



REF : BHEL : PC : FITTINGS : MOU : 2015 REV 00

BHEL / PIPING CENTRE / CHENNAI

**TECHNO COMMERCIAL MEMORANDUM OF UNDERSTANDING FOR
SUPPLYING FABRICATED FITTINGS FOR ENQ- 4101700017 DT 16.06.17**

BETWEEN

M/S. BHEL, PIPING CENTRE, CHENNAI. 600 017

&

M/s.

(To be filled in by the bidder)

VENDOR'S SIGNATURE WITH SEAL

BHEL PIPING CENTRE



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- This Techno commercial MOU is signed by (M/s) and M/s BHEL PIPING CENTRE CHENNAI for having agreed to the technical and commercial terms (except price & delivery) indicated below finalized through enquiry for the supply of Fittings for Enq- 4101700017 dt 16.06.2017.
- The MOU will stand valid till 31.12.2017. The MOU validity may be extended, if required by M/s BHEL, with the consent of vendor. However if any change is required within the validity of the MOU, the MOU may be amended with mutual consent.
- Vendor is eligible to quote and get orders only for the product specifications and size range approved by BHEL. Offers received for items out of approval range will be rejected by BHEL.

SL NO	MOU TERMS
1	Type of Bid : AN ENQUIRY CAN BE EITHER A 'SINGLE PART' BID TYPE OR 'TWO PART' BID TYPE. The type to which (SINGLE OR TWO PART) an enquiry is resorted, will be indicated in the enquiry itself. Vendor has to submit their bids suitably.
1.1	<u>Single Part Bid :</u> Vendor has to submit only the PRICE BID in the format that will be sent along with the enquiry. It shall be noted that that <u>no deviations to tender terms (techno-commercial) including delivery period is allowed for single part tenders.</u>
1.2	<u>Two Part Bid :</u> In case of two part bid , two bids (Part I & Part II) have to be submitted : PART I : a. Vendor has to confirm to supply as per MOU , in the format which will be sent along with enquiry. b. Unpriced bid to be submitted to know the items for which the vendor has quoted. c. Deviations if any, wrt enquiry shall be given in a separate sheet. Deviations mentioned elsewhere are not acceptable . PART II : Price bid has to be submitted in the format that will be sent along with the enquiry. Both PART I bid and PART II bid, each sealed in a separate cover, shall be sent indicating 'TENDER No. WITH DATE' , 'TENDER OPENING DATE' , 'ITEM DESCRIPTION : FITTINGS' & 'TECHNO-COMML' (OR) 'PRICE PART' and shall be sent to Sr. Manager / PURCHASE (FITTINGS) BHEL PIPING CENTRE PURCHASE DEPARTMENT NO 80, GN CHETTY ROAD (II FLOOR) T.NAGAR, CHENNAI 600 017 In case offer is delivered through representative, offer shall be dropped in the Tender Box available at Purchase department, second floor of the above mentioned address.



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2	<u>Technical Requirements:</u>
	Product wise technical points and common points are given below:-
2.1	<u>Technical points:</u>
2.1.1	BW FITTINGS OF SPECIFICATIONS LIKE SA234 WPB / WPC / WP11 / WP22 / WP91 ETC. (FITCS, FITAS, FITSS, FIT91)
	a) BHEL TDC No TDG:102:08 (or * latest revision) has been agreed in toto and shall be followed for manufacturing and supply of Butt Welded fittings. For SA234 WP91 fittings raw material sources shall be as per QCP:18 (Forgings grade 91) and QCP:19 (Seamless Pipes grade 91). b) Quality plan ref: QPG 46 rev 01 shall be followed. c) Agreed to supply fittings as per BHEL drawings, if any, sent along with enquiry. If there is any clarification in BHEL's drawings, vendor shall get it clarified. Vendors need not submit any separate drawing for approval. d) Edge preparation shall be done as per BHEL drg no: 3-80-300-19825 rev 03 OR 3-80-999-97744 rev 00, as applicable. EP style & D1 value shall be as mentioned against each item in the enquiry / PO. e) Tolerance shall be as per BHEL drawing 4-80-301-26192 rev 01 f) Offers shall be for Seamless / Welded construction as per enquiry (as mentioned against each item) g) Seamless construction is acceptable in place of welded construction. However Welded construction is not acceptable in place of seamless construction. h) All the reducers are concentric, unless otherwise specified as eccentric. All the elbows are LR, unless otherwise specified as SR.
2.1.2	FORGINGS TO SPECIFICATION LIKE SA105 / SA182 F11 / F22 / F91 (FITFG, FIF91, FITFLG, FIF91NIB)
	a) BHEL TDC No TDG:104:09 (or * latest revision) has been agreed in toto and shall be followed for manufacturing and supply of Forgings. For SA182 F91 and F92 fittings raw material sources shall be as per QCP:18. b) Agreed to supply as per BHEL drawings sent along with the enquiry. Edge preparation shall as per BHEL drawings. c) Vendor to submit quality plan for approval. Vendors who have already obtained approval shall confirm to manufacture as per the same. d) Plain Forgings (Forged Stubs), for which drawings are not given by BHEL, shall be supplied as proof machined with square ends only with tolerance OD +2 / -0, ID +0/-2, L +2/-2 mm
2.1.3	FABRICATED TEES, Y-PIECES & PIPE WITH ATTACHMENTS (FITW9, FITWA, FITWC)



