

**PEM / PG-II-1, BHEL, PPEI, NOIDA**

**SPECIAL CONDITIONS OF CONTRACT (REV0)**

**1X700MW BELLARY THERMAL POWER STATION**  
**KARNATAKA POWER CORPORATION LIMITED**

These Conditions shall be read and construed along with **General Condition of Contract**. Enclosed Along with the tender enquiry. In case of any conflict or inconsistency the condition given in SCC Shall prevail over the GCC.

1.0 **Project Name :-** **1X700MW BELLARY THERMAL POWER STATION ( TPS)**

2.0 **Consignee Address :-**

**A. FOR MAIN EQUIPMENT:-**

BHEL  
Bellary Thermal Power Project, Stage-III.  
P.O. Kudatini, Distt. Bellary,  
Karnataka , India  
PIN - 583115

**B. FOR MANDATORY SPARES:-**

BHEL  
Bellary Thermal Power Project, Stage-III.  
P.O. Kudatini, Distt. Bellary,  
Karnataka , India  
PIN – 583115

3.0 **BHEL Site Office**  
**Address :**

Construction Manager,  
BHEL Site Office  
Bellary Thermal Power Project, Stage-III.  
P.O. Kudatini, Distt. Bellary,  
Karnataka , India  
PIN - 583115

4.0 **Customer Order Ref No:-**

TD/BT3/EPC/1500 dated 28.09.2010  
TD/BT3/EPC/1501 dated 28.09.2010

5.0 **Mode of Dispatch:-**

ROAD & RAIL TRANSPORTATION

6.0	<u>Road Permit Required:-</u>	No
7.0	<u>LOA Date:-</u>	<u>28 SEP 2010</u>
8.0	<u>Zero Date:-</u>	<u>28 SEP 2010</u>
9.0	<u>Synchronization:</u>	44 Months
10.0	<u>Trial operation</u>	<u>47 Months</u>
11.0	<u>Nearest Sea port</u>	Chennai
12.0	<u>Nearest Railway station</u>	Kudatini Railway station
13.0	<u>Customer Consultants</u>	M/s Tractebel Engineering Pvt. Ltd
14.0	<u>Prior Dispatch intimation to BHEL Site Office and Underwriters :-</u>	Yes, one set consisting of LR / RR copy, Packing List/ Challan indicating the items dispatched (with their weights) and letter informing the underwriters about the value of consignment and dispatch details to be sent to: a) BHEL Site office b) BHEL, PEM, PPEI-Noida
15.0	<u>Transit Insurance</u>	By BHEL (Vendor to intimate the underwriters quoting the insurance Policy No. As below) :-
	<u>Policy No. Underwriters</u>	Later
16.0	<u>BHEL CST DETAILS</u>	CST : ND 5341151 DATED 01/07/2006 UPTT : ND 0345307 DATED 01/07/2006 UPTIN: 09765702874
	<u>Customer ( KPCL) CST</u>	CST No. 70150205 KST No. 70100202 TIN No. 29240078547 dated 01.04.03
17.0	<u>Unloading at site</u>	By BHEL site office for supply packages.  By vendor for Turnkey i.e. supply and Erection & Commissioning packages  (The Supplier shall give Gross Wt./Net Weight of the Consignment on LR/GR/RR for the purpose of handling the consignment by BHEL site loading/unloading contractor.

