



**Annexure - B**  
**STANDARD COMMERCIAL TERMS & CONDITIONS FOR PROCUREMENT OF CAPITAL EQUIPMENT**  
**[FORMAT TO BE FILLED-UP BY THE SUPPLIER]**

S No.	BHEL Standard Terms	Supplier Confirmation	Deviation
01	<b>Price:</b> Supplier shall be quoted on " <b>FIRM PRICE</b> " basis only. No price variation clause will be entertained.		
02	<b>Terms of Delivery:</b>		
(a)	<b>Indigenous Supplies :</b> FOR - Destination means FOR - BHEL Stores, Ranipet [Packing & Forwarding, Freight & Insurance are in Supplier's scope i.e. included in the quoted prices. Materials to be dispatched through BHEL approved carriers freight pre-paid]. The list of approved carriers will be attached along with Purchase Order. Incase our approved carriers are not available, after prior permission goods can be despatched through other than approved carriers.		
(b)	<b>Foreign Supplies :</b> FOB / FCA basis inclusive of SEA / AIR-worthy packing and inclusive of all charges till FOB / FCA. <b>Freight charges up to Chennai Port may also be quoted separately.</b> Normally BHEL would place order on FOB basis and shipment is to be done thro' nominated freight forwarder of BHEL as per terms & conditions of agreement between BHEL and its freight forwarder. However, if so required BHEL may place order on C&F basis also.		
03	<b>Delivery Period:</b> To mention clearly the exact delivery period as it attracts contractual penalty on delays through penalty clause. To be indicated in weeks from date of receipt of Letter of Intent (LoI)		
04	<b>Penalty:</b> Supplier should quote a definite delivery period and any delay in delivery beyond the P.O delivery date will attract <b>Penalty of 0.5% per week subject to a max. of 10% of order value.</b> The vendor should quote only confirmed delivery. Please note that confirmed delivery indicated includes the approval of drawings, Data sheet, Quality plan etc. as applicable. <b>(Date of despatch is considered for calculating penalty).</b> Date of despatch will be reckoned as the date of delivery for the supply of equipment.		
	<b>Loading Factor for non-acceptance of Penalty Clause:</b> Will attract maximum 10% loading on the offer and accordingly proportionate percentage will be loaded for accepting lesser percentage of penalty clause. Example : If the Supplier has accepted for maximum 5% penalty clause, then balance 5% will be loaded for evaluating lowest bidder.		
05	<b>Payment Terms: Offer with deviations to BHEL Payment Terms will be loaded at the Base Rate of SBI + 2% for the period of relaxation sought by bidder for deviated amount for the purpose of evaluating the lowest bidder. Offers with advance payment are liable to be rejected. In no case BHEL shall accept liability towards any interest payments.</b>		
(a)	<b>Terms of payment for Indigenous Offer:</b> Dispatch of Goods on door delivery basis only. Goods dispatched with documents presented through Bank is not preferred by BHEL . Payment through Electronic Fund Transfer mode only.		
(i)	80% payment will be made within 45 days from the date of receipt of material. Balance 20% + Erection & Commissioning (E&C) charges will be made after successful commissioning of the equipment and subject to submission & acceptance of Operative Performance Bank Guarantee for 10% of contract value (for order value Rs.5 lakhs and above).		
(ii)	In case if there is <b>NO</b> Erection/Installation and Commissioning involved for the item the following payment term would be considered. 100% payment within 45 days from the date of acceptance of the materials by BHEL at BHEL Ranipet.		