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	a) BHEL TDC No TDG:108:07 and TDG:109:00 (or * latest revision) has been agreed in toto and shall be followed for manufacturing and supply of FABRICATED TEES, Y-PIECES & PIPE WITH ATTACHEMENTS. b) Agreed to supply as per BHEL drawings sent along with enquiry. c) Vendor to submit the following, for approval by BHEL/ PC, along with the Technical offer. If approval is already obtained from BHEL/PC a copy of the same shall be provided. 1) Welding documents "Welding Procedure Specifications"(WPS) and "Procedure Qualification Records"(PQR). 2) NDE procedures 3) Vendor to submit quality plan for approval. Vendors who have already obtained approval shall confirm to manufacture as per the same. d) Edge preparation shall be as per BHEL drawings sent along with enquiry. * In case of any revision in TDC, the same shall be sent separately/along with the tender and may be agreed upon
2.2	<u>Common points</u> a) Vendors shall not alter the description and size details given in the enquiry. b) All fittings shall be painted, marked and packed as per TDC requirement. Vendors shall note the latest revision in this context. c) Vendor shall quote only for the sizes which are within their manufacturing range and fittings shall only be manufactured in their works approved by BHEL, Piping Centre. d) Packing shall be as per attached procedure ref: PC:PKG:01 e) Melt number should be punched on the material without fail. Also all the dimensions mentioned in the documents, hard punched on the material shall be as per the Purchase order. (in'mm' and not in 'inch') f) Any cost implication arising due to non-compliance to TDC conditions will be debited from vendors account after informing the same.
3	<u>Delivery Terms</u> : The unit price shall be quoted Preferably on CFR/Chennai port. 21 days free period shall be allowed for container detention to enable clearance of cargo. (OR) FOB BASIS (Name the port of loading) Tender shall be evaluated for price competitiveness on total cost to BHEL/Trichy stores. <i>Vendors who have quoted on CFR/Chennai port basis, and in-case ordering has to be considered on FOB basis, indicate the loading port name & reduction (%) in unit rates for considering FOB instead of CFR, shall be indicated in the respective offers.</i> Vendors are required to indicate the correct shipment weight details on dispatch documents, BL and packing list. Mismatch in the shipment weight details causes delay in customs clearance of the items from the port. Cost implications, if any on account of weight mismatch will be passed on to the vendor.



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4	<u>Price:</u> Quoted price shall be FIRM till the completion of supply. Prices shall include Testing, Inspection, Packing & Forwarding charges .
5	<u>Tender Process:</u> Tender shall be processed by E-procurement/ conventional sealed Bids. Prices shall be finalized through opening of sealed price bid or through reverse auction. This will be informed by BHEL after evaluation of Techno-commercial bids. Price Comparison shall be made by considering the Exchange rates as on Technical bid opening date. (State Bank of India – TT Selling Rates) Ranking will be based on Net Cash Outflow to BHEL on FOR-Trichy Stores/Any site in India basis.
6	Ordering will be done on item level L1 vendor only and NOT as a total package. Hence Minimum Order Quantity (MOQ) / Minimum Order Value (MOV) condition will not be accepted.
7	<u>Test certificates (TC) along with Inspection Reports (IR)</u> as called for in the TDC (Three ink signed originals) shall be sent to Sr. Manager, Purchase (Fittings)/ Piping Centre BHEL Chennai immediately after the shipment / dispatch of items. TC & IR shall be furnished for each batch of dispatch / consignment. If entire P O quantity is manufactured in one lot but dispatched in phased manner, original IBR FORM should be submitted with the first consignment. For subsequent consignments , attested Xerox copy of IBR along with Xerox copies of TC & IR indicating Invoice detail against which original TC & IR was handed over to BHEL shall be submitted. Soft copies of the all the test certificates shall also be submitted through email. Year of Code for the technical standards shall be latest and the specific year has to be mentioned in the Manufacturer's test certificates, as well as applicable IBR Forms.
8	<u>Offer Validity:-</u> 90 days from the date of technical bid opening / 60 days from the date of last reverse auction .
9	<u>Delivery :-</u> Delivery shall be as indicated in the respective tenders.
10	<u>Response :-</u> If the vendor is not interested / not in a position to participate in the tender, vendor shall send regret letter with reason for not participating, before due date of the tender.
11	<u>Shipment:-</u> To be delivered at CFR/Chennai port (or) mentioned loading port in case of FOB basis.
12	<u>Inspection:-</u> Inspection shall be only by reputed agencies like Lloyds , BV , SGS , TUV (agency approved by IBR for that country of origin).
13	<u>Inspection Charges:</u> Inspection charges and testing charges shall be included in the quoted price.