- 18.0 Storage at site By BHEL site for supply packages
- 19.0 Movement of Material within Site
- a) By BHEL site for supply packages
  - b) By vendor for Turnkey i.e. supply and Erection & commissioning packages.
- 20.0 DOCUMENT REQUIRED FOR VENDOR PAYMENT. For customer billing by PEM the supplier shall provide the following Documents to PG-II :-
- A. Supplier Invoice – 8 Copy
  - B. Copy of Consignee copy LR. (CONSIGNOR / LORRY COPY NOT REQD) – 8 Copies
  - C. Copies of Packing List indicating Quantity/ Gross weight/ Net weight and KPCL approved BBU item no. against each item dispatched. – 8 Copies
- VERY IMP:- \*\*IN PACKING LIST QUANTITY,GROSS & NET WEIGHT OF THE DESPATCHES TO BE CLEARLY INDICATED AGAINST EACH LR OTHERWISE VENDOR INVOICE SHALL NOT BE PROCESSED.**
- D. MDCC – Original + 7 Copies
  - E. Copy of Insurance intimation letter.
  - F. Test Certificates/Inspection reports.
  - G. Guarantee Certificate.
- 21.0 PAYING AUTHORITY:-
- a) PEM SUPPLIED ITEMS – BY BHEL - PEM.
  - b) FOR TURNKEY PACKAGES – BY BHEL - PSSR.

22.0 **Material Receipt Certificate (MRC):-**

NOTE: Inspection for main supplies/mandatory spares shall be done by BHEL/KPCL.MDCC shall be issued by BHEL.

- a) For Supply Packages BHEL/PEM will arrange MRC from BHEL Site, however supplier/ contractor shall provide support for verification of material at site if required.
- b) For Turnkey i.e. Supply and Erection & Commissioning packages, Original MRC duly signed by customer (KPCL) & BHEL-Site is to be arranged by vendor for their MRC payment.

23.0 **Dispatch Markings:-**

Each box/ Drum shall be marked with Capital Letters in Red indicating **Main Supply OR Commissioning spares.**

Each package/Drum delivered under the Contract shall be marked by Supplier as per details listed below and such marking must be distinct and in English language (all previous irrelevant markings being carefully obliterated) for purposes of identification.

**Each and every box (package) shall be marked with following:-**

- 1) Name and address of the consignee:
- 2) Project reference:
- 3) Customer Contract No.:
- 4) Vendor Name:
- 5) PEM P.O. reference No.
- 6) Gross Weight/ Net Weight (Without Gross Weight/ Net Weight mention on LR, Vendors invoice can not be processed)
- 7) Packing No.: (1/10, 2/10, 3/10 when there are 10 packages for one consignment)
- 8) Packing Mark: (symbols indicating "TOP" and other special marking)
- 9) Type of Equipment: "E" (for equipment supply)  
"T" (for Tools & Tackles)  
"S" (for Mandatory Spares)

Besides above necessary, packing shall bear a special marking "TOP", "BOTTOM", "DO NOT TURN OVER", "KEEP DRY", "HANDLE WITH CARE", etc.

**IMPORTANT:-**

One copy of respective standard manufacturer's erection instruction/operation manual shall be kept in each package/container for immediate reference by BHEL site.

**NOTE:-**

The Copy of complete Packing list for the consignment must be put inside the Box/ Boxes.

**15 copies of supplier's Erection / Instruction manuals to be given to the BHEL, PEM, PPEI-Noida (PG-II) within 30 days of dispatch for handing over to Customer/ BHEL site.**

**Ultimate Destination:-**

Each box/ Drum shall be marked with Capital Letters in Red indicating :  
Construction Manager,  
BHEL Site Office  
Bellary Thermal Power Project, Stage-III.  
P.O. Kudatini, Distt. Bellary,  
Karnataka , India  
PIN - 583115

24.0 Commissioning spares:

The commissioning spares shall be properly packed separately in separate box and each spare shall be properly tagged giving details i.e dispatch (to match the description given in the packing slip) to facilitate their proper identification. One Copy of Packing list must be put inside the Box.

25.0 Mandatory Spares:-

The Mandatory spares shall be properly packed separately in separate box indicating Mandatory Spares in bold letters and each spare shall be properly tagged giving details i.e item number of the equipment in line with the KPCL approved BBU for Mandatory spares & Number per item (to match the description given in the packing slip) to facilitate their proper identification by ultimate customer M/s KPCL. One Copy of Packing list must be put inside the Box along with Manufacturing drawing no. reference, Catalogue reference etc. **Mandatory Spares shall be handed over directly to KPCL stores** otherwise transportation charges shall be debited against transportation of materials from BHEL store to **KPCL** stores in Vendors account.

