsequent recovery.
- 7.6 Whenever machining / fabrications are done without proper approved cutting plans, any loss of material arising due to the same will be recovered at prime materials cost including the process allowance indicated in **CL. 3.0 & 4.0** plus Departmental / Administrative charges fixed from time to time (**vide Cl. 7.7.**). In addition, statutory taxes, duties and levies etc., applicable will also be recovered from the Contractor and also other actions as deemed fit will be taken and no claim for refund will be admitted by BHEL, Ranipet. BHEL's approved cutting plan is final.
- 7.7 Failure to return the materials (prime/off-cut) will entail recovery of the value of the materials plus departmental/administrative charges fixed from time to time. Currently the departmental/administrative charges are 25% for indigenous material and 50% for Imported materials on the material value. In addition, statutory taxes, duties & levies as applicable will also be recovered and no claim for refund will be admitted by BHEL, Ranipet. The rate of departmental and administrative charges as applicable from time to time irrespective of the

date of failure will be applicable. Besides penal interest will be levied on the material value, for the period starting from date of issue of material.

- 7.8 Where an increased allowance over the process allowance as stated in **CL. 3.0 & 4.0** is necessary, the same will be issued after scrutinizing and approval of cutting plans.
- 7.9 For the purpose of material accounting after completion of a particular WO, BHEL/OS department will issue a preliminary material accounting statement thro' E-mail, the next day of completion.
- (a) The Contractor shall respond within 7 days of receipt of Preliminary MAS, Either by Accepting the Pre-MAS OR submit their own MAS (Contractor/Firm-MAS) in the case if the Pre-MAS is not in line with the requirement.
- (b) Any discrepancy Like weight correction, DU correction, variation in off-cut /scrap quantum etc., as indicated in Pre-MAS will have to be reconciled with the Material Accounting section with necessary proof of documents within a week from the date of issue of Pre-MAS. If reconciliation is not done within a week, it will be treated that Pre-MAS is correct in all respects
- (c) If the Pre-MAS is accepted by the Contractor, BHEL will prepare, within 7 days, the Final-MAS.
- (d) In case if Pre-MAS is not accepted by the Contractor, the Contractor/Firm-MAS submitted, if any, by the Contractor will be considered and if no such Contractor/Firm-MAS is submitted also, BHEL will prepare a Provisional-MAS and send through email, within a week.
- (e) If the material (CS/AS) to be recovered as per BHEL MAS working is within plus or minus 10 Kgs with respect to Contractor/Firm-MAS, then final MAS will be released with out Pre-MAS acceptance.
- (f) For Deleted /Diverted Job Work orders, Final material accounting should be settled within 14 days time, from date of deletion/diversion. Otherwise, BHEL will prepare Final-MAS on completion of 14 days of IOM date on suo-motto basis. For exceptional cases with reasons attributable to BHEL, a further relaxation of 1 week will be given on the certification of respective field officers (Please Refer **Section VI** on work-flow for details).
- (g) The response if any received from the Contractor, will be studied and considered and Final MAS will be prepared. In case if no response is received, the provisional MAS will be treated as 'Final' MAS and accordingly, Final material accounting statement (FMAS) will be issued. BHEL will prepare the FINAL MAS within 7 days of DC control.
- (h) After completion/cancellation of (Issue Position) IP the Contractor has to submit Contractor/Firm MAS comprising material issue cum working details, contract and receipt statement as per the format specified by BHEL for entire IP within 7 days from the date of delivery of last despatch or on date of submission of 100% invoice whichever date falls earlier for the respective IP. Further to, Contractor should certify the submission of bills with 4 (5)(a) Challan's duly signed with seal in part II including completion of all transactions like cutting plan approvals, return of BHEL Material on RSV, IUWTV controls and submit along with MAS.
- (i) Once the IP is closed as mentioned above no re-opening of IP except recovery from running bills will be entertained.
- (j) For the Rate Schedules listed in **Section VII**, contractor need not submit Contractor/Firm MAS (Where (a) The Unit of Issue is in "Numbers" (b) the Material type is semi-finished-components/Castings/Forgings (c) The PO Qty, Issue Qty and DC-Qty are same and (d) Not involving addition of material through MIV for the same RS-NO. BHEL reserves

the right to review the RS Number covered in the said List. BHEL will prepare Final MAS based on the Controlled- DC-Qty / SRV-Qty as applicable and sent to contractor through E-Mail. While submitting the Bill, the Contractor has to enclose the copy of Final-MAS.

(k) The contractor shall be bound by the accounts, statements acknowledgement of materials, BHEL material issue documents, receipts etc., wherever signed by their representative.

- 7.10 Return of any balance material to the applicable Stores-Ward at BHEL / Ranipet immediately after cutting plan approval.
- 7.11 Recovery towards non-return of balance material as per FMAS will be done as per Contract norms along with GST and any other statutory taxes, duties & levies as applicable from any one of the running bills OR from other means of recovery available Hence, any correction after the issue of FMAS, the job work order will be treated as closed in all respects thereby any requests towards refund of recovery, if any, will not be entertained.
- 7.12 Wherever MAS not required to be submitted, in case if the material (CS/AS) to be recovered as per our MAS is within (+) or (-) 10 Kg and there is no material collection is involved, BHEL will prepare Final-MAS on suo-motto basis and Recover/Net-weight credit will be provided accordingly.
- 7.13 Please note that the Contractor is responsible for prompt material accounting and settlement of outstanding dues towards non-return of balance material. Repeated occurrence of inordinate delay in settling the material accounting / outstanding dues will entail BHEL the right to terminate the contract forthwith or to impose temporary suspension on further loading at the discretion of BHEL, Ranipet. Also in case of non-return of material or non-submission of material accounting statement, BHEL reserves the right to en-cash the Bank Guarantee / Fixed Deposit Receipt submitted by the Contractor and initiate legal action against the Contractor against this contract OR any other contract, in addition to the other means of recovery from contractor, available with BHEL.
- 7.14 The raw material issued to the Contractor as free issue shall remain the property of BHEL, Ranipet. The Contractor shall use the above material only for the execution of BHEL'S contract/addenda and for no other purpose whatsoever. The Contractor shall be responsible for the full value thereof to be assessed by BHEL, Ranipet whose decision shall be binding on the Contractor, The Contractor shall be liable for the loss or damage to such property while such property is in the possession or under the control of the Contractor, their employees, workmen, representatives or agents or any other person connected with the Contractor. The Contractor should execute an agreement in **Rs. 100/-** non- judicial stamp paper and maintain the secrecy of the design, know how of BHEL products.
- 7.15 All the materials of BHEL, Ranipet shall under no circumstance be hypothecated/leased/liened /encumbered to any bank or to any lending Institution or to any party whomsoever. It should not also be shown as the Contractor's assets in any of the statements of the Contractor to any party.
- 7.16 The Contractor shall, whenever required, produce the materials supplied as free issue by BHEL, Ranipet in the form of raw material, semi finished or fully completed boiler components to BHEL officials visiting the Contractor's unit for verification purposes. If the Contractor fails to produce or properly account the material so issued, BHEL, Ranipet will have the right to take further action as deemed fit including recovery of the value of materials along with the respective administrative charges and statutory levies from the running bills of the Contractor (with BHEL,Ranipet and with other Units of BHEL) and also any or all of the actions such as, Suspension of business dealing, temporary suspension of loading, termination of Contract, holding the payment due etc., Similarly for the claim made by any units of BHEL (on account

of such vendor) to the BHEL,Ranipet, the Bank Guarantee submitted to BHEL,Ranipet will be encashed.

- 7.17 As and when required/applicable, BHEL, Ranipet will transfer(or advice for returning u/RSV) the balance material available including scrap size available for which PO/Issue Position(IP) is not closed, from one Contractor to the other contractor/other IP of the same contractor. For this, necessary credit will be given in material accounting, the material transfer emanating from Outsourcing, BHEL, Ranipet is to be honored by the Contractor within 15days or otherwise recovery will be made at the prime material cost. Any difficulty for effecting such transfer shall be brought to the knowledge of OS/ BHEL, Ranipet officials immediately.
- 7.18 The Contractor is responsible for submission of CLEAR material accounting statement (MAS) ie. ensure that all transactions are completed (including IUWTV/RSV, supplementary material collection, submission of cutting plan, etc) within 7days from the date of completion of work order & failing, without prejudice to other rights under Contractor, law or otherwise, which MAS will be closed suo motto basis and recovery of the scrap/off-cut will be effected after adjusting of balance payment due to the Contractor from any of the running bills. Delay in settling the material accounting will entail BHEL the right to terminate the contract forthwith or to impose a temporary suspension on further loading at the discretion of BHEL, Ranipet.
- 7.19 For any IP if the total requirement of carbon steel plates of 5mm to 10mm thick is 20 kgs or less Contractors have to use the required material from the balance material of other work orders. However, these quantities will be adjusted as Net Weight Credit (NWC) during material accounting.
- 7.20 Raw materials will be loaded by BHEL, Ranipet either in lorries/trailers/ bullock carts and can be overseen by Contractor's representative at BHEL Stores / Shop. Shortage or variation in quantity, size and weight shall not be accepted once the material leaves BHEL, Ranipet Stores. Raw materials will be issued by BHEL, Ranipet, only after the receipt of necessary Bank Guarantee as per **Cl.22.0 and 23.0.**
- 7.21 Where an entity (whether a proprietorship, partnership, company, Hindus Undivided Family or otherwise) commits a default or breaches the Contract and the proprietor/ partner/ director/ member of such entity is also a proprietor/ partner/ director/ member of another entity that is registered with BHEL (in Ranipet or any other unit of BHEL), BHEL shall have the right to recover losses due to the default or breach, whether direct, indirect or consequential, either from the defaulting/ breaching entity or the other said entity or both. Such right shall also include the right to encash any security (in any form such as but not limited to bank guarantee, demand draft, FDR, etc.) furnished by either or both entities. Without limiting the applicability of the foregoing, it shall not be a defence to the other said entity for enforcement of such a right that:
- (a) Both entities are legally distinct/ separate entities, or
 - (b) The management of the entity/ partners/ directors/ members of such other entity were not aware that the proprietor/ partner/ director/ member of the defaulting/ breaching entity was also a proprietor/ partner/ director/ member of the other said entity.
- 7.22 The Contractor shall be bound by the accounts, statements acknowledgement of materials, receipts etc., wherever signed by their representatives.
- 7.23 The value of the materials and statutory levies towards non-return of off-cut/scrap wherever applicable will be calculated at the rate prevailing as on the date of accounting and demand thereof by BHEL irrespective of the date of failure for return of the off-cut/scrap by the Contractor.

7.24 For the Contractors who come under Cl.30.0 (B), the scrap arising out of the issued raw material shall be disposed off as per Cl.7.0.

7.25 For TAPH, Gates and Dampers jobs where generation of turnings and borings scrap is involved, the Contractor shall declare the quantum of turnings and borings scrap to be generated duly certified by OS and only 70% of the declared T and B scrap will be recovered as per Recovery Rate Schedule RS E44 to E46 with GST and other statutory levies as applicable at the time of recovery. In these cases, no invisible wastage will be allowed in addition to the non-collectable scrap of 30%. However for SS turnings & boring being generated the Subcontractor has to declare 100% of the T&B generated and recovery as per RS E45 with other statutory levies will be made. In this case NO invisible allowance will be applicable. Balance material will be treated as offcut/ scrap as the case may be.

