



TERMS AND CONDITIONS FOR

Tender Enquiry No.1415-077 Dated: 28.08.2014 Due Date of Opening:

11.09.2014

Item: Love Joy Coupling

C1 Inviting Quotations:

Sealed Bid submission in two part Part-I: Techno-commercial bid and Part-II: Price bid are hereby invited for manufacturing and supply of Love Joy Coupling as per BHEL Drawings, Matl Standards (as per latest revision applicable), TDCs and other technical documents referred in these documents. The relevant documents are attached with the Enquiry.

The two bids should be submitted in separate sealed inner envelopes duly mentioning the detail as follows:

Bid	Description	Superscription on envelope	Min documents to be submitted
Part-I			
	Techno-Commercial bid in response to Tender Enquiry no. 1415-077 Dated 28.08.2014	PART-I: "Techno-Commercial Bid" Tender Enquiry no. 1415-077 Dated 28.08.2014 Due Date of Opening: 11.09.2014 Sender :	1. Acceptance of all terms and conditions. 2. Un-priced (Prices not filled) format showing taxes and duties structure.
Part-II			
	Price Bid in response to Tender Enquiry No. 1415-077 Dated 28.08.2014	PART-II: "Price Bid" Tender Enquiry no. 1415-077 Dated 28.08.2014 Sender:	Price bid duly filled prices in words & figures.

All the sealed envelopes should be put in an outer envelope clearly mentioning Tender Enquiry No.1415-077 Dated 28.08.2014.item description as Love Joy Coupling and due date of opening as 11.09.2014 time 1530hrs on it.

Part-I: Techno-Commercial bid should contain

- a) Acceptance of Techno-Commercial terms and conditions should be attached next. This can be attached either by signing each page of terms and conditions or a confirmation statement.
If nothing is mentioned for any term, it shall be summarily concluded that the same is acceptable and no representation whatsoever shall be entertained later on.
- b) Un-priced bid as per format attached. **All details, i.e. whether quoted for item, duties and taxes etc. should be filled.** Price Bid format without the price shall be provided with Part I.
- c) Any deviation proposed by bidder shall be considered by BHEL at its own discretion; and if finally considered, shall carry loading factor at the discretion of BHEL.

Quotations shall reach us by 1500 Hrs and Part-I shall be opened at 1530 Hrs on due date. Late offers are liable to be rejected, so please ensure to send the quotation well within due date. Based on evaluation of techno-commercial offers, Price bids of bidders who qualify from techno-commercial evaluation shall be opened. BHEL may decide to open the Price bid same day at 1630 hrs, if all the vendors have accepted the entire tender terms and conditions. If not opened on the same day, all qualifying bidders shall be notified for date of opening of Price bids.

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If the material is found defective and rejected during use for which payment has already been released the rejected quantity shall be supplied free of cost by the vendor within a month of intimation of the rejection by BHEL.

C5 Terms of payment:

C5.1 Due payment against supplies received shall be made within 30-45 days of receipt subject to submission of test certificates (and other documents) and acceptance by Quality/ User department alongwith receipt of following dispatch documents.

In case of any deviation from standard payment term mentioned, BHEL at it's discretion may load on the item price at SBI base rate + 6% at the time of opening of Part-I.

1. Commercial invoice (in duplicate).
2. Original VAT invoice valid for claiming input tax credit.
3. Compliance Certificate & Inspection clearance certificate released at the time of Pre-Despatch inspection at vendor's works, if any.

C5.2 Above documents should include your Registration numbers such as ECC no, PAN no, CST no, TIN/ VAT nos. etc.

C5.3 BHEL will not be responsible for delays in release of payment on account of discrepancies in documentation, so vendor has to ensure compliance to documentation requirement.

C5.4 ***BHEL releases payment through EFT mode. Vendor can provide the necessary details by obtaining format before release of payment while supplying the material.***

C6 Delivery schedule:

Supplies shall be affected and completed as per schedule mentioned in the POs. Items must be supplied as per schedule mentioned "50% quantity within first two months and balance quantity in third month" of Placing PO/LOI. Further, BHEL may release delivery schedule from time to time based upon our requirement. Vendor shall be required to complete the order as per the BHEL schedule requested. "BHEL reserves the right to cancel or hold orders.

