

GENERAL TERMS & CONDITIONS OF CONTRACT

1. DEFINITION OF TERMS

Throughout the Tender Documents including the Enquiry Letter, the following words shall have the meanings assigned to them herein, unless the subject matter or the context requires otherwise.

- 1.1. The '**Purchaser**' or '**BHEL**' shall mean Bharat Heavy Electricals Limited (A Govt. of India Undertaking) incorporated under the Companies Act 1956 acting through its Jhansi Unit , BHEL House, Siri Fort, New Delhi-110 049, which expression shall include its successors and assigns. Tenders are to be submitted to M/s BHEL Jhansi.
- 1.2. The '**Tenderer**' shall mean the Firm/Company/Organisation, which quotes against the Tender Enquiry issued by the Purchaser. It may also be referred as '**Bidder**'.
- 1.3. The '**Supplier**' shall mean the firm/company/organisation with whom the Order/Contract is made and shall be deemed to include his successors, representatives, heirs, executors, administrators and permitted assigns, as the case may be. It may also be referred as '**Contractor**' or '**Vendor**'.
- 1.4. The '**Sub-contractor**' shall mean the person/firm/company/ organisation to whom any part of the work has been sub-contracted by the Supplier, with the written consent of the Purchaser and shall include his heirs, executors, administrators, representatives and assigns.
- 1.5. The '**Engineer**', for the purpose of this Contract shall mean an engineer, person or company duly appointed as such from time to time or such other officials as may be duly authorised and appointed and notified in writing by purchaser to act as engineer. In cases where no such Engineer has been so appointed, the word 'Engineer' shall mean the Purchaser or his duly authorised representative.
- 1.6. The '**Equipment**' shall mean and include plant and stores and materials to be provided by the Supplier under the Contract.
- 1.7. The '**Specification**' shall mean the specifications contained in the Tender Documents and any subsequent modifications thereof and the drawings, schedules etc. attached thereto, if any.
- 1.8. The '**Offer**' shall mean and include the technical and commercial documents including specifications, schedule of prices and quantities, drawings etc submitted by the Tenderer in response to the tender enquiry and any subsequent clarifications thereof. It may also be referred as '**Bid**'.
- 1.9. '**Acceptance of offer**' shall mean issue of letter of intent/award or memorandum or detailed Order/Contract communicating the acceptance of offer, to the successful Tenderer.
- 1.10. The '**Contract**' shall mean and include the general conditions, bidding conditions, specific conditions, specifications, schedules, drawings, form of tender, Offer, covering letters, schedule of prices and quantities, letter of intent/award of the Purchaser, Offer of the Tenderer, any special conditions applicable to the particular Order and subsequent amendments mutually agreed upon. It may also be referred as '**Order**' or '**Purchase order**'.
- 1.11. The '**Contract Price**' shall mean the total price to be paid by the Purchaser to the Vendor for the supply & services to be provided by the Vendor to the Purchaser as per Contract. It may also be referred as '**Order Value**'.
- 1.12. The '**Site**' shall mean the site of the proposed work at BHEL Plant at Jhansi.
- 1.13. The '**Inspector**' shall mean the Purchaser for the time being or such other person as may be duly authorised and appointed in writing by Purchaser to act as Inspector for the purpose of Contract.

- 1.14. **'Approved'** shall mean the approval of the Engineer or of the inspector as the case may be in writing.
- 1.15. **'Test on completion'** shall mean such tests as are prescribed by the specifications and/or tests mutually agreed upon by the Purchaser and the Supplier, to be performed by the Supplier after Installation of the equipment to establish satisfactory operation as required by the specifications.
- 1.16. **'Commissioning'** shall mean the first operation of the equipment after all initial adjustments, trials, cleaning and re-assembly required at site, if any, have been completed and equipment is made ready for commercial use.
- 1.17. **'Performance Tests'** shall mean the tests to be conducted on the equipment at site for checking the performance parameters of the equipment as defined in Technical Specification.
- 1.18. **'Commercial use'** shall mean that use of the equipment, which the Contract contemplates or of which it is to be commercially capable.
- 1.19. **'Acceptance of Equipment'** shall have the meaning as specified elsewhere in this document.
- 1.20. **'Consignee'** shall mean the official(s)/person(s) to whom the Equipment is required to be delivered in the manner indicated in the Purchase Order.
- 1.21. **'Contract Engineer'** shall mean the official who has signed the Order/Contract on behalf of the Purchaser.
- 1.22. **'Site Engineer'** shall mean officer of the Purchaser as may be duly appointed and authorised in writing by the purchaser to act as the Site Engineer on his behalf.
- 1.23. **'Months'** shall mean calendar months.
- 1.24. **'Days'** shall mean calendar days.
- 1.25. **'Writing'** shall include any manuscript, typewritten or printed statement under or over signature, seal as the case may be.

The words incorporating singular shall include plural and vice-versa, in the words importing masculine gender shall include feminine and vice-versa and the words importing persons shall include bodies corporate, limited liability companies, partnership and other legal entities.

2. SUBMISSION OF TENDER

2.1. General

- 2.1.1. The tender shall be addressed to Head (MM), BHEL Jhansi and shall be submitted with one original and one duplicate copy.
- 2.1.2. Sealed Tenders may be submitted personally, by Courier or by registered post with due allowance for any transit/postal delay. The tenders received after due date and time of opening are liable to be rejected. Telegraphic offers and offers received by fax/email may not be considered unless confirmed in writing by a detailed offer.
- 2.1.3. The Tenderer shall closely peruse all the clauses, specifications and drawings indicated in the Tender Documents before quoting. Should the Tenderer have any doubt about the meaning of any portion of the Tender Specifications or find discrepancies / omissions in the drawings or the tender documents issued are incomplete or shall require clarification on any of the technical aspect, scope of work etc., he shall at once contact the authority

inviting the tender for clarification before submission of the tender. The specifications and terms and conditions shall be deemed to have been accepted unless otherwise specifically commented upon by the Tenderer in his Offer.

- 2.1.4. Tenderer must fill the schedules and furnish all the required information as per the instructions given in various sections of the tender specification. Each and every page of the offer must be signed, stamped and submitted by the Tenderer. The information furnished shall be complete by itself.
- 2.1.5. The tender shall quote the rates in English Language using international numerals. These rates shall be entered in figures as well as in words. For the purpose of the tender, the metric system of units shall be used.
- 2.1.6. All entries in the tender shall either be typed or be written in blue ink. Erasures and overwriting are not permitted and may render such tenders liable to summary rejection. The Tenderer shall duly attest all cancellations and insertions. Signatures shall be in blue ink.
- 2.1.7. DUNS number (allotted by M/s Dun & Bradstreet) shall be mentioned in the offer in case of foreign suppliers.
- 2.1.8. The Offer shall be signed by a person who has requisite authority from the Tenderer to do so.
- 2.1.9. Standard pre-printed conditions of the Tenderer attached to the offer will not be accepted and only those mentioned in the body of his offer will be considered.
- 2.1.10. No request for extension of due date will be entertained.
- 2.1.11. **For any clarification please contact Sh.B K Manjhi, AGM (MM), Phone no-0510-2412435 ,Sh. Prateek Gupta ,Sr PO (MM) Ph No. 0510-2412373, Sh. Sadhu Sharan Verma Dy Engineer(MM), Phone No.0510-2412373.**

2.2. Two Part Bids

- 2.2.1. Bidders shall submit the offer in three inner envelopes (covers) and one outer envelop (cover) as indicated below.
- 2.2.2. **Envelope I:** This sealed envelope should contain all the copies of technical & commercial bid together with **Un-Priced Bid (price formats without prices as per Annexure-I or II)**. This envelope should be clearly marked "**Part I - Technical and commercial bid**", indicating Tender No., Due Date and Address & Reference of the Bidder. Commercial terms and conditions should be as per format given in **Annexure-III** .
- 2.2.3. **Envelope II:** This sealed envelope should contain only **price formats with prices as per Annexure-I or II** . This envelope should be clearly marked "**Part II - Price bid**", indicating Tender No., Due Date and Address & Reference of the Bidder.
- 2.2.4. **Envelope III:** This sealed envelop should contain Demand Draft/ Pay order in favour of BHEL Jhansi for Earnest Money Deposit (if applicable). This envelope should be clearly marked "**Envelop III- EMD**", indicating Tender No., Due Date and Address & Reference of the Bidder.
- 2.2.5. All the envelopes shall be put in one envelop, duly sealed, super scribed as Part I and Part II of Enquiry No., due date of opening, name & address of the officer inviting Tender and the address and reference of the Bidder.

