



Annexure - A to Tender 2791542E/OT/AIM/06
STANDARD COMMERCIAL TERMS & CONDITIONS FOR PROCUREMENT OF CAPITAL EQUIPMENT
[FORMAT TO BE FILLED-UP BY THE SUPPLIER]

Rev. 00

S No.	BHEL Standard Terms	Supplier Confirmation	Deviation
01	Price: Supplier shall quote on " FIRM PRICE " basis only. No price variation clause will be entertained.	Vendor to confirm	
02	Terms of Delivery:		
(a)	Indigenous Supplies : FOR - Destination means FOR - BHEL Stores, Ranipet [Packing & Forwarding, Freight & Insurance are in Supplier's scope i.e. included in the quoted prices.	Vendor to confirm	
(b)	Foreign Supplies : CFR - Chennai Port basis inclusive of SEA / AIR-worthy packing and inclusive of all charges till Chennai Port. Port of Loading should be indicated in Techno-Commercial offer. No other delivery term is acceptable.	Vendor to confirm	
03	Time Period for 'Supply' and 'E&C' : To be indicated in months from date of LOI/PO. Bidder should quote time period separately for 'Supply' and 'E&C'. The bidders should quote their earliest schedule for Supply and E&C against the schedule indicated in the NIT. Supply period indicated by bidder should include reasonable time required for approval of drawings and other inputs from BHEL. BHEL, however, reserves the right to accept an offer not meeting the NIT schedule. Delivery period shall be 08 months from the date of PO (including transit time). Final layout drawing to be submitted as per Clause 18.1 of tech spec for approval. Loading factor for noncompliance with BHEL's delivery requirement - 0.5 % per week up to max., of 4% for the difference in BHEL's & quoted delivery period. Duration of Erection and commissioning (E&C) shall be max 02 month from the date of readiness of site. <u>Intimation of site readiness will be given by BHEL two weeks in advance.</u>	Vendor to confirm	
04	The contractual delivery period will be reckoned from the date of PO, which shall be binding on the contract. Suppliers shall quote their best delivery period. Delivery is the essence of all contracts for BHEL. Such of those suppliers, who quote for delivery of more than 12 months shall be liable for rejection and such of those suppliers, who quote for E&C of more than 03 months shall be liable for rejection.	Vendor to confirm	
05	Penalty: For the purpose of penalty for delay in E&C of the equipment the duration will be reckoned from the date of intimation by BHEL to vendor for readiness of site. Penalty on delay in 'Supply' and/or 'E&C' will be applicable to the delays attributed to vendor. Penalty will be considered separately for 'Supply' and 'E&C'.	Vendor to confirm	
	The rate of penalty for delayed Supply shall be @ 0.5% per week of delay of total PO value (Supply + E&C) in supply subject to a maximum of 10% of total PO value (Supply + E&C).	Vendor to confirm	
	The rate of penalty for delayed E&C shall be @ 0.5% per week of delay of total PO value (Supply + E&C) in E&C subject to a maximum of 10% of total PO value (Supply + E&C).	Vendor to confirm	
	Maximum penalty for delay in Supply and E&C together shall be limited to 15% of total PO value (Supply + E&C).	Vendor to confirm	
	In case PO includes more than one machine, the penalty shall be @ 0.5% per week of delay on total PO value (Supply + E&C) for the delayed machine.	Vendor to confirm	
	Loading Factor for non-acceptance of Penalty Clause: In case any bidder is not accepting the above penalty for delayed Supply and/or E&C, the offer of bidder shall be loaded to the extent to which it is not agreed by the bidder. Example : If the Supplier has accepted for maximum 10% penalty clause, then balance 5% will be loaded for evaluating lowest bidder.	Vendor to confirm	

