

BHARAT HEAVY ELECTRICALS LIMITED

TIRUCHIRAPPALLI



OUTSOURCING

FABRICATION OF HEAT FLUX SENSOR ASSEMBLY
(WITH FREE ISSUE OF MATERIAL)

TECHNO COMMERCIAL BID
Enquiry no: 3001900002 dtd. 18.05.2019

TECHNO - COMMERCIAL BID FOR FABRICATION OF HEAT FLUX SENSOR ASSEMBLY OUT OF MATERIALS / COMPONENTS SUPPLIED BY BHEL AND AS PER BHEL ENGINEERING DRAWINGS, QUALITY WORK INSTRUCTIONS AND TECHNICAL SPECIFICATION.



LIST OF SECTIONS

1. SECTION I: TECHNO-COMMERCIAL TERMS AND CONDITIONS
2. SECTION II: LIST OF EXTRA RATE SCHEDULES WITH APPLICABLE RATES
3. SECTION III: GENERAL TERMS AND CONDITIONS
4. SECTION IV: MSE CONDITIONS
5. SECTION V: GST DETAILS
6. SECTION VI: BANK GUARANTEE FORMAT
7. SECTION VII: NON DISCLOSURE AGREEMENT
8. SECTION VIII: LIST OF APPROVED SOURCES



SECTION – I

INDEX

INTRODUCTION

1.0 SCOPE OF WORK

2.0 RATE SCHEDULES

3.0 RATES

3.1 ELIGIBILITY

3.2 EVALUATION OF QUOTED PRICE

3.3 COUNTER OFFERING, DISTRIBUTION OF LOAD & ELIMINATION OF HIGHEST BIDDERS

3.4 EXTRA RATES

- HEAT TREATMENT, RADIOGRAPHY, UT AND SR
- RADIOGRAPHY
- EXTRA RATES FOR ADDITIONAL JOINTS
- SCRAP RECOVERY RATES
- PAINTING
- BLAST CLEANING

4.0 TRANSPORT CHARGES

- DISPATCH OF FINISHED GOODS DIRECT TO SITE (DTS)

5.0 ORDERING / LOADING OF FABRICATION JOBS

- DELIVERY TERMS

6.0 RAW MATERIAL ISSUE AND ACCOUNTAL

- SCRAP & OFFCUT NORMS
- CUSTODY OF MATERIALS ISSUED BY BHEL TO SUBCONTRACTOR

7.0 IDENTIFICATION OF FINISHED GOODS

8.0 VALIDITY OF BID & CONTRACT

9.0 TECHNICAL REQUIREMENTS

- GAUGES
- RECOVERY FOR DAMAGED GAUGES

10.0 INSPECTION

11.0 PAYMENT

- BILLS & PAYMENT



- 12.0 **PROGRESS REPORT**
- 13.0 **BANK GUARANTEE (BG)**
- 14.0 **GUARANTEE FOR THE FINISHED GOODS**
- 15.0 **LIQUIDATED DAMAGES (LD) / PENALTY & RISK PURCHASE**
- 16.0 **ACTION AND COMPENSATION IN CASE OF BAD WORKMANSHIP**
- 17.0 **COMPENSATION AGAINST DAMAGE OF PLANT, MACHINERY/TOOLS**
- 18.0 **SUBLETTING**
- 19.0 **GENERAL CONDITIONS**
 - NON-DISCLOSURE AGREEMENT
- 20.0 **GOODS & SERVICES TAX (GST)**
- 21.0 **ARBITRATIONS & CONCILIATION**
- 22.0 **FRAUD PREVENTION POLICY**



LIST OF ABBREVIATIONS USED AND THEIR DESCRIPTION & DEFINITION:

S.NO	ABBREVIATION	DESCRIPTION	DEFINITION
1	AS	Alloy Steel	A type of raw material
2	CS	Carbon Steel	A type of raw material
3	UB	Universal Beam	
4	RS	Rate Schedule	Categorization of job based on work contents of similar nature
5	PGMA	Product Group Main Assembly	Various Product Group assemblies of boiler house of a power plant as categorized by BHEL.
6	DC	Delivery Challan	A document which is to be generated by a vendor through B2B portal of BHEL before delivery of an item.
7	DR	Dimension Report	A document containing dimensions of raw material and Test Certificate of Raw material which is to be uploaded by vendor in B2B portal prior to inspection of job.
8	IR	Inspection Report	A document signed by BHEL or BHEL approved inspection agency after inspection of job.
9	NS	Nature of Supply	Term used by BHEL for categorization of a job i.e. whether the job is regular supply for a project or spares requirement or replacement against missing/lost items, etc.
10	DU	Despatch-able Unit	Term used by BHEL to refer to a particular assembly/ component completed in all aspect.
11	MPI	Magnetic Particle Inspection	Self-explanatory
12	LPI	Liquid Penetrant Inspection	Self-explanatory
13	PMAS	Provisional Matl. Accounting Statement	Provisional document generated by BHEL w.r.to weight of materials issued to subcontractor / weight of final product & off-cuts received from a subcontractor against a purchase order.
14	FMAS	Final Material Accounting Statement	Final document generated by BHEL w.r.to weight of materials issued to subcontractor / weight of final product & off-cuts received from a subcontractor against a purchase order.
15	QP	Quality Plan	Document(s) that specify quality standards, practices, resources, specifications, and the sequence of activities relevant to the product.



BHARAT HEAVY ELECTRICALS LIMITED
TIRUCHIRAPPALLI
OUTSOURCING
TECHNO COMMERCIAL BID – NIT: 3001900002

16	GMS	Group Manufacturing Specifications	A document that defines no. of components/items making up a product, material dimensions & specifications to make such product, etc. so as to produce a despatch-able unit.
17	QCP	Quality Control Procedure	
18	QWI	Quality Work Instructions	
19	SRV / GR	Stores Receipt Voucher / Goods Receipt	Document generated by BHEL after receipt of finished goods from vendors at BHEL Shipping yard.
21	RSV	Return Stores Voucher	Document generated by BHEL after receipt of off-cut materials at BHEL Stores from vendors.
22	IAMTV	Inter Ancillary Material Transfer Voucher	Document generated by BHEL for direct transfer of material (issued by BHEL) from one vendor to another without bringing the material back to BHEL.
23	DTS	Direct To Site	Term refers to dispatch of finished goods directly to site.
24	FRS	Fabrication Rate Schedule	Rate Schedule for work content related to Fabrication job
25	PRS	Painting Rate Schedule	Rate Schedule for work content related to Painting
26	SRS	Shot Blasting Rate Schedule	Rate Schedule for work content related to Blast cleaning job
27	PMD	Product Material Directory	Directory of vendors registered for various products at BHEL.
28	B2B portal	Business to Business portal	Website of Outsourcing / BHEL Trichy where all communications regarding PO placement, BG requirements, and other systems such as Inspection call generation, Vendor performance rating display, etc. are available for vendors.
29	VIS	Vendor Information System	A system developed by BHEL which facilitates communications related to PO, inspection call generation, Delivery challan booking, vendor performance, activities related to completion of PO, fresh enquiries, etc.
30	PDO	Part Disposition Order	Document generated by BHEL on account of partial work completed by a vendor on materials issued to the vendor.



