These Conditions shall be read in conjunction with General Condition of Contract (GCC Rev R0) enclosed along with the tender enquiry. In case of any conflict or inconsistency, the requirement of SCC REV. 00 shall prevail over the GCC.

Terms & Conditions:		
1.	**Type of Contract**	SUPPLY
2.	**Consignee address**	STORES INCHARGE BHARAT HEAVY ELECTRICALS LIMITED ELECTROPORCELAINS DIVISION PROF. CNR RAO CIRCLE, SCIENCE INSTITUTE POST, MALLESWARAM, BANGALORE-560012. Consignee address in LR should be strictly as per above.
3.	**Buyer and Paying Authority**	BHARAT HEAVY ELECTRICALS LIMITED - ELECTROPORCELAINS DIVISION
4.	**Mode of Dispatch**	**By Road** Note: It is Vendor's responsibility to ensure availability of Trucks schedule etc. well in advance for dispatch of material to meet contractual delivery requirement. It is also the vendor's responsibility to ensure material is dispatched through shortest possible route.
5.	**Price basis**	**Indigenous purchase –** Ex-works with PVC as per Annexure-B enclosed inclusive of packing & forwarding charges. Taxes, duties and freight to be paid in line clause no 4 of GCC REV. R0.
6.	**Transit Insurance**	In BHEL Scope. Insurance details shall be informed along with the NIT / Purchase Order. Prior Dispatch intimation shall be issued to Insurance agency about the value of consignment, dispatch details, along with one set of documents consisting of LR /AWB copy, Packing List, Challan indicating the items dispatched (with their weights). A copy of above should be sent by email to the following : gopal@bhelepd.com; jayapal@bhelepd.com; nag@bhelepd.com
7.	**Unloading at EPD**	In the scope of **BHEL-EPD**
8.	**Delivery schedule**	**AS PER ANNEXURE-D** Delivery extension shall be provided to the vendor(s) for the items and to the extent the delay attributes for

		the vendor like on account free issue of BHEL items and if drawing revisions etc., .
9.	**Payment terms**	As per GCC REV. R0.
10.	**Submission of Bank Guarantee (BG) for BHEL free issue like shoulder, flanges and ERW pipes**	BHEL will issue shoulders, flanges and spool pipes etc., to the vendor(s) free of cost for the assembly of items to be supplied by them. The list of the same is enclosed Annexure-A. The vendor shall submit BG towards security in the format attached, 7.5% of Purchase order value to be submit by the vendor within 10 days of PO for initial issue of 50% of the required quantity of items. The balance quantity of items shall be issued on the replacement basis on completion fabricated material by vendor. The BG shall be valid till completion of supply + 3 months claim period. Initially, it should be up to contract completion of supply + 3months completion later extended up to actual completion of supply.
11.	**Integrity Pact**	Applicable.
12.	**Inspection and Acceptance**	The routine inspection of material shall be done by Quality personnel of BHEL-EPD. BHEL reserve the right to inspect the material at vendor's works. Casings will be inspected at Vendors works by BHEL namely a) ROOT WELDING INSPECTION and b) FINAL WELDING INSPECTION STAGE. Casing cleared by BHEL at Root welding inspection stage only to be taken up for final welding.
13.	**Rejections**	The items where defects attributed to vendor's manufacturing process are noticed at the time of subsequent processing like assembly will be treated as valid rejections. The same shall be either replaced free of cost or payment towards it will have to adjusted from vendors pending bills.
14.	**Ranking Price & Load Share**	For ranking the vendors as L-1, L-2, L-3, L-4, L-5, the basis will be lowest tender value arrived at with quoted prices based on the landed cost basis and tender quantity for each item is the basis. As far as possible, the loading on the load/order basis shall be made among 5 successful vendors in the ratio of 30:25:20:15:10, subject to acceptance of negotiated L1 rates. Finalized L1 rates will be counter offered to vendors. The vendors will have the option to either to accept L1 counter

		offered rate or reject. No other offer of the vendors will be entertained. However, if sufficient vendors are not accepting L1 rates, order will be distributed in following ratios. 30:25:20:15:10 among five successful vendors 40:30:20:10 among four successful vendors 50:30:20 among three successful vendors 60:40 among two successful vendors In case of more than one vendor having same ranking, the load share corresponding to the ranking and the next ones will be clubbed together and will be equally distributed among such vendors. In case, any eligible vendor does not accept the counter offer, opportunity will be given to the next ranking vendor. If L1 vendor capacity less than our requirement, then balance qty. will be distributed equally among other eligible vendors. **If no vendor is accepting L-1 rates, total 100% order will be given to L-1 Vendor only**.