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14	<u>BHEL Standard Guarantee Clause:</u> The materials are to be guaranteed for satisfactory performance for a period of 24 months from the date of dispatch or 18 months from the date of commissioning / putting into use whichever is earlier and if any defect is noticed during the above period, the same shall be rectified/replaced free of cost on FOR / Destination basis within a reasonable time, maximum limited to the agreed delivery period. To this effect a Guarantee certificate should be sent along with the dispatch documents in the event of an order.
15	<u>LD Clause :-</u> If the supplier fails to deliver the fittings within the period specified in the contract the purchaser shall deduct Liquidated Damages, a sum equivalent to 0.5% of the price for each week of delay up to a maximum of 10% of the price of delayed/undelivered portion. However it may be noted that loading on quoted prices for LD shall be done to the extent to which the bidder is not agreed (for e.g. if vendor agrees for LD max. of 6% then the remaining portion i.e. 4% shall be loaded on his quoted rates for evaluating the offer). For the purpose of LD, B/L date will be taken as the delivery date for orders on CFR/Chennai port basis. For FOB basis, final inspection clearance date shall be considered. LD will be calculated for the number of days delayed from the PO delivery date. %LD per day and LD value calculations are elucidated below: No of days delayed = (B/L date or final inspection clearance date, as applicable) – PO delivery date %LD per day = (No of days delayed) * (0.5 / 7) subject to a maximum of 10% . [% LD to be rounded to two decimals] LD Value = %LD calculated above * Value of the delayed supply Vendor to indicate max. agreed LD in following space -----, if agreed max LD is not 10%, the remaining portion shall be loaded in quoted rates.
16	<u>Risk Purchase Clause :</u> Alternatively the purchaser at his option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefore. The supplier shall be liable for any loss which the Purchaser may sustain by reason of such risk purchases in addition to penalty at the rate mentioned under liquidated damages.
17	<u>Payment Term:</u> No advance payment shall be made by BHEL. 1) Preferably 100% CAD basis (Cash against documents through bank) Documents required for payment : • Bill of Lading • Invoice • Packing list • Country of origin certificate 2) In case supplier insists for 100 % LC at sight, it may be noted that loading for LC charges will be made @ 1.5% of quoted rates. Bank charges shall be to their respective accounts.



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	<i>Vendor is requested to choose one of the given two options and specify in the part-1 (Techno-commercial) bid.</i> The following documents shall be sent to Sr. Manager/Purchase/BHEL/PC directly. • Inspection report • Test Certificate • Guarantee Certificate
18	<u>Micro Small Enterprises: (MSE)</u> Preference will be given for Indian Micro and Small Enterprises as per Govt. of India guidelines as follows : In tender, if prices quoted by the participating MSEs lies within the price band of L1+15%, they shall be allowed to supply a portion of the requirement by bringing down their price to L1 price, in a situation where L1 price is from vendor other than an MSE. Such MSE shall be allowed to supply up to 20% of quantity (Item level). In case of more than one such MSE, the same shall be shared accordingly. This clause shall be applicable only for items with quantity more than 10 nos.
19	<u>Forwarding of Dispatch documents and Test Certificates (As per annexure 1):</u> Vendor shall indicate the item description as “BOILER COMPONENTS - FITTINGS” in all the dispatch documents like Bill of Lading, Invoice, Packing list and Country of Origin certificate etc. Vendor shall negotiate the documents with Bank only “For the net shipment value”. (i.e. Invoice value excluding LD value calculated as per clause no. 15)
20	<u>NOTE :-</u> • 20% reservation for MSE vendors (Indian) is as per MSE clause mentioned above. • Ordering will be done on item level L1 vendor and not as a total package unless specified in the enquiry . • The PO copy with all details will be given to successful bidders in soft mode also. • Acknowledgement for receipt of PO shall be sent within 5 days from the date of receipt of the PO. • During the Contract period, any of our sister units of BHEL Piping Centre will be entitled to place order for this item on the same terms and conditions with the consent of the vendor. • BHEL reserves the right to cancel the tender without assigning any reasons what so ever. • Deviation taken after placement of order will not be accepted (Both technical & on delivery) • Lowest prices received against BHEL tenders do not mean order will be placed on that Supplier. BHEL reserves the right not to consider the same. • BHEL reserves the right to negotiate or re-float the tender opened if L1 price or other details are not acceptable to BHEL. • BHEL reserves the right to order on more than one vendor at the lowest acceptable price. • Vendors are requested to take note of the “BHEL FRAUD PREVENTION POLICY” available in website www.bhel.com.



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| | <ul style="list-style-type: none">• Vendors are requested to ensure that correct rates are being quoted in the price bid. In-case vendors do not honor their quoted rates, after price bid opening, stating that they have quoted low / erroneous prices, it shall be viewed seriously by BHEL. Vendors are requested to go through the 'Guidelines for Suspension of Business Dealings with Suppliers/Contractors' available on www.bhel.com on "Supplier Registration" page. |
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No deviations to MOU shall be taken by vendor while submitting offer. If any other document except called for in the tender is submitted they will not be considered / evaluated by BHEL .Terms finalized in MOU shall be final.