2.3. Part I – Technical and Commercial Bid

2.3.1. Technical

This part shall include / indicate the following:

- 2.3.1.1. Complete scope of supply with all technical details and other terms and conditions.
- 2.3.1.2. Point by point confirmation for the Technical Specification in the specified format. If there are any deviations, the same should be clearly specified. Offers received without confirmation to our specification will be rejected.
- 2.3.1.3. List of customers to whom same or similar equipment have been supplied along with performance certificates.
- 2.3.1.4. Relevant catalogues.
- 2.3.1.5. List of spare parts (with part numbers) for two years operation and maintenance.
- 2.3.1.6. You should also furnish details of shipping specification, sizes, volume, Gross weight, number of cases or no. of container (40' or 20') required for shipping the material etc. When articles are packed with packaging material of plant origin, phytosanitary certificate will be required (**Applicable for foreign suppliers only**).

2.3.2. Commercial

This part shall include / indicate the following:

- 2.3.2.1. Port of shipment / Station of dispatch
- 2.3.2.2. Terms of payment
- 2.3.2.3. Taxes & duties applicable.
- 2.3.2.4. Delivery Schedule
- 2.3.2.5. Offer validity
- 2.3.2.6. Country of origin
- 2.3.2.7. A copy of "Un-Priced Part II" i.e., a copy of the Price Bid without price particulars. Instead of the price, the Tenderer shall write 'quoted' against the item for which price have been quoted in the Price Bid.
- 2.3.2.8. Demand Draft number / Pay order number, issue date and amount of Earnest Money Deposit is to be mentioned (If applicable)

2.4. Part II (PRICE- BID)

This part should contain the schedule of price particulars co-related to the technical details provided in Part I.

3.0 Earnest Money Deposit:

- 3.1 Bidder has to furnish Earnest Money Deposit (EMD) along with the Techno-commercial Bid of their offer for **as indicated in NIT** in form of Demand Draft or Pay order only in favour of **Bharat Heavy Electricals Limited, Jhansi** payable at BHEL Jhansi.

However, the EMD may be waived in following cases:

a) Central / State - PSUs / Government departments.

b) Micro and Small Enterprises.

For seeking EMD waiver, Bidder has to furnish the latest self certified copy of the relevant certificate as the case may be along with techno-commercial offer.

- For Central and State PSU's self certified copy of certificate of incorporation is required.
- For Micro & Small industries copy of MSMED certificate along with certificate of CA certifying present status of MSMED as of Annexure-V is required.

It may be noted that for bidders other than (a) & (b) above, EMD is an essential requirement and waiver of this will not be given. However in very exceptional cases for justified reasons EMD may be waived. Such request should reach us 10 days before due date. Request received beyond the time specified shall not be entertained.

- 3.2 EMD by the Tenderer will be forfeited as per Tender Documents if, the successful bidder/vendor refuses to honour the Order after award of the same on him and/or withdraws his bid and for unilaterally changes the offer and/or any of its terms & conditions within the validity period.
- 3.3 EMD given by all unsuccessful Tenderers shall be refunded on acceptance of award/LOI/PO by successful Tenderer. The EMD of successful bidder shall be returned after submission of Contract Execution Bank Guarantee (CEBG).
- 3.4 EMD shall not carry any interest.

4. OPENING OF TENDERS

- 4.1. The offer should reach our office on or before 13.15 hrs on the due date. The tender can also be dropped in the Tender Box kept at Administrative Building Gate. The tenders will be opened after 14.00 hrs on the due date in presence of all bidders who will be present.
- 4.2. Authorised officer of BHEL at his office shall open tenders at the time and date as specified in the tender notice in the presence of such of those Tenderers or their authorised representative who may be present. However, The Purchaser reserves the right to open the tenders in-camera.
- 4.3. The Part I - Technical & commercial bid alone would be opened on the Tender opening date.
- 4.4. The Part II - Price bid of only those Bidders who have been found to be techno-commercially suitable would be opened at a later date. These Bidders would be informed about the tender opening date.
- 4.5. Clarifications, if any, required by BHEL for technical and commercial evaluation may be sought from Bidders before opening of Part II - price bid.
- 4.6. In case it becomes necessary for the Tenderer to make any changes in his original price bid (Part-II) on account of technical/commercial confirmations/clarifications, against the changes advised by the purchaser to bring the offer in line with the requirement of the specifications, the impact of such changes on price shall be submitted in the form of a revised price bid, if asked for by the Purchaser.
- 4.7. If a revised price bid has been submitted, normally only the final revised price bid shall be opened. However, BHEL reserves the right to open the earlier price bids, if required.
- 4.8. Unsolicited price bids shall not be entertained.

- 4.9. Any revision or changes in quoted prices and/or conditions of offer made after tender opening, which will give benefit to the Tenderer over others, may result in rejection of the tender.

5. QUALIFICATION OF TENDERERS

- 5.1. Details of Qualification Requirements are given in Technical Specifications if any.
- 5.2. Only Tenderer who has previous experience in the work of this nature and description detailed in this tender specification are expected to quote for this work. Offer from Tenderer who does not have proven and established experience in the field is not likely to be considered.
- 5.3. **Details on Capacity / Supply and E & C performance of Bidder (Applicable for Estimated value more than 2.5 Crore):**

Please furnish the specific details of company performance in the enclosed **Annexure-IV** (A. Capacity details; B. Performance of supplies to BHEL). These data furnished regarding performance of the vendors and meeting commitments shall be considered during bid evaluation / finalization of tenders.

- (a) Capacity details in Part (A) are about the Manufacturing Capacity (Major Machine: category-wise & number-wise), No. of Machines supplied during last 5 years, Outstanding Order Book position, Liquidation Plan of all machines including BHEL machines under consideration for ordering.
- (b) The Performance details of supplies to BHEL are to be given in Part (B) for the POs placed by BHEL. Submission of these informations by vendors is mandatory. BHEL reserves the right to reject-the offer, if past performance of the bidder is evaluated to be unsatisfactory and / or false information is given by the bidder.
- (i) We shall make use of the information on past performance of the bidders during technical evaluation of the offers. If Delivery Index of any bidder is ≥ 0.20 , then his offer shall be liable for rejection. However, offer of bidder with Delivery Index ≥ 0.20 can also be accepted for further evaluation on exception basis with justified recorded reasons & provided the bidder fulfils the requirement of proven experience of supplying similar machines & have adequate available capacity to meet BHEL tender requirement.
- (ii) The actual/likely Supply and E&C period vis-a-vis scheduled Supply and E&C period (delay for reasons attributable to vendor. only to be considered) shall be considered for all the machines against the POs placed by BHEL during last 5 years (limited to 5 latest executed POs) and all POs overdue for Supply and/or E&C.

For purpose of calculation of Delivery Index in case of overdue POs, the delay period for Supply and/or E&C will be reckoned from the date of bid opening of the tender under evaluation. In case of two part bid, part-I (i.e. Techno-Commercial Bid) shall be considered as date of bid opening.

Early Supply and/or E&C vis-a-vis scheduled dates will not be entitled for any consideration for calculation of Delivery Index.

Delay in E&C shall be applicable only in such cases where E&C period has been mentioned in the Purchase Order.

In case a PO includes more than one machine, then all the machines of the PO shall be considered, for calculation of Delivery Index.

- (v) Illustration for calculation of Delivery Index is given as under:

$$\text{Delivery Index} = \sum_{i=1}^n \left\{ \frac{(\Delta X_i + \Delta Y_i)}{(X_i + Y_i)} \right\} / n$$

i = No. of Machines; Where, i= 1 to n (n = no. of m/cs.)

X_i = Scheduled Delivery (no. of days)

ΔX_i = Supply delay (no. of days)

Y_i = Scheduled E&C (no. of .days)

ΔY_i = E&C delay (no. of days)

6. VALIDITY OF OFFER

- 6.1. The offer should be valid for a period of 6 Months from the date of opening of tender i.e part - I. In case the Purchaser calls for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer, which shall be binding on the Tenderer.

7. REJECTION OF TENDER AND OTHER CONDITIONS

- 7.1. The acceptance of Tender will rest with BHEL which does not bind itself to accept the lowest tender or any tender and reserves to itself full rights to reject any or all the Tenders without assigning any reason whatsoever.
- 7.2. Conditional and unsigned tenders, tenders containing absurd or unworkable rates and amounts, tenders which are incomplete or otherwise considered defective and tenders not in accordance with the tender conditions, specifications, etc., are liable to be rejected.
- 7.3. If the Tenderer deliberately gives wrong information in his tender, Purchaser reserves the right to reject such tender at any stage or to cancel the Contract, if awarded and forfeit the Security Deposit.
- 7.4. Canvassing in any form in connection with the tender is strictly prohibited and the tenders submitted by the Tenderer who resorts to canvassing are liable to be rejected.
- 7.5. The offer received in single bid instead of two bid will be bypassed.