S No.	BHEL Standard Terms	Supplier Confirmation	Deviation
(b)	<p><b>Terms of Payment for Foreign Offers:</b> In case of foreign source 100% of supplies shall come from the overseas vendors only. Part supply from Indian agent would not be acceptable. BHEL prefer dealing with the Original manufacturers/suppliers only. 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 Purchase Order. This is payable on satisfactory completion of the contract.</p> <p><b>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 Supplier in any given tender all offers given in that tender by that agent will stand rejected.</b> No further correspondence would be entertained in this regard, by BHEL.</p>		
(i)	<p>Letter of Credit for 80% value (less Agency Commission) shall be opened after receipt of inspection call or 2 months prior to the agreed delivery date whichever is earlier and valid for 75 days for shipment and for 15 days thereafter for negotiation. (Or if the supplier so requires: 69 + 21 days). Supplier shall ensure shipment within the LC validity period. LC opening charges within India is BHEL's account and out side India is suppliers account. In case of any default, the LC amendment charges in such cases shall be to supplier's account.</p> <p>The balance payment of 20% and E&amp;C Charges will be made directly against submission of a Joint Protocol signed by BHEL and Vendor for successful commissioning and job prove out after deduction of penalty, if any. This is subject to the submission of Performance Bank Guarantee for 10% of contract value valid for the guarantee period.</p>		
(ii)	In case if there is <b>NO</b> Erection/Installation and Commissioning involved for the item the following payment term would be considered. 100% payment on CAD basis within 45 days from the date of presentation of the documents at the desk of our bankers.		
06	<p><b>Guarantee Period: Guarantee</b> regarding workmanship, materials used, design and performance should be for a period of 12 months from the date of commissioning &amp; prove out of the equipment or 18 months from the date of supply which ever is earlier. Guarantee certificate to be submitted as per format furnished by BHEL.</p> <p><b>Non acceptance of Guarantee Period / lesser period than specified:</b> Will attract disqualification of the offer.</p>		
07	<p><b>Performance Bank Guarantee (PBG):</b> 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 the agreed Guarantee period. <b>No PBG is required for orders of less than Rs. 5 lakhs.</b></p> <p>Bank Guarantee (PBG) shall be in the prescribed form given by BHEL and it is to be obtained from the list of bankers provided by BHEL. Supplier shall affix Non-Judicial Stamp as per stamp act on the BG form to be sent by BHEL along with Purchase Order.</p> <p>Bank Guarantee (PBG) from foreign suppliers should be in the prescribed form given by BHEL from any Bank of international repute. The bank guarantee is to be confirmed by any of the approved Banks of BHEL. All bank charges towards this will be to the account of supplier only. No extra charges will be payable by BHEL on this account.</p> <p><b>Non acceptance of Performance Bank Guarantee / retention of 10% of contract value by BHEL or acceptance of a PBG with lesser percentage or lesser period than specified:</b> Will attract disqualification of the offer.</p>		
08	<b>Erection &amp; Commissioning (E &amp; C) Charges:</b> Supplier to specify clearly the E & C Charges. Service tax shall be extra as applicable. Requirement of technical specification needs to be complied with.		
09	<b>Essential / Mandatory Spares (Refer specification / Annexure):</b> Supplier to specify clearly the charges of Essential / Mandatory Spares in the form of <b>Extra / Included / Free of Cost</b> . Requirement of technical specification needs to be complied with. <b>Where the price of spares is included in the basic price or shown as free of cost the list of spares and their individual prices are to be shown separately.</b>		
10	<b>Validity:</b> Supplier to mention clearly the validity date of the offer. [Minimum 180 days from the technical bid opening date]		