8.0 Surface Preparation: Surface preparation to a cleanliness level of Swedish Standard Protective Coating (SSPC) Sa 2 ½ (near white metal finish) i.e " Removal of loose mill scale and loose paint, to the degree specified, by the impact of abrasive blast propelled through nozzles or by centrifugal wheels. Near white blasted surface shall be free of all visible oil, grease, dirt, mill scale, rust, paint, oxides, corrosion products, and other foreign matter, except for staining limited to not more than 5% of the surface area. Such staining may consist of light shadows, slight streaks or minor dis colouration caused by stains of rust mill scale, or stains of previously applied paint.

9.0 PAINTING: PAINTING CHARGES (Prime/Finished/Special Paints etc.) Payable Extra as per EXTRA RATE SCHEDULES available in OS Main Contract (In respect of works contract, Sale Tax applicable as per TNVAT please ref 16.1).

9.1 The finished/Semi-finished components shall be cleaned by power operated wire brush and painted with 25 Mic. Coat thick of zinc chromate Red Oxide Zinc Phosphate primer as per QP/ QWIs/ CIS except for cases mentioned in Scope Code sheet, purchased from our approved paint manufacturer's list hosted with this tender as **Section VIII.**

9.2 Further, the fabricated components shall be legibly stenciled with the Firm Code, Project Name, Work Order Number, DU Number, Quantity, Weight, match mark No. etc. for identification and despatches as may be advised. Contractor Code number alone shall be punched using half inch letter punches and bordered with white paint suitably for easy identification. All the identification marks shall be coated with an overcoat of transparent varnish to protect against weather.

9.3 However items made of non-ferrous materials like Bronze Aluminium, Copper, Stainless Steel, CAF, GP Sheets etc., need not be painted. All machined surfaces shall be protected with rust preventive oil. (No recovery will be made for supplying the items without painting, wherever painting is not required).

10.0 Heat Treatment: Whenever the heat treatment is done in BHEL the applicable ARC extra rate schedule rate for transport charges for the intermittent movement will be payable extra. And if the heat treatment is to be done elsewhere the applicable ARC extra rate schedule rate for Heat treatment along with additional transport charges will be payable extra. If the materials are delivered/collected by BHEL / BHEL approved transport contractor, no transport charge is payable.

10.1 However where heat treatment is done by the respective sources who have signed OS/ Annual Rate Contract exclusively for Heat treatment rate schedules, the charges for Heat Treatment will be directly paid to these suppliers against their job work order and respective Invoice. The contractors will be reimbursed TO and FRO transport charges by BHEL for movement of components between contractors and these sources as per respective Extra Rate Schedules.

11.0 UT/RT/HT/SR: The Ultrasonic Testing, Radiographic Testing, Heat Treatment and Stress Relieving as called for in the drawing/QWI/JWO are to be carried out by the fabricator, through the approved agency of BHEL. Approved agencies are as per **Section–VIII**. For Charges for carrying out of the above operation is payable extra as per the extra rate schedules and allied To and Fro Transport charges are also payable extra as per the respective extra Rate Schedules. In case there is no approved agency near vendor's works, vendor may locate suitable agency for RT, MPI, LPI, SR and UT and get them approved by BHEL before commencing the job. For such approval, the agency has to fill up relevant Vendor Registration Form available with BHEL.

12.0 EXTRA RATES FOR CONVERSION: In a situation where flats of various sections called for in the assembly are not available, plates will be issued for conversion into flats. Also, you may be required to convert channels/angles to another size for which extra charges are payable (as certified by OS officials based on certification made in the IR) for the net weight of finished section as per the Extra Rate Schedule No. Conversion charges from plate to flats will be paid even if the BOM reads the description as plates, which are to be cut in to flats for (1) Grating Assembly (RS NO. AF08, AF09) and (2) Baskets of APH-Heating Elements Assembly(RS NO. R151, R152 & R157). No extra rate is allowed for LPI.

12.1 whenever substitution are offered which involves higher / lower work content, the charges shall be paid extra/ recovered as the case may be.

12.2 In case any additional joints made over and above the joints called for in the Drawing in Structural, Plates and Sheets with prior approval of BHEL owing to the non-availability of required size of raw materials, extra charges will be paid as per the extra Rate Schedules. Rate includes LPI charges wherever called for.

12.3 For all jobs wherever optional joints are mentioned in the drawing, no extra rates are permissible. For Ducts no extra rates are permissible for joints.

13.0 TRANSPORT CHARGES : Tender calls for the offers on F.O.R-Destination basis (ie. Freight charges inclusive in the quoted price), hence No Transport Charges payable extra for the Raw Materials / Components collected from BHEL and return of finished items vice-versa.

13.1 Incase of transfer of raw material/semi-finished items from one vendor to another vendor, through IUWTV, the responsibility for collection of materials including the cost of transportation and handling etc.. shall rest with Second Vendor (fabrication vendor dispatching the finished goods).

13.2 No extra charges towards transport will be allowed for multiple collection & deliveries (due to various reasons including 1. Part-qty available for collection, 2. Part-qty required to be delivered by vendor.

13.3 **Additional Transport Charges:** Transport Charges incurred by the vendor for any special intermittent operations other than specified in the Rate Schedules or any additional movement requested by BHEL officials in writing, the transport charges payable extra as per the Extra Rate Schedules available in Main OS contract.

13.4 For return of PDO materials thro RSV (PDO other than reasons **u/cl.7.2** like issue of faulty materials, non suitable materials, any drawing revision etc), TO & FRO transport charges as per applicable extra rate schedule shall be payable extra.

13.5 The Rate payable against the Extra Rate Schedules are inclusive of Toll charges, if any.

14.0 Recovery of Transport Charges: If the materials are delivered/collected by BHEL/BHEL approved transport contractor when the scope of transport is with vendor, the freight charges incurred by BHEL will be recovered from the vendors.

- 14.1 If Purchase Order is placed with delivery destination other than BHEL-Ranipet, the respective transport charges for delivering the finished job is to BHEL's Account and the amount of transport charges (already included in the rates finalized for the RS) for delivering to BHEL-Ranipet is deductible.
- 14.2 **Dispatch of finished goods Direct to Site (DTS):** Wherever necessary, BHEL may advise fabricators to dispatch finished goods directly to site with transport charges to BHEL's Account. The scope includes loading of finished products on truck for dispatch to respective BHEL-site offices/BHEL's-Customer. In such cases the cost of transportation from Contractor's works to BHEL,Ranipet, not incurred by the vendor shall be recovered from the vendors.

For all the above, the recovery of Transport Charges are as given in the following table. The existing rates are indicated below for reference purpose. Tender floated for finalizing new rates and the same will be applicable for this contract.

SL	RS-NO	Destination Distance from Vendor Works	Amount of Deduction in Rs./MT(ref LDPP-ARC)
1	E07X	0-100 Kms	230
2	E07Y	Above 100 & up to 350 Kms	560
3	E07Z	Above 350 & up to 450 Kms	692

- 15.0 EXTRA RATE SCHEDULES:** Rates for the special requirements like Special Painting, Heat Treatment, Transport Cost for Intermittent Operations etc. other than RS specified in this tender are as per extra rates finalized through Main - OS Rate Contract and will be adopted for this contract also according to the requirement. The finalized Extra Rate Schedules is indicated in the annexure .

- 15.1 PAYMENT FOR EXTRA CHARGES :** 100% Payment will be made for extra charges against Invoice supported by acknowledged Delivery Chelan and Inspection Report (IR) issued by BHEL Inspector/agency.

- 16.0 SAFE DELIVERY:** The Contractor shall do at his cost the necessary packing for easy & safe handling and transportation as per BHEL drawing wherever specific packing arrangements are applicable and normal packing for the other items required for transit by rail/road transport wherever necessary.

- 17.0 TERMS OF DELIVERY:** The price should be on "F.O.R- BHEL Stores, Ranipet" basis only (Inclusive of packing, forwarding and freight charges).

The finished machining / fabrications on acceptance by BHEL, Ranipet inspector or by their authorized inspection agency shall be delivered to BHEL, Ranipet Stores / Shipping immediately.

18.0 TECHNICAL REQUIREMENTS :

- 18.1 The machining / fabrications shall strictly confirm to the dimensions and tolerances indicated in the drawings/QWI. Care must be taken to adhere strictly to the NOTES given in the drawings/Contract. It should be ensured that actual dimensions, and deviations if any, are recorded properly in the D.R. books and preserved at least for 5 years. The same shall be made available to BHEL Officials or their authorized agencies.
- 18.2 Any other work carried out outside the requirements of drawings/QWIs shall have the prior approval of the competent authority of Outsourcing / BHEL, Ranipet.
- 18.3 Adequate facilities like welding equipments, baking oven, handling facilities and measuring instruments as called for, must be available duly calibrated and kept with the Contractor for

the manufacture of boiler components. All the above basic machining / fabrication facilities/equipments must be under working condition and the same be made available for verification by the BHEL officials or their authorized agencies whenever they are called for.

The instrument/gauges are to be calibrated periodically as follows:

Sl.No.	Type	Periodicity
01	Measuring instruments / gauges	One year
02	Limit Gauges (Eg. Plug/ring)	One year
03	Temperature , Pressure gauges	6 months
04	Measuring Steel tape	Once

Calibration status shall be displayed at the Contractors works in a conspicuous location. Calibration can be performed either at BHEL or at any Govt. approved labs traceable to National Standards.

- 18.4 For various Rate Schedules, the manufacturing, handling and testing facilities requirement as specified by BHEL from time to time shall be available with the Contractor.
- 18.5 Only the right kind of matching welding electrodes shall be used as called for in the drawings/QWIs after necessary baking and pre-heating mentioned in QWI. Welding electrodes shall be sourced only from approved vendors as per **Section-VIII**. The electrodes shall be suitably baked and preheated wherever applicable before use in addition to the general precautions that may be applicable for all electrodes in storing, etc.
- 18.6 Welding to be carried out by Qualified Welders and as per BHEL Approved Welding Procedure Specification (WPS). Necessary raw material for conducting the pre-production test will be supplied by BHEL as supplementary materials. The welder qualification and welding procedure will be done by QC, BHEL or by their authorized agency.
- 18.7 All welds of Submerged Arc Welded components shall be carried out by certified welders and shall be dye-checked for root and by MPI for final welding.
- 19.0 **INSPECTION:**
- 19.1 Inspection of fabrications/Machinings (conversion work) shall be by BHEL Quality control department and/or by the customers and/or by an agency or persons authorized by BHEL, Ranipet at the Contractor's works including Self Inspection firms. Selected firms shall be approved by competent authority authorizing self-inspection. The concerned Engineer/supervisor/Authorized Official of the firm authorized by the firm to carry out all Inspection activities and their authority/activities shall be on par with any other Inspection agency approved by BHEL (like TUV/IRS/INTERTEK etc.,). All facilities and equipments, calibrated instruments like tapes, thread checking gauges upto M20, and bore dial gauges and bits up to 100 mm. and standard gauges required for inspection shall be provided by the Contractor free of cost.
- 19.2 BHEL representatives/authorized agencies will have free access to the Contractor's works at any time during the execution of job work orders as well as for verification of requisite documents/materials. (The requirement of Customer approved quality plan will be indicated in the PO/Addenda).
- 19.3 The semi-finished components are deemed to have been accepted as ready for delivery only after IR is released by the Inspecting Agency.
- 19.4 Statutory inspection requirements such as IBR/External Inspection agency requirements if any, are to be met by the Contractor.