8. EVALUATION OF OFFERS

- 8.1. The bidder required to quote charges for 'Supply' and 'Erection' & Commissioning' separately.
- 8.2. The evaluation of tender shall be on the basis of "total cost to BHEL" including Supply and Erection & Commissioning. For-evaluation, exchange rate (TT selling rate of SBI) as on scheduled date, of tender opening (part-I in case of two part bid) shall be considered.
- 8.3. Erection & Commissioning (E&C) value will include services to be rendered at BHEL like erection, commissioning, job proving, performance tests, training to operators etc.
- 8.4. E&C value should be quoted separately by bidders. Only in case where quoted value is less than the value (in %) specified in the NIT or separate E&C values are not mentioned in the offer, value for E&C portion shall be deemed to be considered as the value indicated in NIT & accordingly supply value will be adjusted from that quoted value and balance will be released as E&C payment as per clause 14 (Payment Terms).
- 8.5. Evaluation of offers shall be on the basis of delivered cost at BHEL Jhansi i.e. total cost to the Purchaser, taking into consideration loadings, if any, and all available financial advantages.
- 8.6. Deviations (Commercial as well as Technical) from the Tender Specifications are generally not acceptable. However, if any deviation is considered by the Purchaser, the same shall be loaded for comparison, while evaluating the offer.
- 8.7. Loading criteria in respect of the deviations shall generally be on the principle of time and value of

money in respect of commercial deviations, and similar quantification – as may be decided by the Purchaser – in respect of technical deviations.

- 8.8. Loading criteria in respect of the deviation(s) shall be communicated to the concerned Bidder(s) before Price Bid opening. If a Bidder unconditionally withdraws any deviation before Price Bid opening, the same shall not be loaded.
- 8.9. Rates of Exchange taken for conversion of foreign currency to Indian Rupees for the comparison of bids shall be the inter bank TT selling rates of State Bank of India as at the close of business on the date of opening of Price Bid.
- 8.10. The Purchaser reserves its right to negotiate with the Bidder and / or go for reverse auction.
- 8.11. The Purchaser reserves its right to allow to the Public Sector Enterprises ordering and price preference facilities as admissible under the existing policy of the Govt. of India.

9. EFFECTIVE DATE OF CONTRACT

- 9.1. The responsibility of successful Tenderer under this Contract commences from the date of issue of the Purchase Order.
- 9.2. The Effective Date of Contract shall be the date of issue of the Purchase Order.

10. PRICES

- 10.1. The prices shall be firm and shall be quoted as per format given in Annexure-I or II.
- 10.2. The price for foreign supplies shall on CIF (as per INCOTERM), JNPT Mumbai port basis.
- 10.3. The price for Indian supplies shall be on FOR, BHEL, Jhansi basis inclusive of Packing, Forwarding, Freight & transit insurance.
- 10.4. The excise duty and sales tax/ VAT for Indian supplies will be paid at the rate applicable on the day of dispatch. However, if the Equipment is delayed and amount of excise duty, sales tax/ VAT on the day of dispatch is higher than the amount applicable on the scheduled delivery date, the differential amount (if any) will be in supplier's account.
- 10.5. The price for installation and commissioning shall be inclusive of all taxes and duties except Service Tax. Installation and commissioning charges should be quoted on Lump sum basis. No such variables should be used due to which offer value can't be determined. Service tax on installation and commissioning, if applicable, will be payable extra.
- 10.6. Any other taxes and duties payable as extra to the quoted price shall be specifically stated in the Offer. The Purchaser will not be liable for payment of taxes and duties not specifically mentioned in the Offer.
- 10.7. No free conveyance or accommodation to erection staff for site job will be provided by BHEL.

10.8. Fixed price

- 10.8.1. Prices quoted by the bidder shall be fixed and not subject to any variation whatsoever during the period of Bid validity and execution of the Purchase Order. A Bid submitted with an adjustable price will be treated as non -responsive and rejected.
- 10.8.2. Prices shall be written in words and figures. The discrepancy in quoted price, if any, shall be corrected as follows:

- If there is a discrepancy between words and figures, the amount given in words shall prevail.
- If there is a discrepancy between the unit price and total price which is obtained by multiplying the unit price and quantity, the unit price shall prevail.
- If there is a discrepancy between the sub-total price and total price which is obtained by adding the various sub-total prices, the sub-total price shall prevail.
- The Order will be issued on the corrected price or the quoted prices for the complete scope of work (whichever is lower).

10.9. Bid currency

10.9.1. Indian bidders should quote the prices only in Indian Rupees.

10.9.2. Foreign bidders may quote the prices in their home currency, US Dollars or Euros (any one) and Indian Rupees.

11. Delivery Time Period for 'SUPPLY' and 'E&C':

11.1. Bidder should quote delivery period separately for 'Supply' and 'E&C' of equipment.

11.2. Indian Bidders should submit their offer on FOR Jhansi basis including packing, forwarding , freight & transit insurance. Date of receipt of material (CISF date of entry at BHEL Jhansi) shall be taken as delivery date for Indian suppliers for LD Purpose.

11.3. Foreign Bidders should submit their offer on CIF Mumbai Port/ Mumbai Airport as per INCOTERM 2012 basis. Date of Bill of Lading /HAWB shall be considered as date of delivery for Foreign suppliers for LD purpose.

11.4. Delivery period shall be counted from the date of Purchase order.

11.5. "The bidders should quote their earliest schedule for Supply and E&C against the schedule indicated in the NIT". BHEL, however, reserves the right to accept an offer not meeting the NIT schedule.

12. COMPLETENESS OF THE EQUIPMENT

12.1. The Equipment shall be complete in every respect with all mountings and testing and fixtures and standard accessories, which are normally supplied. The Supplier shall not be eligible for extra payment in respect of such mountings, fittings, fixtures and accessories which are needed for efficient and safe operation of the Equipment.

12.2. All similar components or parts of similar equipment supplied by the Seller shall be interchangeable with one another.

13. TOOLS, CONSUMABLES AND SPARE PARTS

13.1. The Tenderer shall provide installation, commissioning and maintenance tools and tackles at no additional cost, unless otherwise stated in the Tender Documents.

13.2. The Tenderer shall provide commissioning spares and consumables at no extra cost to the Purchaser.

13.3. Mandatory/ recommended spares for two years operation shall be quoted item wise.

14. PAYMENT TERMS

14.1 Payment through L/C (in case of Foreign Bidders only):

Where the payments are through L/C, payment of Supply value shall be 80% payment through irrevocable & unconfirmed LC with 120 days usance period from HAWB/Bill of lading date and balance 20% and E&C charges on satisfactory completion of E&C and issue of E&C Certificate. E&C certificate shall be issued on satisfactory completion of erection, commissioning, job proving, performance tests, and training to operators etc. as envisaged in PO. The L/C shall be opened by BHEL as per following:

- (i) On receipt of acceptable CEBG but not earlier than 60 days of shipment date, an irrevocable unconfirmed L/C will be opened for 80% of the payment towards supply, due on shipment. L/C opening charges shall be in respective account. LC confirmation charges if any shall be on supplier accounts.

The above L/C can be negotiated after the Shipment against submission of B/L or AWB and such other documents as mentioned in the PO. The above L/C will be valid for a period extending 14 days beyond the shipment date for negotiation of documents.

- (ii) 15 days prior to the scheduled & confirmed arrival of the technicians of supplier with their names, an irrevocable unconfirmed L/C will be opened for a value equal to 20% of the Supply value of PO plus 100% of the E&C value of PO. The validity of L/C would be sufficient to cover the period required for the completion of E&C plus 14 days as negotiation period.

This L/C can be negotiated after: (a) Completion of E&C of the equipment in BHEL and against E&C certificate issued by BHEL and (b) Submission of Performance Bank Guarantee (PBG) by Supplier in the prescribed Format valid for 30 days beyond the Guarantee period, from one of the Nationalised Banks in India or from a reputed Bank and confirmed by Consortium Bank of BHEL for 10% of total PO value. The PBG confirmation charges shall be borne by vendor.

Under all circumstances, CEBG shall be kept valid till the PBG becomes operational.

14.2 Direct Payment (For Indigenous Bidder) :

80% of supply value plus 100 % taxes & duties shall be made within 90 days from the date of receipt of the equipment at BHEL Jhansi works and submission of clear and admissible bill, subject to the acceptance of material at BHEL Jhansi ,on direct presentation of the documents. Balance 20% of supply value plus 100% of the E&C charges will be paid against E&C certificate issued by BHEL after successful commissioning of the equipment at BHEL Jhansi and submission of Performance Bank Guarantee of 10% basic order value valid for 24 months from commissioning with a further claim period of 3 months.

In case Erection & Commissioning is not required by us then 100% payment of Supply value shall be made within 90 days from the date of receipt of the equipment at BHEL Jhansi works and submission of clear and admissible bill, subject to the acceptance of material at BHEL Jhansi ,on direct presentation of the documents and submission of Performance Bank Guarantee (PBG) valid for 3 months (Claim period) beyond the Guarantee period by Supplier from any of the Nationalised Banks or from a reputed Bank and confirmed by Consortium Bank of BHEL for 10% of total PO Value in the prescribed Format.