BHARAT HEAVY ELECTRICALS LIMITED
TIRUCHIRAPPALLI
OUTSOURCING
TECHNO COMMERCIAL BID – NIT: 3001900002

INTRODUCTION:

Outsourcing / BHEL Tiruchirappalli invites offers for Fabrication of Heat Flux Sensor Assembly out of materials / components supplied by BHEL and as per BHEL Engineering Drawings, Quality Work Instructions and Technical Specifications from subcontractors registered with BHEL Trichy Outsourcing department.

This tender enquiry covers techno-commercial terms & conditions for the above mentioned job.

SECTION I
TECHNO-COMMERCIAL TERMS & CONDITIONS

1.0 SCOPE OF WORK:

The Scope of work of subcontractors includes all the Fabrication & Finishing works including the works falling under extra rate schedules as called for in the Drawings, QP/QWI and Purchase Order, completion and handing over of the finished products at BHEL Shipping / DTS, including rectification of defects if any attributable to Subcontractor found after handing over at Shipping/Site.

2.0 QUANTITY:

Table-1:

S no.	Lot No.	Project Name*	WBS	DU Code	Qty in Nos	Wt in Kgs
1	Lot-1	Raichur TPS#3, 210MW	R2/4220-LU-001-1-06-800	F4220106800001	45	464.45
2	Lot-2	North Chennai TPP Stg-III	U8/1818-HT-949-1-06-800	F1818106800001	48	431.18
3	Lot-3	Uppur 2x800MW Unit I	U8/1821-HT-947-1-06-800	F1821106800001	48	431.18
4	Lot-4	Uppur 2x800MW Unit II	U8/1822-HT-947-1-06-800	F1822106800001	48	431.18
5	Lot-5	Ennore SEZ STPP Unit I	U6/1723-LU-926-1-06-800	F1723106800001	48	392.11
6	Lot-6	Ennore SEZ STPP Unit II	U6/1724-LU-922-1-06-800	F1724106800001	48	392.11
		Total			285	2542.22

Brief scope of Work of subcontractors is as follows:

- Collection of Raw Materials from Stores/BHEL through material issue vouchers.
- Preparation of material cutting plan (wherever applicable) for the received material and obtain approval from BHEL.
- Fabrication with BHEL issued materials as per drawing and approved material cutting plan in compliance with quality procedures.
- Surface Preparation and Painting as per Painting Scheme.
- Offering the jobs along with requisite documents for stage by stage inspection and final inspection by BHEL-QC and/or any other agency approved by BHEL as per Quality Plans.
- Handing over of finished goods to BHEL Trichy - Shipping / Logistics with relevant IR & DC documents.
- Return of Off-cut materials (If any) through Return Stores Voucher (RSV) to BHEL Stores.



3.0 RATE SCHEDULE (RS):

A rate schedule (RS) relates to a group of drawings / PGMA's consisting of similar nature and content of work. The fabrication rates to be quoted in the enquiry shall be based on the description of the item and typical / representative drawings indicated against RS given in the enquiry.

- The rate is to be quoted for fabrication and assembly of the Heat Flux Sensor. It shall be based on the description of work content and drawings given in the enquiry.
- Purchase Order (PO) shall be placed on eligible subcontractors by way of Rate Schedule (RS) identified in the enquiry.
- **Extra works:**

Extra works are the jobs that arise because of BHEL free issue materials not being in standard size, or works that are not covered in price quoted by subcontractor but qualify for additional payments.

List of such extra works and rates applicable to each extra work is given in SECTION II - List of Extra Rate Schedules. Such extra works, if any, carried out as per drawing / QWI / PO requirement shall qualify for extra payment as per the rates listed in SECTION II. Any other work not covered under extra RS, but incidental to the completion of fabrication job till handing over to BHEL, shall be deemed to be part of the subcontractor's quoted price for main fabrication / assembly. Carrying out extra works shall be undertaken by a subcontractor only after prior written approval by BHEL to do so.

3.0 RATES:

The Subcontractors shall consider their scope as given below in this **enquiry while quoting prices. Price shall be quoted in the price bid format given in EPS portal.**

S. No.	Rate Schedule No.	Prod. Desc.	Project Name	Weight. in Kgs	Quantity in Nos (+/- 5%)	Rate in Rs/No.
1	RS 1	Heat Flux Sensor Assembly	Raichur, North Chennai, Uppur & Ennore	2542.22	285	

Firm basis: The quoted rates shall be on Firm basis. The quoted / finalized rates shall be Firm till validity of the contract or execution of the supplies, whichever is later. Conditional Offers shall be rejected.

3.1 PRE-QUALIFICATION CRITERIA (PQR):

Pre-qualification criteria for qualifying firms participating in the open tender enquiry is given in Section-IX. The same shall be evaluated during evaluation of Part-I bids of offers received (including spot assessment of the firm by TCA if required). A firm shall be qualified for Part-II Price bid opening if and only if the firm meets PQR spelt out in Section-IX. If a firm which is not registered with BHEL Trichy participates and gets qualified in Part-I by fully satisfying PQR and other enquiry terms & conditions, then registration for the firm to applicable Product Material Directory (PMD) of Outsourcing / BHEL



Trichy shall be taken up in parallel as per Supplier Evaluation Approval Review Procedure (SEARP) of BHEL.

3.2 EVALUATION OF QUOTED PRICE:

3.2.1 Price bids of firms qualified in Part-I evaluation shall be considered for Part-II Price bid opening.

Once price bids of firms qualified in Part-I are opened, firm who quotes the lowest rate per No. shall be declared as L1. Bid with the next highest quoted price shall be ranked L2, and the next be L3, and so on. In case of tie in the lowest bidder, revised reduced price offer will be obtained from tied L1 subcontractors. In case tied L1 bidder do not submit revised offer or submit increased price in revised offer then original Quote shall be considered for further evaluation. If tie still persists, lot system (manual/electronic) will be followed to arrive at L1 bidder.

BHEL reserves right to re-float or short close the RSs if L1 rates are not acceptable or due to any other reasons.

3.3 ELIMINATION OF HIGHEST BIDDERS, COUNTER OFFERING and DISTRIBUTION OF LOAD:

3.3.1 For each RS, the bid(s) with overall highest evaluated cost shall be ranked as H1, and the next least as H2, H3 and so on. 20% of total number of distinct bids falling under H1, H2, etc., category and the respective bidders shall be eliminated. BHEL shall extend the finalized L1 price to other eligible bidders (i.e. counter offer by BHEL) after the above elimination process. If more than one firm falls under elimination category with the same ranking, then all such firms falling under elimination category shall not be considered for the counter offer by BHEL.

3.3.2 Distribution of load shall be as follows:

L1 subcontractor	189 Nos.
Next best ranked subcontractor who accepts counter offer	96 Nos.

The above quantum is subject to a tolerance of $\pm 5\%$.

Firm who is declared as L1 shall mandatorily undertake the job as per the quantum given in Clause 3.3.2 above. In case the firm does not accept to execute the job, action shall be initiated against the firm as per BHEL guidelines for suspension of business dealings with supplier/contractor.

