

Annexure A - Special Terms & Conditions for Enq- 4101700041 dt 04.10.2017

1. Reverse Auction

BHEL reserves the right to go for reverse auction (RA) (guidelines as available on www.bhel.com) instead of opening the sealed envelope price bid submitted by the bidder. This will be decided after Techno-Commercial evaluation. Bidders to give their acceptance with the offer for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case bhel decides to go For RA.

Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'Process Compliance Form' (to the designated service provider) as well as 'Online Sealed Bid' in the Reverse auction. Non-submission of 'Process Compliance Form' or 'Online Sealed Bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant Guidelines for suspension of Business Dealings with Suppliers / Contractors (as available on www.bhel.com).

The bidders have to necessarily submit Online Sealed Bid less than or equal to their envelope sealed price bid already submitted to BHEL along with the offer. The envelope sealed price bid of successful L1 bidder in RA, if conducted, shall also be opened after RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed price) thus obtained. The bidder having submitted this offer specifically agrees to this condition and undertakes to execute the contract on thus awarded rates.

If it is found that L1 bidder has quoted higher in online sealed bid in comparison to envelope sealed bid for any item(s), the bidder will be issued a warning letter to this effect. However, if the same bidder again defaults on this count in any subsequent tender in the unit, it will be considered as fraud and will invite action by BHEL as per extant Guidelines for Suspension of Business Dealings with Suppliers / Contractors (as available on www.bhel.com).

2. Bill of Entry filing (Applicable for foreign bidders)

Indian Customs has imposed a penalty on late filing of Bill of Entries (Air / Sea Shipments) by the importer @ INR 5,000/- per day (for Initial 03 days) & INR 10,000/- per day (thereafter). The maximum free time allowed for filing Bill of Entry is 24 hrs from the time of arrival of cargo at final port of discharge.

The vendor should furnish the Non-Negotiable Documents (Air Way Bill / Bill of Lading, Error free Commercial Invoice, Packing List, Certificate of Origin) by email and by post / courier to BHEL well in advance (ie. 5 days prior to landing in case of sea and 2 days prior to landing in case of Air) at final port of discharge.

Vendor will be held responsible for the penalty arising against late filing of Bill of Entry by BHEL due to-

- a. Non-availability of Non-Negotiable Documents (NND's) before the cargo arrival
- b. Discrepancy in documents
- c. Short landing of consignments (For shipments on CFR – Chennai Port)

For all shipments for the contracts (PO's) finalized on CFR Chennai port basis-

- a. Delivery Orders involving multiple agencies like liners / freight forwarders are not allowed. There must be a single agency office at the final discharge Port (Chennai) for issuing the Delivery Order to BHEL.
- b. Detention / demurrage charges arising due to the delay in collection of Delivery Orders from multiple agencies of liner / freight forwarder also whose offices are not at available Chennai, the same amount will be deducted from vendor's bills.
- c. Bill of Lading should clearly endorse the detention free period and the same should be honored by the freight forwarder and liner. Detention / demurrage if any due to non-acceptance of detention free period indicated in bill of lading will be to vendors account only.

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Apart from the normal charges like Terminal handling charges, Container cleaning charges, Delivery Order charges at final port of discharge, other charges indicated in delivery order will not be borne by BHEL. The liner / freight forwarders should be properly communicated by the vendor not to claim such charges for issuing Delivery Order. If the liner / freight forwarder claims such charges in their invoices, the same amount will be deducted from the vendor's bill without any prior intimation in order to avoid the delay in Customs clearance. The likely additional / hidden costs or charges are-

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| a. CIC - Container Imbalance Charges / Surcharges | f. CDS - Currency Depreciation Surcharge |
| b. EIC - Equipment Imbalance Charge / Surcharges | g. ISPS - International Ship & Port Facility Security charges |
| c. CAF - Container / Currency Adjustment Factor | h. OHS - Origin handling Charges |
| d. BAF - Bunker adjustment Factor | i. Port Congestion Charge |
| e. RDS - Rupee Depreciation Surcharge | |

3. Forwarding of dispatch documents & test certificates

Test certificates (TC) along with Inspection Reports (IR) as called for in the TDC (Three ink signed originals) and guarantee certificate 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 PO 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.

4. General note

- Vendors shall not alter the description and size details given in the Enquiry.
- All fittings shall be painted, marked and packed as per TDC requirement. Vendors shall note the latest revision in this context.
- 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.
- 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').
- Any cost implication arising due to non-compliance to TDC conditions will be debited from vendors account after informing the same.
- 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.