

**BHARAT HEAVY ELECTRICALS LIMITED**  
**Transmission Business Group**  
**Subcontract Management**

**Terms & Conditions**

**1.0 EARNEST MONEY DEPOSIT**

NIL for this tender.

**2.0 SECURITY DEPOSIT**

Security Deposit means the security provided by the vendor towards fulfilment of any obligations in terms of the provision of the contract.

Upon acceptance of Tender, the successful Tenderer should deposit the Security Deposit amounting to Rs. 50,000/- for satisfactory completion of work.

**Mode of Security deposit:**

The security Deposit should be furnished before start of the work by the vendor in any of the following forms.

- i) Cash (as permissible under the extant Income Tax Act)
- ii) Local cheques of scheduled banks (subject to realization) / Pay Order / Demand Draft / Electronic Fund Transfer, in favour of BHEL.
- iii) Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format for Security Deposit shall be in the prescribed formats of BHEL.
- iv) Fixed Deposit Receipt issued by Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The FDR should be in the name of the vendor, A/C BHEL and duly discharged on the back.
- v) Securities available from Indian Post Offices such as National Savings Certificates, Kisan Vikas Patras etc. (Certificates should be held in the name of Vendor furnishing the security and duly endorsed/hypothecated/pledged, as applicable, in favour of BHEL and duly discharged on the back).

**(NOTE:** BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected therewith)

**2.2 Submission of Security Deposit:**

- i) At least 50 % of the required Security Deposit shall be submitted before start of work. Balance of the Security Deposit can be submitted by way of deduction of 10% of the gross amount progressively from each running bills of the vendor till the total amount of the required Security Deposit is collected.
- ii) The recoveries made from running bills (cash deduction towards balance SD amount) can be released against submission of equivalent Bank Guarantee in acceptable form, but only once, before completion of work, at the discretion of BHEL.

- iii) The BG shall be submitted only through the Banker. Along with the BG, the Bank shall also furnish a letter of confirmation (in the prescribed formats of BHEL).
- iv) The validity of the Bank Guarantee furnished towards Security Deposit shall be up to three months more than the period of completion of work as stipulated in the LOI and the same will be kept valid by proper renewal till the completion of the work.
- v) BHEL reserves the right of forfeiture of Security Deposit in addition to other claims and penalties in the event of the vendor's failure to fulfil any of the contractual obligations or in the event of termination of contract as per terms and conditions of the contract. BHEL reserves the right to set off the Security Deposit, against any claims of any other contracts with BHEL.

### **2.3 Conditions for acceptance of bank guarantees**

Vendors are advised to obtain Bank Guarantee preferably from any of the following BHEL consortium banks

<b>Sl. No.</b>	<b>Nationalised Bank</b>		<b>Nationalised Bank</b>
1	Allahabad bank	19	Vijaya Bank
2	Andhra bank		<b>Public Sector Banks</b>
3	Bank of Baroda	20	IDBI
4	Canara Bank		<b>Foreign bank</b>
5	Corporation bank	21	CITI Bank N.A
6	Central bank of India	22	Deutsche Bank AG
7	Indian Bank	23	The Hongkong and Shanghai Banking Corporation Limited
8	Indian Overseas Bank	24	Standard Chartered Bank
9	Oriental bank of Commerce	25	J P Morgan
10	Punjab National Bank		
11	Punjab & Sindh Bank		<b>Private bank</b>
12	State Bank of India	26	Axis Bank
13	State Bank of Hyderabad	27	The Federal Bank Limited
14	Syndicate Bank	28	HDFC
15	State Bank of Travancore	29	Kotak Mahindra Bank
16	UCO Bank	30	ICICI
17	Union Bank of India	31	Indusind Bank
18	United Bank of India	32	Yes Bank

Bank Guarantees from Banks outside BHEL's consortium shall be as below:

The Bank Guarantees of all Public sector banks can be accepted (in addition to consortium banks)

**The Bank Guarantees of Co-operative banks shall not be accepted.**

Bank Guarantees of other than consortium bank and public sector bank can be accepted subject to an overall exposure limit (at New Delhi) of Rs. 10 crores for banks with networth of more than Rs. 500 crores as on last balance sheet date and Rs 5 crores for banks with net worth between Rs. 350 to Rs 500 crores (A certificate and copy of latest Balance Sheet to be given by the Bank at the time of submission of Bank Guarantees).