FOR MSME SUPPLIERS:- The bidders who are registered under micro & small categories (Refer MSMED Act 2006), Payment for 80 % of supply value plus 100 % taxes and duties shall be paid within 45 days (in place of 90 days as above) from the date of receipt of the equipment at BHEL Jhansi works and submission of clear and admissible bill, subject to the acceptance of material at

BHEL Jhansi ,on direct presentation of the documents.Balance 20% of Supply value plus 100% of the E&C portion of PO value will be paid against E&C certificate issued by BHEL and submission of Performance Bank Guarantee (PBG) valid for 3 months (claim period) beyond the Guarantee period by Supplier from any of the Nationalised Banks in India or from a reputed Bank and confirmed by Consortium Bank of BHEL for 10% of total PO Value in the prescribed Format. The PBG confirmation charges shall be borne by vendor.

Vendor has to submit the Udyog aadhar certificate along with their offer.

For Indian Suppliers, no LC payment will be done.

- 14.3 Installation and commissioning charges will be released after deduction of Income Tax as per the Govt. of India rules in force and after deduction of Works Contract Tax as per Govt of UP rules, if applicable. The Tax Deduction at Source (TDS) certificate will be issued by BHEL. Applicable service tax on Installation & Commissioning charges, if any, will be payable extra.

14.4 Bank Guarantee and Loading against non acceptance of BHEL's Payment Terms:

If payments terms as mentioned by BHEL are not agreed by bidder, such bidder have to submit Bank Guarantee at the time of payment / opening of L/C in the prescribed Format of the amount, exceeding 80% of the PO value, valid till issue of E&C Certificate for the equipment. However, in no case, payment against dispatch shall exceed 90% of the PO Value.

Additionally, for any deviation sought including as mentioned *above*, in Payment Terms by bidder w.r.t. tender conditions, following loading shall be followed:

- (a) Base Rate of SBI as applicable on the scheduled date of tender opening + 6%, for the amount & period of relaxation sought by bidder.
- (b) On account of payment through LC (for foreign suppliers), if insisted by bidder, Bank charges shall also be loaded for the deviation in. (i) opening of LC by BHEL and (ii) period and amount of LC w.r.t. NIT norms, as per the prevailing bank rates.

15. TAXES AND DUTIES ON INSTALLATION & COMMISSIONING:

15.1. Service Tax

- 15.1.1. The Service Tax on installation & commissioning services as applicable for this Contract will be paid by Purchaser separately. Therefore, contractor's price/ rates shall be exclusive of service tax on output services.
- 15.1.2. The Indian Contractor shall submit to Purchaser documentary evidence of service tax registration and remittance records of such tax immediately after depositing the tax with the concerned authorities. Contractor shall obtain prior written consent from Purchaser before billing the amount towards such taxes.
- 15.1.3. In case the Purchaser is asked to deduct any such tax and deposit the same with the appropriate authorities, the proof of such payment shall be provided to the Contractor. However, any penalty etc for any default by the Contractor imposed by the authorities shall be the sole responsibility of the Contractor.

15.2. Works Contract Tax

15.2.1. Although it is expected that the works contract tax will not be applicable as per laws in force in UP state, the Contractor shall make himself fully aware of the taxation requirements and take appropriate steps for complying with the regulations such as registering with the sales tax authorities of the state and paying the required tax, if applicable. Deduction of tax at source shall be made by the Purchaser, if required by law.

15.2.2. Contractor has to make his own arrangement at his cost for completing the formalities, if required, with Sales Tax Authorities, for bringing their materials, plants, and equipment at site for the execution of the work under this Contract and their return after execution of the work to the satisfaction of the Purchaser.

15.3. Income Tax

15.4. Income Tax at the prevailing rate on gross value of work done and applicable surcharge/ cess shall be deducted from the bills as per relevant rules unless exempted by the Income Tax Authorities.

16. NEW TAXES/ LEVIES

16.1. In case the Indian Government (Central/ State) imposes any new tax/ levy on the output services/ goods / work after the award of work, the same shall be reimbursed by BHEL at actuals. All necessary documents as required by BHEL shall have to be provided by the Contractor. However, in the event of delay in work execution attributable to the Contractor, the new taxes/ levies imposed during the delay period shall not be reimbursed to the Contractor.

16.2. In case any tax/levy/duty etc becomes applicable after the date of Bidder's offer, the Bidder/ Contractor must convey it's impact on his price duly substantiated by documentary evidence in support of the same before opening of the Price Bid. Claim for any such impact after opening the price bid will not be considered by BHEL for reimbursement of tax or reassessment of offer.

16.3. No reimbursement on account of increase/ decrease in the rate of taxes, levies, duties etc on input (goods/ services/ work) shall be made. Bidder has to make his own assessment of the impact of future variation if any, in rates/ duties/ levies etc in his price bid.

16.4. Tax Deduction at Source

16.5. Installation and commissioning charges will be released after deduction of Income Tax as per the Govt. of India rules in force. The Tax Deduction at Source (TDS) certificate will be issued by BHEL. Service Tax on E&C charges will be payable extra, if applicable. The liability of depositing the same to the Govt. will be of the Supplier.

16.6. GST credit (for Indian Bidders only)

16.7. The price bid must indicate Tariff item number and rate of GST applicable. GST, ITC benefit shall be as per GST rules.

16.8. Bank Charges

16.9. All bank charges for negotiation of documents through bank shall be to the account of the Seller.

16.10. No interest, whatsoever, shall be payable by Purchaser on the CEBG/PBG deposit, any bank guarantee submitted or any amount due to the Seller by the Purchaser.

17. INVOICES AND PAYMENT DOCUMENTATION

17.1. Invoices shall be issued by the Supplier in the name of the Purchaser i.e. BHEL Jhansi.

17.2. The invoices shall contain the following information:

- i) Item Description

- ii) Item no & quantity as per Purchase Order.
- iii) Gross amount payable and net amount payable.

17.3. The following documents shall be presented by the Supplier to the Purchaser for drawing payment:

- i) Signed Commercial invoice in quadruplicate.
- ii) Clean on board Bill of Lading/ Airway Bill (for foreign Suppliers)/ LR (or equivalent document for Indian Suppliers)
- iii) Packing list indicating dimensions of each case / bundle / piece shipped, with weight and number of items it contains.
- iv) Manufacturer's Inspection / Test certificate
- v) Certificate of Country of Origin, issued by an independent third party like Chamber of Commerce (for foreign Suppliers).
- vi) Manufacturer's Guarantee / Warrantee certificate as per Purchase Order.
- vii) Declaration by the Supplier certifying that the contents in each case are not less than those entered in the invoices / packing list and that the invoicing for the supplies effected is strictly in accordance with agreed rates as stipulated in the Purchase Order.
- viii) Certificate from shipping company or its agent that the vessel is seaworthy and approved by Lloyds / Classification Societies / General Insurance Corporation of India (for foreign Suppliers).

17.4. For foreign supplies, all documents shall show Purchase Order No and date, Import License No and date (if any) and Letter of Credit No and date. Loading on deck and trans-shipment will not be allowed.

17.5. The complete equipment shall be despatched in one lot. If, for any reason, a Vendor wants to despatch the equipment in more than one lot, it shall be only after written approval of the Purchaser. For this purpose, the Vendor shall submit to Purchaser a detailed list of items proposed to be despatched in various lots with price break-up for approval of the Purchaser.

17.6. Detailed procedure for preparation and submission of payment documentation will be provided by the Purchaser at a later stage.

18.0 Contract Execution Bank Guarantee (CEBG)

Bidder has to furnish CEBG for all POs where value (Supply + E&C) of each P.O. is estimated to be more than Rs. 10 lakhs.

The successful vendor shall have to furnish a Contract Execution Bank Guarantee (CEBG) for 10% of the Total PO value in the prescribed format within 30 days from the date of P.O. In case of payment made through LC for Foreign Supplier CEBG has to be furnished within 30 days but before L/C opening. CEBG shall be from one of the Nationalised Banks in India or from a reputed Bank and confirmed by any Consortium Bank of BHEL. All bank charges on account of issuance and confirmation of CEBG whether incurred in India or outside India will have to be borne by the vendor.

CEBG shall be kept valid until 30 days after the date of E&C Certificate, which will be issued on completion of Erection & Commissioning of equipment which includes erection, commissioning, job proving, performance tests, and training to operators etc. as prescribed in PO.

If the supplier fails to submit the CEBG even within 60 days from the date of PO, BHEL reserves the right to cancel PO & forfeit the EMD given by the supplier. In addition, in such case, action will be initiated in line with extant guidelines for Suspension of Business dealings with Suppliers.

This BG requirement is mandatory. If it is not accepted, the offer may be bypassed without any further intimation

19. PERFORMANCE BANK GUARANTEE (for order value more than Rs. ONE Lakh):

Performance Bank Guarantee (PBG) for 10% of basic value (Supply+ E&C) of the order (excluding taxes & duties) for satisfactory Performance of the equipment up to Guarantee period of 24 months with a further claim period of 3 months. This BG is to be submitted within 15 days of commissioning and CEBG will be released after receipt of PBG only. In case of failure of its submission within 15 days, we may encash the CEBG. The PBG shall be submitted as per Performa given in attached file. The BGs shall be established through a nationalised bank in India acceptable to the Purchaser. Co operative Bank guarantee is not acceptable to us. All charges for establishing and amending the BGs, if necessary, shall be to Vendor's account.

