SPECIAL TERMS AND CONDITIONS FOR LONG TERM CONTRACT FOR BUTT WELDED FITTINGS – ANNEXURE A

BHEL TERMS

1) BID VALIDITY :

This is an **Annual Long term contract for supply of BW fittings**. The quoted rates shall be valid for 15 months from the date of technical bid opening. **Bids with validity less than this period will be summarily rejected.**

2) ORDERING QUANTITY :

a) The quantity mentioned in the enquiry is only tentative. Based on actual requirement during the Long term contract, the total ordering quantity of each item shall vary from few numbers to a maximum of 3 times the Enquiry quantity.

b) BHEL will place order for the items usually in small lots as and when requirement arises during the contract period.

c) Ordering will be done on competitive bids at item level only. It will **NOT** be done on package basis. **Bids of suppliers who do not accept this tender condition will be rejected.**

d) Minimum order quantity (MOQ) / Minimum order Value (MOV) condition is **NOT** acceptable. **Bids of suppliers who do not accept this tender condition will be rejected.**

3) TENDER PROCESSING :

a) This tender shall be processed through E-Procurement.

4) ENTERING INTO LONG TERM CONTRACT :

a) Comparative statement will be prepared on total cash outflow basis on **FOR Trichy /Any Site in India** considering "Nil Customs Duty" for foreign suppliers & applicable duties and taxes (ED and CST) for indigenous suppliers. Exchange rate (SBI TT selling rate) as on Technical Bid opening date will be considered.

b) Counter offering of accepted L1 rates will be done to all other eligible suppliers.

c) Rate schedules for long term contract will be entered with all the suppliers for their eligible items at their finally agreed rates for a period of one year from the date of entering into contract.

5) ORDERING :

After entering into rate schedules, as above 4a – 4c, when requirement arises, fresh Comparative statement will be prepared for every lot on total cash outflow basis on **FOR Trichy /Any Site in India**, considering applicable duties and taxes for Indigenous vendors as on that day and custom duties of respective projects (weighted avg CD will be considered if more than one project is involved for an item) and exchange rate (SBI TT selling rate) as on 1st of that month of the lot in case of foreign vendors.

Taxes and duties as applicable on the date of preparing Comparative statement will be considered for arriving at L1 Vendor for ordering.

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6) QUANTITY SPLITTING :

a) In case only one vendor emerges as L1, entire quantity of the respective item shall be ordered on the L1 vendor against that lot. No splitting will be done for such cases.

b) In case more than one vendor emerge as L1, then the quantity will be split in the ratio of 50:30:20 (if 3 vendors are L1) or 60:40 (if two vendors are L1) as the case may be, giving major preference to original L1 vendor & MSE vendor (20%) if any. Also splitting will be limited to three vendors only inclusive of MSE vendor, if any, in the order of ranking as per original CS.

c) Splitting shall be done only if quantity under consideration is

Case (i), For OD up to 220 mm, where quantity is more than 30 nos.

Case (ii), For OD > 220 mm, where quantity is more than 15 nos.

d) Item level Quantity pertaining to one project shall be ordered on single supplier. This supersedes the condition stated in point 6 (b)

7) OTHER CONSIDERATIONS FOR ORDERING :

a) In case of projects where ordering has to be done on customer approved suppliers, CS will be prepared only for Customer approved suppliers with whom we have rate schedule and the ordering will be done as per para 5 mentioned above.

b) In case of urgent requirements, if more than one supplier becomes L1 as per condition in 5 above, order shall be placed on the supplier who gives the best delivery.

c) In case of “Non China” requirement, CS shall be prepared for all Non-China vendors with whom we have rate schedule, considering the impact price for Non-Chinese requirement (No raw materials / products / services shall be sourced from China either for manufacturing / supply) and the ordering will be done as per para 5 mentioned above.

8) Entering into Long term contract does not mean that all the items indicated will be ordered. Ordering will be done only when actual requirement arises and after ascertaining L1 price for each lot of requirement.

9) Performance and progress of the supplier will be monitored and Purchase Order will be placed based on the performance and capacity of the supplier. In case supplier fails to deliver within the delivery period BHEL reserves the right to cancel the order and place the order on next supplier with whom we have Long term contract.

10) If the ordered items are required for MEGA power projects, based on the dispatch advice by BHEL, material shall be dispatched to the respective project for which PAC will be issued by BHEL for availing Excise Duty exemption by the vendor. In such cases, ED will not be paid by BHEL.

11) DELIVERY TERMS FOR FOREIGN VENDORS :

Foreign vendors: The unit price shall be quoted on CFR CHENNAI port basis only. Delivery term as FOB is not acceptable. Tender shall be evaluated for price competitiveness on FOR Trichy /Any Site in India (total cost to BHEL) basis, considering quotation on CFR Chennai. The following is to be taken care by the vendor-

1. Bidders should submit their bid for CFR Chennai port basis
2. Port of loading should be indicated without fail.
3. Port of discharge should be Chennai and place of delivery – INTVT6 CONCOR ICD

Foreign vendors (CFR CHENNAI port basis) : The following is to be taken care by vendors –

CONTAINERIZED CARGO

For CFR terms, moved through CONTAINERS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis including extra charges, if any, like Container Imbalance Charges, Trade Imbalance charges or any other charges payable to the Liner. No other charges other than the quoted Freight rate will be paid by BHEL excepting applicable Terminal Handling Charges, Container cleaning Charges, DO charges to Shipping Liner at Discharge Port. 14 FREE DAYS FOR Container detention shall be provided. If any deviation is taken by Tenderer, a loading of 1% on unit rates shall be considered by BHEL for arriving at the Total landed Cost.
In case of shipment through Containers on CFR basis, the BL should bear the endorsement that 14 free days for Container Detention is applicable.
Place of delivery INTVT6 CONCOR ICD should be clearly specified in the Bill of Lading.

