



An ISO 9001 Company

Bharat Heavy Electricals Limited

(High Pressure Boiler Plant)

Tiruchirappalli-620 014, Tamil Nadu, India

Dept.: PURCHASE-MATERIALS MANAGEMENT/BOI

ENQUIRY TERMS AND CONDITIONS

1. QUOTATIONS:

a. The bidder shall submit his response through bid submission to the tender on e-Procurement platform at <https://bhel.abcpurchase.com>. The bidder would be required to register on the e-procurement market place and submit their bids online. **Sealed cover bids / e-Mails / FAX / Manual offers will NOT be accepted.**

b. Price should be sent **F.O.R. dispatching station for indigenous vendors and CFR Chennai SEA PORT BASIS / FOB Nearest Airport (Gateway) for import vendors as per the Enquiry commercial terms** inclusive of risk in transit and remain valid for days (as specified in the tender) from the due date. For Import vendors - Port of loading should be indicated in the offer without fail.

c. If any tax is payable as extra to the quoted price is should be specifically stated in quotations along with GSTIN and ARN falling which the purchaser will not be liable for payment of such taxes. **Our GSTIN is 33AAACB4146P2ZL and ARN is AA3306170074586.**

d. Manufacturer's name trademark or patent number, if any should be specified. Illustrative leaflets giving technical particulars are required along with quotation wherever necessary.

e. The Purchaser shall be under no obligation to accept the lowest or any other tender and shall be entitled to accept in Part or full without assigning any reason whatsoever.

f. The bidder has to keep track of any changes by viewing the addendum / Corrigendum's issued by the Purchaser on time-to- time basis in the E-Procurement platform. The Company calling for tenders shall not be responsible for any claims/problems arising out of this.

g. The user should complete all the processes and steps required for bid submission. The successful bid submission can be ascertained once acknowledgement is given by the system through bid submission number after completing all the processes and steps. BHEL and Mjunction Services Ltd. will not be responsible for incomplete bid submission by users. Users may also note that the incomplete bids will not be saved by the system and are not available for the Purchaser for processing.

h. Before uploading scanned documents, the bidders shall sign on all the statements, documents, certificates uploaded by him, owning responsibility for their correctness / authenticity.

2. GST COMPLIANCE TERMS:

For supplies after implementation of New GST Return System i.e. from 01/10/2019, the following conditions will apply and supplier shall fully comply to the below points.

Indigenous suppliers:

i) Response to Tenders for Indigenous supplier will be entertained only if the vendor has a valid GST registration No (GSTIN) which should be clearly mentioned in the offer. If the dealer is exempted from GST registration, a declaration with due supporting documents need to be



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furnished for considering the offer. Dealers under composition scheme should declare that he is a composition dealer supported by the screen shot taken from GST portal. The dealer has to submit necessary documents if there is any change in status under GST.

ii) Supplier shall mention their GSTIN in all their invoices (incl. credit Notes, Debit Notes) and invoices shall be in the format as specified/prescribed under GST laws. Invoices shall necessarily contain Invoice number (in case of multiple numbering system is being followed for billing like SAP invoice no, commercial invoice no etc., then the Invoice No. which is linked/uploaded in GSTN network shall be clearly indicated), Billed to party (with GSTIN) & Shipped to party details, item description as per PO, Quantity, Rate, Value, applicable taxes with nomenclature (like IGST, SGST, CGST & UTGST) separately, HSN/ SAC Code, Place of Supply etc.

iii) All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code).

iv) Invoices will be processed only upon completion of statutory requirement and further subject to following:

a. Vendor declaring such invoice in Form GST ANX-1

b. Receipt of Goods or Services and Tax invoice by BHEL

v) As the continuous uploading of tax invoices in GSTN portal (in GST ANX-1) is available for all (i.e. both Small & Large) tax payers under proposed new GST Return System, all invoices raised on BHEL may be uploaded immediately in GST portal on despatch of material /rendering of services. The supplier shall ensure availability of Invoice in GST portal before submission of invoice to BHEL. Invoices will be admitted by BHEL only if the invoices are available in GSTN portal (in BHEL's GST ANX-2).

vi) In case of discrepancy in the data uploaded by the supplier in the GSTN portal or in case of any shortages or rejection in the supply, then BHEL will not be able to avail the tax credit and will notify the supplier of the same. Supplier has to rectify the data discrepancy in the GSTN portal or issue credit note or debit note (details also to be uploaded in GSTN portal) for the shortages or rejections in the supplies or additional claims, within the calendar month informed by BHEL.

vii) In cases where invoice details have been uploaded by the vendor but failed to remit the GST amount to GST Department (Form PMT-08 or Form GST RET-01 to be submitted) within stipulated time, then GST paid on the invoices pertaining to the month for which GST return not filed by the vendor will be recovered from the vendor along with the applicable interest (currently 24% p.a) and all subsequent bills of the vendor will not be processed till filing of the GST return by the vendor

viii) In case GST credit is denied to BHEL due to non-receipt or delayed receipt of goods and/ or tax invoice or expiry of timeline prescribed in GST law for availing such ITC, or any other reasons not attributable to BHEL, GST amount claimed in the invoice shall be disallowed to the vendor.



