



BHARAT HEAVY ELECTRICALS LIMITED

Power Sector Southern Region

(A Government of India Undertaking)

GENERAL PURCHASE TERMS AND CONDITIONS FOR ITEM PROCURED IN INDIA

INSTRUCTIONS TO THE VENDORS/BIDDERS

1. **PURCHASER :** Purchaser shall mean Bharat Heavy Electricals Ltd, a company registered under Indian Companies Act 1956 with registered office at BHEL House, Siri Fort New Delhi 1100049 or its authorized officers or other employees authorized to deal with the matters concerned and having Regional Service Centre at 690, Anna salai, Nandanam, Chennai-600035.
2. **BIDDER/VENDOR:** means to those to whom enquiries have been sent for any purchase in case of Limited Tender and any bidder in case of Open Tender
3. **SELLER:** Seller means the successful bidder who is getting the Purchase Order from BHEL.
4. These purchase specifications as a whole, duly furnishing all the details required and other documents as required in the following pages shall be duly signed, scanned and uploaded in the M Junction portal.
5. Tenders/bids/offers are invited as E Tender for the scope of supply as per the specifications detailed and enclosed to the Enquiry. The offers sent in hard copy shall not be considered.
6. The vendors shall thoroughly read all the specifications before quoting. Vendor to clarify all doubts/ discrepancies in the Tender document with the authority inviting bids for clarifications, before submission of bids.
7. The offers shall be submitted in total compliance of the Terms and Conditions and are to be submitted online before the due date. **THE VALIDITY OF THE OFFER SHOULD BE FOR 90 DAYS UNLESS OTHERWISE SPECIFIED.**
8. The offers will be opened on the due date with due intimation to Bidders online through M Junction Portal.
9. The prices shall be quoted on “F.O.R Destination” basis only unless otherwise specified. The Price shall include all Duties/Taxes as applicable. It also includes Freight and Insurance up to destination. (Consignee). If the bidders prefers to quote only the basic price, then it should be followed by the duties and taxes in percentage as applicable and freight & insurance duly specified. Offers with incomplete information / prices are liable for rejection. **NO PRICE ELEMENTS SHALL BE INDICATED AS EXTRA.**
10. The rates should be quoted in both words and figures. In case discrepancy found between the rates quoted in words and figures, the least of the two will be treated as valid quoted rate.



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11. The basic price shall be kept firm till completion of the order and will not be subjected to variation, unless otherwise agreed upon specifically. However statutory variations on Taxes and Duties on the rates prevailing at the time of delivery shall be applicable.
12. Payment will be effected only after receipt of total quantity of materials as per PO at the destination within the delivery date stipulated unless otherwise specifically agreed in the Purchase Order.
13. No revision of prices whatsoever will be entertained /accepted after the Tender is opened.
14. In case of Tender for supply from abroad involving payment of foreign exchange, the price quoted should separately indicate the foreign exchange components involved and the extent of payment acceptable in Indian currency. **The exchange rate variation is not admitted unless otherwise specifically agreed/mentioned in the enquiry.** In such cases, the Tenderer also should give the following details without fail.
 - a. F.O.B price
 - b. Ocean freight/ insurance
 - c. Air freight/insurance
 - d. Ext gross weight of consignment
 - e. Indian agency commission payable in Indian rupees as applicable
15. **“C” FORMS OR ANY OTHER CONCESSIONAL SALES TAX DECLARATION FORMS WILL NOT BE ISSUED BY BHEL. THE BIDDER TO QUOTE THE TAX COMPONENTS ACCORDINGLY.**
16. **“NO DEVIATION CERTIFICATE** “has to be submitted along with the Technical bid conforming to the terms and conditions of the enquiry.
17. **“LATE TENDERS/BIDS”:** The offers received after Tender opening due date will be liable for rejection and shall not be considered.
18. Products with ISI certificates are preferred.
19. Manufacturer’s name, Trade mark or patent number if any, should be clearly specified. Illustrative leaflets giving technical particulars/parameters are to be enclosed to the offers along with list of customers / their purchase orders to whom similar product had been supplied, in the past three years.
20. SSI/NSIC Registered units must highlight the status indicating registration number in their offer without fail for availing MSME benefits.