If vendor has submitted CEBG of 10% value (Supply +E&C) covering delivery, Erection, commissioning, 24 months Guarantee period from commissioning plus 30 days claim period after placement of PO then no separate PBG will be taken.

This BG requirement is mandatory. If it is not accepted, the offer may be bypassed without any further intimation.

20. EQUIPMENT GUARANTEE

The Equipment shall be guaranteed by the Vendor for a period of 24 (twenty four) months from the date of acceptance of the Equipment by the Purchaser. If order is to be splitted on Foreign supplier as well as Indian supplier then Total Guarantee of Equipment from design, manufacturing to erection & commissioning will be of foreign supplier only.

This requirement is mandatory, if it is not accepted, the offer may be bypassed without any further intimation.

21. Penalty for Delay in 'SUPPLY' and 'E&C':

21.1 Penalty on delay in 'Supply' and/or 'E&C' will be applicable to the delays attributed to vendor. Penalty will be considered separately for 'Supply' and 'E&C'.

The rate of penalty for delayed Supply shall be @ 0.5% per week of delay of total PO value (Supply + E&C) in supply subject to a maximum of 10% of total PO value (Supply +E&C).

The rate of penalty for delayed E&C shall be @ 0.5% per week of delay of total PO value (Supply + E&C) in E&C subject to a maximum of 10% of total PO value (Supply + E&C).

21.2 For the purpose of penalty for delay E&C of the equipment the duration will be reckoned from the date of intimation by BHEL to vendor for readiness of site.

Maximum penalty for delay in Supply and E&C together shall be limited to 15% of total PO value (Supply + E&C).

In case PO includes more than one machine, the penalty shall be @ 0.5% per week of delay on total PO value (Supply + E&C) for the delayed machine.

21.3 Loading on account of non-acceptance of Penalty for delayed Supply and/or E&C shall be as under:

In case any bidder is not accepting the above penalty for delayed' Supply and/or E&C, the offer of bidder shall be loaded to the extent to which it is not agreed by the bidder upto maximum 15% of Basic Price + E&C charges.

21.4 In case, any shortage is noticed viz-a-viz PO requirement in the main equipment /spares, such shortages shall be replenished by supplier on FOR destination basis without any cost implication to BHEL i.e. Custom Duty and freight charges etc. up to destination for such short supplies shall be borne by the supplier.

21.5 Supply period indicated by bidder should include reasonable time required for approval of drawings and other inputs from BHEL. In the Techno-Commercial Bid, the bidder shall submit milestones for various activities in co-relation with Supply and E&C period quoted by him

22. RISK PURCHASE

If the Vendor is found to be not in a position to execute the Order in time, the Purchaser, at his option, will be entitled to terminate the Contract and to purchase and/or complete the work from elsewhere at the risk and cost of the Vendor either the whole of the goods or any part which the supplier has failed to deliver/ despatch or complete the work within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefore.

23. PURCHASER'S RIGHT OF REJECTION

- a. Notwithstanding any approval which Purchaser or the Engineer may have given in respect of the Equipment or any materials or other particulars or the work or workmanship involved in the performance of the Contract (whether with or without any test carried out by Seller or the Inspection Agency or under the direction of the Contract Engineer), and notwithstanding delivery of the Equipment where so provided to the Purchaser, the Purchaser shall be entitled to reject the Equipment or any part, portion or consignment thereof, if such Equipment or part, portion of consignments thereof is not in all respects in conformity with the terms and conditions of the Contract whether on account of any loss, storage, deterioration or damage before dispatch or delivery or during transit or otherwise, whatsoever.
- b. Rejected goods or materials shall be removed by the Seller from the Site. The expenses to be incurred in respect thereof shall entirely be borne by the Seller.

24. INSURANCE

- a. Transit insurance for all supplies shall be arranged by the Supplier. In case Insurance is not covered under scope of supplier than Insurance shall be arranged by Purchaser and bid will be loaded suitably. However Vendor shall inform the Purchaser well in advance the despatch details before despatch of Equipment to enable Purchaser to arrange the insurance.
- b. Purchaser shall also arrange for insurance of the Equipment and materials covering the risk during storage, installation and commissioning at Site.

25. SHORT SHIPMENT / GUARANTEE REPLACEMENT

- a. Any shortages or damages during transit, transportation or handling at site, including at the time of installation and commissioning, shall be made good by the Seller/Contractor at his risk and costs, to meet the project schedule. In case of faults/discrepancies in any material, component, sub-assembly, assembly, etc., the same shall be supplied/ replenished free of cost to enable the equipment to be put in service. Shortages in sound cases shall also be replenished free of cost.
- b. In case of foreign supplies, customs duty (including any other duties and surcharges) levied in India on such supplies shall be borne by the Vendor. All such supplies shall be on FOR, BHEL Works basis and all taxes and duties shall be borne by the Vendor.
- c. Any replacements during the guarantee period shall be on FOR, BHEL Works basis and all

taxes and duties (including customs duty) shall be borne by the Vendor.

26. INSPECTION AND TESTING

- a. The Engineer/Inspector shall have at all reasonable time, access to the Supplier's premises or Works and shall have the power at all reasonable times to inspect drawings or any portion of the plant or examine the materials and workmanship of the power plant during its manufacture and if parts of the plant is being manufactured in other premises, the Supplier shall obtain permission for the Engineer/Inspector permission to inspect such equipment.
- b. The Supplier shall give the Engineer/Inspector 21 day's written notice of Equipment being ready for testing. Such tests shall be to the Supplier's account except for the expense of the Inspector and the Engineer/Inspector. Unless the inspection of the tests is virtually waived, the Inspector /Engineer shall attend such tests within 21 days of the date on which the plant is notified as being ready, failing which visit, the Supplier may proceed with the tests which shall be deemed to have been made in the Inspector's presence and he shall forthwith forward to the Inspector duly certified copies of the tests in triplicate. The equipment on which witnessing of tests is required, shall be mutually identified and agreed.
- c. When the factory tests have been completed at the works of the Vendor or Sub-Vendor, the Engineer/Inspector shall issue a certificate to this effect within fifteen days after completion of tests. If the tests are not witnessed by the Engineer/Inspector, the certificate shall be issued after receipt of the Supplier's test certificate by the Engineer/Inspector. The completion of these tests or issue of the certificate shall not bind the Purchaser to accept the equipment should it, on further tests after installation, be found not to comply with the Contract.

27. PACKING

- a. The Supplier shall include and provide for secure protection and packing for the Equipment so as to avoid damages in transit to Site under proper conditions and he shall be responsible for all losses or damages caused or occasioned by any defect in packing.
- b. The Equipment shall be packed in suitable strong cases wherever essential. Large article such as bed plates which are not packed in cases, shall have all screwed holes plugged suitably and machined surfaced properly protected.
- c. Weight and dimension limitation for transport shall be followed.

28. QUALITY OF MATERIALS

- a. The plant shall be manufactured and constructed in the best workman like manner and with materials of the best or of approved qualities for their respective uses.
- b. A Quality Assurance Plan shall be submitted by the Vendor to the Purchaser giving details of manufacturing and testing standards and procedures for major equipment for his approval.
- c. Vendor shall purchase the bought out items only from vendors of repute and indicate the same to the Purchaser at the time of approval of drawings. Purchaser reserves the right to approve/ reject such vendors and visit / inspect the works of vendors and that of their sub-contractors before or after placement of order.

29. DESIGN IMPROVEMENT

- a. The Inspector or the Supplier may propose changes in the specification of the Equipment or quality thereof and if the parties agree upon any such changes the specifications shall be modified accordingly.
- b. If any such agreed upon change is such that it affects the price or delivery, the parties shall agree in writing as to the extent of any change in the price and/or delivery or both, before the Supplier proceeds with the change.

30. DRAWING / DATA APPROVAL

Any drawing / data approval required from BHEL after placement of order shall be the responsibility of the Vendor and any delay on account of the same shall be the responsibility of the Vendor and will have no bearing on delay in delivery or applicable penalty.

31. ACCEPTANCE OF EQUIPMENT

- a. The Equipment will be accepted by the Purchaser after installation, testing and commissioning of the Equipment at Site and after completion of following activities.
 - i. All components and sub-assemblies of the Equipment have been properly assembled and tested.
 - ii. All facilities necessary for the safe and reliable operation of the Equipment have been properly installed and adjusted.
 - iii. The equipment can be safely placed in operation for its intended use.
 - iv. Spares, service tools and manuals have been delivered to the Purchaser.
 - v. On site training of the Purchaser's personnel have been completed as per Contract.
- b. A letter of Acceptance of Equipment shall be issued by the Site Engineer after acceptance of the Equipment.
- c. The guarantee period of the Equipment will start from the date of acceptance of Equipment by the Purchaser.