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ix) Where any GST liability arising on BHEL under Reverse Charge (RCM), the vendor has to submit the invoices to BHEL well within the timeline prescribed in GST Law, to enable BHEL to discharge the GST liability. If there is a delay in submission of invoice by the vendor resulting in delayed payment of GST by BHEL along with Interest, then such Interest payable or paid shall be recovered from the vendor.

x) Under GST regime, BHEL has to discharge GST liability on LD recovered from suppliers/contracts. Hence applicable GST shall also be recoverable from suppliers/contractors on LD amount. For this Tax Invoice will be issued by BHEL indicating the respective supply invoice number.

xi) GST TDS will be deducted as per Section 51 of CGST Act 2017 and in line with Notification 50/2018 – Central Tax dated 13.09.2018. GST TDS certificate which will be generated in GST portal subsequent to vendor accepting the TDS deduction in the GST portal, will be issued to the vendor.

3. PACKING AND MARKING: The supplier shall arrange for securely protecting and packing the stores to avoid loss or damages during transit.

4. TERMS OF PAYMENT: Payment terms as per **Commercial terms of enquiry**. Any deviation from the enquiry payment term, any other condition in the payment term or any other payment term will not be accepted and will not be considered.

6. LIQUIDATED DAMAGES PENALTY FOR DELAY IN DELIVERY: If the supplier fails to deliver the raw material equipment components within the period specified in the contract the purchaser shall deduct liquidated damages a sum equivalent to is 0.5% of the total order value per week of delay or part thereof from delivery period subject to a maximum of 10% of total order value.

7. RISK PURCHASE: 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 substitutes 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 in clause 6 above.

8. PREFERENTIAL DELIVERY: It should be noted if a contract is placed on a higher tenderer as a result of this invitation to tender in preference to the lowest acceptable offer in consideration of the earlier delivery, the seller will be liable to pay to the purchaser the difference between the contract rate and that of the lowest acceptable tender on the basis of final price F.O.R. destination, including all eliminates of freights, tax, duties and other incidents, incidental in case of failure to complete suppliers in terms of such contract within the date of delivery specified in the tender and incorporated in the contract.



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9. INPUT TAX CREDIT: For availing ITC, the chapter head / Sub-head reference and the rate of the duty should be quoted in the techno-commercial offer itself. Tenderer under 'INPUT TAX CREDIT' shall be preferred.

10. LOADING FACTORS: (As applicable as per enquiry Comm1 terms)

BHEL will evaluate the offers and consider the ranking after the loading is applied as referred below wherever deviations are observed.

- a) **Payment term:** No deviation is acceptable and the deviated offers are liable for Non-consideration.
- b) **Loading factor for Liquidated damages:** Any deviation from the enquiry LD clause, loading will be applied to the extent to which it is not agreed by the bidder (at offered value).
- c) **Guarantee / Warranty:** No deviation permitted and the deviated offers are liable for rejection.
- d) If foreign supplier insists for LC, only Usance LC with 60 days credit will be opened one month prior to material readiness, further loading @ 1.5% on the offered value will be considered. If Hence supplier shall intimate the material readiness accordingly for opening of L.C. LC validity period will be 90 days and for any extension, applicable charges will be to supplier's account.

In case new foreign suppliers not registered with BHEL, Trichy for the product, first lot of mutually agreed quantity shall be supplied with payment as CAD basis after 60 days from the date of receipt & acceptance of material. If insisted for LC, after acceptance of first lot, only Usance LC with 60 days credit will be opened one month prior to material readiness.

- e) BHEL will evaluate the offers and consider the ranking after the loading is applied as referred above wherever deviations are observed.

11. NOTE TO IMPORT VENDORS:

I. Indian Customs has imposed a penalty on late filing of Bill of Entries (Air/Sea Shipments) by the importer. The maximum free time allowed is 24 hrs from the time of arrival of cargo at final port of discharge. Rs.5000/- per day (for Initial 03 days) & Rs.10000/- per day (thereafter)

1) The vendor should furnish the Non-Negotiable Documents (Air Way Bill/Bill of Lading, Commercial Invoice, Packing List, Certificate of Origin) either by email or post/courier to BHEL well before the landing of cargo at final port of discharge.

2) Vendor will be held responsible for the penalty arises against the late filing of Bill of entry due to: a. Non availability of Non-Negotiable Documents (NNDs) before the cargo arrival.

b. Discrepancy in documents

c. Short landing of Consignments (For shipments on CFR/CPT/CIF/CIP – Chennai Port)



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II) All the shipments for the contracts (POs) finalized on CFR/CPT -Chennai Port, CIF/CIP-Chennai Port, DDU/DDP Chennai Port basis

1) 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.

2) The detention/demurrage charges arises 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 only.

3) Apart from the normal charges like Terminal Handling Charges, Container cleaning Charges, Delivery Order Charges at final port of discharge will not be borne by BHEL.