In case of private sector banks a clause to be incorporated in the text of Bank Guarantee that it can be enforceable by being presented at any branch of the bank.

In case of foreign vendors the bank guarantees issued by foreign banks may be confirmed by our consortium bank in India.

**In case of Bank Guarantees given by Non-Consortium banks (Private sector or Public sector), the Bank Guarantees are to be enforceable in New Delhi or the town/ city in which the sector office is located.**

#### **2.4 RETURN OF SECURITY DEPOSIT:**

If the vendor duly performs and completes the work in all respects to the entire satisfaction of BHEL, security deposit will be released to the vendor after deducting all costs, expenses and other amounts that are to be paid to BHEL under this contract or other contracts entered into with the vendor. It may be noted that in no case the Security Deposit shall be refunded/released prior to passing of final bill.

#### **2.5 Bank Account Details for submission of EMD/ Security Deposit through electronic fund transfer mode.**

<b>NAME OF THE COMPANY</b>	<b>BHARAT HEAVY ELECTRICALS LTD</b>
<b>ADDRESS OF THE COMPANY</b>	<b>TRANSMISSION BUSINESS GROUP, 5TH FLOOR, TOWER A ADVANT NAVIS IT BUSINESS PARK, PLOT NO. 7, SECTOR-142, EXPRESSWAY NOIDA, NOIDA – 201305 (U.P.)</b>
<b>NAME OF BANK</b>	<b>HDFC BANK</b>
<b>NAME OF BANK BRANCH</b>	<b>ARERA COLONY, BHOPAL</b>
<b>CITY</b>	<b>BHOPAL</b>
<b>ACCOUNT NUMBER</b>	<b>00620320000021</b>
<b>ACCOUNT TYPE</b>	<b>CASH CREDIT</b>
<b>IFSC CODE</b>	<b>HDFC0000062</b>
<b>MICR CODE</b>	<b>462240002</b>

### **3.0 SCOPE OF WORK & MODALITIES**

Scope of work shall be as per technical specification enclosed with NIT

### **4.0 TERMS OF PAYMENT**

4.1. 100% payment shall be made within 30 days against the submission of following documents:-

(i) Invoice

(ii) Certification of plotting/ Xeroxing/ scanning work by BHEL Engineer (s)

4.2. The payment shall be made on monthly basis after the work has been certified by dealing engineer(s) of BHEL

### **5.0 TAXES & DUTIES:**

5.1. All taxes (except GST), duties , charges , royalties, cess and any other levies by Central/ State/local authorities for the execution of the contract shall be borne by the contractor and shall not be payable extra . Any increase of the same at any stage during execution of the contract shall be borne by the contractor. Quoted price of the same shall be inclusive of all such requirements.

5.2. Contractors have to make their own arrangement at their cost for completing the formalities, if required with relevant taxation authorities, for bringing their material, plant and machinery at site for the execution of the contract. Road permits / way bill, if required shall be arranged by the contractor.

5.3. The Contractor is responsible to furnish documentary evidence towards GST Registration of the State wherein the site is located or any other documents as per GST Act which may be required from time to time. BHEL will not be held to be responsible for any non-compliance of the Contractor in respect of GST laws as framed from time to time.

5.4. Goods and Service Tax (GST) will be reimbursed to the Contractor subject to the following conditions: -

(i) Submission of valid GST Compliant Tax Invoice as per the GST Invoice Rules.

(ii) The Invoice raised by the Contractor should indicate the BHEL GST Registration Number.)

5.5. The GST amount shall get reflected within prescribed time limit in the GSTN for BHEL to avail the input credit. If the GST Credit is reversed/ denied/ delayed to BHEL due to non-receipt/delayed receipt of Services and/or tax invoice or due to expiry of timeline prescribed in GST law or due to any other factor for availing such Input Tax Credit (ITC) or for any other reason arising out of the act directly attributable to the Contractor, GST

amount shall be recoverable from Contractor from any dues payable to the Contractor along with any interest levied/ leviable on BHEL.