Counter offer of L1 rate and applicable quantum by BHEL shall be extended to L2 firm. In the event of non-acceptance of Counter offer by L2 firm, the respective quantum shall be counter-offered to next best ranked firm and so on until the offer is accepted by a qualified firm.

In case the counter offer is not accepted by any of the qualified firms, the entire order quantity for the particular RS shall be offered to L1 subcontractor. If L1 subcontractor is ready to accept more than their designated quantum as specified above, the same will be loaded on them. In



such case, the liability of L1 subcontractor w.r.to risk purchase shall be limited to the total quantity agreed to be executed by the L1 subcontractor.

The liability of the subcontractor(s) w.r.to risk purchase shall be for the total quantity accepted by the subcontractor or the Quantity mentioned in load distribution, whichever is more.

3.4 EXTRA RATES:

3.4.1 After placement of P.O, Subcontractor shall study the drawings, QCP etc. for fabrication/assembly, examine applicability of extra rate schedules and obtain prior approval of Outsourcing/BHEL Trichy for applicable Extra Rate Schedules wherever necessary, before taking up fabrication/assembly job.

Wherever applicable, subcontractors shall submit claim for Extra Rate Amendment of a PO Item before commencing the dispatch from their works.

3.4.2 HEAT TREATMENT, RADIOGRAPHY, UT AND SR:

The Ultrasonic Testing, Radiographic Testing, Heat Treatment and Stress Relieving as called for in the drwg. / QWI / PO are to be carried out by the fabricator, through the approved agency of BHEL. Approved agencies are as per **Section - VIII**. In case there is no approved agency near Subcontractor works, Subcontractor 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 Supplier Registration Form available with BHEL. Transport if any for such works is in the scope of main fabricator.

3.4.2.1 In case of furnace heat treatment, heat treatment charges shall be admitted for each process of HT namely Stress Relieving (SR), Normalizing, Annealing and Tempering as called for in the quality document. The charges as per RS 18867 shall be applicable for the weight of the job identified for HT. Rate/Kg for each cycle is applicable. Subcontractor shall submit request for full load certification for HT, if applicable, for consideration and approval by BHEL.

3.4.2.2 For local stress heat treatment, charges are admissible for the job on weld-meter basis. The charges shall be admitted on the basis of weld running meter, and shall be rounded off to the next higher whole number in case of fraction.

3.4.2.3 Extra rate for Furnace Heat treatment, local stress relieving, solution annealing, etc. arising on account of raw material being issued by BHEL, is applicable as per respective extra RS.

3.4.3 RADIOGRAPHY:

Charges for Radiography & Cobalt radiography shall be paid if the drawings / QWIs call for the same as per RS 18801 & 18802 respectively.



3.4.4 STANDARD SIZE OF RAW MATERIALS:

3.4.4.1 The standard sizes of raw materials issued by BHEL are indicated below.

Material Type	Description	Thick	Size 1 Range (Width /Dia)	Size 2 Range (Length)
Structural	Angle, Channel, Beam	All	10 - 12 mtrs	
Sheets	HR & CR	0.63 to 4 mm	900 - 1250 mm	2500 mm
Tubes and pipes	CS,AS	All	Below 500	500 & above
Plates	CS	5 to 7 mm	1500 - 1800 mm	6300 - 10000 mm
Plates	CS	8 to 63 mm	2000 - 2500 mm	8000 - 12500 mm
Plates	AS - Gr 12 & Gr 22	All	1250/2000/2500 mm	7000 mm
Rods	CS, AS, SS		Above 10 mm	4 - 6 mtrs
Forged Rods	CS, AS, SS		All sizes	2 - 4 mtrs

Cutting of material to appropriate size as per cutting plan approved by BHEL, edge preparation and other incidental works to suit the dimensions as per drawings is in subcontractor's scope within quoted price.

EXTRA RATES FOR ADDITIONAL JOINTS: Extra rates for joints arising due to materials not being in standard size as above are admissible only with the prior approval of BHEL. Subcontractor shall obtain approval for their cutting plan for admitting extras owing to the non-availability of required size of raw material. Such extra charges shall be paid as per various extra RS for joints.

3.4.5 PAINTING

All painting works as per painting instruction given below shall be part of Subcontractor responsibility, including cost of paints. Cost of paints and painting charges shall be paid at prefixed rates as mentioned in Section-II List of Extra Rate Schedules. Subcontractors need not include these components in their price quotation.

CUSTOMER	PGMA	SURFACE FINISH	PRIMER PAINT	COAT	DFT	SHADE	TOTAL DFT
R2 / 4220 U8 / 1818 U8 / 1821 U8 / 1822 U6 / 1723 U6 / 1724	06-800	SSPC – SP3	RED OXIDE ZINC PHOSPHATE PRIMER (ALKYD BASE) TO IS 12744 BY BRUSH / SPRAY	02	060	RED OXIDE	060

The paints shall be procured from BHEL approved paint manufacturers list enclosed in Section VIII. The finished fabrications shall be cleaned and painted as per applicable Painting Scheme and relevant Quality documents.



Firm should provide adequate color code for all materials as per **SIP NP 13 (Latest Revision) / applicable document** to avoid material mix up. In case of mixing of material, BHEL holds the full rights to reject the job and recovery shall be processed for full material value from the firm.

3.4.6 BLAST CLEANING

3.4.6.1 Blast cleaning, wherever required (as per PO/Drawings/ QWI), is to be carried out by Subcontractor through BHEL approved sources for Blasting & Painting. The list of BHEL approved sources for Blasting & Painting is enclosed in Section VIII. Charges for blast cleaning (if applicable) shall be paid at prefixed rates as mentioned in Section-II List of Extra Rate Schedules. Subcontractors need not include this component in their price quotation.

3.4.6.2 Blasting and all the stages of painting (primer, intermediate & finish coats) shall be carried out by single approved source for Blasting & Painting as per standard SIP: PP:22 latest revision or applicable painting scheme given by BHEL.

3.4.6.3 No self-blasting by Subcontractor is allowed unless they are specifically approved by BHEL for Blasting & Painting.

3.4.6.4 The Subcontractor has to offer the Blast cleaned & painted materials for inspection, meeting all technical requirements. The surface preparation for Blast cleaning and painting shall be in accordance with latest BHEL Quality Work Instructions and Painting Scheme, any other specific requirements stipulated by our Customer.

4.0 TRANSPORT CHARGES:

4.1 The rates finalized against each schedule shall include cost of collection & transportation of materials (components / raw materials) from various stores of BHEL and dispatch of finished products (after fabrication / assembly) to BHEL Shipping, return of off-cuts/excess materials to concerned BHEL stores and all other transportation incidental to complete the Job.

4.2 Rate applicable for such transportation shall be irrespective of the distance of the Subcontractor (0-350 Km) from BHEL Trichy.

4.3 No extra transport charges shall be allowed for multiple collections and dispatches.

4.3.1 In case of transfer of raw-material / semi-finished items from one Subcontractor to another Subcontractor through IAMTV, the responsibility for collection of materials including the cost of transportation and handling etc. shall rest with second Subcontractor who shall dispatch the finished goods.