- 19.5 The paint quality will be checked by BHEL Ranipet at regular intervals. Samples will be collected from vendor works and will be tested at BHEL to ensure quality as per relevant standards. In case of discrepancy in meeting our specification the job may be rejected/vendor may be put under suspension of business

20.0 PAYMENTS :

- 20.1 Payment will be made for IP wise 100% for the supplies made against submission of Vendor invoices in duplicate to Finance section furnishing the job work order Sl. No., W.O., IR & DC No. along with IR, giving details of work carried out as per Extra Rate Schedule applicable, if any supported by
- (a) Stores Receipt Voucher in case of Stock Work Order items.
 - (b) Delivery challan acknowledged by BHEL Stores.
 - (c) Inspection Report (IR)
 - (d) If the claim is made for more than one job work order Sl. No., only one invoice have to be submitted with annexure giving the above details.
 - (e) Contractor MAS with challans duly signed with seal in part II applicable as per **Cl. 7.9 (j)**.
 - (f) Invoice to be submitted along with FMAS and Controlled DC for Rate Schedule for 'CNC Gas Cutting' (RSNO starting with "CG") and 'Machining of Shaft Pins' (RSNO starting with "FS").
 - (g) Wherever finished goods are dispatched directly to site (DTS) from fabricators works as per BHEL instructions, necessary formalities to be followed as per BHEL conditions stipulated from time to time. Also in such DTS cases, the documents like copy of DC, Lorry Way Bill etc shall be submitted along with their invoices for payment purposes.
 - (h) GST as applicable for conversion charges and for the value of Input materials used in addition to the free issue of materials will be reimbursed and certified copy of GSTRN-1. return is to be submitted along with invoice for such GST amount claimed
- 20.2 The amount due to BHEL, Ranipet, if any, will also be recovered from the Contractor's running bills. No request for the refund of penalty/recovery will be entertained after final material accounting is done. Payment will made only through 'Electronic Fund transfer/RTGS Transfer'. Acceptance for the same may be submitted in the prescribed format if not done already.
- 20.3 Owing to the substitution, if the raw material weight changes over and above (+) or (-) 5%, the conversion cost for the difference in weight shall be paid/recovered prior to the issue of FMAS. Since payment is made for notional design weight, any correction issued for the design weight after processing the original invoice, Contractor is entitled to raise another invoice for the difference in weight without any other supporting document except the copy of the original invoice.
- 20.4 Payment will be restricted to two bills per Work Order or Job Work Order Sl. No. only (Except for Items covered under **Cl. 7.9(j)**, GST as applicable for Contractor's covered under **clause 30.0**, can be claimed along with documents / certificates mentioned therein. However, one more bill per month against any one of the pending Work Orders will also be permitted as a special case and this should have the prior approval by competent authority.
- 20.5 The Contractor shall ensure that ALL claims including extra charges, if any, as per Cl. 4.0 are made against the particular work order before the issue of Final-MAS since we will not be able to reopen the case after issue of Final-MAS.
- 20.6 The payment shall be subject to the deduction of any amount for which the fabricator is liable indirectly under this contract or any other contract of the fabricator or any other fabricator's

contract where the proprietor / any of the partners / directors of the present fabricator is / are proprietor/director/s/partner/s, in respect of which BHEL / Ranipet is a contractee.

- 20.7 Request for delivery extension is to be made if there is a valid reason, in the format for that particular job work order Sl. No., failing which liquidated damages will automatically be levied as per **Cl. 25.0**. No request for extension/refund of penalty will be entertained there after.
- 20.8 Payment will be made in about 45 days for MSME vendors / 90 days for NON MSME vendors after receipt of valid invoices raised in accordance with **Cl. 20.1** and supported by full set of necessary documents at Accounts Department. No interest shall be payable by BHEL on any money due to the Contractor by BHEL.
- 20.9 For the purpose of payment, only the unit rates are to be considered based on the RATE SCHEDULE NUMBERS. The description of the item is only indicative and it is not binding. Any description given in the item column is only for the purpose of clarity for manufacturing the item. (the description may change designer to designer and/or drawing to drawing).

21.0 PROGRESS REPORT:

The Contractor shall submit progress report from time to time and also discuss with our officials concerning the progress of the work and commitment as may be required by BHEL, Ranipet. The submission, receipt and acceptance of such reports shall not prejudice the rights of BHEL, Ranipet under the Contract nor shall operate as an estoppels against BHEL, Ranipet merely by reason of the fact that they have not taken notice of/or objected to any information contained in such reports. Action as deemed fit will be taken if the progress of the work is not satisfactory.

22.0 BANK GUARANTEE :

- 22.1 The Contractor shall execute a Bank Guarantee to a specified value **not less than Rs.5 Lakh** (Minimum Rs.5 Lakh) **for LDPP Rate Schedules and RS.10.00 Lakh for MAIN Rate Schedules** from any one of the Scheduled or Nationalized banks on behalf of the Contractor for the safe custody of the materials supplied by the BHEL, Ranipet as free issue and for the satisfactory performance of the Contracts. The guarantee shall be executed on a non-judicial stamp paper or value Rs. 100/- as per our standard Bank Guarantee clauses and shall be kept valid for the full contract period & Claim period of additional THREE MONTHS over the contract period and extensible till final settlement of supply and payment **and BG to be submitted directly by Bankers to BHEL in a Standard format as per Section XII. BG format will be given by BHEL and it has to be filled in that format only.**
- 22.2 **Bank Guarantee value for the Rate Schedules SN01, SN02 and CP02 is Rs.50000.00 only if vendor is opted for this Rate Schedule alone.**
- 22.3 In place of Bank guarantee, Fixed Deposit Receipt (FDR) drawn in favour of BHEL, Ranipet can also be furnished. **In any case BG/FDR shall be available at the time of signing the contract.**
- 22.4 The Bank Guarantee should cover the recoveries to be made by BHEL towards Safe custody of Material Supplied , Scrap / Faulty workmanship, etc. also for which proper material accounting is not made within the stipulated time and shall cover all Contracts past, present and future placed / to be placed by the BHEL, Ranipet. If the recovery amount is more than the pending bills, the difference amount to be settled immediately submitting Demand Draft in favour of BHEL/ Ranipet.
- 22.5 Loading on the vendor shall be restricted in such a way that the value of the materials to be issued and the stock of BHEL materials already available with the vendor.

23.0 BANK GUARANTEE NORMS;

- 23.1 Necessary Bank Guarantee(BG) / Fixed Deposit Receipt(FDR) should be furnished. The Bank Guarantee value applicable for the Firm is indicated in **Section XII** enclosed. The BG shall be kept **valid through out the contract period PLUS 3 Months as claim period** and must be renewed in-time. It is also to be noted that the BG for the value indicated for each Firm shall be made available with BHEL at the time of entering into ARC, failing which Firm will not be considered.

The required Bank Guarantee shall be submitted within 15 Days of finalization of the contract, else the non submission of BG will be treated as " *not honoring his own offer or any of the condition* " stated/agreed in the tender and declared fit for taking penal action by BHEL as per "*Suspension of Business dealings vide Clause R of section IV*"

- 23.2 The release of Contract by BHEL, Ranipet shall be on the strength of Bank Guarantee for the safe custody of raw materials issued by BHEL, Ranipet as free issue in line with **CL. 22.1.**
- 23.3 Based on the capacity declared by the firm, the Sub-contractor may decide the maximum BG value over the base BG value, and the same shall be submitted to BHEL before ordering.
- 23.4 **BG shall be given by bidders for 100% of value of materials** to be issued to the vendor against Job Work Order. The value of materials shall be as per BHEL calculation, which is final.
- 23.5 JWO / Loading on the vendor shall be restricted in such a way that the value of the materials to be issued and the stock of BHEL materials already available with the vendor together do not exceed the value of BG at any point of time.
- 23.6 BHEL reserves the right to increase the value of BG/FDR depending on the material availability with the contractors from time to time. For placement of PO/addendum, if available BG is short of the required BG value, the same will be intimated to the vendor to submit additional BG. The vendor shall arrange for the required BG within 15 days from the date of receiving such intimation from BHEL. If the vendor does not submit the required BG within 15 days, then the loading quantity may be reduced / diverted to other firms. After completion of that particular order, the vendors can request for return of BG (other than base BG) and the same shall be considered by BHEL.
- 23.6 The base BG shall be returned by BHEL after 90 days from the date of final bill submission or ARC validity period whichever is later.
- 23.7 BHEL reserves the right to encash bank guarantee furnished on behalf of any partner, member, director, or proprietor of the Contractor under any contract with BHEL Ranipet or with any other Unit/ Region of BHEL."

24.0 GUARANTEE OF FABRICATION / MACHINING :

The Contractor shall warrant that the conversion work comply fully with the drawings and other technical conditions. If the jobs are found defective owing to reasons attributable to the vendors like faulty workmanship / incomplete work within a period of eighteen months from the date of handing over to BHEL, the Contractor shall make good of it / replace the same free of cost. Alternatively, the rework / replacement charges will be recovered from the Contractor.

25.0 LIQUIDATED DAMAGES and RISK PURCHASE:

- 25.1 The semi-finished jobs/fabrications on acceptance by BHEL, Ranipet inspector or by their authorized inspection agency, shall have to be delivered to BHEL, Ranipet Stores / Finishing Bay immediately on or before the delivery date stipulated in the addendum. Where the Contractor supplied the finished machining / fabrications beyond the delivery date stipulated in the addendum, liquidated damages at the rate of **½%** of the value (Conversion Cost) of the assemblies delayed for each week or part thereof will be levied subject to a maximum of **10%** value of the particular Work Order in the addendum to the Contract without prejudice to

any other relief or compensation to the BHEL, Ranipet under any other conditions of the Contract.

- 25.2 Further, BHEL, Ranipet will get these items fabricated elsewhere, without notice to the Contractor on the account and at the cost and risk of the Contractor, the jobs not so delivered without canceling the Contract in respect of installments of machining / fabrications not yet due for delivery or cancel the Contract or a portion thereof and, if so desired, fabricate elsewhere at the cost and risk and account of the Contractor. Any additional expenditure incurred by BHEL on this account shall be recovered from the Contractor.
- 25.3 In general, delivery period for each JWO shall be 3 Months from JWO Date/Last material clearance date including further materials, whichever is later. However actual delivery shall be fixed by BHEL for each JWO on project requirement and product lead time.
- 25.4 Where delivery extension is sought with waiver of penalty, the same should be applied to OS with justification and approval to be obtained before submission of bills and two copies of such letters (One for Accounts & One for OS Department) are to be enclosed along with all the bills. Failure to comply with this requirement will result in recovery of penalty while processing the bills for payment as stated in **Cl. 25.1** from the same bill and no claims for refund of liquidated damages will be entertained there after.
- 25.5 Reasons like power cut, Labour Issue, Machine Break-down etc., which are controllable by the vendors shall not be accepted as reasons for delay for delivery extension purposes. No compensation shall be given to the Contractors, in case of cancellation/diversion of POS beyond the delivery Due Date, even if the Jobs have been processed partly.

26.0 ACTION AND COMPENSATION IN CASE OF BAD WORKMANSHIP:

If any work has been executed with unsound, imperfect or bad workmanship or with materials of inferior quality, the Contractor shall on demand in writing from BHEL specifying the work, material/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 so within reasonable period. BHEL will rectify or remove and re-execute the work at the risk and expense of the Contractor.

27.0 COMPENSATION AGAINST DAMAGE OF MACHINERY/TOOLS AND GAUGES SUPPLIED:

- 27.1 BHEL reserves the right to claim adequate compensation from the Contractor on account of any damage caused to the machinery / equipment / tools and gauges supplied to them for execution of work, due to careless or faulty handling or negligence on the part of the Contractor. The total cost of recovery will be decided by BHEL.
- 27.2 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 works which do not confirm to the specification, to direct the application of forces to any portion of the work as, in their judgment is required, and order the force increase or decrease and to decide on the issues which arise in the execution of the work.
- 27.3 BHEL reserves the right to suspend the work or part thereof put a hold on further loading to the Contractor at any time for any reason at its discretion and no claim whatsoever on this account will be entertained.