ANNEXURE-A

SL NO	NAME OF THE ITEM	QTY. IN No's Approx.	QTY. IN MT Approx.	Issued by BHEL
1	**MS CASINGS/BENDS 700NB (DRAWING DETAILS ANNEXERE-1)**	**590**	**246.299**	Shoulders & ERW pipe for spool (End fittings) will be issued by BHEL
2	**MS CASINGS/ST. PIPES 700NB (DRAWING DETAILS ANNEXERE-2)**	**352**	**97.658**	Flanges & Shoulders, Issued by BHEL as mentioned in the Drawing, if they come in the scope of vendor, weight of that will be included in the total weight of the casing.
3	**MS CASINGS/ST. PIPES 500NB (DRAWING DETAILS ANNEXERE-3)**	**220**	**22.143**	Flanges & Shoulders, Issued by BHEL as mentioned in the Drawing, if they come in the scope of vendor, weight of that will be included in the total weight of the casing..
4	**MS CASINGS/BENDS 500NB (DRAWING DETAILS ANNEXERE-4)**	**680**	**175.598**	Flanges & Shoulders, Issued by BHEL as mentioned in the Drawing, if they come in the scope of vendor, weight of that will be included in the total weight of the casing.
5	**FIE 500 NB (DRAWING DETAILS ANNEXERE-5)**	**256**	**61.559**	Shoulders (End fittings) will be issued by BHEL
TOTAL (APPROXIMATE)		**2098**	**603.257 ±30%**	

Note: Free issue items issued at BHEL-EPD stores, loading and transportation is in vendor's scope.

ANNEXURE-B

Following procedures and formula has been adopted for applying P.V. Clause for procurement of Ceralin Fabricated Items through Annual Rate Contract for the period of one year from the date of finalization.

THE FORMULA

New Price of the Item/ kg Base price = K (variation in M.S. Plate rate/ kg) – L (variation in M.S. Melting scrap rate/ Kg)

In above formula K and L are Constants. Constant K is material required in kg for per kg of finished product including scrap while Constant L is scrap generation in kg for per kg of finished product. Values of these constants are different for different items and mutually agreed values of the constants are mentioned in following table.

Sl no	Name of Item	Value of K	Value of L
1	MS Casing for Bends for both 500NB/700NB	1.20	0.20
2	MS Casing for St. Pipe for both 500NB/700NB	1.10	0.10
3	MS Casing for 500NB (FIE) BEND	1.15	0.15

1. Above formula has been formulated with assumption that % of scrap generation will remain same for a particular type of Item irrespective of various drawings.

2. Price of 6 mm MS plate and MS melting scrap (HMS-II) at the preceding month of dispatch as published in "JPCINDIANSTEEL.NIC.IN (with CHENNAI Rates) has been chosen as the reference. PV rate for the month will be arrived at with respect to average price prevailing during the preceding month and the same will be communicated to all the vendors. The vendor has to prepare their PV claim.

3. Reference to the PV rate applicable for the schedule delivery date or actual delivery date whichever is least. Vendors have to submit a consolidated bill for additional P.V. amount once in a month for all the supplies made within the month, with complete calculation as per above formula.

4. Purchase orders will be issued with the Basic Price only, fixed at the starting of Rate Contract for the whole period of Rate Contract.

5. If 6mm M.S. Plate rates at any point of time of the contract period is less than the 6mm M.S. Plate rates prevailing at the time of finalizing of Rate Contract, vendors have to give a credit note for deducting the calculated amount as per above formula from their existing bills, otherwise BHEL have every right to deduct the calculated amount from the existing bills of vendors.

6. Above formula is only applicable for rate variation if variation in steel price exceeds 3.5 % on either positive or negative side.

BHEL reserve right to review P.V. Clause based on market conditions.

Operation of PV Clause:

- Base price: Rs 44888.00/- per MT inclusive of ED+ST/VAT for 6 mm plates as of 05.05.2017 (WWW.JPCINDIANSTEEL.NIC.IN (with CHENNAI Rates). Scrap rate (HMS-II): Rs.20738.00/- per MT inclusive of ED+ST/VAT as of 05.05.2017 (WWW.JPCINDIANSTEEL.NIC.IN (with CHENNAI Rates)).
- Consolidated PV Bills to be submitted once a month.
- For negative PV, amount will be debited to vendor's outstanding bills.

If Vendors are local and interstate participated in the tender to arrive at L1 rate Landed cost is the basis. The calculation sheet is enclosed here with for your reference and quote.

ANNEXURE-D

DELIVERY SCHEDULE

		TOTAL		45 DAYS FROM PO DATE		75 DAYS FROM PO DATE		105 DAYS FROM PO DATE		135 DAYS FROM PO DATE			
	DESCRIPTION	QTY	WT (TON)	QTY	WEIGHT	QTY	WEIGHT	QTY	WEIGHT	QTY	WEIGHT	TOTAL QTY	TOTAL WT
1	700 NB BENDS	590	246298.6	148	61574.64	148	61575	148	61574.64	148	61574.64	590	246298.56
2	700NB ST PIPES	352	97657.92	88	24414.48	88	24414	88	24414.48	88	24414.48	352	97657.92
3	500 NB ST PIPE	220	22143.16	55	5535.79	55	5535.8	55	5535.79	55	5535.79	220	22143.16
4	500 NB BENDS	680	175598.6	170	43899.65	170	43900	170	43899.65	170	43899.65	680	175598.6
5	500 NB BENDS (FIE'S)	256	61559.24	64	15389.81	64	15390	64	15389.81	64	15389.81	256	61559.24
	TOTAL	2098	603257.5	525	150814.4	525	89240	525	150814.4	525	150814.4	2098	603257.48

Note: Vendor(s) shall supply the proportional order quantity in the durations mentioned above.