S No.	BHEL Standard Terms	Supplier Confirmation	Deviation
11	<b>Risk Purchase:</b> 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.		
12	<b>Reverse Auction (R/A) / Bidding through Internet:</b> BHEL will usually finalise the purchase of capital items thro' R.A (Reverse Auction). The R.A will be conducted by the service provider nominated by BHEL for this purpose. However, BHEL reserves the right to waive the requirement of R.A and proceed with tender opening based on the sealed bid offers received. In such cases, information would be given to the bidders by BHEL prior to price bid opening. Hence, in their own interest all bidders are required to submit their best competitive bid in the first instance in the sealed cover.		
13	<b>Taxes &amp; Duties:</b>		
14	<b>Excise duty in % (for Indigenous supplier):</b> To be indicated by supplier. ED invoice is required for availing Cenvat benefit		
(ii)	<b>Sales tax in % (for Indigenous supplier): VAT / CST</b> to be indicated by the supplier.		
(iii)	<b>Service Tax for services:</b> To be indicated by supplier.		
15	<b>Income Tax :</b> 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 shall indicate Permanent Account Number (PAN).		
16	<b>Test Certificate:</b> To be submitted.		
17	<b>O &amp; M Manual:</b> 3 sets in English language.		
18	<b>Training:</b> Supplier's scope at no extra cost. Wherever required training shall be given by the supplier at no extra cost either at suppliers works or at BHEL works or both. The number of mandays of training required is given seperately along with technical specification. After completion of training, necessary training completion certificate shall be obtained by the vendor from concerned BHEL authorities.		
19	<b>Pre-Despatch Inspection (PDI):</b> BHEL will have the option to pre-inspect the machine / 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 30 days before for foreign supplies and 15 days before for indigenous supplies from the scheduled contract delivery date. However final inspection for acceptance will be carried out at BHEL's works at Ranipet.		
20	<b>For Foreign Offers:</b>		
(i)	<b>Manufacturers' Name and address:</b>		
(ii)	<b>Country of Origin:</b>		
(iii)	<b>Nearest - 1. Seaport; 2. Airport</b>		
(iv)	<b>Approximate weight, cubage of the consignment and number of containers required for shipment.</b>		
	<b>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 in this shall take precedence. Such Commercial Terms and Conditions in the main offer may be considered null and void by the Purchaser and this is accepted by us.</b>		
	Signature and Office Seal of Vendor		

**FOR FOREIGN OFFERS / SUPPLIES (UNDER MERIT DUTY)**  
**(TYPICAL FORMAT FOR ILLUSTRATION)**

**ANNEXURE - I**

**FOR BASIC EQUIPMENT**

SL. NO.	DESCRIPTION		PRICE In _____
1	COST OF BASIC MACHINE (DETAIL BREAKUP AS PER BHEL TENDER DOCUMENTS)		
2	COST OF ACCESSORIES (DETAILS BREAKUP AS PER BHEL TENDER DOCUMENTS)		
3	ESSENTIAL SPARES (COMMG & OPERATIONAL SPARES FOR 2YRS OPERATION)		
4	TOTAL EX-WORKS COST (1+2+3)		
5	FOB / FCA CHARGES		
6	TOTAL (4+5)		
7	EXCHANGE RATE AS ON DATE OF PRICE BID OPENING		
8	FOB COST OF THE MACHINE (6*7)	Rs.	
9	CIF @ 5% (COST OF INSURANCE & FREIGHT @5%) (8)*0.05	Rs.	
10	CUSTOMS DUTY (INCL. OF APPLICABLE CESS, CVD, SAD, ANY OTHER DUTIES) @ x% (8+9) * x%	Rs.	
11	MISC @3% ON EX-WORKS (8)*0.03	Rs.	
12	TOTAL COST (8+9+10+11)	Rs.	

**ANNEXURE – II**

**FOR SERVICES**

SL. NO.	DESCRIPTION		PRICE In _____
1	TRAINING CHARGES		
2	ERECTION & COMMISSIONING CHARGES		
3	COMPONENT PROVE OUT CHARGES		
4	TOTAL SERVICE CHARGES (1+2+3)		
5	EXCHANGE RATE (AS ON PRICE BID OPENING DATE)	Rs.	
6	TOTAL SERVICE CHARGES (4*5)	Rs.	

**ANNEXURE – III**

**TOTAL LANDED COST TO BHEL**

SL. NO.	DESCRIPTION		PRICE In Rs.
1	BASIC MACHINE COST	Rs.	(12 of ANNEXURE - I)
2	TOTAL SERVICE CHARGES	Rs.	(6 of ANNEXURE - II)
3	TOTAL LANDED COST TO BHEL (1+2)	Rs.	