28.0 SUBLETTING :

- 28.1 The Contractor shall not sublet or assign this Contract or any part thereof without the written permission of BHEL, RANIPET. Subletting or assigning this Contract or any part thereof without such permission BHEL, Ranipet shall be entitled to cancel the Contract and to execute the conversion work elsewhere at the risk and cost of the Contractor and the Contractor shall

be liable for any loss or damage which BHEL, Ranipet may sustain in consequence of or arising out of such machining / fabrication elsewhere and also cancellation of registration/temporary suspension of further loading.

- 28.2 However, if the PO/PGMA loading demands part processing / Special Process (like Heat Treatment, Machining, Bending, Shearing, Threading, etc..) of certain items at, other BHEL OS-approved Contractor's works, the same may be allowed with the prior permission of BHEL in writing, indicating the period of returning.
- 28.3 The vendors will be allowed to indicate alternate sources for carrying out these intermediate operation, wherein the said other sources shall seek approval from BHEL for carrying out these operations.
- 28.4 "Movement of BHEL materials from our Contractor's premises to any other Firm(s), if necessary, for the purpose of production related work shall be documented properly, signed by the sender & receiver and the same to be authenticated by the concerned OS official, otherwise such materials will be treated as shortage by Accounts".
- 28.5 These intermediate operations are to be carried out only at the approved sources and addition/deletion to this list will be indicated to the vendors then and there.

29.0 TAXES AND DUTIES:

29.1 For firms located within Tamilnadu:

GST @18% (CGST-9% and SGST-9%) is applicable and the amount is Cenvatable. GST amount will be reimbursed on submission of proof of remittance challan, declaration if any and uploading of details in GSTN network with in the statutory time period.

For firms located other than Tamilnadu:

IGST @18% is applicable and the amount is Cenvatable. IGST amount will be reimbursed on submission of proof of remittance challan, declaration if any and uploading of details in GSTN network with in the statutory time period.

- 29.2 **As per provisions of Section 143(3) of Goods & service Tax Act , materials sent to Vendors for further processing requires to be received back by BHEL:BAP:Ranipet with in one year from the date of issue. If it is not received BHEL:BAP:Ranipet has to pay GST as applicable along with interest and penalty from the day materials were sent to vendors. This tax interest and penalty will be recovered from the concerned vendors.**

- (i) This is subject to subsequent statutory modifications and amendments in force from time to time. Contractors shall comply with the requirements of the said Notification. Besides, Taxes, duties, levies and any other govt. special levies as applicable from time to time, through notifications/amendments to original notification/orders, during the tenure of the rate contract, shall be extra as applicable against valid documentary evidence. Any increase or decrease in this regard will be effected accordingly against valid documentary evidence.

- 16.1 For Transport Charges under extra rate schedule number **E17 SERIES**, the entry tax if any will be to Contractors account as the same is available as Input Tax Credit. This rate is inclusive of service tax on transportation.

- 16.2 Income Tax deduction and surcharge on IT at source at such percentage as prescribed in the Income Tax Act from time to time will be made on the value of the invoices in the absence of Income Tax Exemption Certificate from the concerned Income Tax Officer received and submitted by the Contractor. Contractor has to submit photocopy of PAN Card along with original for verification.

- 16.3 All statutory documents required for execution of contract to be finalized against this enquiry and required from time to time by State/central Govt. Authorities shall be submitted to BHEL, failing which appropriate recovery/actions as deemed fit will be levied from the running bills of the contractor.
- 29.1 BHEL, RANIPET will not be responsible for payment of any taxes and duties wrongly paid on account of ignorance of law or otherwise and also duty paid at a later date based on litigation.

30.0 GENERAL :

- (a) BHEL reserves the right to recover the dues if any, from the contractor from any one of the running bills of this contract or any other contract with the contractor or from any other division of BHEL. Vendors disqualify themselves to be an approved vendor of BHEL, in the event , it is found that they carryout activities / business which are in direct competition to BHEL business and accordingly they will be delisted. Vendors / Firms indulging in business practices detrimental to BHEL, will be severely dealt with by the due process of law. In addition to the above conditions the following specific conditions also bound under this contract.
- (b) It is preferred that the Proprietor/Managing Partner/Director as applicable to the company should be easily accessible to BHEL official for day to day interaction and to have the residence within 30 KM from BHEL/BAP for the firms located in and around Ranipet. Any change in the constitution of the Contractor's unit or in shifting of works to a new location, the same shall be made only after getting specific approval from Outsourcing BHEL RANIPET. Any deviation found later will be dealt with as deemed fit including cancellation of registration. Also change of Banker requires the prior approval of BHEL, Ranipet.
- (c) Partnership firms should have the latest Form A (Rule 5) Declaration filed with the Registrar of Firms and private Limited firms should have the current MOA and the copy of the same should be produced at the time of signing the Contract.
- (d) The Contractor is liable for all statutory obligations, including but not limited to taxes and duties, ESI, PF, GST, Labour Acts, Factories Acts, Workmen Compensation Act, etc., for their workers. BHEL, RANIPET will have no liability in respect thereof. Notwithstanding the above, if any demand notice is served by the concerned Statutory authorities for recovery of any of their dues on BHEL, BHEL shall have the right to pay the same without notice to the Contractor and recover the same plus administrative charges of 15% of such amount from the Contractor either from the pending/future bills of the Contractor or otherwise. Such act of repeated default is liable for suspension/stoppage of further business till such time the default/violations get vacated. Notwithstanding anything to the contrary, BHEL shall not be liable for any penalty or interest imposed by any statutory authority due to the action of the Contractor or his employees, workers, agents, etc..
- (e) The Contractor has to devise suitable scheme whereby the employment of child labour should be regulated in line with the child Labour Act (prohibition and Employment Act 1986).
- (f) All the safety precautions and use of safety equipments, personal protective equipments are to be used/ followed while carrying out the fabrication and despatch of the same. The Contractor must have proper tools and handling equipments. There should always be a responsible person available at the Contractor's works to oversee the operation and compliance of safety regulations. If any non-compliance with respect to proper safety conditions/requirements, BHEL may withhold visit/inspection, instruct stoppage of work till such time the desired safety requirements/conditions are met with.
- (g) All the documents (Inclusive of Drawings, GMS and Standards) of BHEL made available to the Contractor should be kept in a strict confidence and under no circumstance be made available

to others or allow others to make use of them for any other commercial purpose whatsoever. This secrecy clause is binding on the employees of the Contractors also. Any contravention will be subjected to legal action besides suspending business with BHEL. Such documents should be returned to the BHEL, RANIPET destroyed with the prior approval of Outsourcing, BHEL, RANIPET.

- (h) Unauthorized act of engagement of any individual who is a full time employee of BHEL for part time/full time work by the Contractor will be viewed very seriously and such act is liable for suspension/total stoppage of further business dealings with the Contractor by BHEL, RANIPET.
- (i) Should a Contractor has a relation or relations in the case of a firm or a company of the Contractor, one or more of its shareholders or relation or relations of the shareholders employed in BHEL or any ex employee who has retired/resigned within a period of two years as on date of the Contract or at any subsequent date after award of this contract, BHEL shall be informed of the fact at the time of signing the contract and thereafter as applicable and obtain the permission of BHEL for such engagement, failing which BHEL may in its own discretion rescind the contract.
- (j) The Contractor shall not attempt any unethical acts and if they are found indulging in such acts, they are liable to be blacklisted apart from other actions. Contractors indulging in any business practices detrimental to BHEL either directly or Indirectly, will be dealt with severely by the due process of law.
- (k) In case of any internal dispute of the Contractor, such as but not limited to disputes between partners of the Contractor, dispute between Contractor and its employees, the same shall be intimated to BHEL within One Month from the date of dispute. Notwithstanding anything to the contrary, BHEL shall not be made a party any suit or legal proceeding in respect of such internal dispute. In case BHEL is made a party to the same, the Contractor and other party(ies) to the dispute, if signatories to this Agreement, shall indemnify BHEL for (a) all direct and indirect costs expended towards such legal proceedings immediately on the issue of a claim notice to that effect from BHEL and (b) any liability that may be imposed in such legal proceedings against BHEL.
- (l) Payment for all the invoices shall be effected by a crossed A/C payee cheque /EFT/RTGS in favor of the Banker which should be indicated in all invoices of the Contractor.
- (m) In order to ensure safe custody of our materials, leasee of those firms under lease shall ensure that their lease period is valid for minimum of 3 years (from date of signing the contract).
- (n) In addition to the above, our standard General Conditions enclosed shall also apply.
- (o) The entire terms and Conditions contained in this tender shall be deemed to form an integral part of the Contract to be entered.

32.0 BHEL reserves the right to :

- (a) Negotiate with the Contractor who has submitted the Lowest offer for "Payment Rate Schedules" and Highest offer for "Recovery Rate Schedules"
- (b) Distribute the requirements on more than one contractor at the Lowest (for Payment RS) / Highest (for Recovery RS) acceptable rate.
- (c) The rates and other terms and conditions in this contract are applicable for the job work orders likely to be placed by other Departments/Units of BHEL also, for similar items.

33.0 **Primary e-Mail ID:** Contractors are requested to indicate their own email-Id as "Primary e-Mail-ID", which will only be used for all correspondences (like for MAS and Payment etc..)

34.0 **Arbitration and Jurisdiction:**

- (a) Any dispute between BHEL and the Contractor arising out of or in connection with this Contract, other than those for which BHEL decision is final, shall be referred to arbitration by a sole arbitrator.
- (b) The parties hereto agree that the Sole Arbitrator shall be the Unit Head of BHEL, BAP, Ranipet or his nominee. The venue of Arbitration shall be Ranipet, Tamil Nadu. The arbitrator may hold meetings for convenience at such places as per his discretion.
- (c) The award of the Arbitrator shall be final, conclusive and binding on both parties to the Contract.
- (d) Subject to the above, the courts at Ranipet alone have the jurisdiction to decide any dispute arising out of or in respect of the Contract.

Vendors are requested to quote only for the Rate Schedules/Group of Rate Schedules applicable to their firm as per the Technical Bid (**Annexure-C**) and Price Bid format (**ANNEXURE-D**) enclosed.

The offers should be submitted as detailed in **Section I to Section XII and Annexures A to M**

BHEL, Ranipet is not responsible for any type of delay in receipt of tender.


BHEL, Ranipet reserves the right to reject any or all the tenders either in full or part thereof at their discretion without assigning any reason thereof.

Thanking you,

Yours truly,

For and on behalf of
BHARAT HEAVY ELECTRICALS LIMITED,

Sr. MANAGER (CONTRACTS) / OS

 AN ISO 9000 COMPANY	Bharat Heavy Electricals Limited (A Government of India Undertaking) Boiler Auxiliaries Plant, Ranipet – 632 406		☎: 04172-284030, 284158, 241170,
	OUTSOURCING DEPARTMENT		E-Mail : ydinakar@bhelrpt.co.in ssvasan@bhelrpt.co.in
Enquiry No	667104E	Due Date & Time for submission of offers	Prior to 09.45 Hrs On 10-Oct-2017
Enquiry-Dated	14-Sep-2017	Date & Time of Tender opening	By 10-00 Hrs On 10-Oct-2017
<p style="text-align: center;"><u>SECTION III</u></p> <p style="text-align: center;">Technical Description and Rate Schedules Classification</p>			

Scope of the enquiry is to finalise the Rates for entering into Annual Rate Contract for the year 2017-18 for Machining / Fabrication / Chrome Plating / Nitriding / Assembly of jobs for Boiler Auxiliaries components like APH (Air-Pre Heater), ESP (Electrostatic Precipitators), FANs (Industrial Fans), G&D (Gates and Dampers), Chimney, Bunkers, CHP(Coal Handling Plant), AHP(Ash Handling Plants), WEG(Wind Electric Generator), Desalination, Fabric Filters etc..in accordance with the Technical Specification/BHEL Engineering Drawings/Quality Documents out of materials/components to be supplied by BHEL/Ranipet as free issue.