4.3.2 DISPATCH OF FINISHED GOODS DIRECT TO SITE (DTS):

Wherever necessary, as decided by BHEL, vehicles may be arranged by BHEL and Subcontractor may be advised to dispatch finished goods directly to site (DTS). This is applicable only for subcontractors within 60 Km from BHEL Trichy. No DTS is applicable for subcontractor located beyond 60 Km and they shall hand over the finished goods to BHEL Trichy-Shipping. However,



when Hydraulic axle trailers are required for transportation, BHEL may decide to operate DTS for respective P.O. Item/Items irrespective of subcontractor's works' distance from BHEL Trichy.

Wherever DTS is operated, the cost of transportation (for dispatching the finished goods) not incurred by the Subcontractor shall be recovered as per the RS 18901 & 18902.

5.0 ORDERING / LOADING OF FABRICATION JOBS:

5.1 Purchase orders shall be placed on the eligible subcontractors after contract finalization.

In case it is found later at any stage after placement of P.O. on a Subcontractor that facilities required for the job are not available in working condition at Subcontractor's works, BHEL has the right to withdraw the order without compensation of any kind of loss to Subcontractor due to such withdrawal of orders. Action shall be taken by BHEL as per clause 15.8.

5.2 Any clarification in the PO Documents w.r.to Weight of PO line item, FRS, PRS, SRS, painting area, Category I /III etc. shall be reported to the concerned person in Outsourcing department / BHEL Trichy within 7 days from the date of release of PO.

5.3 Request for any type of PO amendment shall not be considered after acceptance of Goods Receipt (GR).

5.4 DELIVERY TERMS:

5.4.1 In general, delivery period for each PO line item shall be fixed based on any one of the following, whichever is later.

- (i) **3 months from P.O date**
- (ii) **3 months from the last material clearance date of the Original MIVs.**
- (iii) **1 month from further material clearance date, provided the further MIV is generated within one month from corresponding original MIV clearance date for each PO Item.**

5.4.2 The delivery period includes time involved in material collection, cutting plan approval, collection of further materials if any and handing over of finished goods to BHEL shipping.

5.4.3 Fabricated items shall be delivered at SHIPPING / STORES INSIDE THE FACTORY, BHEL TIRUCHY or DTS.

5.4.4 The delivery challan (DC) accompanying the finished / semi-finished fabrications is to be acknowledged by BHEL as proof of receipt for Payment & Billing.

5.4.5 The Subcontractor shall undertake all jobs awarded to them under this Contract and execute them to the satisfaction of BHEL. Failure to comply with this requirement shall be dealt in line with latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/Contractors.

6.0 RAW MATERIAL ISSUE AND ACCOUNTAL:

6.1 The subcontractor shall ensure completion of purchase orders in all respects including Material Accounting within 365 days from the date of issue of the first material from BHEL Stores. This is a statutory requirement and must be strictly complied with. In case PO could not be completed



within 365 days from the date of first issue of raw material due to subcontractor's default, the amount payable by BHEL to Government (i.e. GST @ 18% of input material value + applicable interest for 365 days) will be recovered from the subcontractor as penalty. The recovery/ penalty will be calculated separately for each material gate pass wherever the period crosses 365 days under a purchase order/ contract.

- 6.2** The weights of P.O. items as per GMS shall be the basis for accounting of the raw materials issued. The raw materials shall be issued with a process allowance of 3% for Sheets and 4% for Plates. This includes an invisible wastage of 2% for Sheets and Plates.

For Structural, 1% is allowed towards process allowance; this includes invisible wastage (beam, channel, angle, UC, UB, rods, pipes etc.).

- 6.3** Cleared material shall be collected by the subcontractor immediately without any delay.

In case of delay in material clearance/issue, subcontractors shall approach BHEL for suitable action.

6.4 Norms for designating a material as scrap/off-cut:

Scrap and Off-cut materials are categorized based on the material size after utilization of prime material (i.e. material issued by BHEL) for fabrication job. The size details for designating a material as scrap or off-cut is as given below:

Sl. No	Description	Scrap Size (in mm)	Offcut (in mm)
01	CS/AS Sheets & Plates	Below 500 x 250	500 x 250 & above
02	Rolled sections, Rod, angles etc(other than tubes, pipes)	Below 1000	1000 & above
03	Tubes and pipes	Below 500	500 & above
04	Universal Column	Below 1000	1000 & above
05	SS Sheets & Plates	Below 500 x 250	500 x 250 & above
06	SS Structural, Rods, Tubes, Pipes	Below 250	250 & above
07	Non – ferrous: sheet & plate, rods & tubes	Below 500 x 250 (S & PL), Below 250 (Rods & Tubes)	500 x 250 & above, 250 & above
08	Big size Scrap applicable only for CS & AS (sheets & Plates)	(2500 & above) x (150 to 249)	-

- 6.5** All balance materials (off-cut) are to be returned to Stores / BHEL, Tiruchirappalli-14 at Subcontractor's cost.
- 6.6** All scraps including that of Stainless Steel shall not be returned to BHEL.



- 6.7** Recovery of the cost of the scrap along with GST and other statutory levies, if any, shall be made from the fabricator.

6.7.1 SCRAP RECOVERY RATES:

For all the categories of scrap, recovery shall be done from the subcontractor at the rate based on the latest disposal rate of BHEL. The rates for recovery on account of scrap material shall be revised every financial quarter. The revised scrap rates will be updated during first week of every financial quarter (i.e.) in the month of Apr, Jul, Oct & Jan. Wherever the latest scrap rates are not available the existing rates available as on date of recovery shall prevail. Recovery shall be based on Scrap Rate as on the date of last GR posting for the P.O.

- 6.8** Wherever attested materials are issued, the balance materials are to be returned to BHEL Stores in the attested condition only.
- 6.9** The material rejected as PDO (Part Disposition Order) due to faulty workmanship of Subcontractor shall entail recovery of the cost of prime material as in clause 6.13 below. In addition, conversion and service charges shall also be recovered in case of part-processed item.
- 6.10** The material rejected as PDO due to reasons other than faulty workmanship of Subcontractor shall be returned to BHEL Stores, failing which recovery shall be made as per para 6.13.
- 6.11** The Subcontractor should properly utilize materials issued by BHEL/Tiruchirappalli as per the drawings/QWIs in order to meet design and quality requirements of the product.
- 6.12** After material issue, the Subcontractor should submit cutting plan for the materials collected through VIS within 15 days from the date of material issue. Subcontractor should submit cutting plan along with layout and joint details (if applicable) before GR for all the materials issued.
- 6.12.1** However, in working out such economic cutting plans, it is to be ensured that the details as prescribed in each QWIs are adhered to. After the approval of the cutting plans, any balance material available from the issues made either in original or in supplementary shall be returned to our Stores at Tiruchirappalli at Subcontractor's cost. The cutting plans as approved by BHEL shall be kept at Subcontractor's premises for a minimum period of 3 years from date of cutting plan approval. They should be made available whenever required by BHEL officials or representatives of BHEL. It should be ensured that the jobs are fabricated and welds are made as per the layout of approved cutting plans.
- 6.12.2** Whenever fabrication is done without proper approved cutting plans, material issued in excess over and above the net weight of final product shall attract recovery at the rate of prime material cost as fixed by BHEL from time to time which is inclusive of departmental/financing charges, etc. In addition, statutory taxes, duties and levies as applicable shall also be recovered.