**FOR INDIGENOUS OFFERS / SUPPLIES**  
(TYPICAL FORMAT FOR ILLUSTRATION)

**ANNEXURE - I**

**FOR BASIC EQUIPMENT**

SL. NO.	DESCRIPTION	PRICE In Rs.
1	COST OF BASIC MACHINE (DETAIL BREAKUP AS PER BHEL TENDER DOCUMENTS)	
2	COST OF ACCESSORIES (DETAILS BREAKUP AS PER BHEL TENDER DOCUMENTS)	
3	ESSENTIAL SPARES (COMMG & OPERATIONAL SPARES FOR 2YRS OPERATION)	
4	TOTAL EX-WORKS COST (1+2+3)	
5	PACKING & FORWARDING CHARGES (OR PERCENTAGE ON EX-WORKS PRICE)	
6	EXCISE DUTY @ _____	
7	CST / VAT @ _____	
8	FREIGHT CHARGES (OR PERCENTAGE ON EX-WORKS PRICE)	
9	INSURANCE CHARGES (OR PERCENTAGE ON EX-WORKS PRICE)	
10	TOTAL COST (4+5+6+7+8+9)	

**ANNEXURE – II**

**FOR SERVICES**

SL. NO.	DESCRIPTION	PRICE In Rs.
1	TRAINING CHARGES	
2	ERECTION & COMMISSIONING CHARGES	
3	COMPONENT PROVE OUT CHARGES	
4	TOTAL SERVICE CHARGES (1+2+3)	
5	SERVICE TAX AS APPLICABLE	
6	TOTAL (4+5)	

**ANNEXURE – III**

**TOTAL LANDED COST TO BHEL**

SL. NO.	DESCRIPTION	PRICE In Rs.
1	BASIC MACHINE COST	(12 of ANNEXURE - I)
2	TOTAL SERVICE CHARGES	(6 of ANNEXURE - II)
3	TOTAL LANDED COST TO BHEL (1+2)	

**FOR FOREIGN OFFERS / SUPPLIES (UNDER EPCG LICENCE)**  
**(TYPICAL FORMAT FOR ILLUSTRATION)**

**ANNEXURE - I**

**FOR BASIC EQUIPMENT**

SL. NO.	DESCRIPTION		PRICE In _____
1	COST OF BASIC MACHINE (DETAIL BREAKUP AS PER BHEL TENDER DOCUMENTS)		
2	COST OF ACCESSORIES (DETAILS BREAKUP AS PER BHEL TENDER DOCUMENTS)		
3	ESSENTIAL SPARES (COMMG & OPERATIONAL SPARES FOR 2YRS OPERATION)		
4	TOTAL EX-WORKS COST (1+2+3)		
5	FOB / FCA CHARGES		
6	TOTAL (4+5)		
7	EX-CHANGE RATE AS ON DATE OF PRICE BID OPENING		
8	FOB COST OF THE MACHINE (6*7)	Rs.	
9	CIF @ 5% (COST OF INSURANCE & FREIGHT) (8) * 0.05	Rs.	
10	CUSTOMS DUTY (INCL. OF CESS) @ 5.15% (8+9) * 0.0515	Rs.	
11	MISC @3% ON EX-WORKS (8)*0.03	Rs.	
12	TOTAL COST (8+9+10+11)	Rs.	

**ANNEXURE - II**

**FOR SERVICES**

SL. NO.	DESCRIPTION		PRICE In _____
1	TRAINING CHARGES		
2	ERECTION & COMMISSIONING CHARGES		
3	COMPONENT PROVE OUT CHARGES		
4	TOTAL SERVICE CHARGES (1+2+3+4)		
5	EXCHANGE RATE (AS ON PRICE BID OPENING DATE)		
6	TOTAL SERVICE CHARGES (4*5)	Rs.	

**TOTAL LANDED COST TO BHEL**

SL. NO.	DESCRIPTION		PRICE In Rs.
1	BASIC MACHINE COST	Rs.	(12 of ANNEXURE - I)
2	TOTAL SERVICE CHARGES	Rs.	(6 of ANNEXURE - II)
3	TOTAL COST TO BHEL (1+2)	Rs.	