The requirements are given in the form of Rate Schedules (RS). Each Rate Schedule contains Rate Schedule Number, Description of the operation to be carried out and other quality requirement with relevant Drawing Number, Unit and Quantity Anticipated in 2017-18 for ordering.

Rate Schedules: Total Rate schedules given in the tender are 27. For Fabrication/ Machining/ Special operations, there are 25 (2 RS in Main) Rate Schedules available. For recovery of Turning and Boring of stainless steel scrap 1 Rate Schedules available and ONE extra Rate Schedule for E01.

Grouping of Rate Schedules: Total 27 Rate Schedules are categorized under 16 Category and each Category contains Group of Rate Schedules. Category and Groups are made based on the similar nature of work content and common manufacturing facilities required to carryout the operations on each Rate Schedules available in the Group.

Total Groups given in the tender is 16. Some Groups may have many numbers of Rate Schedules and some Groups may have only few numbers of Rate Schedules according to the nature of the operations required.

The Category of the Rate Schedules are as follows.

Sl.No.	Description	RS Category	RS Groups
1	HEAVY MACHINING	HM	HM0005 (1)
2	HEAVY MACHINING SPECIAL	HM_SPL	HMSP14 , HMSP15, HMSP16 (5)
3	LIGHT FABRICATION	LF	LF0002& LF0007 (3)
4	LIGHT FABRICATION AND LIGHT MACHINING	LF_LM	LFLM01 (2)
5	LIGHT MACHINING	LM	LM0006 & LM0019 (6)
6	LIGHT MACHINING - CNC	LM_CNC	LMCN03 & LMCN06 (3)
7	SPECIAL PROCESS	SPL	SP0002 (2)
8	WELDING SPECIAL	WELD_SPL	WESP01 (1)
9	RECOVERY OF TURNING AND BORING (T AND B) SCRAP	RECOVERY	RECO01 (1)
10	IMPELLER (MAIN)	MAIN	IMP (2)
11	EXTRA RS (MAIN)	MAIN	EXTRA (1)

Scope of the Operation : Each Rate Schedule contains the scope of operation required on the job. However, during actual release of orders, there could be marginal variations in the nature of work content and the quantum of work within the same rate schedule.

Facilities Required : To carry out the operations required on the job for the concerned Group of Rate Schedules, the manufacturing Facilities required like Welding Machines, Presses, Shearing Machines, Lathes, Drilling Machines, VTL, Horizontal Boring Machines, Milling Machines, Measuring Instruments etc. are mentioned against each Group of Rate Schedules.

Eligibility of Vendors : The vendors who are all having the required Manufacturing Facilities, mentioned against each Group of Rate Schedules can quote for the Rate Schedules given in the tender.

Distance Eligibility Criteria- Vendors Location.

1.1. Vendors within 50 KM are only eligible for the following 3 Group of Rate Schedules and also they are eligible for all other Groups mentioned below as in Clause 1.2, 1.3 and 1.4.

LF0007,LM0006,WESP01.

Total Rate Schedules covered are 3.

1.2. Vendors within 150 KM are only eligible for the following 2 Group of Rate Schedules and also they are eligible for all other Groups mentioned below as in Clause 1.3 and 1.4.

HM0005 & LM0019

Total Rate Schedules covered are 6.

1.3. Vendors within 350 KM are only eligible for the following 4 Group of Rate Schedules and also they are eligible for all other Groups mentioned below as in Clause 1.4.

LF0002,LFLM01,LMCN03,LMCN06

Total Rate Schedules covered are 7.

1.4. Vendors located within 450 Km are eligible to participate in this tender for the following 7 Group of Rate Schedules only.

EXTRA (MAIN), HMSP14, HMSP15, IMP (MAIN), RECO01, SP0002, HMSP16

Total Rate Schedules covered are 11.

Quantity : Tentative annual requirement is mentioned against each Rate Schedules in the Tender- Technical Bid. This quantity may vary during the currency of the contract according to the receipt of orders by BHEL.

Technical Bid : Technical specification Document for each Group of Rate Schedules are available as Technical Bid as **Annexure – C**. Vendors can download the concerned Group of Rate Schedules Format which is matching with the Facilities available with them and fill the details as requested.

Vendor has to quote for all the Rate Schedules available in the Group selected, else their offer will not be considered for the respective Group of Rate Schedules (In case Vendor is not quoting for one or two rate schedules within the Group of Rate Schedules, their quotation for the particular Group will be rejected.)

Price Bid : Price Bid Documents for each Group of Rate Schedules are available as **Annexure – D**. Simultaneously Vendor has to download the Price Bid Format along with Technical Bid Document for the concerned Group of Rate Schedules willing to quote and fill the same.

Note: Unit rate only to be mentioned in the price bid. Any Rates indicated other than in Price Bid shall not be considered.

Light Machining Extra Rate Schedules : Rate Schedules **MR01, MR02 and MR03** under **LMEX Category** are mainly intended for paying extra charges to vendors wherever extra material removal operations are carried out other than originally planned for.

Turning & Boring (T&B) Scrap Recovery Rate Schedules : Recovery Rate Schedule **E46**, under **RECOVERY Category** are mainly intended for accounting the scrap generated during the Machining operations. Please refer Clause **6.0 of Techno Commercial document under Section II** for detailed clarification.

Among the Vendors who have quoted Higher Rate (H1) for these Rate Schedules will be taken for recovery. If BHEL feels that the quoted higher rate is very low, then negotiation will be conducted with H1 Vendor to arrive reasonable rate for recovery.

Note: All Vendors who have opted for any Machining Rate Schedules shall have to quote for and RECO01 Group (RS E46).

Drawings : Due to large in number, volume, the drawings are not hosted in the Web-Site. However the drawings referred in the Rate Schedules will be displayed at BHEL for the Vendors who are willing to quote for the Rate Schedules.

Drawings available for study purpose to the Vendors at BHEL Outsourcing Department, conference hall from 09.00 Hrs to 16.00 Hrs on all working days from Monday to Saturday till 3 days before the tender opening due date. No soft copy of the Drawings will be given.

Hence it is suggested that, the Vendors has to visit BHEL to study the drawings along with their Technically competent officials to study the operations involved, facilities required and to estimate the cost of operations for quoting.

Quality Documents: Relevant Quality Work Instructions (QWI), Procedure of Quality Assurance (PR:QA), Welding Procedure Specification (WPS) specified in the Rate Schedules / Drawings are given in **Section IX and X**.

Note : For search and study purpose to the vendors, the following details are provided in the tender document.

- a) Total 27 Rate Schedules list (Rate Schedule wise) with Group indication and Eligibility criteria for each Group of Rate Schedule is provided under Technical Bid
- b) The quality documents specified in the **Section X**, can be viewed at OS department.

Care: Offers received other than the format hosted in the web site will be summarily rejected.

Vendor has to study carefully all the technical requirements before quoting for the selected Group of Rate Schedules.



Enquiry Number: 667104E

Dt.14.09.2017

SECTION IV

GENERAL TERMS & CONDITIONS OF THE TENDER

Before preparing the offer, vendors are requested to go through the following details carefully

A] Eligibility of Vendors

Firms who are having sufficient manufacturing facilities and experience in manufacturing of similar Fabrication / Machining of jobs for Boiler Auxiliaries components like APH (Air-Pre Heater), ESP (Electrostatic Precipitators), FANs(Industrial Fans), G&D (Gates and Dampers), Chimney, Bunkers, CHP(Coal Handling Plant), AHP (Ash Handling Plants), WEG(Wind Electric Generator), Desalination, Fabric Filters Etc.. and able to meet Eligibility Criteria (Facility Requirement) mentioned against each Group of Rate Schedules can quote for this tender.

Firms already registered with Outsourcing (OS) BHEL/BAP/Ranipet shall **indicate vendor code** in their offer and indicate PO/IP number for the RS quoted if available. **If vendor is new, then mention as "New"** in the space provided for Vendor Code.

Vendors registered with any unit of BHEL for the similar jobs, shall give details of their registration along with the category registered for.

Vendors are eligible to quote for Rate Schedules (RS) / Group of RS, subject to meeting eligibility criteria by supporting with relevant documents.

Note:

(i) The facilities indicated in the RS/RS Group should be available in working condition as on date at the time of submission of offer and to be made available for the whole contract period. Vendors shall not quote for the ranges-which are beyond their manufacturing capacity.

(ii) Firm Land shall be owned either by the partners/ proprietor or registered in the name of the firm. In case of Leased land, the lease agreement shall be registered in the name of either by the partners/ proprietor or registered in the name of the firm and valid for a minimum period of 3 years from the date of Tender Opening. Copy of Lease agreement / own land document to be enclosed along with the tender. EC for 20 years to be submitted along with land document.

B] Vendors Not Eligible to Quote

Vendors declared / notified as defaulters / poor performers on quality / delivery grounds are not eligible to quote . The vendors with whom the material shortages were found during stock verification and not settled at the time of tender opening will not be considered. Offers if any received such vendors shall not be considered.

Vendors under HOLD by BHEL are not eligible for such RS and vendor delisted/banned are not eligible for whole tender.

C] Distance Criteria for the Firms

Distance criteria categorised under Four divisions ie. 50 km, 150 km, 350 km and 450 km according to the requirement. The distance restriction for the concerned group is given in **Section III – Technical Specification, Annexure IIIC** and also in **Technical Bid**.



D] EMD (Earnest Money Deposit): No EMD is required for this tender.

Non MSE Vendors has to submit EMD for Rs. 2.00 Lakh in the form of Demand Draft favouring "Bharat Heavy Electricals Ltd., Ranipet – 632 406" payable at Ranipet,

(i) No interest shall be payable by BHEL on Earnest Money Deposit (EMD).

(ii) EMD will be forfeited if

a) The Tenderer withdraws his Tender within the validity period,

b) After becoming L1, if the firm does not sign the contract or not submitting the required base BG within the specified period, the EMD will be forfeited.

(iii) The EMD submitted by the vendors will be returned within a month from the date of signing the contract.

E] Validity of Offer

Price validity shall be One Year from the date of finalisation of Annual Rate Contract; however the validity date of the offer is 180 days from the date of tender opening for ordering. (Note: If Supplier does not honour his own offer or any of its conditions within the validity period, penal action deemed fit as per Cl.R of Section IV - Suspension of Business Dealings with vendors).

F] Submission of Offer

TENDERS

The Bids shall be submitted in two parts namely (i) Techno Commercial Bid Cover and (ii) Price bid cover. All these Two covers should be sealed individually and to be put in a single envelope.

Sealed tenders super-scribed with Tender Number with date, Due Date, Supplementary ARC-2017-18 & Supplier's Name, Vendor Code/**Reference Code as 'NEW' for new vendor** shall be addressed to Senior Manager / Contracts, Outsourcing Department, Bharat Heavy Electricals Limited, Ranipet – 632 406, Tamilnadu, INDIA, so as to reach him on or before the date and time specified in the tender.