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21. In case of Limited Tender, if the bidder is not interested in /not in a position to quote for this enquiry, the same should be communicated the same before due date of the Tender submission for consideration in subsequent enquiries.
22. In case of participation by the authorized distributors/dealers on behalf of the vendor, the copy of the legal arrangements/Terms and Conditions agreed between the parties (duly made in stamped paper) should be submitted. Due intimation in advance shall be given on or before the due **date** for consideration of such offers. The total responsibility for performance of the work/purchase as per specifications will be with the authorized vendor.
23. **Unless otherwise mentioned, the offers are to be submitted in two parts.**
In such case :
 - Two part bids will be submitted separately as (a) – Techno commercial bid and (b) – Price bid
 - All commercial terms and conditions like Payment Terms, Terms of Delivery, Guarantee, and Warrantee etc shall form part of Techno Commercial bid. The price bid cover shall contain only the price with taxes and duties.
 - **Combined bids containing both techno commercial and price details together contained in one single cover will be rejected.**
24. Techno/ commercial bid shall contain the total scope of work/purchase detailed in the specifications of the enquiry.
25. **QUOTATIONS:** All documentation and correspondence regarding the Contract/Purchase shall **be in English language and international numerals only**. The rates quoted shall be in figures as well as in words. In case of difference between the words and figures, the least of the two will be treated as valid quoted rate. All entries shall be either be typed or to be written in ink. Erasers and over writing is not permitted and may render such bids be liable for rejection. All the cancellations and insertions shall be duly attested by the bidder. Wherever Sales tax is claimed, the Central or state Sales registration number should be given both in the offer as well as in the invoice/bill. Please refer the conditions in case of Tender for supply from abroad involving payment of foreign exchange. (Clause no 15)
26. **SAMPLES:** sample should be submitted along with the offer, if asked for.
27. **INSPECTION & ACCEPTANCE OF GOODS:** It is subject to BHEL inspection at supplier's works before dispatch or on receipt at destination as the case may be, as per the agreed/approved Quality plan. Final / stage inspection will be carried out at the destination/ supplier's works by the authorized inspection official in line with agreed quality plan. Wherever preliminary or stage inspection is to be carried out at supplier's works, the same is



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subject to final acceptance after receipt of the material at the destination and the decision of the Purchaser shall be final. The property of goods shall not pass until final acceptance by the purchaser. In case of delay in inspection process for reasons attributable to the seller, the financial loss /liability sustained by the purchaser shall be borne by the supplier. Since delivery period includes the time for pre dispatch inspection by BHEL, the supplier shall intimate the readiness of material for inspection well in advance to expedite the inspection process and to enable the supplier effect delivery in time.

28. **QUALITY PLAN :** BHEL may give the quality plan of their own else may request the vendor to submit the quality plan along with the offer , as applicable, for approval by BHEL. (please refer specifications) The quality plan is expected to cover generally specification of the items, stage inspections to be carried out, guarantee/warranty /test certificates/inspection reports, sampling plan as per IS . BHEL will also identify the inspection agency including the customer, as applicable. The bidder/vendor shall furnish the details of the inspection facilities available with him in the quality plan, as applicable. The Quality Plan will be finalized before proceeding with execution of PO. The vendor is requested to ensure completion of QP in all aspects before proceeding with PO. The vendor should provide calibrated instruments etc for carrying out the inspection as per the quality plan.
29. **REJECTION:** The seller shall intimate the purchaser in writing within 15 days after receipt of rejection advice regarding the disposal of rejected material **and action plan for replacement**. If no information is received within this time, the purchaser shall be at liberty to return the material at the cost of risk of the seller after recovering the cost if any, including inward freight and other incidental charges incurred. The purchaser will not be responsible for the rejected material thereafter and no claim will rest on them.
30. **PACKING , MARKING & FORWARDING :**

PACKING: the supplier shall arrange for secure protective packing of the goods suitable for tropical conditions to avoid loss, damage or atmosphere action during transit by road/train/air. The packing standard shall comply with relevant national standards, where available, carriers' conditions of packing or established trade practice. The seller shall be liable to replace the material or reimburse the value of the loss notwithstanding whether insurance is arranged by him or not. The packing materials and cases **and packing charges are included in the quoted price** unless otherwise agreed.

MARKING: The following marking shall be made on each package in BLACK BOLD CAPITAL LETTER:

- | | | | |
|----|------|-----------|----------------------|
| a. | BHEL | CONSIGNOR | DIMENSION |
| b. | PSSR | CONSIGNEE | WEIGHT : GROSS & NET |



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The above marking should be stenciled or written in bold letters on the package. Should the packages be too small, suitable cards/metal tags giving these details may be tagged or nailed. Copy of the packing slip should be kept in each package **without fail**.