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06	Payment Terms: If payment terms as mentioned by BHEL are not agreed by bidder, such bidder have to submit Bank Guarantee at the time of payment / opening of LC in the prescribed Format. Additionally, for any deviation sought including as mentioned above, in Payment Terms by bidder w.r.t. tender conditions, following loading shall be followed: (a) Benchmark Prime Lending Rate (BPLR) of SBI as applicable on the scheduled date of tender opening + 2%, for the amount & period of relaxation sought by bidder. (b) On account of payment through LC, if insisted by bidder, Bank charges shall also be loaded for the deviation in (i) opening of LC by BHEL and (ii) period and amount of LC w.r.t. NIT norms, as per the prevailing bank rates.		
(a)	Terms of payment for Indigenous Offer: Dispatch of Goods on door delivery basis only. Goods dispatched with documents presented through Bank will be loaded with corresponding bank charges. In case of direct payment, 80% payment of Supply value shall be made within 45 days from the date of receipt of material at BHEL. Balance 20% of Supply value plus 100% of the E&C portion of PO value will be paid against E&C certificate issued by BHEL and submission of Performance Bank Guarantee (PBG) valid for 3 months beyond the warranty period by Supplier from any of the Consortium Banks of BHEL for 10% of total PO Value in the prescribed Format. The PBG confirmation charges shall be borne by vendor.	Vendor to confirm	
(b)	Terms of Payment for Foreign Offers: (i) Total supplies are to be from Foreign Source. payment of Supply value shall be 80% on dispatch and 20% on issue of E&C Certificate. Payment of E&C value shall be made against E&C certificate issued by BHEL. E&C certificate shall be issued on satisfactory completion of erection, commissioning, job proving, performance tests, training to operators etc. as envisaged in PO. The L/C shall be opened by BHEL as per following: (i) Within 30 Days of receipt of CEBG, an irrevocable unconfirmed L/C will be opened for 30% of the payment towards supply, due on shipment i.e. 24% of the Supply value of PO (30% of 80%). Not earlier than 60 days before the shipment date, the value of this irrevocable unconfirmed L/C would be enhanced from 24 % to 80% of the Supply value of PO. The above L/C can be negotiated after the Shipment against submission of B/L or AWB and such other documents as mentioned in the PO. The above L/C will be valid for a period extending 21 days beyond the shipment date for negotiation of documents.	Vendor to confirm	
(ii)	15 days prior to the scheduled & confirmed arrival of the technicians of supplier with their names, an irrevocable unconfirmed L/C will be opened for a value equal to 20% of the Supply value of PO plus 100% of the E&C value of PO. The validity of L/C would be sufficient to cover the period required for the completion of E&C plus 21 days as negotiation period. This L/C can be negotiated after: (a) Completion of E&C of the equipment in BHEL and against E&C certificate issued by BHEL and (b) Submission of Performance Bank Guarantee (PBG) by Supplier in the prescribed Format valid for 3 months beyond the warranty period, from one of the Consortium Banks of BHEL or from a reputed Bank and confirmed by Consortium Bank of BHEL for 10% of total PO Value. The PBG confirmation charges shall be borne by vendor.	Vendor to confirm	