- 5.6. Statutory variation, if any, on account of GST will be payable by BHEL at actuals on submission of documentary evidence.
- 5.7. TDS under Income Tax Act/ GST Act shall be deducted as per applicable rates unless Exemption certificate, if applicable, from the appropriate Authority is furnished to BHEL along with the Invoice.
- 5.8. **New Taxes & duties (Introduced after tender opening date):**  
If any new tax or duty is levied by the Central/State Government/Municipality/Local Authority and becomes directly applicable on items specified in the Bill of Quantities, full reimbursement shall be made subject to submission of documentation as per statute.

#### **6.0 QUANTITY AND PRICE VARIATIONS**

The quantities indicated in "Bill of Quantity & Price schedule" attached with the tender are indicative only and individual quantity may vary up to any extent. Unit price will be firm and no price escalation is payable throughout the execution / extended period of the rate contract.

The total contract value is subject to variations depending upon the actual requirement. However, total executed value should not exceed beyond 30% of total contract value.

#### **7.0 PERIOD OF RATE CONTRACT :**

The rate contract shall be valid for Two (02) years, effective from the date of issue of LOI. However, BHEL may renew the contract for a further three months with mutual consent. BHEL shall reserve the right and option to effect premature termination of this contract at any point of time, if felt necessary without any financial implication on BHEL. No compensation/ extra payment will be made to tenderer for pre mature termination.

#### **8.0 FINALIZATION OF RATE CONTRACT AND ALLOCATION OF JOB:**

The contract will be awarded for entire quantity to one party on overall L1 basis.

#### **9.0 LIQUIDATED DAMAGE :**

In case the vendor fails to collect/ deliver the drawings in BHEL office as per NIT conditions then the penalty equal to 25% value of the particular drawings, per day of delay, subject to maximum value of the particular drawings shall be deducted from the bill.

The sum total of penalty under this rate contract shall be limited to maximum 10% of the rate contract value along with applicable GST. Once the maximum penalty is reached (i.e. 10 % of the rate contract) BHEL may consider termination of the contract and forfeit the Security deposit without prejudice to the other remedies under the contract. Amended/ revised contract value shall be considered for calculating LD/ penalty.

#### **10.0 VALIDITY OF OFFER**

The offer shall be kept open for acceptance for a minimum period of four months from the date of opening of tenders. In case BHEL calls for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the tenderer.

#### **11.0 SECRECY/ CONFIDENTIALITY**

The service/ work (drawings for plotting, Photocopying and scanning) executed by the vendor shall be the property of BHEL & shall not be passed on / leaked to any person or agency out-side BHEL/ IS, TBG division. This shall be the responsibility of the vendor & his representatives. Non-compliance of this condition shall lead to prosecution under the law of the land.

#### **12.0 RIGHTS OF BHEL**

BHEL reserves to itself the following rights without entitling the Vendor for any compensation

- 12.1 To get the work done through another agency at the risk and cost of the Vendor, in the event of poor quality of service, persistent disregards of instructions of BHEL, assignment, transfer, subletting of the contracted service without written permission of BHEL, non fulfilment of any contractual obligations etc. and to claim/recover compensation for such losses from the vendor from Security Deposit/other dues.
- 12.2 To withdraw any portion of service and/or to restrict/alter quantum of service as indicated in the contract during the tenure of the contract and get it done through other agency to suit BHEL's requirement or due to other emergent reasons/BHEL's obligations to its customer.
- 12.3 To terminate the contract after due notice and forfeit Security Deposit and recover the loss sustained in getting the balance work/service done through other agencies in addition to liquidated damages/penalty in the events of
  - a) Continued poor performance of the vendor/ assigned work.
  - b) Withdrawal from or abandonment of the work within rate contract period
  - c) Corrupt or illegal or unlawful act of the vendor/ assigned workforce.
  - d) Persistent disregard of the instructions of BHEL.

- e) Assignment, transfer, subletting of the contract work without BHEL's written permission.
  - h) Non-fulfilment of any contractual obligations.
- 12.4 To recover any moneys due from the Vendor, from any moneys due to the vendor under this or any other contract or from the Security Deposit.
- 12.5 To recover additional cost incurred in execution of work/service along with BHEL overhead (i.e. @ 5% of executed value of such work/service) in case BHEL has decided to execute the work/service at risk & cost of the vendor. The work/service can be executed either directly by BHEL or through another agencies. This shall be over and above the Liquidated damages/penalties as per relevant clause.
- 12.7 To effect recoveries from any amounts due to the vendor under this or any other contract or in any other form the moneys which BHEL is forced to pay to anybody due to vendor's failure to fulfil any of his obligations.

