

TENDER NOTICE

Tender Notice No: HY/FINANCE/SV/1/14-15

Date: 20-06-2014

Sealed offers are invited from the eligible bidders in two part bid (technical and price bid) in separate sealed covers, clearly super scribing the tender notice number, name of the work, name and address of bidder, nature of offers 'Technical ' and ' Price bid" . The offers are to be addressed to "DGM, Purchase Coordination-CMM, BHEL, Ramachandrapuram, Hyderabad – 502 032, confirming the total compliance to the pre-qualification requirements indicated below, according to dates and time indicated below. Offers will be opened by the representative in Vendor Complex (Purchase Co-ordination) , BHEL RC Puram, Hyderabad -502032 in the presence of the bidders or their authorized representatives on the date and time indicated below.

- 1 Name of the Work: Physical Verification of and assets (Movable and immovable). Details of items to be physically verified, location of items and volume is given in Annexure C.
- 2 Approximate Estimated value of work : Rs. 3,55,000/- (Three lakhs fifty five thousand only) per financial year.
- 3 Tender documents can be downloaded through BHEL web site. (<http://www.bhel.com>).
- 4 Last date for receipt of filled in tender: 05-07-2014 by 11.00 A.M
- 5 Date and time of tender opening :. 05-07-2014 at 14.30 hrs.
- 6 Period of Contract : Financial Year 2014-15 and 2015-16 (extendable to one more financial year subject to compliance of BHEL Works Policy Para No. 23)

Pre-Qualification Requirements: The following conditions have to be satisfied by the bidder and evidence to be enclosed with the offer.

1)The person/Firm submitting offer shall be :

a) A Chartered Accountant as defined in the Chartered Accountants Act and holds a valid certificate of practice under the provisions of that Act or

b) A Firm of Chartered Accountant

and,

2) A Chartered Accountant or a Firm of Chartered Accountants in practice for minimum five years.

Other Conditions:

- 3) BHEL reserves the right to split up the work into convenient portions and award them to different CA Firms.
- 4) BHEL reserves the right to reject incomplete tender documents.
- 5) The quotations shall be valid for 60 days from the date of opening the tender.
- 6) The contract is valid up to 31st March, 2016 from the date of assignment of the contract and may be extended for one more consecutive financial year, subject to administrative approval. BHEL reserves the right to suspend the agreement any day without assigning any cause or reason whatsoever.

7) The bidder shall agree to comply with the following :

- a) Scope of work as given in Annexure A,
- b) General terms and conditions, contractor's obligations, and instructions stipulated in Annexure B
- c) Particulars of items to be physically verified, its volume, frequency of verification and location as given in Annexure C

and submit signed and sealed copy of Annexure A,B and C along with quotation in the format given in Annexure D to that effect.

8) The bidder shall quote in detail in the format at Annexure D. Annexure- A, B and C and D duly signed and stamped by the bidder(a partner in case of firm of Chartered Accountants) shall be placed in the sealed cover along with the following documents duly certified.

- a) Experience of bidder (Details of Audits and Assignments, etc.) supported by documentary proofs.
- b) Details about the Firm or office – for ex. Number of partners, name and membership number of partners, address and occupation of partners, Firm Registration No, Details of staff and branches if any, etc

9) The total contract value, calculated based on prices quoted in the Format at Annexure-D , will be considered for deciding the L1 bidder.

10) Any increase in cost of living allowance, wages and any other expenditure shall be absorbed by the bidder himself and BHEL will not reimburse the increase in Cost of living allowance, wages and other expenditures. The bidder shall anticipate such hike and quote.

11) The successful bidder shall commence the work within 7 days of awardal of contract.

12) The successful bidder (herein called as CA Firm) shall execute an agreement on Rs. 100/- non-judicial stamp paper for a period from the date of awardal of contract upto 31st March 2016 and security deposit at the rate of 10% of the contract value shall be paid/deposited as per BHEL Works Policy Para 8.2.