DESPATCH INTIMATION: immediately after dispatch, the Seller shall intimate AGM/Purchase BHEL PSSR Chennai the details of the items dispatched, quantity, order reference, LR/RR No and date by telegram/fax/e-mail.

31. **TERMS OF PAYMENT:** Payment shall be made as per the following terms unless otherwise specified..
- Where only supply is involved, 100% payment will be made within 30 days of satisfactory receipt of materials and on submission of Performance Bank Guarantee valid till completion of Guarantee Period and against submission of Store receipt voucher (SRV)/FARV (fixed asset acceptance receipt voucher)/MRV (material receipt voucher). These vouchers are issued by the consignee only.
 - Where installation and commissioning is involved, 90% payment will be released within 30 days of satisfactory receipt of materials and acknowledgement (as per SRV/FARV/MRV) and balance 10% will be paid after successful installation and commissioning and on submission of Bank Guarantee for the 10% value valid up to the guarantee period agreed between BHEL and the Vendor .
32. **SECURITY DEPOSIT :** Where required , Security deposit or Bank guarantee shall be submitted for a sum equal to 10% of the total value of the order on receipt of confirmed purchase order from BHEL .(please refer specifications for applicability)
33. **LIQIDATED DAMAGES & RISK PURCHASE:** Seller is to understand that “Time is the essence of the contract”. Hence the delivery of the goods as mutually agreed and specified in the purchase order should be adhered to. Where the seller supplies/dispatches the materials beyond the delivery date mentioned in the Purchase order, the Purchaser will have no obligations to accept the goods.

The Purchaser reserves the right to levy liquidated damages @ ½ percent of the value of the goods delayed beyond the due date, for each week of delay or part thereof without prejudice to any other relief or compensation due to Purchaser under any other conditions of the order subject to a limit of 10%, unless the delivery extension is given. In case of delay in receipt of materials at the delivery point, for reasons not attributable to BHEL, the Purchaser will levy LD, if time extension and PO amendment is not issued. The vendor should request Purchaser for amendment to PO for time extension if reasons are **not** attributable to them before submission of invoice.

In addition to the above, in case the vendor shall fail to complete the supply of the any of the materials within the specified time (either partially or fully), it shall be lawful for BHEL PSSR



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Chennai, to procure the same at the risk and cost of the supplier. In such event it will be obligatory on the part of the supplier to pay the additional expenditure incurred to BHEL PSSR for any loss due to such risk purchases.

34. **INSURANCE:** wherever delivery terms quoted for FOR Destination specifically agreed to and directed, the supplier shall insure at his cost the goods for all transit risks including 30 days storage risks from the date of delivery of goods at the final destination. In other cases, supplier must furnish of dispatch of each consignment immediately after dispatch. Failure to do this will make the supplier responsible for making good any loss which might have been recovered from the under –writers.
35. **SUBCONTRACTING:** This order or any part thereof shall not be subcontracted without the consent of the Purchaser. The total responsibility for the supply and performance of purchased items, as per guarantee rests with the seller, even if BHEL accepts the above arrangement.
36. **METRIC SYSTEM:** Seller shall indicate all the measurements only in Metric system.
37. **INDEMNITY:** Seller shall indemnify the Purchaser against any claim due to breach of patent, trademark, negligence, defective material, or injury to seller or his agent
38. **GUARANTEE & WARANTEE :**
 - The items purchased are to be guaranteed for satisfactory performance for a period of 12 months from the date of commissioning i.e. put into use or for 18 months from the date of dispatch, whichever is earlier unless otherwise specified.
 - If any defect is noticed during the above period, the same shall be replaced free of cost on FOR destination basis within a reasonable time. The time for replacement based on the component and urgency will be intimated by BHEL and the vendor should replace the items.
 - To this effect Guarantee / manufacturer's test certificate shall be furnished along with the original documents.
39. Three sets of Operation & maintenance manuals/ technical literature, drawings etc are to be supplied free of charges along with the items being procured.
40. **DISPUTES, ARBITRATION & JURISDICTION ;**
 - All disputes between the Purchaser and the seller arising out of this transaction , other than those for which decision of the BHEL is final, shall after written notice by either