C6.1 ***All test certificates are required before /with the material at BHEL Goindwal; Otherwise BHEL may or may not receive the material. Test certificates may be send on email as mentioned on Purchase orders in scanned form. In no case material will be accepted at BHEL without test certificates and GR will not be made.***

C7 Inspection:

a. All required tests shall be carried out by bidder at no extra cost. Relevant TCs shall accompany the consignment. BHEL may decide to inspect itself/arrange third party at bidders' works itself as and when necessary with prior intimation to the bidder. No additional charges shall be claimed for such inspections. Third party inspection if arranged by BHEL, charges will be borne by BHEL but the necessary infrastructure will be provided by bidder without any extra cost.

b. Vendor will give inspection call sufficiently in advance considering the delivery period stipulated in the purchase order.

c. Material Test Certificates (MTC), Inspection reports and Compliance/Guarantee Certificate are to be provided along with the supplies.

d. Latest applicable revisions of standards/procedures to be referred.

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Part II: Price Bids:

Price bid in the format attached. Preferably the price bid envelop should contain ONLY the price bid. Further, if even the same conditions are mentioned in the Part-II, but after scrutiny of Part-I, the bidder has agreed to BHEL terms, the same shall be binding and any such condition found in Part-II shall in no case be discussed.

No Other format shall be used for submitting the price bid. Any variation in Unit of Supply other than that mentioned in the Price bid format shall not be accepted.

Anything other than price mentioned in the price bid shall be considered invalid. If there is some discrepancy in Price Bid rates than the rates quoted in words shall be accepted.

Duties shall be payable extra against ED Gate Pass valid for CENVAT benefit.

Price quoted shall be firm and not subject to any escalation during the contract execution.

Price should be quoted on FOR Destination Goindwal Sahib basis. If not mentioned, it shall be concluded that the offer is on FOR Destination Goindwal Sahib basis. In case rates are Ex-Works basis, loading of expenses i.e., freight, transit insurance shall be done by BHEL at its discretion to arrive at Landed prices. Comparison shall be done at Landed cost to BHEL.

All amounts shall be indicated both in words as well as figures. Where there is difference between amount quoted in words and figures, amount quoted in words shall prevail.

Tenders should be free from CORRECTION AND ERASURES. Corrections if any must be attached. Sealed Tenders can be dropped in the tender box labeled as 'Tender box for MM contracts'. This tender box is located at the entrance of Admin block BHEL Goindwal. For any clarification you can contact on email id tendermm@bhelivp.in. Fax (01859-222061) / E-Mail (tendermm@bhelivp.in) offers received in time shall be considered only when such offers are complete in all respects.

C2 Validity of offers:

Offers shall be valid for 60 Days from due date of opening. In case of extension of due date of opening, the offers validity shall be extended accordingly.

C3 Scope of supply:

Material shall be supplied as per the applicable latest Technical Delivery Conditions (TDC)/ Material Standard requirements/BPS/Drawing and other requirement as given in the Purchase Order. National & International material Standards shall have to be arranged by vendors themselves. Comparison and procurement shall be done for individual item. If the item is appearing more than once then the minimum of rate will be considered.

C4 Replacement of Rejection :

If the material is rejected due to defective workmanship during inspection or at the time of actual use, the rejected material shall be replaced by the supplier. Corresponding quantity shall be treated as unsupplied against respective purchase order till replacement is received at BHEL.

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e. Any inspection carried out before supply by vendor/incoming stage at BHEL notwithstanding, if any defect/non-conformity is noted during processing, the same shall be attended/replaced by vendor at no extra cost.

C8 Guarantee :

Vendor shall give a guarantee of 18 months from the date of dispatch or 12 months from use, against manufacturing defects, whichever is earlier.