32. USE OF DRAWING/ DESIGN INFORMATION

- a. The Vendor shall undertake that the drawings / design / Information enclosed with the Tender / Order or sent to him subsequently is the property of BHEL and it will not be parted to any other agency and will also not be used for any purpose detrimental to the interests of BHEL.

33. PERFORMANCE GUARANTEE

- a. The Supplier guarantees that the Equipment will be new and in accordance with the specifications; that the Equipment will be free from defects in material and workmanship; and that the Equipment will meet the specified performance parameters
- b. For the guarantee period the Supplier shall be liable to repair or replace any defective parts that may develop in the Equipment of his own manufacture or those of his sub-Suppliers under conditions arising from faulty design, materials or workmanship; provided that notice of any such defects or failure to conform to the specifications is promptly

given within 30 days by the Purchaser to the Supplier.

- c. The acceptance of the plant by the Engineer shall, in no way, relieve the Supplier of his obligation under this clause.
- d. In the case of defective parts not repairable at site but essential in the meantime for commercial operation of the plant, the Supplier and Purchaser shall mutually agree to a programme of replacement or renewal which will minimise, to the maximum extent, interruption in the operation of the Equipment.
- e. If it becomes necessary to replace or renew any defective parts under this clause, the provisions of this clause shall apply to replaced part until 6 months from the date of replacement or until the expiration of original guarantee, whichever is later.
- f. Guarantee period for the Equipment shall be as specified in the Special Conditions of Contract.

34. PROGRESS REPORTS

- a. The Supplier shall furnish to the Purchaser Progress Reports of the equipment manufactured at the end of every months as per mutually agreed format.

35. REVERSE AUCTION (RA)

BHEL reserves the right to go for Reverse Auction (RA) (Guidelines as available on www.bhel.com) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. Bidders to give their acceptance with the offer for participation in RA. Non-acceptance to participate in RA may result in non consideration of their bids, in case BHEL decides to go for RA. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'Process compliance form' (to the designated service provider) as well as 'Online sealed bid' in the Reverse Auction. Non-submission of 'Process compliance form' or 'Online sealed bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com).

Information and general terms and conditions governing RA are given below.

1. For the proposed Reverse Auction, Only technically and commercially acceptable bidders shall be legible to participate.
2. Those bidders who have given their acceptance for Reverse Auction (quoted against this tender enquiry) will have to necessarily submit "online sealed bid" in the reverse auction. Non-submission of "online sealed bid" by the bidder for any of the eligible items for which techno-commercially qualified, will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.
3. BHEL will engage the services of a service provider who will provide all necessary training and assistance before commencement of online bidding on internet.
4. In case of Reverse Auction, BHEL will inform the bidders the details of Service Provider to enable them to contact & get trained.
5. Business rules like event date, time, bid decrement, extension etc. also will be communicated through service provider for compliance.
6. Bidders have to fax/email the Reverse Auction Process Compliance form (Annexure IV)

provided before Reverse Auction along with Business Rules by the Service provider. This compliance Form shall be sent to the Service Provider well before the Reverse Auction in order to get the Log in ID and Password for participating in the RA. Without the submission of Reverse Auction Process Compliance Form, the bidder will not be eligible to participate in the event.

7. In line with the NIT terms, BHEL has to provide the calculation sheets (e.g. Excel Sheets) which will help to arrive at "Total Cost to BHEL" like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service Tax for Services and loading factors (for non-compliance to BHEL standard Commercial terms & conditions) for each of the bidder to enable them to fill-in the price and keep it ready for keying in during the Auction.

8. Reverse auction will be conducted on scheduled date & time.

9. At the end of Reverse Auction event, the lowest bidder value will be known on auction portal.

10. The lowest bidder has to fax/e-mail the duly signed and filled-in prescribed format for price breakup including that of line items, if required, (Annexure VII) as provided on case-to-case basis to Service provider within two working days of Auction without fail.

11. In case BHEL decides not to go for Reverse Auction procedure for this tender enquiry, the Price bids and Price impacts, if any, already submitted and available with BHEL shall be opened as per BHEL's standard practice.

12. Bidders shall be required to read the "Terms and Conditions" section of the auctions site of Service provider, using the Login IDs and passwords given to them by the service provider before reverse auction event. Bidders should acquaint themselves of the "Business Rules of Reverse Auction", which will be communicated before the Reverse Auction.

13. If the Bidder or any of his representatives are found to be involved in Price manipulation / cartel formation of any kind, directly or indirectly by communicating with other bidders, action *as per extant BHEL guidelines*, shall be initiated by BHEL and the results of the RA scrapped / aborted.

14. The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.

15. In case BHEL decides to go for Reverse Auction, the H1 bidder (s) (whose quote is highest in online sealed bid) may not be allowed to participate in further RA process.

36. HEALTH SAFETY & ENVIRONMENT (HSE)

- a. Consumption benchmarks related to output shall be provided wherever applicable for key input resources (energy/fuel/chemicals)
- b. Competency requirements for operation, maintenance and calibration, if any, shall be communicated
- c. If any hazardous chemicals as per MSIHC (Manufacturing, storage and import of Hazardous Chemicals) Rules 2000 are used, the MSDS shall be provided, along with On site & Off site emergency plan (as applicable)
- d. The noise level at operator level shall be within acceptable range and shall be specified.
- e. OH&S (Occupational Health and Safety) control measures for safe working of machine as applicable shall be specified.
- f. The machine / equipment shall be fitted with guard for rolling and moving parts and shall

comply with applicable OH&S legislations and Factories Act 1948

- g. The supplier shall submit the layout drawing of operating controls, displays etc. and operating instructions to enable ergonomics evaluation and approval
- h. The recommended PPE (Personal Protective Equipment) for the equipment shall be furnished.
- i. Alarm system (both visual and audible) and Automatic switch off of the equipment shall be provided for any intrusion, overloading, short circuiting or any malfunctioning of the equipment
- j. Details of all hazardous / harmful substances discharged as by-products / wastes during operations of the machine / equipment, such as fumes, gases, dust particles, aerosols UV./IR (Ultra violet / infra red) radiations, etc. shall be furnished, along with their concentrations and their TL V, (Threshold Limit Value).
- k. Appropriate pollution control measures shall be proposed to keep the emissions from the machinery / processes within the prescribed limit as stated in Environment Protection Rules 1986.
- l. All furnaces, process units, DG sets, paint booths, shot blasting chambers, etc. shall be provided with stack(s) of sufficient height as per guidelines laid down in the Environment Protection Rules 1986.
- m. Wherever industry specific standards are not available for control of pollutants, general emission standards shall be used.
- n. Chemicals banned due to their negative impact on the environment shall not be used in the process.
- o. Fuels with sulphur content less than 0.05% shall be proposed.
- p. Details regarding nature of waste generated and appropriate disposal practices available shall be provided, along with the operation procedure of the plant / process.
- q. Hazardous chemicals and flammable substances shall be transported only through authorized transporters and all safety practices as laid down in applicable legislative requirements such as Central Motor Vehicle Rules, Manufacture, storage and Import of Hazardous Chemical 1989, etc. shall be followed
- r. Primary materials used in the equipment shall be specified and they shall be eco – friendly.

37. COOPERATION WITH OTHER VENDORS

- a. The Supplier shall agree to co-operate with the Purchaser's other suppliers and consulting engineers for associated equipment and freely exchange with them such technical information as is necessary to obtain the most efficient and economical design and to avoid unnecessary duplication of equipment. No remuneration shall be claimed from the Purchaser for such technical co-operation. The inspector shall be provided with two copies of all correspondence addressed by the Supplier to other Suppliers in respect of such exchange of technical information

38. FORCE MAJEURE

- a. Notwithstanding anything contained in this Contract, neither the Supplier and nor the Purchaser shall be held responsible for total or partial non-execution of any of the contractual obligations, should the obligation be made impossible due to concurrence of a Force Majeure which will include war, military operations of any nature, blockages, revolutions, insurrections, riots, civil commotion's, insurgency, sabotage, act of public enemy, acts of god, epidemics and act of Govt. over which the Supplier or Purchaser has no control.

39. ARBITRATION

- a. The Purchaser and Supplier shall settle the disputes and differences arising out of this agreement in good faith. In the event that a dispute can not be resolved within reasonable time, the parties agree that the agreement shall be subject to arbitration under the Indian Arbitration & Conciliation Act 1996. Notwithstanding anything to the contrary in such rules there shall be three arbitrators, one appointed by the Purchaser, one appointed by the Supplier and the third appointed by the other two arbitrators. No aspect of any arbitration proceedings shall be made public by either party. The arbitration tribunal shall give reasonable award in writing. The award of the arbitration tribunal shall be final and binding on the parties. Any disputes under this order shall be under jurisdiction of Jhansi Courts only.