The bidders are requested to submit the bids with double stapled on the left middle of the papers, and tied with file tag. Bidders are also advised strictly not to submit the bids with spiral binding & hard book binding, as it will hamper the evaluation of the offers.

The details of contents of the offer covers are as under:-

Sealed Single Envelope super-scribed, with Supplementary ARC 2017-18, Tender Number & Date, Tender Due Date, Vendor's Name & Vendor Code / Reference Code as 'NEW' containing:

Cover I: Qualifying Criteria and Techno-Commercial Bid

Sealed Cover super-scribed "Cover I – Techno Commercial Bid " with Supplementary ARC 2017-18, Tender Number & Date, Vendor's Name & Vendor Code / Reference Code as 'NEW' containing:

a) **Check list for Cover-I**

b) **MSME documents**

i. Self Attested Copies of either EM II (Entrepreneur Memorandum Part II) having deemed validity Five years from the date of issue of acknowledgement in EM II from the date of acknowledgement of the EM II certificate **(or)**

ii. Valid NSIC Certificate **(or)**



iii. EM II Certificate along with attested copy of a CA Certificate (Format enclosed as **Annexure-G** where deemed validity of EM II certificate 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 Tender opening. 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:

(i) Cover I received without EMD or all Supporting MSE Documents as specified above will lead to rejection of the offer.

(ii) The Cover II (price bid) of such offerors shall not be opened and they would not be eligible to participate in the tender further.

a) **Check list for Cover-II (Annexure-B)**

b) **Signed in Technical Bid** for each Group quoted in this tender (without Price) as per **Annexure-C.**

d) **Signed in Standard Commercial Terms & Conditions format** given as **Annexure-E.,**

d) **Manufacturing Facilities Available with Firm** as per format given in **Annexure-F**

e) **Integrity Pact – Not Applicable**

f) **Affidavit** in Stamp Paper value Rs.100 as per **Annexure-I**

g) **Own land - Document copy / Lease Land – Self attested Copy of Lease Agreement ***

h) **Documents to be enclosed for Partnership Firm – Self attested Copies ***

i) Latest Form- A, issued after 01.04.2017.

ii) Partnership Deed Copy (AT WILL).

i) **Documents to be enclosed for Limited Firm (Private Firm) – Self attested Copies***

i) Latest resolution by Board of Directors.

ii) Memorandum of Article of Association.

iii) Company's Affidavit for existence

iv) Latest Annual Report.

v) Directors Share details

j) **Vendor Registration Form** given as **Annexure-K** along with all necessary documents **(For New Firm)**

Important Note 1:

Vendors who have signed ARC Main/LDPP Contract need not submit the documents marked * again for this tender.

Note:

(i) Price bids of firms failing to meet the Technical Qualification / Eligibility Criteria of the quoted Rate Schedules shall not be considered for further processing in the tender.

ii)-Offers shall be submitted along with PAN No- GST details to be given



- (iii) Money values shall not be indicated anywhere in the Technical Bid.
- (iv) All Annexure to the Techno-Commercial bid should be serially numbered.
- (v) Tenders not submitted in the prescribed formats given in the Annexure like *Standard Commercial Terms & Conditions*, *Technical Bid* etc. and *incomplete offers* are liable for rejection.
- vi) **Documents shall be annexed in the order specified above (clause a to j of cover-II)**

Cover-II : Price Bid

Sealed Cover super-scribed "Cover II – Price Bid" with Supplementary ARC 2017-18, Tender Number & Date, Vendor's Name & Vendor Code / Reference Code as 'NEW' containing:

Price Bid - Price duly filled-in the Price Bid format provided in the tender document as **Annexure-D** for each Rate Schedule / Rate Schedule Group in conformance with the commercial terms as per Cover-II

The Prices shall be indicated in both figures and words. Unit rate only to be mentioned in the price bid.

Any Rates indicated other than in Price Bid cover II shall not be considered.

Note:

- i) The price should be on "FOR BHEL, Ranipet" basis only (Inclusive of packing, forwarding and freight charges). No other delivery terms shall be acceptable.
- ii) While quoting their rates, the Bidders are advised to take into account the likely expenditure, escalations, statutory requirements & levies, labour laws, safety requirements, taxes, etc during the operation of Rate Contract for one year from the date of award of Contract. No price escalation/variations shall be entertained during the ARC period on any account. The rates are operative for placement of orders for **ONE YEAR** on Rate Contract basis to be entered into between BHEL and the Contractor.
- iii) Tenderer shall bear all cost incidentals to preparation, submission and negotiations of the tender.
- iii) If BHEL withdraws the Tender before or after the receipt of offers, whether the offer is accepted or not, tenderer shall not be entitled to claim any costs, charges, expenses incidental or incurred by him through or in connection with the submission of the offer.
- iv) In case, there is a discrepancy in the term quoted in techno-commercial bid and price bid, the term as per the techno-commercial bid (Cover I) shall hold good and the commercial term quoted in the Price Bid (Cover II) shall not be considered.
- v) In their own interest, all Tenderers are advised to double check their prices before submitting the offer.
- vi) The quotation should be valid at least for a period of 180 days from the tender opening date.
- vii) Offers should be submitted One Set in original only.
- viii) The offers should invariably contain Signature (ink-signed) & Office Stamp of the Supplier. Any corrections / erasures in the offers should be initialled and stamped.
- ix) Bidders should submit the prices in Indian Rupees only.

G] Persons Authorized for Signing the Offers:

The Tender documents shall be signed by the Authorized Signatory Only.

Proprietary Firm: In case of Single Ownership / Proprietorship establishment, the Tender shall be signed by the Owner / Proprietor Only.

Partnership Firm: In case the Bidder is a Partnership Firm under Partnership Act, the Tender shall be signed by all the Partners of the firm or by the Managing Partner who have Signature and Seal of the Firm



authorized to do so **OR** by a person holding the Power of Attorney on behalf of the Partnership Firm. Power of Attorney attested by a Public Notary shall accompany the Techno-Commercial-Bid. Power of Attorney shall be submitted as per format given as **Annexure J** only.

Private Firm: Authorized signatory shall be the person holding “power of attorney” on behalf of the firm/company/Bidder-concerned and authorized/empowered by MD or Board of Directors or owner of the firm, to act on behalf of the firm for quoting this Tender and all proceedings connected with, till finalization and execution of the Contract. Power of Attorney attested by a Public Notary shall accompany the Techno-Commercial-Bid.

HJ Opening of Offers

a) Tenders shall be received up to 09:45 Hours (A.M) on the said due date and be opened on the same day at 10.00 Hours (A.M). Tenders received after 09:45 Hours (A.M) would not be opened. The times indicated are Indian Standard Time (IST).

b) It is bidder's responsibility to ensure that the Tenders are submitted before the specified date and time. BHEL shall not be responsible for any postal delay.

c) If a Supplier submits only one envelope / cover containing all the bids or combined bids e.g. MSME documents, techno-commercial bid & price bid together, the bid is liable for rejection. The decision to accept such bids shall be the sole discretion of BHEL, which may be done by BHEL after segregating the bids so received.

d) First, Cover I - Techno Commercial bid shall be opened, only if vendor is qualified price bid will be opened subsequently.

e) Next cover II - Price bids – The date / time of Price Bid opening will be communicated to the technically qualified Bidders separately.

f) Witnessing the Tender opening

i) Such of those Tenderers who wish so, may participate in the Tender Opening by deputing their representatives. The representatives would be allowed to participate in the Tender opening only on submission of a signed and stamped authorization letter issued by the Supplier as per **Annexure-L**. Representatives without the Authorization Letter would not be allowed to participate in the Tender Opening.

ii) Representatives who turn up after the Tender opening time / start of the Tender opening would not be allowed to participate. After tender opening the details would not be given to such suppliers who choose to be absent at the Tender opening.

iii) Authorizations received by fax / e-mail would not be acceptable.

iv) Details of the vendors participated alone would be read out during Technical Bid opening and details of Price alone would be read out during Price Bid opening by the Tender Opening Officer.

Note

(i) Bids including all enclosures and supporting documents like catalogues, pamphlets, etc., shall be provided in ENGLISH language only.

(ii) Offers sent by e-mail / fax or any other mode other than the three cover system specified above shall be avoided. On an exceptional case offers may be e-mailed to tenderoutsourcing@bhelrpt.co.in .

(iii) At its option, BHEL may consider extending the due date/s for the tender openings. Sufficient notice would be given by BHEL for such extensions.

I] Evaluation of Techno Commercial Offers

- a) The Techno commercial bids submitted by the firm will be scrutinized. The eligibility of the firms will be verified based on the pre-qualification criteria of the tender and compliance / confirmation to the tender requirements for each Rate Schedules/ Group of Rate Schedules quoted. Only those firms complying with the pre-qualification criteria shall be considered for this tender.
- b) Once the vendor is found to be technically suitable meeting all the technical and commercial requirements of BHEL, price bid of those qualified vendors for respective category only will be considered for further processing.
- c) Offers of vendors not technically qualified will be rejected and the same will be communicated to the vendors with reasons.
- d) No deviation or change from the Tender conditions will be allowed and BHEL reserves the right to reject such offers.

e) **Conditions for rejection of offers:**

Following is the list of situations which would lead to rejection of offer/s.

This list is not exhaustive but only indicative.

BHEL reserve the right to reject one or all offers without assigning any reason. The decision of BHEL will be final in this regard.

1. *If the offer fails to meet the technical requirements/specifications of the tendered item/s.*
2. *If the offer does not meet the commercial terms & conditions, such as but not limited to delivery period specified in the tender, Delivery terms, payment terms, Liquidated damages, Risk Purchase, cancellation clause etc., specified in the tender.*
3. *If the bidder fails to respond to clarification sought, within a reasonable period. In case of doubts / lack of clarity on the technical and commercial offer of the bidder, BHEL will seek clarifications. Bidders are required to respond completely to such BHEL's queries within 3 working days unless otherwise agreed to in writing by BHEL for period beyond 3 days. If supplier fails to respond within 3 working days or maximum 2 working days on a reminder thereon, the offer of such bidders will be automatically dis-qualified in the tender without further recourse to informing the bidder.*

j] Evaluation of Price Bid

- i) The rates quoted shall be evaluated RS wise on the basis of "Total cost to BHEL".
- ii) If the rates of Two vendors are equal resulting in same ranking, among the equal ranked vendors, the sub-ranking will be done to differentiate (a) to decide the L1-vendor eligible for negotiation and (b) to decide H1-vendor for elimination of higher ranked vendors.