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- part to the PO to other party by referred to sole arbitration of Executive Director or his nominee.
- The Arbitrations shall be conducted in accordance with provisions of Arbitration and Conciliations Act 1996. The Purchase will be governed by the law for the time being in force in the Republic of India.
 - The civil court having ordinary original Jurisdiction at Chennai, Tamilnadu alone have exclusive jurisdiction in regard to all claims in respect of this transaction/ purchase. No other civil Court have jurisdiction in case of dispute, of this contract.
41. **GENERAL:** All other conditions which might have been quoted by the Seller and are in contravention to the terms prescribed in the order and which have not been specifically accepted in writing by the Purchaser will not be applicable to this order. The Seller should intimate the Consignee in writing regarding the readiness of material, in cases where Purchaser has agreed to arrange collection with a copy to AGM/Pur/BHEL PSSR Chennai.
42. ANY REFERENCE MADE HEREIN (ENQUIRY/PURCHASE ORDER) TO ANY OF THE NATIONAL/INTERNATIONAL STANDARDS IMPLIES IT'S LATEST EDITION.
43. THE VENDORS SHOULD SUBMIT GUARANTEE, SOUNDNESS & BONAFIDE CERIFICATES WHILE SUPPLYING THE ITEMS. SUGGESTED FORMAT IS GIVEN UNDER SL. No. 44.
44. **PROFORMA (TYPICAL)-**

To be typed on letter head and certified with Signature & Stamp

- a. **GUARANTEE Certificate:** Certified that the materials dispatched vide RR/LWB/PBW nodated Conform to the quality as per specification of the Purchaser vide PO No Dated and guaranteed for 12 months from the date of putting the same to actual use /consumption /commissioning or 18 months from the date of dispatch whichever is earlier against all manufacturing defects, faulty materials, bad workmanship etc. if any defect is noticed during the above period, the defective materials shall be replaced or rectified free of cost on FOR/Chennai/destination basis within a reasonable time.
- b. **SOUNDNESS CERTIFICATE :** certified that the materials dispatched under RR/LWB/PWB Nodatedcovered by our invoice No Datedfor Rs.....against yourorder.....dated were in a sound condition at the time of dispatch. The material supplied against this order conforms to the specification mentioned therein and if found defective at the time of inspection by you, the same will be replaced free of cost.



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- c. **BONAFIDE CERTIFICATE** : I have personally examined and verified and do hereby certify that the goods in respect of which the payment is being claimed have actually dispatched by me /us under RR/LWB/Air consignment Note No.....Postal receipt Number..... Duly drawn in favour of the consignee which is genuine and mentioned in the bill and I hold myself personally responsible for the correctness of this statement.

I further certify that the above mentioned RR No /LWB No/Air consignment Note No..... postal receipt No.....has been forwarded to the consignee mentioned in the Purchase order under Registered Post with acknowledgement due.

45. The purchaser reserves the right to cancel or split-up the Tender /offer and place order for individual items with different vendors with varying quantities in line with the enquiries.

46. **FORCE MAJEURE**: the following shall amount to force majeure – Acts of God, Acts of government, war, sabotage, riots, civil commotion, police action, revolution, flood, fire, cyclone, earthquake, epidemic and other similar causes over which the vendor is not having any control. If the vendor suffers delay in fulfilling the obligations due to force majeure, as defined above, BHEL will grant only delivery time extension, by a period of time equal to the period of delay provided that on the occurrence of any such contingency, the vendor shall immediately reports to BHEL in writing the causes of delay. The vendor is not eligible for any other compensation.

47. **TENDER CONDITIONS FOR MSE SUPPLIER:**

MSE suppliers can avail the intended benefits only if they submit along with 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 /I certificate along with CA certificate (Format enclosed as per Annexure - I) 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. 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".

BHEL shall consider any new supplier as MSE vendor provided anyone of the following documents are submitted along with their offer/application

- a) Valid NISC certificate



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- b) Entrepreneurs memorandum Part II (EM II) valid based on deemed validity of 5 years)
- c) Valid EM II certificate along with attested copy of CA certificate as per prescribed format Annexure -1 applicable for the relevant financial year (latest audited), where the deemed validity of EM II is over However credentials of all MSE suppliers will be verified before considering the intended benefits for MSE suppliers as per above clause (Public procurement policy 2012 and MSMED act 2006) at time of Tender evaluation.
- d) MSEs are exempted from payment of earnest money (EMD) in addition to free issuance of Tender Documents

48. FORMAT FOR SUBMITTING E REMITTANCE FORM:

Details are to be furnished in their letter head by the contractor /supplier duly attested by their bankers

1. Name & address of the contractor/supplier
2. Bank a/c no
3. Type of a/c (cc / current)
4. Name of the bank
5. Name of the branch
6. Branch code
7. Banker's address
8. MICR no
9. IFSC code