4) The liner/freight forwarders should be properly communicated by the Vendor for 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 bills without any prior intimation in order to avoid the delay in Customs clearance. The likely additional/hidden costs or charges are:

- a. CIC - Container Imbalance Charges/Surcharges
- b. EIC - Equipment Imbalance Charge/Surcharges
- c. CAF - Container/Currency Adjustment Factor
- d. BAF - Bunker adjustment Factor
- e. RDS - Rupee Depreciation Surcharge
- f. CDS - Currency Depreciation Surcharge

III) CONTAINERIZED CARGO

1. For CFR terms, moved through CONTAINERS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis including extra charges, if any, like Container Imbalance Charges, Trade Imbalance charges or any other charges payable to the Liner. No other charges other than the quoted Freight rate will be paid by BHEL excepting applicable Terminal Handling Charges, Container cleaning Charges, DO charges to Shipping Liner at Discharge Port. 14 FREE DAYS FOR Container detention shall be provided. If any deviation is taken by Tenderer, a loading of 22% on the freight rate per MT shall be considered by BHEL for arriving at the Total Landed Cost.

2. In case of shipment through Containers on CFR basis, the BL should bear the endorsement that "14 free days for Container Detention is applicable".

IV) BREAKBULK CARGO

1. For CFR terms, moved through BREAK BULK BASIS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis.



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V) TRANSPORT CONDITIONS FOR IMPORT:

The Original Documents (Bill of Lading, Invoice, Packing List, Certificate of Origin & Test Certificate) shall reach BHEL well in advance before the vessel arrival. The soft copies of the above shall be forwarded to BHEL immediately after shipment.

- a. In the event of delayed submission of documents by the supplier, an amount up to 5% of the invoice value will be retained towards demurrage & other charges and the difference if any between actual charges and recovery will be settled separately through supplementary invoice.
- b. In such cases, the Supplier shall authorize the Steamer / Shipping agent / transporter to freely release the consignment to BHEL by providing a "Surrender Bill of Lading".
- c. Otherwise, No-objection Certificate shall be issued to the Liner, authorizing BHEL to get the Delivery Order without producing the Original Bill of Lading.
- d. This is required to ensure avoidance of demurrage at Chennai Sea-port that may arise in case of delayed presentation of documents by the Seller.

12. Special provision for MSE vendors:

- a) In case MSE vendor participating in the tender quotes within the price band of L1+15% where the L1 is Non-MSE vendor, MSE vendor will be allowed to supply the
 - i) Package in case of package-wise evaluation Or
 - ii) Full quantity of respective item (in case item-wise package evaluation) Or
 - iii) 25% of quantity of respective item (item-wise evaluation, quantity splitting is allowed)

as per enquiry commercial terms subject to acceptance of L1 price by MSE vendor as per Gazette Notification issued by Ministry of MSME.

Payment for MSE indigenous vendor will be as per MSMED Act, 2006.
- b) In case of more than one such MSE, the counter offering will be to the lowest quoted MSE vendor subject to fulfilment of Point No.a)
- c) MSE suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either EM II certificate having deemed validity (Two years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with CA certificate (Format enclosed) applicable for the year, certifying quantum of investment in plant and machinery within the permissible limit as per the act for relevant status (Micro or small) where the deemed validity of EM II is over. Udyog Aadhar also has to be submitted for availing the special provision for MSE. Date to be reckoned for determining the deemed validity will be the last date of technical bid submission. Non submission of such documents will lead to consideration of their bids at par with other bidders and MSE status of such suppliers shall be shifted to Non MSE supplier till the supplier submits these documents.



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13. Public procurement (Preference to make in India): For this procurement, Public Procurement (Preference to Make in India), order 2017 dated 15.06.2017 & 28.05.2018 and subsequent orders issued by the respective Nodal ministry shall be applicable. In the event of any Nodal Ministry prescribing higher or lower percentage of purchase preference and/ or local content in respect of this procurement, same shall be applicable. Default margin of purchase preference shall be 20% to local suppliers with default minimum local content of 50%. Vendor claiming the benefit under this provision, to submit (along with offer) the self-certification that the item offered meets the minimum local content and shall give details of location at which the local value addition is made.

14. Exchange Rate for evaluation: For evaluation, the exchange rate (TT selling rate of SBI) shall be taken as date of part – I opening / tender opening. If the relevant day happens to be a bank holiday, then the forex rate as on the previous bank (SBI) working day shall be taken.

15. GENERAL: Any other conditions quoted by the seller that is in contravention to the terms agreed by them in Commercial terms & Conditions of enquiry and conditions that have not been specifically accepted by purchaser will not be applicable to the contract.

16. Disclaimer Clause: The Organization (Bharat Heavy Electricals Ltd.) nor the service provider is responsible for any failure of submission of bids due to failure of internet or other connectivity problems or reasons thereof.

17. Fraud prevention Policy: The bidder along with its associate/ collaborators/sub-contractors sub-vendors/consultants/service providers shall strictly adhere to BHEL fraud prevention policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice.

18. Offers of bidders who are on the banned list as also the offers of bidders, who engages the services of banned firms, shall be rejected. List of banned firms is available on website www.bhel.com.

Vendor's Seal and Signature.