**13.0 CONSEQUENCES OF CANCELLATION:**

Whenever BHEL exercises its authority to terminate the contract/withdraw a portion of work, the work may be got completed by any other means at the vendor's risk and cost provided that in the event of the cost of completion (as certified by the BHEL's Engineer which shall be final and binding on the vendor) being less than the contract value, the advantage shall accrue to BHEL. If the cost of completion exceeds the money due to the Vendor under the Contract, the Vendor shall either pay the excess amount demanded by BHEL or the same shall be recovered from the vendor. This will be in addition to the forfeiture of Security Deposit and recovery of liquidated damages as per relevant clauses.

**14.0 LAW GOVERNING THE CONTRACT AND COURT JURISDICTION:**

The Contract shall be governed by the Law for the time being enforced in the Republic of India. The Civil Court at Delhi having ordinary Original Civil Jurisdiction shall alone have exclusive jurisdiction in regard to all claims in respect of this contract.

**15.0 FORCE MAJEURE:**

- 15.1 The following shall amount to force majeure conditions:
- 15.2 Acts of God, Act of any Government, war, sabotage, riots, civil commotion, Police action, revolution, flood, fire cyclone, earthquake, epidemic and other similar causes over which the vendor has no control.

- 15.3 If the vendor suffers delay in the due execution of the contract, due to delays caused by force majeure conditions, as defined above, the agreed time of completion of the work covered by this contract may be extended by a reasonable period of time, provided that on the occurrence of any such contingency, the Vendor immediately reports to BHEL in writing the causes of no or. The Vendor shall not be eligible for any compensation on this account.

**16.0 ARBITRATION :**

- 16.1 Except as provide elsewhere in this Contract, in case amicable settlement is not reached between the Parties, in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the contract; or, in relation to interpretation of any provision of the Contract; or, in any manner touching upon the contract, then, either Party may, by a notice in writing to the other Party refer such dispute or difference to the sole arbitration of an arbitrator appointed by Head of the BHEL Unit/Region/Division issuing the Contract.

The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the Parties.

Subject as aforesaid, the provisions of Arbitration and Conciliation Act 1996 (India) or statutory modifications or re-enactments thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceedings under this clause. The seat of arbitration shall be New Delhi.

The cost of arbitration shall be borne as per the award of the Arbitrator. Subject to the arbitration in terms of clause mentioned above, the court at New Delhi shall have exclusive jurisdiction over nay matter arising out of or in connection with this Contract.

Notwithstanding the existence or any dispute or differences and/or reference for the arbitration, the Contractor shall proceed with and continue without hindrance the performance of its obligations under this contract with due diligence and expedition in a professional manner except where the contract has been terminated by either Party in terms of this contract.

- 16.2 In the event of dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No.4(1)/2013-DPE9GM)/FTS-1835 dated 22.05.2018.



**17.0 FACILITIES PROVIDED TO MSEs**

17.1 Following facilities shall be provided to MSEs

- a) Exemption from submission of EMD
- i) "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 (five years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or Udyog Aadhar Memorandum or EM II certificate along with attested copy of a CA certificate (Format enclosed at Annexure -1 where deemed validity of EM II certificate of five years has expired) applicable for the relevant financial year (latest audited). Date to be reckoned for determining the deemed validity will be the date of bid opening (Part 1 in case of two part bid). Non submission of such documents will lead to consideration of their bid at par with other bidders. No benefit shall be applicable for this enquiry if any deficiency in the above required documents are not submitted before price bid opening. If the tender is to be submitted through e-procurement portal, then the above required documents are to be uploaded on the portal. Documents should be notarized or attested by a Gazetted officer.

**18.0 Other Conditions :-**

Vendor should provide a 24 X 7 Contact no. (Mobile/ Landline) to BHEL TBG.

Any faults reported by e-mail, telephone shall be attended by the vendor immediately

**19.0 PVC, ORC & other compensations are not applicable to this contract.**

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