



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 | Terms of Delivery: | | |
| (a) | Indigenous Supplies : 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]. | | |
| (b) | Foreign Supplies : FOB / FCA basis inclusive of SEA / AIR-worthy packing and inclusive of all charges till FOB / FCA. Freight charges up to Chennai Port may also be quoted separately. | | |
| 02 | Delivery Period: To mention clearly the exact delivery period as it attracts contractual penalty on delays. To be indicated in weeks from date of receipt of Letter of Intent (LoI) | | |
| 03 | The contractual delivery period will be reckoned from the date of LOI, which shall be binding on the contract. Suppliers shall quote their best delivery period. Delivery is the essence of all contracts for BHEL. Before opening the Price Bid, based on the commercial bids received, BHEL shall fix a reasonable delivery period, which would be generally the modal value of the deliveries quoted by the tenderers in the Bid. Bidders, who at the time of tender opening (Opening of Commercial Bids) have quoted for a delivery higher than the delivery required by BHEL, would have to accept the delivery period advised by BHEL. Such of those suppliers, who quote for higher than this delivery would be loaded with a factor of 1/2% per week, subject to a maximum of 12%. Such of those Suppliers whose offer is more than 24 weeks of the delivery specified by BHEL, would not be considered further in the tender, and their Price Bid would not be considered. | | |
| 04 | Penalty: Supplier should quote a definite delivery period and any delay in delivery will attract Penalty of 0.5% per week subject to a max. of 10% of order value. The vendor should quote only confirmed delivery. Please note that confirmed delivery indicated includes the approval of drawings, etc. | | |
| | Loading Factor for non-acceptance of Penalty Clause: 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 | Payment Terms: Offer with deviations to BHEL Payment Terms will be loaded interest charges @ 1% per month for deviated amount for deviated period for the purpose of evaluating the lowest bidder. Offers with advance payment and non-acceptance of CEBG are liable to be rejected. In no case BHEL shall accept liability towards interest. | | |

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| (a) | Terms of payment for Indigenous Offer: (i) Dispatch of Goods on door delivery basis only. Goods dispatched with documents presented through Bank will be loaded with corresponding bank charges. (ii) 80% payment will be made within 90 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. (iii) SSI Units: 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 and acceptance of Operative Performance Bank Guarantee for 10% of contract value. | | |
| (b) | Terms of Payment for Foreign Offers: (i) Total supplies are to be from Foreign Source. First 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 later and valid for 75 days for shipment and for 15 days thereafter for negotiation. (Or if the supplier so requires: 69 + 21 days) | | |
| (ii) | 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. 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 Suppliers all such offers will be rejected. | | |
| (iii) | The balance payment of 20% and E&C Charges will be made directly against submission of a Joint Protocol signed by BHEL and Vendor for successful commissioning and job prove out. This is subject to the submission of Performance Bank Guarantee for 10% of contract value valid for the guarantee period of 24 months from the date of commissioning. The bank guarantee is to be confirmed by any of the approved Banks of BHEL. | | |

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| (c) | CEBG: The successful tenderer shall be required to execute within two weeks of the acceptance of Lol, a contract execution bank guarantee for 2% (two percent) of the Contract Price in favour of the BHEL. | | |
| (i) | Bank Guarantee (CEBG and PBG) from indigenous suppliers shall be in the prescribed form and from the list of bankers, provided by BHEL. | | |
| (ii) | Bank Guarantee (CEBG and PBG) from foreign suppliers should be in the prescribed form from any Bank of international repute. The bank guarantee is to be confirmed by any of the approved Banks of BHEL. | | |
| 06 | Guarantee Period: Guarantee regarding workmanship, materials used, design and performance should be for a period of 24 months from the date of commissioning & prove out of the equipment. | | |
| | Loading Factor for non-acceptance of Guarantee Period: Less than 24 months from commissioning will attract loading of AMC charges for difference of quote with guarantee period. Example : If a Supplier provides 18 months guarantee period, in place of 24 months, then the difference 6 months will be loaded with AMC charges of 4% per annum for difference period of 6 months i.e. 2% of total cost will be loaded for evaluating lowest bidder. | | |
| 07 | Performance Bank Guarantee (PBG): 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 Guarantee period. | | |
| | Loading Factor for non acceptance of Performance Bank Guarantee / retaining of 10% of contract value by BHEL or acceptance of a PBG with lesser percentage or lesser period than specified: Will attract disqualification of the offer. | | |
| 08 | Erection & Commissioning (E & C) Charges: 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 | Essential / Mandatory Spares: Supplier to specify clearly the charges of Essential / Mandatory Spares in the form of Extra / Included / Free of Cost . Requirement of technical specification needs to be complied with. 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. | | |
| 10 | Validity: Supplier to mention clearly the validity date of the offer. [Minimum 180 days from tender opening date] | | |
| 11 | Clientele List: Supplier to submit detailed clientele list with their full address including detail of contact person with phone no., fax no. & e-mail ID as per clause A] I.a) of STANDARD TERMS & CONDITIONS. | | |

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| 12 | Performance Certificate given by the end-user: Supplier to submit two Performance certificates - issued by different end-users as per clause A] l. b) of STANDARD TERMS & CONDITIONS. | | |
| 13 | Reverse Auction (R/A) / Bidding through Internet: Supplier confirmation required. | | |
| 14 | Taxes & Duties: | | |
| (i) | Excise duty in % (for Indegenous supplier): To be indicated by supplier. ED invoice is required for availing Cenvat. benefit | | |
| (ii) | Sales tax in % (for Indegenous supplier): VAT / CST to be indicated by the supplier. | | |
| (iii) | Service Tax for services: To be indicated by supplier (Income Tax shall be deducted for service charges and TDS Certificate will be issued) | | |
| 15 | Test Certificate: To be submitted. | | |
| 16 | O & M Manual: 5 sets in english language. | | |
| 17 | Training: Supplier's scope at no extra cost. | | |
| 18 | For Foreign Offers: | | |
| 19 | Manufacturers' Name and address: | | |
| (ii) | Country of Origin: | | |
| (iii) | Nearest - 1. Seaport; 2. Airport | | |
| (iv) | Approximate weight, cubage of the consignment and number of containers required for shipment. | | |
| | Remark: Typical price format 1 ,2 & 3 attached. | | |

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) @ 3.09% (8+9) * 0.0309 | 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. | |