6.12.3 Any clarification in the approved cutting plan should be sought by the Subcontractor before processing of the raw material. For any approved cutting plans, if the corresponding item is undergoing changes in GMS, drawing or net weight of purchase order, Subcontractor should not proceed with processing the material without appropriate revision being done to the approved cutting plan.

6.12.4 In case joint is specified in the approved cutting plan by BHEL, necessary quality requirements such as WPS should be adhered to by the Subcontractor.

6.13 Failure to return the prime / offcut material shall entail recovery of the value of material as fixed by BHEL from time to time which is inclusive of departmental/financing charges, etc. In addition, statutory taxes, duties and levies as applicable shall also be recovered.

6.14 Normally, all the indirect materials falling within the scope of the fabricator for doing the job is to be taken care of by the fabricator themselves.

6.15 For the purpose of material accountability after the completion of a particular purchase order in total, BHEL shall generate a provisional MAS (PMAS) next day and the same shall be intimated to the subcontractor thro' the B2B. Any discrepancy such as weight mismatch, DU correction, variation in off-cut and scrap quantum as indicated in the PMAS, IAMTV regularization, RSV return, etc., should be reconciled / settled with the concerned sections of Outsourcing with necessary proof of documents within 15 days from the date of completion of purchase order. If reconciliation is not done within 15 days, it shall be deemed that PMAS is correct in all respects. On 18th day from PO completion, FMAS shall be raised. Recovery shall be posted on 25th day from the date of PO completion. Once FMAS is generated, no correction shall be entertained. FMAS shall be displayed to the subcontractor in B2B portal, and no issue of hard copies of PMAS & FMAS shall be made available.

6.16 Recovery towards unreturned balance material as per FMAS shall be done as per BHEL norms along with applicable statutory levies from the Subcontractor. Hence, any correction after the generation of the FMAS shall not be entertained. After the issue of FMAS, the purchase order shall be treated as closed in all respects; therefore, requests toward refund of recovery shall not be entertained.

6.17 The Subcontractor shall be responsible for prompt material accounting. Repeated occurrence of inordinate delay in returning and settling the material accounts shall entitle BHEL the right to terminate the contract forthwith or to impose a temporary suspension on further loading at the discretion of BHEL.

6.18 Custody of materials issued by BHEL to Subcontractor:

6.18.1 The raw material issued to the Subcontractor in connection with the fabrication contract shall remain the property of BHEL, Tiruchirappalli. The Subcontractor shall use the above materials only for the execution of BHEL's POs for which the materials have been issued, and for no other



purpose whatsoever. The Subcontractor shall be responsible for the full value thereof to be assessed by BHEL, Tiruchirappalli whose decision shall be binding on the Subcontractor.

- 6.18.2** The Subcontractor shall be liable for the loss or damage to such property from whatever the cause may be while such property is in the possession or under the control of the Subcontractor, their employees, workmen or agents or any other person connected with the Subcontractor. **All the materials of BHEL, Tiruchirappalli shall under no circumstance be sold/hypothecated to any bank or to any lending institution or to any party whomsoever.** Such materials should not be shown as the Subcontractor's assets in any of the statements of the Subcontractor to any party.
- 6.18.3** The Subcontractor shall produce the materials supplied by BHEL, Tiruchirappalli in the form of raw material, semi-finished boiler components to BHEL officials visiting the Subcontractor's unit for verification purposes.
- 6.18.4** Inventory statement has to be submitted every month by the Subcontractor for the materials issued. If the Subcontractor fails to produce or properly account the materials so issued, BHEL, Tiruchirappalli shall 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 Subcontractor and/or temporary suspension of load and/or termination of contract and/or de-listing.
- 6.18.5** Any act of Subcontractor resulting in dishonest misappropriation or conversion of the materials so issued for his own use shall constitute the offence of Civil / Criminal Breach of Trust under Indian Penal Code and/or such other offences under any other provisions of law and the Contractee (BHEL) shall have every right to proceed against the Subcontractor under Civil/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.
- 6.19** Wherever availability of material becomes critical for certain work orders, BHEL, Tiruchirappalli shall transfer the balance material available with the Subcontractor including the scrap sizes from one Subcontractor to the other. For this, necessary credit shall be given during material accounting. The material transfer emanating from BHEL, Tiruchirappalli is to be honored immediately or otherwise, recovery shall be made at the prime material cost. Any difficulty for effecting such transfer shall be brought to the knowledge of BHEL officials immediately.
- 6.20** Based on prior approval of BHEL, firms shall make their own arrangement for raw material, sub delivery and consumables to value limited to Rs 10,000 for each PO in case the same is not available for issue from BHEL stores depending on dispatch criticality. BHEL / QC shall clear the use of such materials based on TC / test reports, where necessary.



7.0 IDENTIFICATION OF FINISHED GOODS:

The Project name, Customer / Sale Order number, quantity, DU number, weight, Subcontractor's BHEL assigned SAP code number shall be legibly stenciled for identification and dispatch as may be advised. Subcontractor SAP code number alone shall be punched using letter punch and bordered suitably for identification. Machined surfaces shall be protected with rust preventive oil, and threaded portions shall be protected with suitable packing.

8.0 VALIDITY OF BID:

8.1 OFFER VALIDITY: Price Bid shall be valid for 3 months from date of Tender opening for finalization of contract and ordering. Orders placed under the contract shall be governed by Terms and Condition of contract till completion of the PO(s). The contract may be subject to further extension with mutual consent.

8.2 FIRM PRICE: The quoted / finalized rates shall be Firm till validity of the contract or execution of the supplies, whichever is later. Conditional offers shall be rejected.

9.0 TECHNICAL REQUIREMENTS:

9.1 The fabrications shall strictly conform to dimensions and tolerances indicated in the drawings. Care must be taken to strictly adhere to the 'NOTE' given in the drawings. Subcontractor must ensure that correct dimensions and deviations, if any, are recorded properly in the D.R. books, and the same shall be made available to BHEL officials or their authorized agencies.

9.2 Welding electrodes shall be sourced only from the approved sources of BHEL as per SECTION – VIII.

9.3 Normal packing shall be made by the Subcontractor to avoid any transit damages. The quoted rate shall be inclusive of this packing.

9.4 Any other work carried out other than the requirements of drawings/QWIs shall have the prior written approval of BHEL, Tiruchirappalli.

9.5 Adequate facilities like welding equipment, baking oven, handling facilities and measuring instruments duly calibrated as called for by BHEL must be available with the Subcontractor for the manufacture / fabrication of boiler components. All the above basic fabrication equipment must be in working condition, and the same shall be made available for verification by BHEL officials or authorized agents of BHEL.

9.6 GAUGES:

9.6.1 The instruments/gauges are to be calibrated periodically as follows:

S.No	Type	Periodicity
01	Measuring instruments/gauges	One Year
02	Limit gauges (E.g. Plug/ring)	One Year



03	Temperature, pressure gauges	6 Months
04	Measuring steel tapes	Once

The calibration status shall be displayed at the Subcontractors works in a conspicuous location. Calibration can be performed at either BHEL or at any NABL/Govt. approved labs, traceable to national standards.