The Supplier to note that separate **KPCL MDCC** shall be obtained for Mandatory spares from **KPCL - IS/ QA**.

26.0 Demurrage charges

Demurrage charges shall be paid by supplier/vendor to the transporter. No claim shall be acceptable in this regard due to any reason.

27.0 PVC (Price Variation clause)

The prices shall be firm and shall not be subject to price variation on account of material & labor till the completion schedule indicated in the vendor's offer.

28.0 **Taxes & Duties:-**  
**(AS APPLICABLE)**

All Bidders to note that this is an ICB (International Competitive Bidding) Project and Project Authority Certificate will be issued by KPCL (customer). Under this Project Authority certificate (Zero % Custom Duty) shall be applicable on the Imported Contents of the supplier.

KPCL Shall issue PAC to BHEL as main contractor for availing zero custom duty for the imported supply applicable for this project ordered by PEM, PPEI, Noida and based on above PAC BHEL, PEM shall issue PAC to each sub-vendor based on the imported items agreed with customer (KPCL). The Bidder to indicate the Import contents i.e. list of the item, Currency of Import and Country of Import at the time of finalization of the bid/final prices. Bidder has to pass on the benefit of availing Zero % custom duty in price offered to BHEL and provide a certificate with a un-priced bid that zero % custom duty on the Import contents have been considered in their price offered to BHEL as per applicable PAC mentioned above.

All bidders to note that the Excise Duty shall be included in their prices to BHEL, concessional sales tax is to be considered in their prices and same concessional sales tax and excise duty shall be taken for evaluation purpose to arrive at the L1 bidder for the respective Project

**Taxes & Duties**  
**(For Order Directly to Foreign Bidders)**

In case of Order on foreign supplier, the dispatches shall be FOB (Port of Dispatch) basis and the Taxes Duties in the country of dispatch shall be borne by Foreign Bidder & to be accounted in the prices quoted to BHEL/PEM/NOIDA.

The taxes duties applicable in India shall be borne by BHEL/PEM/NOIDA as port clearance/handling in India shall be done by BHEL-PEM/ BHEL ROD Mumbai for the direct order placed by PEM to the foreign bidder.

29.0 **CIF:-**  
**NIL Custom duties shall be applicable in the following packages**

CIF component shall be included by vendor in his price. This is applicable for

**Supply Packages:** Auxiliary PRDS, Power Cycle Valves, PHE, SCS, COLTCS, Spring Loaded Bypass Valves.

**Turnkey packages:** Condensate Polishing Unit.(CPU), Fire detection and protection, Air conditioning, Ozonisation system.

The bidders may clearly specific the rate of custom duty, amount of custom duty on their quoted CIF, if any to be reimbursed by BHEL in case PAC is not issued.

30.0 **Inspection Agency:-**

Domestic supplies

**BHEL & KPCL**

Vendor shall give inspection call on BHEL format in line with approved QP to Regional BHEL-CQS WEB SITE with a copy of inspection call to BHEL-PEM (PG-II) for arranging Customer participation in inspection/ Joint inspection on the proposed date **with an advance notice of 10 – 15 days**. The MDCC shall be issued by BHEL based on Joint inspection report of BHEL CQS & KPCL/ Customer Agency (as nominated by KPCL). **The MDCC issued by BHEL shall be attached by bidders for their payment from BHEL.**

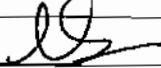
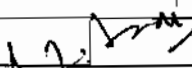

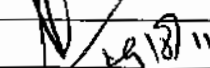
International supplies

In case of Imported Supplies the Test Certificates & Inspection reports duly accepted by the Foreign supplier Inspection agency shall be submitted in 5 Sets to BHEL/PEM, NOIDA. The above Inspection reports & Test certificates shall be reviewed by PEM/Engineering in line with the Technical Specifications & Approved Data sheets and then sent to M/s KPCL for their clearance.