Sr.AO/Stock Verification

Sign and seal of contractor

ANNEXURE A

Scope of Work:

- The particulars of items to be verified, volume, location, frequency of stock verification as per present record is given in the Annexure C. However this may vary depending upon actual stock position. The items to be verified includes following :
 - Raw materials, components, stores and spare parts.
 - Fixed asset items (capital as well as those charged off to revenue as per accounting policy) like buildings with fittings and fixtures, electrical installations, plant and machinery, furniture, fixtures, office equipments, locomotives, transport vehicles, material handling equipments etc.
 - Equipments, furniture and fixtures supplied by BHEL to institutions like schools/clubs/community centre, etc., in the township as BHEL assets. BHEL assets given on lease shall also be physically verified. Similarly, assets taken on lease (both operating and financial) shall also be verified.
 - Stationery, gift articles and other consumable items.
 - Library books
 - Assets/kitchen-ware under the charge of canteens.
 - Assets at hospitals, dispensaries, guest houses, staff welfare clubs, community centres and training schools, etc.
 - Verification of inventory of finished goods in stores and in warehouses, work-in-progress at the end of the financial year.
 - BHEL materials lying with Fabricators /Sub-contractors and also materials received from customers free of cost for job work undertaken by BHEL
- The scope of stock verification of stores and assets, is to ensure that the materials / assets (movable / immovable) held in stock or in the custody of

various departments confirm to the description/material code/Quantity and specifications shown in the bin card/stock register or asset records in SAP System, that the actual physical balance thereof agrees with the balance appearing in the bin card/stock register /asset records in SAP System and that the shortages or surpluses, wherever noticed on physical verification, are properly investigated and regularized/settled under the orders of competent authority.

- The verification of stock or stores and materials etc. is an effective measure to help in the prevention and detection of fraud, pilferage, leakage and misappropriation.
- The work involves physical verification in the location indicated in the Annexure C, of stock of raw materials, stores & spares, tools, assets, consumables etc. with respect to the ledger balances in SAP System, preparation of discrepancy vouchers if any and ensure that discrepancies have been rectified.
- Any other work related to stock verification as directed by the in charge of the BHEL Stock Verification Section.
- Stock Verification and settlement of discrepancies shall be conducted as per the procedures and instructions prescribed in BHEL Stock Verification Manual.
- CA Firm shall submit daily progress report and monthly report of verification in prescribed format. The monthly report of verification duly signed by the concerned stores officer/Department executive (in case of assets)/sub-contractors (in case of materials lying with subcontractors) and , shall be certified by the CA Firm.
- The duties and responsibilities of Stock Verification team shall also comply with the duties, responsibilities and other instructions as mentioned in BHEL Stock Verification Manual.

Annexure B

General Terms and Conditions :

- CA Firm shall engage and decide the number of suitable staff to carry out the daily verification work in time under its supervision. CA Firm shall ensure that the staff possess proper qualification, experience and skills to conduct the physical verification of inventory and fixed assets
- In case of emergency, if any additional staff is required to carry out the verification work, CA Firm shall provide the additional staff.
- Change in staff, if any shall be made only in consultation with BHEL
- The stock verification work shall be conducted during 8.00 to 4.30 PM.
- No. of items mentioned in price format is only an estimate and actual number of items in each category may vary.
- In case of awardal of work, CA Firm has to submit security deposit of 10% of the contract value. Security Deposit may be furnished in any one of the following forms:
 - i) Cash (as permissible under the Income Tax Act)
 - ii) Pay Order, Demand Draft in favour of BHEL
 - iii) Local cheques of scheduled banks, subject to realization.
 - iv) Securities available from Post Offices such as National Savings Certificates, Kisan Vikas Patras etc. (Certificates should be held in the name of Contractor furnishing the security and duly pledged in favour of BHEL and discharged on the back).
 - v) Bank Guarantee from Scheduled Banks/ Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL.
 - vi) Fixed Deposit Receipt issued by Scheduled Banks/ Public Financial Institution as defined in the Companies Act. The FDR should be in the name of the contractor, A/C BHEL, duly discharged on the back.
 - vii) The security deposit shall not carry any interest.
- The contract shall be cancelled if the security deposit could not be deposited as per norms.
- All information relating to BHEL including information on Stores, Assets, Inventories, etc and reports, statements of physical verification work shall be treated fully confidential and not be shared with any outsiders other than Stock

verification cell/ Finance Department of BHEL RC puram Unit. Any Leakage of such Information shall be viewed as serious lapses in performance.