9.6.2 RECOVERY FOR DAMAGED GAUGES:

In case the Subcontractor has damaged or lost the gauges issued to them by BHEL, recovery shall be made for twice the cost of the respective item(s) from the Subcontractor's bill. The Subcontractor shall hand over the damaged gauge to BHEL.

9.7 For various rates schedules, manufacturing, handling and testing facilities' requirement as specified by BHEL from time to time shall be available with the Subcontractor.

10.0 INSPECTION:

10.1 Inspection of fabrications shall be by BHEL Quality Control Department and/or by BHEL's customers and/or by an agency or person(s) authorized by BHEL at the Subcontractor's works. All facilities and equipment, calibrated instruments and standard gauges required for inspection shall be provided by the Subcontractor at their own cost.

10.2 BHEL representatives/authorized agents shall have free access to the Subcontractor's works at any time during the execution of the orders as well as for verification of requisite documents/materials.

10.3 The semi-finished components shall be deemed as accepted and ready for delivery only after IR is raised by the Inspector/agency.

10.4 Cost incurred by the Subcontractor for specimen preparation of production test coupon carried out at authorized agency as requested by BHEL, Tiruchirappalli shall not be reimbursed by BHEL.

10.5 The quality of paints used by Subcontractor shall be checked by BHEL Trichy at regular intervals. Samples shall be collected from Subcontractor works and tested at BHEL to ensure quality as per relevant standards/documents. In case discrepancies with respect to BHEL's specification are noted, the job may be rejected, and appropriate action against the Subcontractor shall be initiated as per latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/Contractors.

10.6 Acceptance of the product after inspection makes the Subcontractor eligible for payment. However, such acceptance after inspection by BHEL / AIA does not absolve the responsibility of the Subcontractor in ensuring the quality / performance of their product, even after the warranty period.



10.7 Quality documents such as dimension report, material TC, etc., against the PO placed shall be uploaded by the Subcontractor in B2B portal.

11.0 PAYMENT:

11.1 BILLS & PAYMENT:

11.1.1 100% payment shall be made against invoices (to be submitted in TRIPLICATE) supported by IR from BHEL Inspector / BHEL's Authorized Inspection Agency and DC acknowledged by BHEL Trichy Stores / Shipping or IAMTV.

A copy of the supporting design documents where the quantity and weight is changed as per Design are to be attached by the Subcontractor.

11.1.2 Payment would be made within 30 days from invoice date, after GR and material accounting, subject to submission of invoice along with full set of proper supporting documents by the Subcontractor at Outsourcing.

11.1.3 Number of bills and value limit for each bill are tabulated below:

<i>PO Value in Rs</i>	<i>Maximum No of Bill per PO</i>	<i>Remarks</i>
<i>Up to 2 Lakhs</i>	<i>1</i>	<i>After full PO Completion</i>
<i>Above 2 Lakhs</i>	<i>Multiple</i>	<i>One bill for value of every Two Lakhs.</i>

11.1.4 The bills shall be made only after completion of entire quantity of PO Item in full (i.e. completion of one full DU) as mentioned above. Bills for partial dispatches of a PO Item (DU) shall not be accepted.

11.1.5 Checklist for submission of Bills:

Subcontractor should ensure that the following documents are submitted for bill processing to avoid any delay in processing of payment:

- a) Online Invoice – duly signed by Subcontractor with seal. Subcontractor shall submit 100% Invoice.
 - b) Online Invoice Annexures - duly signed by Subcontractor with seal.
 - c) GST Invoice – Original for buyer and Duplicate for transporter copies (Values to be checked with B2B tax invoice template).
 - d) Original IRs – with relevant painting/SB remarks and ODC details (if applicable) - duly signed by BHEL QC inspector and Subcontractor with seal.
 - e) DCs – duly signed by BHEL shipping official and Subcontractor with seal.
- 11.2** Invoice shall be raised for DU weights as per the Purchase Order (PO). Payments shall be for the DC weight only. Painting and extra rates claim shall be admitted based on approval by BHEL.
- 11.3** However, if the material weight changes over $\pm 5\%$ from the total weight of a particular purchase order due to substitution, the fabrication cost for the difference in net weight shall be paid or



recovered as applicable after raising necessary PO amendment. The same can be claimed along with original invoice.

- 11.4** Payment dues shall be paid, provided the Subcontractor does not have any pending FMAS recovery with any of the Subcontracting departments of BHEL.
- 11.5** The Purchase Order shall be treated as closed once the FMAS is prepared. Recovery as per the FMAS shall be done from any one of the running bills of the Contractor. No request for refund of penalty/recovery shall be entertained after recovery is effected.
- 11.6** All extra charges, if any, shall be claimed along with invoice.
- 11.7** The Subcontractor shall ensure that all claims are made against the particular purchase order along with relevant invoice. The amount due for BHEL, Tiruchirappalli, if any because of non-return of off-cut material and/or other issues, shall be recovered from the Subcontractor's running bills, and the applicable purchase orders shall be treated as closed.
- 11.8** No supplementary bill shall be entertained once bills are processed.
- 11.9** Notwithstanding anything contained herein, the payment shall be subject to the deduction of any amount for which the Subcontractor is liable directly or indirectly under this contract or any other contract of the Subcontractor or any other Subcontractor's contract where the proprietor / any of the partners / directors of the present Subcontractor is / are proprietor/director/s/partner/s, in respect of which BHEL / Tiruchirappalli is a contractee.

12.0 PROGRESS REPORT:

The Subcontractor shall furnish progress report(s) from time to time, and also interact with BHEL officials regarding the progress of the work as may be required by BHEL, Tiruchirappalli. The submission, receipt and acceptance of such reports shall not prejudice the rights of BHEL, Tiruchirappalli under the contract merely by reason of the fact that they have not taken notice of or not objected to any information contained in such reports. Action as deemed fit shall be taken if the progress of work is not satisfactory. The Subcontractor shall furnish monthly report (status at the end of every calendar month) regarding the availability of materials at their end. In the event of non-submission of monthly report, suitable action deemed fit shall be taken against such failing Subcontractor.

13.0 BANK GUARANTEE (BG) FOR FREE ISSUE OF BHEL'S MATERIAL

- 13.1** BG shall be given by Subcontractor for 25% of value of materials identified to be issued to the Subcontractor against Purchase Order (PO). The value of materials shall be as per BHEL calculation. The BG required for execution of the Purchase Order (PO) should be submitted within a period of 10 days from the date of intimation to Subcontractor regarding submission of required BG based on load identified for them. This BG should be kept valid for a period of 90 days after Contract validity or 90 days after last bill submission date whichever is later. BG thus submitted by the subcontractor shall have a claim period of 90 days.