The dispatch clearance (MDCC) by Customer shall be given to the Foreign supplier through BHEL/PEM, or their representative in India after acceptance of above test certificates by Ultimate Customer.

31.0 **Final Drawings / Documents Submission:-**

Final Drawing / Documents to be submitted shall be as per Technical specifications otherwise it will be intimated during kickoff meeting.

	PREPARED BY	REVIEWED BY	APPROVED BY	ISSUED BY
Name:	NIKHIL SINGHAL	BANSI LAL BEDI	O.P VERMA	R.P GUPTA
Designation:	Engineer	SR. MGR	S.DGM	AGM
Department:	PEM -PG-II-1	PEM -PG-II-1	PEM -PG-II-1	PEM -PG-II-1
Signature:				
Date:	26.08.2011	26.08.2011	26.08.2011	26.08.2011

## **Annexure-I**

### **SPECIAL CONDITIONS OF CONTRACT (REV0) Dtd. 14.07.2011** **1x700 MW BELLARY UNIT-3**

In order to avail the benefit of input tax credit available to BHEL in case of VAT leviable on intra-state transaction between BHEL and vendor, & to fulfill the compliances as per requirements of applicable State's VAT law, the following modality shall be applicable:

Where the supplies are made from within the same state where the project is located, the vendor has to provide VAT Invoice for such supplies even if the price quoted is all inclusive.

BHEL has identified a nodal agency in each State to take care of VAT compliances in the State in which project is located. For the subject project nodal agency shall be:

**BHEL, EDN BANGALORE**  
**PB 2606 MYSORE ROAD, BANGALORE - 560026**  
**VAT TIN NO. 29180069268**

Nodal agency is defined as Buyer and BHEL/ PEM shall be paying agency in such cases, where VAT is applicable.

Vendors' original tax invoice for intra State transactions is one of important documents for availing Input Tax credit. In this regard the following may be noted by all vendors for strict compliance:

- As a general rule, a tax invoice must be original, must contain vendor's TIN No with full address, invoice no & date, product description with unit rate, quantity, value, VAT rate, VAT amount, gross value of bill, **buyer i.e. BHEL's address with TIN No.** (as given above) special marking like "Original" and/or "valid for input credit"/ "Buyer can take credit against this" etc as per applicable State VAT law.
- Please note that BHEL's address and TIN to be mentioned in vendors tax invoice shall be **principal place of business & applicable TIN No. of nodal agency of BHEL, as given above. In no case the vendors, invoices shall be addressed to BHEL PEM nor shall they contain our TIN.** However for payment purposes, the invoice may mention BHEL PEM as paying authority.
- As original tax invoice of vendors are to be furnished to nodal unit for assessment/VAT audit purposes, extra copy of Original invoice is reqd to be submitted by vendors for retaining with PEM bank payment voucher.
- Original tax invoice along with extra copy of Original Tax invoice in line with respective state VAT law shall be essential document to be submitted by vendor for claiming payment.
- Vendor shall also furnish a certificate/statement/document as prescribed under applicable State VAT law. Please note that some of the States requires additional certificate/documents e.g. Haryana requires certificate in form C-4 in addition to original tax invoice.
- Please note that reimbursement/payment of VAT shall be subject to furnishing of Vat compliant tax invoice and other certificate/document as per applicable State VAT law.
- Tax invoice must show Vat rate & VAT amount separately and in no case all inclusive prices is to be shown in the tax invoice since input credit is not admissible in case VAT is not indicated separately.
- In case vendor is unable to furnish Vat compliant tax invoice & other certificate/document, VAT shall not be reimbursed by BHEL.

*Noted*  
29/08/11

*[Signature]*