40. CONTRACT LAW AND JURISDICTION

- a. This Contract shall be governed by the laws of India.
- b. No court shall entertain or try any suit or legal proceedings to enforce any claim arising out of the Contract except in a court of law having jurisdiction at New Delhi.

41. GUIDELINES REGARDING DEALINGS WITH INDIAN AGENTS OF FOREIGN SUPPLIERS

- 41.1 BHEL shall deal directly with the foreign original equipment manufacturers (OEM) Foreign Principal, for all its purchases which are imported.
- 41.2 Wherever the foreign OEM / Principal desires to avail the services of an Indian Agent, the dealings with Indian Agents are to be regulated.

DEFINITION OF INDIAN AGENT

41.3 An Indian Agent of foreign principal is an individual, a partnership, an association of persons, a private or public Company, that carries out specific obligation(s) towards processing of BHEL tender or finalization or execution of BHEL's contract on behalf of the foreign supplier.

41.4 TERMS REGARDING INDIAN AGENTS OF FOREIGN PRINCIPALS:

- i. BHEL shall deal directly with foreign vendors, wherever required, for procurement of goods. However, if the foreign principal desires to avail of the services of an Indian agent, then the foreign principal should ensure compliance to regulatory guidelines which require mandatory submission of an Agency Agreement.
- ii. It shall be incumbent on the Indian agent and the foreign principal to adhere to the relevant guidelines of Government of India, issued from time to time.
- iii. The Agency Agreement should specify the precise relationship between the foreign OEM Foreign principal and their Indian agent and their mutual interest in the business. All services to be rendered by agent associate, whether of general nature or in relation to the particular contract, must be clearly stated by the foreign supplier! Indian agent. Any payment, which the agent or associate receives in India or abroad from the OEM, whether as commission or as a general retainer fee should be brought on record in the Agreement and be made explicit in order to ensure compliance to laws of the country.

- iv. Any agency commission to be paid by BHEL to the Indian agent shall be in Indian currency only.
- v. Tax deduction at source is applicable to the agency commission paid to the Indian agent as per the prevailing rules.
- vi. In the absence of any agency agreement, BHEL shall not deal with any Indian agent (authorized representatives! associate! consultant, or by whatever name called) and shall deal directly with the foreign principal only for all correspondence and business purposes.
- vii. The "Guidelines for Indian Agents of Foreign Suppliers" enclosed at annexure -'A' shall apply in all such cases.
- viii. The supply and execution of the Purchase Order (including indigenous supplies/service) shall be in the scope of the OEM/ foreign principal. The OEM/ foreign principal should submit their offer inclusive of all indigenous supplies/ services and evaluation will be based on 'total cost to BHEL'. In case OEM/ foreign principal recommends placement of order(s) towards indigenous portion of supplies/ services on Indian supplier(s)/ agent on their behalf, the credentials/ capacity/ capability of the Indian supplier(s)/ agent to make the supplies/ services shall be checked by BHEL as per the extant guidelines of 'Supplier Evaluation', Approval & Review Procedure (SEARP), before opening of price bids. In this regard, details may be checked as per Annexure-B (copy enclosed). It will be the responsibility of the OEM/ foreign principal to get acquainted with the evaluation requirements of Indian supplier/ agent as per SEARP available on www.bhel.com.

The responsibility for successful execution of the contract (including indigenous supplies/ services) lies with the OEM/ foreign principal. All bank guarantees to this effect shall be in the scope of the OEM/ foreign principal.

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Annexure-A

Guidelines for Indian Agents of Foreign Suppliers

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with BHEL shall apply for registration in the registration form in line with SEARP.
- 1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the Principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/ remuneration/ salary/ retainership being paid by the principal to the agent before the placement of order by BHEL.
- 1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.
- 2.0 Disclosure of particulars of agents representatives in India, if any.**
- 2.1 Tenderers of Foreign nationality shall furnish the following details in their offers:
- 2.1.1 The Bidder(s)/ Contractor(s) of foreign origin shall disclose the name and address of the agents/ representatives in India if any and the extent of authorization and authority given to commit the Principals. In case the agent representative be a foreign Company, it shall be confirmed whether it is existing Company and details of the same shall be furnished.
- 2.1.2 The amount of commission/ remuneration included in the quoted price(s) for such agents/representatives in India.
- 2.1.3 Confirmation of the Tenderer that the commission/remuneration, if any, payable to his agents/representatives in India, may be paid by BHEL in Indian Rupees only.
- 2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:
- 2.2.1 The Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any, indicating their nationality as well as their status, i.e. whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/ representatives.
- 2.2.2 The amount of commission! remuneration included in the price (s) quoted by the Tenderer for himself.
- 2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/ remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by BHEL in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.
- 2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/ remuneration, if any payable to the agents/representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 2.4 Failure to furnish correct and detailed information as called for in paragraph 2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by BHEL. Besides this there would be a penalty of banning business dealings with BHEL or damage or payment of a named sum.

Annexure-B

This format is applicable only to Indian Suppliers/Agents supplying indigenous portion of Foreign Purchases.

* In all other cases, extent guidelines of SEARP, 2010 are to be followed.

SEARP (SRF) Clause No.	Detail
	Name & address of the firm
1.0	Products/Systems/Services being considered for
2.0	General Information
2.1	Name of the chief Executive
2.3	Details of authorized signatory
3.0	Ownership Information
3.1	Type of firm
3.2	Nature of Business <ul style="list-style-type: none"> • Attach authorization letter and agency agreement from Principal (from whom capital equipment is procured) • Attach copy of declaration from Foreign Principal for total guarantee/warranty of indigenous supplies
3.3	Year of establishment
3.4	Year of commencement of business
4.0	Registration particulars
4.1	Permanent Account No.
4.2/4.3	Sales Tax/Tin No.
4.6	Service Tax No. (incase of E&C)
5.0	Organization strength
6.0	Other particulars
6.1	If the company is already registered with other units
6.2	Directors/Partners, if related to any BHEL Employee
6.9	If any Ex BHEL personnel employed by the company
6.12	Details of pending legal issues with BHEL
6.13	Bank Account information
9.0	Financial information
9.6	Sales/Turnover details of last 3 years (or from the date of incorporation whichever is less).

Annexure-I
Price Bid to be submitted on the Letter Head of Bidder for Indian Suppliers

Sl.	Description	Qty Offered	Nos/ Sets	Price Per Unit in Rs.	Total Price In Rs.
A1	Basic Price of equipment offered – Item no. 01 of enquiry (Description of item details to be typed) including packing, forwarding, freight & insurance charges on FOR BHEL Jhansi basis				
A2	Basic Price of equipment offered – Item no. 02 of enquiry (Description of item details to be typed) including packing, forwarding, freight & insurance charges on FOR BHEL Jhansi basis				
A3	Basic Price of equipment offered – Item no. 03 of enquiry (Description of item details to be typed) including packing, forwarding, freight & insurance charges on FOR BHEL Jhansi basis				
B	Present rate of applicable GST on A1+A2+A3 (If items have different rate of GST , then same to be mentioned here)				
C	Total cost to BHEL (A1+A2+A3+B)				
D	Less Input Tax credit (B)				
E	Total landed cost to BHEL {C-D}				

**Signature and Seal of
Authorised signatory**

Note : The above format is also to be used for submission of Blank price bid (After erasing prices), which has to be submitted along with technical offer.

Annexure-II
Price Bid to be submitted on the Letter Head of Bidder for Foreign Suppliers

Sl.	Description	Qty Offered	Nos/ Sets	Price Per Unit in------(name of currency)	Total Price In -----(name of currency) of
A.1	Basic Price of equipment offered (description of item and details to be typed) including packing, forwarding, Sea/Air Freight & Insurance up to Mumbai port i.e CIF Mumbai basis (including Indigenous portion of supply, if any)				
A.2	Price of Mandatory/ O&M Spares (if any)/ Tooling etc required as per our specifications (Item wise details may be given in separate sheet) including packing, forwarding, Sea/Air Freight & Insurance up to Mumbai port i.e CIF Mumbai basis (including Indigenous portion of supply, if any)				
A	Total A.1+A.2				
B	Erection / Installation and commissioning charges (if any) including services to be rendered at BHEL like erection, commissioning, job proving, performance tests, training to operators etc.				
C	Present rate of applicable service tax (if any)				
D	Total cost to BHEL (A+B+C)				

**Signature and Seal of
Authorised signatory**

Note :

1. The above format is also to be used for submission of Blank price bid (After erasing prices), which has to be submitted along with technical offer.
2. Custom Duty , GST and Freight & Insurance charges from Mumbai Port to BHEL Jhansi will be added by BHEL to arrive the L1 Status.