Note :
In the case of Containerized shipments on CFR basis, the place of delivery "CONCOR INTVT6" should be mentioned in BL and the charges for the inland transportation of Containers (Chennai Port to CONCOR INTVT6) shall be borne by Supplier by inclusion of same in the CFR rate.

In the case of non-acceptance of any Supplier to include the charges for the inland transportation of Containers (Chennai Port to CONCOR INTVT6), the same shall be paid by BHEL. But an amount of INR.300 per MT (in equivalent foreign currency as per the SBI TT selling exchange rate prevailing on the date of opening of technical bid) shall be loaded while commercial evaluation of the offer. However the Supplier shall ensure that the place of delivery "CONCOR INTVT6" is mentioned in BL.

12) MSE PREFERENCE :

In case the supplier belongs to MSEs (Micro Small Enterprises) – Indian vendors, Registration copy in this respect shall be submitted along with the offer. The MSE certificate shall be certified by a Chartered Accountant for the current status.

The following is the benefit for the MSEs':
In tender, participating MSEs quoting price within price band of L1+15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 20% of quantity (Item level). In case of more than one such MSE, the supply shall be shared proportionately. Out of the 20% reserved for MSE vendors , 4% shall be earmarked for MSE owned by SC/ST entrepreneur (supporting document proof to be submitted) If the MSE vendor do not match the counteroffered price, that quantity will be ordered on L1 vendor

MSE Suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either EM II certificate having deemed validity(five years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with the attested copy of CA certificate(Format enclosed at Annexure 1 where deemed validity of EMII 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 bid opening(part 1 in case of two part).Non submission of such documents will lead to consideration of their bid at par with other bidders. No benefit shall be applicable for this enquiry if any deficiency in the above required documents are not submitted before price bid opening. If the tender is to be submitted through e procurement portal, then the above required documents are to be uploaded on the portal. Documents should be notarised or attested by Gazetted officer.

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13) IDENTIFICATION OF FITTING BY INDICATING QUANTITY ON INDIVIDUAL FITTING :

In addition to the TDC requirements w.r.t. Identification & Marking for fittings (refer cl.8.3 of TDG:102/08) the following requirement has to be addressed with immediate effect.

"Individual serial number to be hard punched on each item/fitting for the size above OD 50mm.
For the size below OD 50mm the same shall be tied together and the above details shall be punched / engraved in a separate tag and tied to it."

The above is applicable for all the dispatches i.e. both dispatch conditions (i) Dispatched to BHEL's stores or (ii) Directly to project site.

Following are the points to be noted :
1) Serial number shall be "per size for P.O quantity" and shall be continuous numeric only.

2) Identified serial number shall be written on Manufacturing test certificate only for future reference and correlation. And it shall not be written on IBR forms.

3) All the individual test reports like dimensional report etc., shall be indicated with serial number for correlation.

For example, P.O. quantity is 100 no's in which 50no's were offered and cleared by inspection then Manufacturing test certificate & all relevant test reports shall be indicated with 1 to 50 as serial number.

For remaining P.O. quantity serial number shall start with 51 to 100.

14) INTEGRITY PACT (IP) :

a) IP is a tool to ensure that activities and transactions between the Company and its Bidders/ Contractors are handled in a fair, transparent and corruption free manner. A panel of Independent External Monitors (I EMs) have been appointed to oversee implementation of IP in BHEL. The IP as enclosed with the tender is to be submitted (duly signed by authorized signatory who signs in the offer) along with techno-commercial bid. Only those bidders who have entered into such an IP with BHEL would be competent to participate in the bidding. In other words, entering into this Pact would be a preliminary qualification.

Details of IEM for this tender is furnished below:
Name - Mrs. Pravin Tripathi, IA & AS (Retd.)
Address - D-243, Anupam Gardens, Lane IB, Neb Sarai, Sainik Farms, New Delhi – 110 068
Email - pravin.tripathi@gmail.com

(b) Please refer Section-8 of the IP for Role and Responsibilities of IEMs. In case of any complaint arising out of the tendering process, the matter may be referred to the IEM mentioned in the tender.
No routine correspondence shall be addressed to the IEM (phone/ post! email) regarding the clarifications, time extensions or any other administrative queries, etc. on the tender issued. All such clarification/ issues shall be addressed directly to the tender issuing (procurement) department.

15) EP DRWAING :

Kindly note that EP drawing has been updated to **REV 04**. Hence EP drawing **3-80-300-19825-R04** shall be applicable for this enquiry and not **3-80-300-19825-R03**.

16) TDG - 102 Rev 08, QPG. 46 Rev 01, Packing Procedure-PC-PKG-01, Tol Drawing 4-80-301-26192 rev 01 are applicable for this enquiry.