- If verification report is submitted without actual verification which affects department reputation the CA Firm would be fully responsible.
- In case the CA Firm does not carry out the Statutory obligations or the services rendered by it are found to be unsatisfactory, BHEL shall bring the same to the notice of firm. Upon which the Firm will be obliged to discharge the obligations and rectify the deficiency/anomaly within three days time.
- Also, BHEL reserves the right to terminate the contract any day during the operation of contract, without assigning any cause or reason whatsoever. In such an event, no damages will be payable for short closure of the contract.
- Any matter or suit or other legal proceedings arising out of or in connection with agreement shall be under jurisdiction of Sangareddy court (Medak Dist) A.P.
- Entry passes for staff of CA Firm carrying stock verification will be arranged by BHEL.
- Besides regular stock verification as per monthly programme, Surprise verification of valuables and pilferable items of stores and assets shall also be carried out in the prescribed manner whenever the instructions for the same is given by the BHEL Stock Verification Officer.
- Penalty: The verification work is time bound. Verification Programme will be handed over in advance. Any delay (if delay occurred for reasons attributable to CA Firm) will attract penalty @ 2% on the amount of fees payable for verification of items not verified as per programme. However BHEL reserves the right to change the monthly verification programme.
- BHEL shall have the privity of the contract with the CA Firm only and will give instructions to the CA Firm or his authorized representative. BHEL have nothing to do or be concerned with the employment of employees working for the CA Firm. The relationship between BHEL and the CA Firm will be of independent entities and nothing herein contained will amount to joint venture, partnership or an employer-employee relationship.

- The CA Firm shall adhere to all the instructions notified by the BHEL , Labour Department, P.F. authorities, Factory Inspectors, ESI Inspectors, or any other such authorities under any Act, rules and regulations from time to time.
- Non-compliance of any provisions under the act/rule/instructions/guidelines shall make the CA Firm liable for termination of contract.

Payment Terms:

- Claim for reimbursement of physical verification fees shall be made on quarterly basis by first week of the following quarter for verification work done during the previous Quarter.
- Payment for verification work done will be made at quoted rates for the actuals in each category, subject to overall ceiling to total contract value.
- Payment of verification charges shall be subject to deduction of TDS as per income tax Act.
- The payment for surprise stock verification will be on the basis of normal rate of respective items verified.
- In case of plant & machinery and other fixed assets payment shall be made for the items physically found.
- Professional fees are to be indicated separately for each item given in the price format at Annexure D. Service tax as applicable is payable extra.
- Evaluation of offer for physical verification work will be based on total cost to BHEL for the year which shall be calculated as sum of the value obtained from “rates per items” multiplied by “number of items for verification for the year as given in the price format” .
- The bidders are advised to get themselves fully acquainted with the BHEL Rcpuram Unit and its subcontractors working conditions before submitting the offer.
- Quoted rates are firm till the completion of contract.

Obligations :

- CA Firm to ensure that the employees deployed for physical stock verification are physically and mentally fit and do not have any criminal record. Such employees should possess requisite skill, proficiency, qualification, experience etc.
- CA Firm to provide safety appliances and safety shoes to his employees. CA Firm shall be responsible for enforcing all safety regulations as applicable including Safety rules and regulation issued by BHEL. CA Firm to ensure that all precautions are taken for safety of its employees and equipments. CA Firm shall provide safety appliances and maintain the same at its own cost which may be required under the statute or otherwise.
- All statutory requirements under Minimum Wages Act, 1948, Factories Act, Payment of Wages Act, 1936, Workmen Compensation Act. 1923, EPF & MP Act, 1952, Payment of Gratuity Act. 1972. ESI Act 1948, The contract labour (R&A) act 1970, Payment of bonus act 1965, Income tax act, Service Tax Act, Child Labour Act (regulation & abolition) and any other Acts as applicable for the time being in fore, shall be complied with by the CA Firm.
- CA Firm shall also comply with all statutory requirements, rules, regulations, notifications in relation to employment of its employees issued from time to time by the concerned authorities.
- CA Firm shall indemnify BHEL against all claims and losses under various labour Laws, statutes or, any civil or criminal law in connection with the employees deployed by it for physical stock verification.
- Any liability for any compensation on account of injury sustained by an employee of the CA Firm shall exclusively born by the CA Firm.
- CA firm to obtain insurance cover for his employees carrying out physical verification and take third party risk insurance coverage at its own cost. BHEL