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(iii)	Whenever there is an Indian Agent to represent a Supplier, it is mandatory to give the details of services to be rendered by Indian Agent and / or the details of agreement between Supplier and Agent. Supplier to indicate the Agency Commission payable. Indian Agency Commission will be paid only in Indian Rupees, calculated at the rate of exchange prevailing on the date of price bid opening. This is payable on satisfactory completion of the contract. Note: In order to maintain sanctity of the tender system, it is mandatory that one Agent cannot represent two Suppliers or quote on their behalf in a particular tender enquiry. If any Agent represents more than one Suppliers all such offers will be rejected.	Vendor to confirm	
07	CEBG: The successful tenderer shall be required to execute within 30 days from the date of PO, a contract execution bank guarantee for 10% (ten percent) of the Contract Price in favour of the BHEL. (Applicable for orders above Rs. 20.00 lakh). The CEBG charges shall be borne by vendor. CEBG shall be kept valid until 30 days after the date of E&C certificate.	Vendor to confirm	
(i)	Bank Guarantee (PBG) from indigenous suppliers shall be in the prescribed form and from the list of bankers, provided by BHEL. The PBG confirmation charges shall be borne by vendor.	Vendor to confirm	
(ii)	Bank Guarantee (PBG) from foreign suppliers should be in the prescribed form from any Bank of international repute. The bank guarantee is to be confirmed by any of the approved Banks of BHEL. The PBG confirmation charges shall be borne by vendor.	Vendor to confirm	
08	Warranty Period: 12 months from the date of acceptance of the equipment (date of E&C certificate or prove out whichever is later).	Vendor to confirm	
09	Performance Bank Guarantee (PBG): The Supplier shall submit a PBG for 10% of the contract value or acceptance for retaining 10% of contract value by BHEL in lieu of PBG valid for Guarantee period. The PBG shall have a claim period of 3 months in addition to the guarantee period.	Vendor to confirm	
10	Erection & Commissioning (E & C) Charges: Supplier to specify clearly E & C Charges in their price bid. GST(for indigenous supplier) shall be extra as applicable. Requirement of technical specification needs to be complied with.		
11	Mandatory Spares: Supplier to specify clearly the charges of Mandatory Spares in the form of extra with list of spares and their individual prices are to be shown separately.	NOT APPLICABLE	
12	Validity: Supplier to mention clearly the validity date of the offer. [Minimum 180 days from tender opening date]	Vendor to confirm	
13	Risk Purchase: Supplier specific confirmation is required for this clause - 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 despatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefor. 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 in "Penalty" clause.	Vendor to confirm	
14	Reverse Auction (R/A) / Bidding through Internet: Supplier confirmation required. Please refer Annexure-B.	Vendor to confirm	
15	Taxes & Duties:		
(i)	HSN Code (08 Digits): -- To be indicated by supplier for product.	Vendor to confirm in percentage	
(ii)	Goods & Service Tax Identification Number (GSTIN) :--- To be indicated by supplier (Indian Vendors).	Vendor to confirm in percentage	
(iii)	Goods & Service Tax (GST): -- Applicable(Indian Vendors) GST (IGST/SGST and CGST/UTGST) for supply to be indicated by supplier in percentage.		
(iv)	Service Accounting Code (SAC): --- To be indicated by supplier (Indian Vendors) for Erection/Commissioning/Installation.		
(v)	Goods & Service Tax (GST): -- Applicable GST (IGST/SGST and CGST/UTGST) for Erection/Commissioning or Installation to be indicated by supplier(Indian Vendors) in percentage .		

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(vi)	Income Tax: Wherever applicable income tax shall be deducted at source as per the rules and regulations of the Government of India. Necessary Tax Deduction at Source (TDS) certificate will be issued by BHEL for which supplier(applicable for Indigenous and foreign) shall indicate Permanent Account Number (PAN). Income tax is applicable on cost of goods/services given by supplier(applicable for Indigenous and foreign) to BHEL, Ranipet, India.		
16	Test Certificate: To be submitted as per technical specification.	Vendor to confirm	
17	O & M Manual: To be submitted in english language as per the requirement of technical specification.	Vendor to confirm	
18	Training: Supplier's scope, wherever applicable as per the requirement of technical specification.	Vendor to confirm	
19	Pre-Despatch Inspection (PDI): BHEL will have the option to pre-inspect the equipment at Supplier's works by BHEL's own inspector or by third party agency appointed by BHEL before despatch. Inspection call for carrying out the inspection shall be given 15 days before for indigenous supplies / 30 days before for foreign supplier from the scheduled contract delivery date.	Vendor to confirm	
20	Email ID & contact number of dealing person. All the clarification will be sent and discussed with this contact only.	Vendor to confirm	
21	Small scale industry(SSi) status. Supplier(only indigenous) has to indicate their SSI status and proof of the same to be attached to avail benefits. Proof:-DIC certificate or NSIC certificate or CA certificate in BHEL format.	Vendor to confirm	
22	For Foreign Offers:		
(i)	Manufacturers' Name and address:		
(ii)	Country of Origin:		
(iii)	Nearest - 1. Seaport; 2. Airport		
(iv)	Approximate weight, cubage of the consignment and number of containers required for shipment.		
NOTE:- If there is any variance in commercial terms in various annexures of this NIT, the terms as indicated in this Annexure A will supersede.			
Declaration by bidder:- The above Commercial Terms and Conditions are confirmed by us for this tender. In case there is a variance between the conditions confirmed above and the main offer, we certify that the Commercial Terms and Conditions given above shall take precedence.			