- 13.2** On intimation to the Subcontractor regarding submission of required BG based on load identified for them, if the Subcontractor does not submit the required BG within 10 days, then the purchase order / loading quantity may be reduced / diverted to other Subcontractors, and also action shall be taken as mentioned in clause 15.8 (Diversion/Cancellation of P.O), 15.9 & 15.10.
- 13.3** Further, subcontractors may take note that, if the DUs are not completed beyond the scheduled delivery date, Total Payment block shall be imposed on the vendor for all POs.
- 13.4** If no matching material was issued by BHEL for six months from first issue of material in a PO, then the materials issued thus far for the respective PO should be returned back based on advice from BHEL. Subcontractors' failure to comply with BHEL's advice on returning the material, shall lead to Total Payment Block being imposed on the subcontractor at vendor code level on completion of six months from first issue of material.
- 13.5** After completion of purchase order and submission of last bill, the Subcontractor can request BHEL for return of BG and the same shall be considered by BHEL.
- 13.6** For PGMA's/ Product(s) which involve assembly of Bought out Items (BOI), BG shall be required to be submitted at the time of material issue rather than at the time of P.O placement.
- 13.7** Bank Guarantee to the specified value for the safe custody of the materials issued by BHEL, Tiruchirappalli is to be executed by any one of the banks in the List of Consortium of Banks or Nationalized banks on behalf of the Subcontractor. Also, the above bank guarantee shall be executed on a non-judicial stamp paper of value Rs.100/- as per BHEL's bank guarantee format attached in SECTION –VI.
- 13.8** The bank guarantee should cover the recoveries to be made by BHEL towards material / faulty workmanship etc. for which proper accountal is not made within the stipulated time. If the recovery amount is more than the pending bills, the difference amount should be settled immediately by submitting Demand Draft(s) in favor of BHEL/ Tiruchirappalli.
- 13.9** Necessary Bank Guarantee (BG) / Fixed Deposit Receipt (FDR) should be furnished and renewed in time.

14.0 GUARANTEE FOR THE FINISHED GOODS

The Subcontractor shall warrant that the fabrications comply fully with the drawings and other technical conditions specified by BHEL. If the fabrications are found defective owing to faulty workmanship/incomplete work within a period of eighteen months from the date of dispatch, the Subcontractor shall do the necessary repair/rework or replace the defective items free of cost. Alternatively, the rework/replacement charges shall be recovered.

15.0 LIQUIDATED DAMAGES (LD) / PENALTY & RISK PURCHASE

- 15.1** Timely delivery is the essence of the Contract.
- 15.2** The finished fabrications should be delivered as per the delivery date stipulated in the PO/Addendum. In case of delay in delivery beyond the delivery period specified in PO at item level, Liquidated Damages (LD) shall be levied at the rate of 0.5 % of the value of corresponding PO line item for each week of delay or part thereof based on last dispatch date for the PO line item. LD is subject to a maximum of 10% of the total value of the particular Purchase order in the



addendum to the contract without prejudice to any relief or compensation to BHEL, Tiruchirappalli under any other conditions of the contract.

LD (PO Line Item wise) = 0.5% * Value of PO Line Item * delay in weeks or part thereof,

Where, Delay = Maximum delay occurred (last dispatch date) for the delivery of PO line item.

Since LD shall be recovered invoice wise, invoice should be submitted for the fully completed DUs/PO Item. GST shall be applicable on the LD thus recovered from a Subcontractor, and the same shall also be recovered along with the LD.

- 15.3** Request for extension of PO delivery date shall not be entertained for normal cases unless there are delays which have justifiable reasons attributable to BHEL.
- 15.4** In such cases where the reasons for delay are attributable to BHEL. Request for delivery extension should be submitted along with supporting documents & justification, indicating the number of days/ date till which extension is requested. Extension shall not be made beyond this date.
- 15.5** Reasons such as power cut, labour issues, machine break down, etc., which are controllable by the Subcontractor shall not be accepted as reason for delay while requesting for extension of PO delivery date.
- 15.6** For invoices received without any request for delivery extension and/or without proper justification, LD shall be automatically deducted.
- 15.7** In case of any revision/ amendment of PO, the LD shall be linked to the amended/revised PO.
- 15.8 RISK PURCHASE.:** In case of delay in delivery beyond PO delivery / mutually agreed delivery, or Subcontractor fails /refuses to complete the PO as per terms, or insufficient facilities at Subcontractor's works to execute a PO, BHEL has the right to get the items ordered elsewhere at the risk and cost of the subcontractor with notice to the subcontractor; and the additional expenditure / difference in cost, if any, including consequential cost shall be recovered from the defaulted subcontractor. Also, in such case of withdrawal of orders, Subcontractor shall return full material in condition as issued to them by BHEL for executing the job; otherwise, BHEL shall recover full material cost (as per Clause 6.13) and conversion cost (in case of part processed items) from Subcontractor by adjusting against amount due to Subcontractor and/or by invoking the BG and/or by any other suitable means as decided by BHEL. In addition, BHEL may recover from the default-Subcontractor any loss to BHEL arising due to withdrawal of orders in such case, and action shall be taken as per latest revision of BHEL Guidelines for Suspension of Business dealings with Suppliers / Contractors. Subcontractors are requested to visit http://www.bhel.com/vender_registration/vender.php for details of BHEL Guidelines for Suspension of Business dealings with Suppliers / Contractors.
- 15.9** The default subcontractor shall be liable for any loss, which BHEL may sustain by reason of such risk purchases in addition to liquidated damages as mentioned above.



15.10 No compensation shall be given to the Subcontractor, in case of cancellation/diversion of PO(s) even if the jobs have been processed partly.

16.0 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 Subcontractor shall on demand, in writing from BHEL specifying the work, materials/articles complained of, notwithstanding that the same may have been passed, certified and paid for, forthwith, rectify the work, so specified in whole or in part as the case may require, at their own cost. In the event of the Subcontractor's failure to do so within reasonable period, BHEL shall rectify or remove and re-execute the work at the risk and expense of the default Subcontractor.

17.0 COMPENSATION AGAINST DAMAGE OF PLANT, MACHINERY/TOOLS

17.1 BHEL reserves the right to claim adequate compensation from the Subcontractor on account of any damage caused to the plant and equipment/tools handed over to them for execution of work, due to careless handling or negligence on the part of the fabricator. The total cost of recovery shall be decided by BHEL.

17.2 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.

17.3 BHEL shall also have the authority to reject all the work which do not conform to the specification. BHEL reserves the right to suspend the work or part thereof at any time, and no claim whatsoever on this account shall be entertained. In case of any dispute, the Subcontractor may appeal to BHEL whose decision shall be final and binding.

18.0 SUBLETTING

18.1 The Subcontractor shall not sublet or assign this work or any part thereof to any other firm(s) without the written permission of BHEL. However, if the PO / PGMA loading demands part processing / special process (like Heat treatment, machining, bending, shearing, threading, etc.) for few items at other source(s)/work(s) approved by BHEL, the same may be allowed, with the prior permission of BHEL in writing.

18.2 In the event of the Subcontractor subletting or assigning this work or any part thereof without such permission, BHEL shall be entitled to cancel the PO and also action shall be taken as per clause no. 15.8, 15.9 & 15.10

19.0 GENERAL CONDITIONS:

19.1. For participating in the e-tender, Digital Signature Certificate Class III is mandatory for the subcontractor to quote.