shall not be responsible for any loss or damage of any kind to the staff of the firm.

Special Instructions

- The submission of quotation shall be strictly in accordance with the terms and conditions stipulated in this tender notice. No counter conditions will be acceptable or valid.
- The bidders(technically qualified) must satisfy themselves by personal study, inquiries and visit to BHEL Plant and Stores,etc and understand thoroughly the scope of proposed work in detail and all conditions affecting the work before quoting. There shall not be at any time after submission of the tender, dispute/ complaint of any nature regarding the scope or work and interpretation of specifications or any misunderstanding with regard to nature or omission of the work to be done nor shall any application for compensation in terms of time and money shall be accepted by BHEL in regard to the above.
- The rates quoted by the bidder shall be firm for the contract period. No revision in the contract rates shall be allowed during the period of contract.

ANNEXURE C

Particulars of items to be physically verified in respect of location, volume and frequency, etc

SUMMARISED STATEMENT

S/ No.	Items to be Verified	Units	Quantity for Normal Verification	Quantity for Surprise Verification	Total Quantity	Items to be verified each year
			a	b	c= a +b	
I	Inventory - Lying at BHEL, Rcpuram Unit (Details Enclosed)					
	Material classified under "A" Class having value Rs. 25000 & above	No. of items	12322	1232	13554	100%
	Material classified under "B" Class having value Rs. 5000 & above and Less than Rs. 25000	No. of items	10484	1048	11532	100%
	Material classified under "C" Class having value less than Rs. 5000	No. of items	18835	1884	20719	50%
II	Finished Goods/ Work in Progress at BHEL, Rcpuram Unit	No. of items	3000		3000	100%
III	Material - lying with Subcontractors/ Fabricators	No. of items	9303	930	10233	33%
IV	Assets lying with BHEL, Rcpuram Unit					
	Fixed Assets	No. of Assets	7511	751	8262	50%
V	Library Books at BHEL, Rcpuram Unit					
	at TIC Library, Factory	No. of Books	34928		34928	33%
	at HRDC	No. of Books	5500		5500	33%
	Total		101883	5846	107729	

Annexure D**Contract Value**

S/ NO.	Items to be Verified	Units	Quantity for Normal Verification	Quantity for Surprise Verification	Total Quantity	Frequency	Rate	Value
			a	b	c= a +b	each year		
1	Inventory - Lying at BHEL, Rcpuram Unit							
	Material classified under "A" Class having value Rs. 25000 & above	No. of items	12322	1232	13554	100%		
	Material classified under "B" Class having value Rs. 5000 & above and Less than Rs. 25000	No. of items	10484	1048	11532	100%		
	Material classified under "C" Class having value less than Rs. 5000	No. of items	18835	1884	20719	50%		
2	Finished Goods/ Work in Progress lying at BHEL, Rcpuram Unit	No. of Items	3000		3000	100%		
3	Material - Lying with Subcontractors/ Fabricators	No. of items	9303	930	10233	33%		
4	Assets lying with BHEL, Rcpuram Unit							
	Fixed Assets	No. of Assets	7511	751	8262	50%		
5	Library Books at BHEL, Rcpuram Unit							
	at TIC Library, Factory	No. of Books	34928		34928	33%		
	at HRDC	No. of Books	5500		5500	33%		
	Total		101883	5846	107729			0