Annexure-III
Commercial Terms & Conditions Format - PART-I

Sl	Terms and Conditions	Bidder's Response
		Please tick whichever is applicable
1.	Packing & Forwarding Charges inclusive in the basic price.	Accepted / Not accepted
2.	Present rate of applicable tax, GST (Not applicable for foreign suppliers)	
3	Shortest Delivery period in number of Weeks from date of Purchase Order for supply of equipment. (PI note after expiry of this period, penalty due to late delivery will be applicable)	
4	Erection/ Installation and commissioning period from the date of call of commissioning by BHEL for readiness of SITE (PI note after expiry of this period, penalty due to late delivery will be applicable)	Please indicate number of days or weeks
5	Drawing submission time if drawing approval is linked with delivery period	Please indicate number of days or weeks
6	Erection & Commissioning Charges (refer Clause 8) (to be quoted separately)	Accepted/Not Accepted
7	Present rate of GST on Labour charges (if any)	
8	Payment of Erection & Commissioning charges shall be done after deduction of TDS as per Govt. of India Income tax rule.	Accepted / Not accepted
9	Erection & commissioning charges (as mentioned in enquiry) will be as per clause 8.4	Accepted / Not accepted
10	Penalty clause 21 of terms and conditions	Accepted / Not accepted
11	Risk & cost purchase clause 22 as well as other conditions given in general Terms & conditions are acceptable to us.	Accepted / Not accepted
12	Rates quoted in the price bid are on F.O.R. BHEL, Jhansi for Indian suppliers or on CIF: Mumbai basis for foreign suppliers.	Accepted / Not accepted
13	Validity of the rates quoted is 6 months from the date of opening of Tender	Accepted / Not accepted
14	Prices have been quoted on "FIRM PRICE" basis only.	Accepted / Not accepted
15	EMD , as per clause 3 of Capital T&C, is attached in original with Techno-commercial bid.	Yes/No
16	Contract Execution Bank Guarantee (CEBG) as per clause 18 will be submitted in case of order is placed on you.	Accepted / Not accepted
17	Performance Bank Guarantee (PBG) as per clause 19 will be submitted in case of order is placed on you.	Accepted / Not accepted
18	The equipment shall be guaranteed for 24 months from the date of Commissioning at BHEL irrespective of date of supply or installation.	Accepted / Not accepted
19	<p><u>Our Standard terms of payment:</u></p> <p><u>1.For Indigenous supplier:-</u></p> <p>A.80% of supply value plus 100 % taxes & duties shall be made within 90 days from the date of receipt of the equipment at BHEL Jhansi works and submission of clear and admissible bill, subject to the acceptance of material at BHEL Jhansi ,on direct presentation of the documents.</p> <p>Balance 20% of supply value plus 100% of the E&C charges will be paid against E&C certificate issued by BHEL after successful commissioning of the equipment at BHEL Jhansi and submission of Performance Bank Guarantee of 10% basic order value valid for 24 months from commissioning with a further claim period of 3 months.</p>	Accepted/ Not accepted

	<p style="text-align: center;">OR</p> <p>B. The bidders who are registered under micro & small categories (Refer MSMED Act 2006), 80% of supply value plus 100 % taxes & duties shall be made within 45 days from the date of receipt of the equipment at BHEL Jhansi works and submission of clear and admissible bill, subject to the acceptance of material at BHEL Jhansi , on direct presentation of the documents.</p> <p>Balance 20% of supply value plus 100% of the E&C charges will be paid against E&C certificate issued by BHEL after successful commissioning of the equipment at BHEL Jhansi and submission of Performance Bank Guarantee of 10% basic order value valid for 24 months from commissioning with a further claim period of 3 months.</p> <p style="text-align: center;">OR</p> <p>C.As mentioned in the Enquiry remark.</p> <p>2. For Foreign supplier :- As per clause 14.1 of Capital terms & condition In case of non acceptance of our Std payment terms, your prices will be suitably loaded</p>	<p>Accepted/Not Accepted</p> <p>Accepted/Not Accepted</p> <p>Accepted/ Not Accepted (If not, mention your payment terms)</p>
<u>20</u>	Price Bid & Copy of Unpriced Price Bid (As per Annexure-I) are submitted as per BHEL formats.	Yes/ No
<u>21</u>	Order finalization through Reverse auction (as per clause 35) is accepted	Accepted / Not accepted
<u>22</u>	It may be noted that, as per GST law, it is supplier's responsibility, to classify the products under correct HSN classification and pay GST as per applicable rates. Any liability arising due to incorrect HSN classification leading to incorrect payment of GST rests with you.	Accepted/Not Accepted
<u>23</u>	Input credit of GST will be available to BHEL Jhansi only after correct filling of return and payment of applicable GST by supplier. Reimbursement of GST shall be made by BHEL Jhansi on matching of vendor inputs at GST portal and after ensuring availability of Input credit to BHEL Jhansi.	Accepted/Not Accepted
<u>24</u>	It is confirmed that all the Capital terms & Conditions Rev-05 Dt 04.09.19 attached along with enquiry have been read by us and we confirm acceptance of the same.	Confirmed
<u>25</u>	All the General Terms & Conditions of Enquiry which have been uploaded at https://www.bheljhs.co.in/index_en.php have been read by us and we confirm acceptance of all the General Terms & Conditions of Enquiry.	Confirmed
Note-1 If Condition No. 15,16,17& 18 are not accepted, the offer may be bypassed without any further intimation		
Note-2: Commercial terms and conditions mentioned in above format will be considered as final. If these conditions are given elsewhere then they will not be considered. In case of ambiguity, conditions mentioned in this sheet will be final.		

Signature and Seal of Authorised Signatory

ANNEXURE-IV**A. CAPACITY DETAILS:**

Manufacturing Capacity (Major machines with Qty.)	Type of Major Machines	Qty.
Machines supplied during last 5 years (Year-wise with Qty.)	Scheduled Supply Period	Actual Supply Period
Outstanding Order Book position (Type of Machine with Qty. & Name of Customer*)		
Liquidation Plan of all machines including BHEL Machine		

*If any bidder is unable to give name of ALL customer (s) due to confidentiality restriction, they may give details without disclosing such customer's identity.

B. DETAILS OF COMPANY PERFORMANCE

Details of Purchase Orders to be considered in last 5 years shall include (i) Last 5 years POs fully executed and (ii) All Pos overdue for supply and /or E&C details of all machines in the PO to be given.

Sl.No.	Name of M/c with broad specs.	Name of BHEL Unit	P.O. No. & Date	P.O Value	Supply Date		Erection & Commissioning		Reason of delay, if any
					As per P.O.	Actual / Likely	E&C period incl. job prove out as agreed (in days)	Actual / Likely period of E&C completion (in days)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.									
2.									
3.									
4.									

Note:

1. In case bidder has not received any Purchase Order-in the last 5 years from any of the Units of BHEL, then 'NIL' should be indicated.
2. Reasons for delay to be explained in details.
3. BHEL reserves the right to reject the offer, if past performance of the bidder is evaluated to be unsatisfactory and/or false information is given by the bidder

ANNEXURE-V
Format for Review & Recertification of present MSMED status

This is to Certify that M/s.....
....., having its registration office at
..... is registered under MSMED Act
2006 (Regn No:....., dtd:....., Category:.....
(Micro/Small/Medium)). (Enclose MSMED Registration Certificate)

Further certified that the investment of the company as on date..... as per MSMED Act 2006 is
as follows:

1. **For Manufacture Enterprises:** Investment in plant and machinery i.e. original cost excluding land
and building and the items specified by the Ministry of Small Scale Industries vide its notification
No.S.O.1722(E) dated October 5, 2006 (Annexure I):

Rs.....Lacs

2. **For Service Enterprises:** Investment in equipment i.e original cost excluding land and building and
furniture, fittings and other items not directly related to the service rendered or as may be notified
under the MSMED Act, 2006:

Rs.....Lacs

The above investment of Rs.....Lacs is within permissible limit of Rs.....Lacs for
..... (Micro/Small/Medium) Category under MSMED Act 2006. Company will
intimate to BHEL Jhansi in case change of investment if any exceeds the above permissible limit, in future
with proper supporting documents.

Category of the Owner/ Director of company is: (SC/ST/OBC/Minor/Others)

(Submit proof in case of SC/ST/OBC)

Date :

Verified by

Name & Signature
Of Company authorized Signatory

Name & Signature
of Chartered Accountant

Permissible Limit As per MSMED Act 2006:

Manufacture Enterprise			Service Enterprise		
	Plant & Machineries Limit			Equipment Limit	
Micro		< 25.0 Lakhs	Micro		< 10.0 Lakhs
Small	>= 25.0 Lakhs	< 5.0 Crores	Small	>= 10.0 Lakhs	< 2.0 Crores
Medium	>= 5.0 Crores	< 10.0 Crores	Medium	>= 2.0 Crores	< 5.0 Crores

As per Ministry of small scale industries notification dated 5th October,2006, the investment in Plant & Machinery to in respective limits is the original price, irrespective of whether the plant & machinery are **new or second hand**. In respect of imported machinery, the following is to be *included* in calculating the value:

- a) import duty (excluding miscellaneous expenses such as transportation from the port to the site of the factory, demurrage paid at the port);
- b) shipping charges;
- c) customs clearance charges and
- d) sales tax or value added tax.