The sub-ranking will be done in-the-order by providing lower ranking for vendors

- (1) Nearer to BHEL by location
- (2) Earlier date of commencement of activity as in MSME certificate
- (3) Having OWN land,
- (4) Become Sole-L1 for more number of Rate Schedules,
- (5) Earlier date of receipt of offer and /or
- (6) Draw of lots as a final measure (in presence of such vendors, who may like to be present).



iii) Tenderer contacted in this tender does not automatically qualify for consideration just because they are found to be the lowest in Tender. BHEL reserves the right to reject any offers without assigning any reasons. BHEL also reserves the right to negotiate or counter offer the rates to any of the parties at their discretion.

iv) If the L1 rate against any rate schedules is found not acceptable to BHEL, then the L1 firms may be called for negotiation before finalizing the rate.

v) BHEL has the right to refloat or short-close the Tender if L1 price is not the lowest acceptable price, or for other reasons.

vi) Elimination of Vendors:

H1 vendors will not be considered (excluding T&B recovery Rate Schedules) for the concerned Rate Schedules.

vii) The rates shall be quoted only in the Price Bid format for the concerned Rate Schedule / Group of Rate Schedule attached, both in words and figures. Wherever there is a difference between the words and figures, the following guidelines will be followed.

a) If there is a difference between unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of BHEL there is an obvious misplacement of decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.

b) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected.

c) If there is a discrepancy between word and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

d) If there is such discrepancy in an offer, the same will be conveyed to the bidder with target date up to which the bidder has to send his acceptance on the above lines and if the bidder does not agree to the decision of BHEL, the bid is liable to be ignored.

viii) All bidders shall submit their offers by filling-in the format of the BHEL tender documents. Offers received in any other format are liable to be rejected. Offers are asked in BHEL's format for purpose of standardisation - to help in the offer evaluation.

ix) Offer with any pre-conditions (like conditional discounts) for price are liable for rejection.

x) BHEL reserves the right to reject without assigning any reasons other than already specified for such offers having deviations to BHEL Specifications, Standard Terms & Conditions at its discretion. The decision of BHEL in this regard shall be final.

xi) In case of any discrepancy between the description of the Rate Schedule or quantities, specifications, drawings and for other tender documents, the decision of BHEL in writing is final, binding and conclusive for the purpose of this contract.

xii) BHEL reserves the right to reject an offer due to unsatisfactory past performance during tender finalisation / execution of a contract at any of BHEL projects / units.

xiii) BHEL reserves the right to conduct negotiations on the "Price" and "Other Commercial Terms and Conditions" with the lowest ranked offeror and

xiv) If so required by BHEL, Supplier may have to share their cost data / costing sheet with BHEL.

xv) BHEL reserves the right to restrict the number of parties for award of contract for any or all the Rate Schedules and restrict the number of parties to be called for negotiation (if necessary) based on their competitive bidding, past performance etc.

K] Abnormally Low Offers

If the prices offered by L1 Bidders are found to be unrealistic, unworkable with respect to BHEL's estimate or prevailing market rates, BHEL will ask for justification also demand the break up cost element for such rates from the vendors with appropriate documentary evidence and if not submitted it will be construed that the vendor has offered the rates with an intention to sabotage BHEL Tender process/ tamper Tendering procedure, affecting the ARC process. In such cases, BHEL will have the discretion to reject the offer in line with BHEL procedures. Hence the bidders are advised to exercise abundant care in submitting a correct genuine offer.

L] Counter offer

i) Once the L1 rates for the rate schedules are finalized by BHEL, then the L1 rate shall be counter offered to the other technically qualified vendors for the quoted rate schedules for their acceptance.

ii) Based on the acceptance of vendors for the Rate Schedules, rate contract will be entered with them. For New vendors, who have not signed MAIN/LDPP ARC 2017-18, new contract will be entered for the accepted rate schedules and the accepted Rate Schedules will be added to relevant ARC contract.

iii) Finalised rates for the tendered Rate Schedules will be counter offered to the vendors those who have already signed ARC 17-18 for the relevant group and based on their acceptance, Rate Schedules will be added to their existing contract.

iv) Counter offering will not be extended to top higher ranked (H1.etc.) eliminated vendors as per **clause J(vi).**

v) If none of the vendors are accepting for the counter offer given by BHEL, then BHEL will place orders on the L1 ranked vendor for the tentative quantity mentioned against each RS subject to the capacity availability indicated by the vendor.

M] Placement of Orders and Loading

a) ARC Contract will be entered only with the vendors who respond to this ARC-Enquiry and only for the respective Rate Schedules quoted by them. New vendors who have not responded to this ARC-Tender-but registered/approved later, if any will be permitted in the next year ARC (provided they respond to the next-year ARC).

b) Annual Rate Contract would be signed by the vendors for the acceptable Rate Schedules by way of becoming L1 and accepting counter offer rates for the respective Rate Schedules with BHEL, Ranipet subject to the availability of requisite acceptable Bank Guarantee.

c) Tentative quantity likely to be ordered against each Rate Schedule is indicated in the Technical Bid. Tender quantity may increase/decrease during the rate contract period. BHEL does not guarantee any minimum load for any vendor.

d) The contract is to be signed in Rs.100/- stamp paper. Hence after getting a confirmation on signing of contract, vendor shall get a stamp-paper for a value of Rs. 100/- and submit to BHEL for contract preparation. (applicable only for the vendors who have not signed MAIN/LDPP ARC 17-18 so-far)



- e) After finalization of tender, if the Contractor is awarded the Contract, Proprietor, Partners and Directors (as applicable) should physically present themselves and sign the contract in the presence of Head of OS Department with in the dates specified.
- f) Orders would be placed as Addenda's on the Annual Rate Contract signed by the vendors.
- g) Loading priority will be given among the L1,L2,L3 vendors who have signed the Annual Rate Contract, in the order of original ranking (i.e. from L1 ranked vendor) subject to the Capacity availability, BG, Delivery Performance, Quality Performance, Legal compliances, validity of lease documents, Validity of constitution etc.,
- h) If none of the vendors are accepting for the counter offer given by BHEL, then BHEL will place orders on the L1 ranked vendor for the tentative quantity mentioned against each RS subject to the capacity availability indicated by the vendor.
- i) The total available load from time to time will be distributed to those Contractors with preference to L1, L2 and L3, with whom Contract is entered into and to that Contract, the addenda shall be placed in a phased manner subject to the availability of potential for BHEL and also depending upon vendor performance such as collection of Raw materials in time, manufacture according to BHEL plans/requirements, meeting quality requirements, prompt returning & accountal of balance materials and also the minimum required facilities available at the Contractor's works to meet the job requirements and submission of other reports as called for, then and there. BHEL does not guarantee ordering of any minimum quantity on any Contractor.
- j) Purchase orders will be issued after entering into Rate contract with the Contractors. Discrepancy in the PO's if any, has to be settled immediately then and there within 10 days from the date of release of PO.

N] Execution of the Order

- a) Once the order is released, vendor can view the orders in B2B portal of BHEL, Ranipet. However vendor has to collect hard copies of the Purchase order, IP(issue position), Engineering Drawings and relevant documents from BHEL through their authorised representative.

Based on the Rate contract, to be finalized, the Sub-Contractors shall accept and undertake all jobs awarded to them under various Rate Schedules allotted to them and execute them to the satisfaction of BHEL. Failure to comply with this requirement will be viewed seriously.

- b) Vendor has to collect Raw materials / Components from BHEL stores / Shop to their works on clearance.
- c) Vendor has to study the Drawings, Welding Procedure Specification (WPS), Standard Quality Plan (SQP), any Customer Hold Points (CHP), any stage inspection requirement etc. carefully before start of manufacture.
- d) Vendor has to submit Cutting Plan (CP) for the collected Raw Materials within a week of collection and shall get approval from CP section before proceeding for manufacture.
- e) During manufacturing, wherever stage inspection is required, vendor has to offer for inspection to BHEL QC / BHEL approved Inspection Agencies for clearance to proceed further.
- f) All measuring Instruments to be calibrated as per standards at BHEL Metrology / any approved Labs on chargeable basis and manufacturing / inspection will be carried out with calibrated instruments only.
- g) On completion of Job, final inspection is to be offered to BHEL QC / BHEL approved Inspection Agencies with relevant Dimensional Report (DR). After clearance from the above agencies, Inspection Report (IR) has to obtained for the same.
- h) Painting of one coat Red Oxide / applying of Rust Preventive oil on machined surfaces is to be made on the job.

- i) Despatch the items to BHEL, Stores / Shipping along with Delivery Chelan (DC), Inspection Report (IR), and Dimensional Report (DR) each 6 copies and shall get Inward Entry on Delivery Chelan (DC) from the Gate In charge.
- j) On delivery, authorised representative of vendor shall follow Stores /Shipping to control the DC's/Stores Receipt Voucher(SRV).
- k) Intimation of controlled DC's/SRV will be mailed by Finance to vendors for submitting the Invoices.
- l) Vendors have to submit the invoice and relevant documents to finance in stipulated time for the release of payments.
- m) In case of new vendors, The Inspection report on **First-of-trial** of First-addendum-PO shall be submitted. Further loading of jobs will only be considered after the successful completion of the First-addendum-PO.
- n) The Contractors are responsible till the semi finished components are safely deposited with BHEL / Ranipet. They should carefully pack, Load, and stack as per QWIs, for avoiding damages during transit and lash the consignment properly at the time of dispatch so that the consignment reach the destination safely.

O] Risk Purchase

Alternatively, the BHEL at his option will be entitled the contract and to manufacture elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefor. The supplier shall be liable for any loss which the BHEL may sustain by reason of such risk purchases in addition to penalty at the rate mentioned in LD clause.

In case those vendors do not execute the orders, BHEL may get the job done through other sources at the Risk and cost of those vendors and the extra expenditure involved shall be recovered from these vendors from any amount due to them.

P] Liquidated Damages:

BHEL will levy penalty as Liquidated Damages (LD), for delay in delivery. The damages shall be at the rate of ½% per week or part thereof subject to a maximum of 10%. Delivery for purpose of L.D, will be reckoned as the date of clearance of the items for dispatch by BHEL. Supplier should quote a definite delivery period and any delay in delivery will attract penalty.

The delivery period includes time involved in material collection, cutting plan approval, collection of further materials if any and handing over of the finished goods to BHEL-Shipping. Finished goods items shall be door delivered at Shipping/Stores inside the factory, BHEL, Ranipet.

Q] Termination of Inquiry / Orders:

- a) BHEL reserves the right to cancel any inquiry before opening of the tender, without assigning any reason.
- b) BHEL reserves the right to cancel any tender and refloat a fresh tender, at any time after opening of the tender, in case it finds the response to its tender as not meeting its requirement. This shall be at the sole discretion of BHEL.
- c) In the event of non-performance of the contract by the Supplier, BHEL reserves the right to cancel the order with issue of a written notice. BHEL would provide a curing period of 30 days, for the Supplier to rectify the situation. If the Supplier fails to rectify the reason/s that led to the issue of cancellation notice by BHEL, then the cancellation order would be issued automatically by BHEL, without further recourse to the Seller. BHEL will not pay any cancellation charges or any other charges / damages to the Supplier, arising out such cancellation.



d) In the event of the non-performance of the contract, by the Supplier, the rights of BHEL include, in addition to cancelling the order, to take alternate action at the cost and risk of the supplier. The additional expenditure to be incurred by BHEL in such alternate action would be to the account of the supplier.

e) BHEL reserves the right to cancel the order for delay in supply beyond penalty period without any monetary or legal obligations and at the risk and cost of the Supplier. and

f) BHEL will levy penalty as Liquidated Damages (LD), for delay in delivery. The damages shall be at the rate of ½% per week or part thereof subject to a maximum of 10%. Delivery for purpose of L.D, will be reckoned as the date of clearance of the equipment for dispatch by BHEL.

R) Suspension of Business Dealings with vendors

Before submitting offer, prospective bidders are advised to **visit our web-site [www.bhel.com/supplier registration](http://www.bhel.com/supplier_registration)** to familiarize themselves with BHEL's policy and procedures of Suspension of Business Dealings with Suppliers.

Submission of offer shall be deemed to be evidence of the Bidder to have read and understood the above said policy.