19.2. The subcontractors should quote the rate and fill other required details only in the respective fields provided.



- 19.3. The offer should be submitted in two part bid basis on or before the due date & time mentioned in the E-procurement portal. Further tender due date extension, if any, will be communicated through E-procurement portal only. Hard copy bid or bids through E-mail / fax shall not be accepted.
- 19.4. As the tender is being floated through E Procurement System, agreeing to the terms and conditions of Tender in EPS, Uploading Supporting documents for claiming benefits (MSE or others), Uploading Bid Supporting documents (NDA, IP etc.) and Submission of Price Bids in EPS by using the Digital Key registered with BHEL for EPS shall be construed as the Bid and Supporting Documents are being submitted by the Authorized Signatory of the Firm.
- 19.5. Vendors should take utmost care for the use of their Digital Key registered with BHEL for EPS while participating in a Tender.
- 19.6. Latest updates on the important dates, Amendments, Correspondences, Corrigenda, Clarifications, Changes, Revisions, etc. to Tender Specifications will be hosted in EProcurement portal: <https://bhel.abcpocure.com/EPROC/> or B2B portal.
- 19.7. Action against defaulting subcontractors shall be taken in accordance with the latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/ Contractors. Refer link: http://www.bhel.com/vender_registration/vender.php.
- 19.8. 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.
- 19.9. All safety precautions and use of safety equipment are to be followed while carrying out the fabrication and dispatch of the same. The sub-contractor must have proper tools and handling equipment. There should always be a responsible person available to oversee the operation and compliance of safety regulation etc. 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.
- 19.10. All the documents of BHEL (inclusive of Drawings, GMS and Standards) made available to the fabricator should be kept in strict confidence and under no circumstance be made available to others or allow others to make use of them. Such documents shall be returned to us on demand after completion. This secrecy clause is binding on the employees of the fabricators also. Action against defaulting subcontractors shall be taken in accordance with BHEL latest Guidelines for Suspension of Business dealings with suppliers/ contractors. Refer link http://www.bhel.com/vender_registration/vender.php.
- 19.11. In case it comes to notice of BHEL during the finalization of Tender / after placement of Contract and while executing the Contract, that sub-contractor has given incomplete, false, incorrect, suppressed information & data, forged documents, fake documents / certificates or any information prejudicial to BHEL's interest, BHEL will suspend the business with the sub-contractor at any stage and the Bank Guarantee will be forfeited. Action against such subcontractors shall be taken in accordance with the latest revision of BHEL Guidelines for Suspension of Business Dealings with Suppliers/ Contractors. Refer link: http://www.bhel.com/vender_registration/vender.php



- 19.12. Non-Disclosure Agreement (NDA) forms part and parcel of the Contract. Non-submission of NDA will disqualify the firm.** Format of the agreement is part of the techno-commercial bid. The same has to be downloaded from EPS and to be uploaded by subcontractors in EPS during submission of Bid as a confirmation to accept the provisions of Non-Disclosure Agreement (NDA).
- 19.13.** All the statutory obligations such as ESI, PF, Labour Acts, Factories Act, etc., will have to be taken care of by the Subcontractor. BHEL, Tiruchirappalli will have no liability on them. Notwithstanding the above, if any demand notice is served by the concerned statutory authorities for recovery of any of their dues on BHEL, the same would be paid without notice to the Subcontractor and recovered the respective Subcontractor by suitable means as decided by BHEL.
- 19.14.** The jurisdiction for any arbitration/settlement of contractual/legal issues between Contractee (BHEL) and Contractor (Subcontractor), shall only be at the court of Tiruchirappalli.
- 20.0 GOODS & SERVICES TAX (GST):**
- 20.1.** GST shall be applicable.
- 20.2.** GST shall be paid extra at the prevailing rate. TDS on GST is applicable as per prevailing norms of GST Act.
- 20.3.** Sub-contractor shall mention their GSTN registration number in all their invoices and invoices shall be in the format as specified/prescribed under GST laws. Invoices shall necessarily contain Invoice number (in case of multiple numbering system is being followed for billing like SAP invoice no, commercial invoice no etc., then the Invoice No which is linked/uploaded in GSTN network shall be clearly indicated), item description as per PO, Quantity, Rate, Value, applicable taxes with nomenclature (like IGST, SGST, CGST & UTGST) separately, HSN/ SAC Code, etc.
- 20.4.** All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code).
- 20.5.** A declaration to the effect that all invoice particulars are/were uploaded in the GSTN network/ portal & all tax liability as per GST rules and regulations have been and will be discharged, shall be mentioned in the invoice. If not mentioned in the invoice, a separate declaration shall be submitted as per the requirement of BHEL. All documents like “No claim certificate”, IR copy, DC copy, any other document mentioned in PO, shall be submitted/sent along with the vehicle/consignment. For all consignments received within the calendar month, input credit will be availed within that month in line with monthly returns filing cycle.
- 20.6.** In case of any discrepancy in the document or non-submission of documents mentioned in the PO, then BHEL will not be able to accept or account the material, in such case availing of tax credit will be deferred to next month or so.
- 20.7.** In case of discrepancy in the data uploaded by supplier in the GSTN portal or in case of any shortages or rejection in the supply, then BHEL will not be able to avail the tax credit and will notify the supplier of the same. Subcontractor has to rectify the data discrepancy in the GSTN portal or issue credit note (details to be uploaded in GSTN portal) for the shortages or rejections in the supply, within the calendar month notified by BHEL.
- 20.8.** For any such delay in availing of tax credit for reasons attributable to supplier (as mentioned above), interest (calculated @ SBI Base Rate + 6%) along with penalty if any will be deducted for



the delayed period i.e. from the month of receipt till the month tax credit is availed, from the running bills.

21.0 ARBITRATIONS & CONCILIATION:

Except as provided elsewhere in this contract, in case amicable settlements is not reached between the parties, in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the contract; or, the respective rights and liabilities of the parties; or, in relation to interpretation of any provision of the contract; or, in any manner touching upon the contract, then, either party may, by a notice in writing to other party refer such dispute or difference to the sole arbitration of an arbitrator appointed by Head of the BHEL unit, Trichy.

The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the parties.

Subject as aforesaid, the provisions of arbitration and conciliation Act 1996 (India) or statutory modifications or re-enactments thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceedings under this clause. The seat of arbitration shall be BHEL, Trichy. The cost of arbitration shall be borne as per the award of the Arbitrator.

Subject to the arbitration in terms of clause 5.0 above, the courts at Trichy shall have exclusive jurisdiction over any matter arising out of or in connection with this contract.

Notwithstanding the existence or any dispute or difference and/or reference for the arbitration, the contractor shall proceed with and continue without hindrance the performance of its obligations under this contract with due diligence and expedition in a professional manner except where the contract has been terminated by either party in terms of this contract.

22.0 FRAUD PREVENTION POLICY:

The bidder along with its associate/ collaborators/ sub- contractors/ sub-vendors/ consultants/ service provider 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.

Fraud prevention policy and List of Nodal Officers shall be hosted on BHEL website, vendor portals of Units/ Regions intranet.

For any clarifications, contact:

DGM / Contracts / Outsourcing,

3rd floor, Bldg.No.79,

Bharat Heavy Electricals Limited,

Tiruchirappalli – 620 014.

Ph. No: 0431 – 257 4622 / 4254 / 4149 / 4284 / 7678.

Email: kgtsuvami@bhel.in, jgayathri@bhel.in, nandankumar@bhel.in, snkumar@bhel.in, bc@bhel.in