S] Force Majeure

i) If at any time during the currency of this contract, the performance in whole or in part, by either party of any obligations under this contract shall be prevented or delayed by reason, of any war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine, restrictions or acts of GOD (hereinafter referred to as events), then provided notice of happening of any such events is given by either party to other within ten days from the date of occurrence thereof, neither party shall reason of such events be entitled to terminate this contract nor shall either party have any such non performance and delay is resumed as soon as practicable after such events has come to an end or ceased to exist. If the performance in whole or part of any obligation under this contract is prevented or delayed by reason or any such event claims for extension of time shall be granted for period considered reasonable by the purchaser subject to prompt notification by the seller to the purchaser of the particulars of the events and supply to the purchaser if required of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed to be a waiver of time in respect of remaining deliveries.

ii) If as a result of difficulty in procurement of raw materials or due to force majeure reasons or any other reasons what-so-ever the contractor is unable to keep the delivery schedule of the contractee, extension of time may be granted by the contractee at their discretion as may be necessary to the extent considered necessary should there be delay in supply beyond the extended date of delivery, it shall be open to the contractee to terminate the contract in part or full and make other arrangements for executing fabrication elsewhere at the cost and risk of the contractor.

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

Name:	DHINAKHAR.V/Sr.Manager/O.S & S.Srinivasan, Exe.Addl.Engr II
Deptt:	Outsourcing
Address:	BHEL, Ranipet
Phone: (Landline/ Mobile)	04172-284030/284158/9442241365 & 9442308554
e-mail:	vdinakar@bhelrpt.co.in & ssvasan@bhelrpt.co.in

V] 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.

As per BHEL's Fraud prevention Policy, Nodal officers were nominated by BHEL Management. The details of such Nodal officers are furnished below:

Name	Designation	E-mail	Phone (Office)
C.P.Chengappa	GM - NP, Services & PC	chengappa@bhelrpt.co.in	04172-284587
Cyril R Fernandez	GM - MM	cyril@bhelrpt.co.in	04172-284450
S. Anilkumar	GM – C&M	sanil@bhelrpt.co.in	04172-284681
P.Ravikumar	GM – Operations & Engg.	pravi@bhelrpt.co.in	04172-284677
P.Jayakanth	AGM - OS	pjayakanth@bhelrpt.co.in	04172-284167
S. SanthanaKrishnan	AGM – Finance	sskrish@bhelrpt.co.in	04172-284518
B. Srinivasa Rao	AGM – Quality	bsrao@bhelrpt.co.in	04172-284945
M. Vijayakumar	AGM- HR,P&D, Civil & IC	vijay@bhelrpt.co.in	04172-284618

Any bidder / contractor who come across any fraudulent behaviour of BHEL's employees may communicate the same to any / all of these Nodal officers.

U] Others

a) The Firms are advised to study and understand the scope of work and the entire process of Contract execution involved before quoting. Any technical clarifications required can be sought in person or by e-mail one week before the due date of Tender opening.

b) In case of any contradiction in the terms and conditions given here and elsewhere in the other documents of the tender or any omissions in the Tender documents or for any clarifications in the tender conditions, it shall be the responsibility of the tenderer to get it clarified from BHEL. The officer authorized to provide such clarifications is the Manager / Contracts, Outsourcing Department, Phone: 04172 – 284030, e-mail vdinakar@bhelrpt.co.in, ssvasan@bhelrpt.co.in

c) Alterations to the conditions of the Tender can be done only by the authorized officer, at any time before the date and time of tender opening. Such changes, if any, would be communicated in writing and / or hosted in the web-page.

d) BHEL will conclude that the offer has been submitted by the firm fully understanding all the requirements both explicit and implied and other conditions and accepting the same. After tender opening, the bidders are not allowed to change / alter any of the conditions either partly or fully. Offers of any such firms doing so, will be rejected.

e) Conditional and late Tenders, Tenders which are incomplete or otherwise considered defective with respect to Tender conditions and Tenders not in accordance with the Tender conditions herein contained and the Tenders not in original shall be rejected out rightly, at any point of time during the Tender processing.

f) Should the tenderer or the contractor have a relation or relations in the case of a firm or company of contractors, one or more of its shareholders or relations or relations of the share holders employed in BHEL or any ex-employee who has retired / resigned within a period of two years as on date of quotations or at any subsequent date after the award of the contract, the authority inviting the Tender shall be informed of the fact at the time of submission of the tender and there after as applicable and obtain the clearance of BHEL for such engagement failing which, BHEL may in its own discretion reject the tender or rescind the contract.



g) If a Bidder is found to have given false information / documents as a part of their offer, such offers shall be rejected / the contract shall be terminated and the firm shall be banned from getting business from all BHEL units.

h) If any Supplier attempts to bribe, or pay commission, gift or any advantage or bring in undue influence either by himself or on his behalf any one including a stranger to the tender, in addition to instituting legal proceedings as per the extant laws prevailing, will disqualify the supplier from this tender and all future tenders of BHEL. Decision of the Purchaser would be final in this matter.

i) The laws governing this transaction shall be the laws in India.

j) The tenderer shall acquaint himself with the conditions/limitations and official regulations under which or conforming to which the jobs are to be performed and shall examine carefully at the information as may be furnished to them in writing from time to time.

k) The tenderer shall acquaint himself with applicable Acts.

l) As a policy BHEL is not registering any power of attorney issued by Contractors/Contractors in favour of their bank for the collection of Invoice amounts on behalf of Contractors/Contractors and merely because BHEL had acted upon any such request by the party or their bankers does not constitute any legal right or binding on BHEL for any acts of omissions and commissions or failure to act upon it or for any payment made directly to the party. If any banker includes BHEL also as a party to any such dispute between the banker and the party, all legal and incidental expenses thereof will be recovered from the concerned parties only.

m) In the event of an order, Supplier shall agree to settlement of disputes or differences, if any, by way of arbitration, in accordance with the "Rule of Arbitration" of the Indian Council of Arbitration.

n) The offer/s of such of those bidders who do not accept for levy of liquidated damages (LD) for delay in delivery and who do not accept for submission of the BG for the value and period specified herein above is likely to be summarily rejected. No correspondence would be entertained by BHEL in this regard, on this subject. BHEL specifically draws the need of this mandatory requirement to the notice of all Bidders. The Price Bid of such of those offerers failing to meet this requirement, would not be considered for the Price-Bid Opening.

o) The language in the tender downloaded by the Bidders shall at no point of time be changed, altered or modified in any manner by the Tenderer. If such changes are made by any tenderer, it shall be considered as tampering with BHEL's specifications and the offer shall be summarily rejected, whenever it is noticed by BHEL. Such Bidders would be disqualified from the Bidding Process and their offers would be forfeited / Bank Guarantees invoked. They would not be allowed to participate in future tenders of BHEL.

V] General :

1.0 Definitions : Throughout these conditions and in the specifications the terms :

(a) **"The Contractee"** means the Bharat Heavy Electricals Limited, acting through the Additional General Manager, Outsourcing Department ,Boiler Auxiliaries Plant, Ranipet – 632 406 unless the context otherwise provides.

(b) **"The Contractor"** means the person, firm or company with whom the order for machining / fabrication is placed and shall be deemed to include the Contractor's successor (approved by the Contractee), representatives, heirs, executors and administrators, as the case may be, unless excluded by the terms of the Contract.

(c) **"The Drawings"** means the drawings exhibited or provided for the guidance of the Contractor.

1.0 Execution :

The whole contract is to be executed in the most approved substantial and workman like manner to the entire satisfaction of the contractee, 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 drawings or of the work necessary for the proper completion of the contract, shall be final and conclusive. The contractee may require alterations if any to be made during the progress of machining /fabrication, and should these alterations be such that either partly to the contract considers an alteration in the changes justified such alteration shall not be carried out until amended cost of machining /fabrication charges have been submitted by contractor and accepted to fabricate without obtaining the consent of the contractee in writing to an amended cost of machining /fabrication charges, the contractor shall be deemed to have agreed to execute fabrication at such charges as may be considered reasonable by the contractee.

2.0 Interpretation :

Any dispute or difference of opinion in respect of the interpretation, effect or application of this particular condition of the contract or of the amount recoverable here under from the contractor shall be decided by the contractee and the decision shall be final and conclusive.

3.0 Book Examination Clause :

(a) The contractor shall, whenever required, produce or cause to be produced for examination by any officer of the contractee authorized in that behalf any cost or other account book or account voucher, receipt letter, memorandum, paper or writing 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 this contract or relevant for verifying, ascertaining, the cost of execution of this contract (the decision of such officer of the contractee on this question or relevancy of any document, 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/Job-Work-Order or under any statutory rules or orders binding the contractor.

(b) The contractor shall, if the authorized officer of the contractee so requires (whether before or after the prices have been finally fixed), afford facilities to the officer of the contractee concerned to visit the contractor's works for the purpose of examining the process of manufacture and estimate of ascertaining the cost of production of the articles. If any portion of the work be carried out by a Contractor or any subsidiary or an allied firm or company, the authorized officer of the contractee shall have power to secure the books of such Contractor or any subsidiary or an allied firm or company shall be open to this inspection.

4.0 Set – Off Clauses :

Payment shall be subject to the deduction of any amount, for which the contractor is liable under this contract, or any contract in respect of which Bharat Heavy Electricals Limited, Ranipet 632 406, Tamilnadu is the Contractor.

5.0 Laws Governing the Contract :

- (a) The contract shall be governed by the laws of 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 Ranipet.

6.0 The Global Compact :

Global compact is a signature initiative of United Nations Security General and four United Nation Agencies

- Office of the High Commissioner for Human rights
- International Labour Organization
- United Nations Environment Programme



- United Nations Development programme

This is a board based initiative and engages:

- Individual Companies
- Business Associations
- International Labour
- Human Rights, Environment and development Organisations
- Academic & Public Policy Instructions 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 with in our spheres of influence.
- ** Make sure we are not complicit in Human right 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 Health, Safety of employees and society and environmental challenges.
- ** Undertake initiatives to promote greater environmental responsibility
- ** Encourage development and diffusion of environmentally friendly technologies.

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

8.0 Occupational Health and Safety Management System (OHSAS 18001) and Environmental Management System (EMS 14001)

BHEL/BAP/RANIPET got accreditation Occupational Health and Safety Management System (OHSAS 18001) and Environmental Management System (EMS 14001). As per this, OS Contractors are requested to meet the requirements of EHS (Environmental Health & Safety) guidelines (mentioned below), while engaging and using Vehicles for incoming/outgoing transportation.

- To have valid Driving licence and RC book for the Transports
- To load the vehicle/bullock cart within the Safe Working Load (S.W.L.) The S.W.L. is to be displayed/painted on the vehicle/bullock cart.
- To load the material in such a way that it should not project outside the dimensions of the Vehicle/bullock cart.
- To stack the material in a manner that the material should not slide/fall during transportation.
- During manual lifting with an Adult, the weight should not exceed 50 kg.
- To attempt to adopt OHSAS 18001 / ISO 14001 requirements in their manufacturing process at Contractor's work place.
- To comply with applicable provisions of the Central Motor Vehicles Rules 1989 (Rule:136 and if any). List of important Phone Nos: (given by OS) should be available with the driver while transporting BHEL materials.
- To train drivers to handle emergency situation during transportation.
- To follow the Various Acts/Rules and Regulations (particularly Factories Act 1948 and Tamil Nadu Factory Rules 1950) applicable to them.



- To maintain valid PUC (Pollution Under Control) certificates and produce while vehicle is in this company premises.

Contractors are requested to meet the requirements of OHSAS 18001 / ISO 14001 as given below:

- ** To adopt OHSAS 18001 / ISO 14001 requirements in their manufacturing process at Contractor's work place.
- ** To comply with applicable provisions of the Central Motor Vehicles Rules 1989 (Rule: 136 and if any).
- ** To follow the applicable Acts/Rules and Regulations (like Factories Act 1948 and Tamil Nadu Factory Rules – 1950) applicable to them.
- ** In addition to this, they should follow the day to day communication of OS on this regard.