C9 Access to Manufacturing Premises:

For evaluation & during the period of execution of contract, authorized representatives of BHEL shall be allowed free access to the manufacturing facilities for the purpose of inspection or monitoring the progress of contract. This access will also be extended to representatives of BHEL's customers accompanying the authorized representative/s of BHEL, if our contractual requirements with our customers call for the same.

C10 Risk Purchase:

BHEL shall be entitled to terminate the contract with any vendor and to purchase elsewhere at the risk and cost of the vendor, either the whole or part thereof which the supplier has failed to deliver within the time stipulated as aforesaid. Vendor shall be liable for the losses, which BHEL may sustain by way of such risk purchase in addition to aforesaid penalty for delayed delivery. Purchases made from any other vendor at its quoted rates shall be made and the difference of rates of defaulter vendor and new vendor shall be deducted from running bills of the vendor who has failed to deliver.

C11 Penalty for late delivery

'Time is the essence of the contract'. As such, delivery of goods specified in the Purchase Orders shall be made within the time limit prescribed therein. Penalty for late delivery clause will be applicable for delayed supplies @ 0.5% per week or part thereof subject to a maximum of 10%. **Once the delivery period mentioned has expired, BHEL may or may not take the delivery of item & reserves the right to cancel Purchase Order.**

C12 Sub-Contract :

The purchase order or any part thereof shall not be sub-contracted, assigned or otherwise transferred without previously obtaining the BHEL's consent in writing.

C13 MSE Certification:

If the bidder is registered as any of Micro/Small enterprise as defined in Micro Small and Medium Enterprises Development Act, 2006; a copy of registration certificate to be attached.

C14 Preferences to MSES 1:

MSE suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either EM II (Acknowledgement of Entrepreneur Memorandum Part II) certificate having deemed validity (five years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with attested copy of a CA certificate (Format enclosed at Annexure -1 where deemed validity of EM II certificate of five years has expired) applicable for the relevant financial year (latest audited). Date to be reckoned for determining the deemed validity will be the date of bid opening (Part 1 in case of two part bid). Documents submitted should be notarized or attested by a Gazetted officer.

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Non submission of such documents will lead to consideration of their bid at par with other bidders. No benefit shall be applicable for this enquiry if any deficiency in the above required documents are not submitted before price bid opening. No any correspondence will be sought/treated regarding MSE after Part-1 Opening.

If the tender is to be submitted through e-procurement portal, then the above required documents are to be uploaded on the portal. Documents should be notarized or attested by a Gazetted officer.

In cases where the MSE status is based on Acknowledgement of Entrepreneur Memorandum Part II (hereinafter referred as EM II Certificate), the validity of such EM II certificate will be deemed as 5 years (2 years earlier deemed validity + 3 years present extension as per the gazette notification) from the date of acknowledgement of the EM II certificate, unless it is accompanied by a CA certificate (format as per Annexure-1), which will be required for each bid.

C15 **Force Majeure:**

If at any time during the continuance of the contract, the performance in which or in any part by either party of any obligations under the contract are prevented or delayed by reason of any war, hostilities, acts of public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine restrictions, or acts of God (hereinafter referred to "an events") then provided the notice of happening of any such event is given by either party to the other within 21 days of the occurrence thereof, neither party shall by reason of such event be entitled to terminate the contract nor shall either party have any claim for damages against the other in respect of such non-performance and delay in performance and delivery under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist. If the performance in whole or part of any obligation under the contract is prevented or delayed by reason of any such event, claims of extension of time shall be granted for periods considered reasonable by BHEL subject to prior notification by the vendor to BHEL of the particulars of the event and supply to BHEL, if required, of any supporting evidence. Any waiver of time in respect of partial instalment shall not be deemed a waiver of time in respect of remaining deliveries.

C16 **Arbitration:**

In the event of any dispute and/or difference arising between the Vendor and BHEL as to interpretation and/or execution of the contract and/or the respective rights and liabilities of the parties, such disputes and/or differences shall be referred to the sole arbitrator nominated by BHEL. The provisions of the Indian Arbitration Act and the rules there under shall apply to such arbitration. The award passed by the arbitrator shall be final and conclusively binding on all the parties.

C17 **Jurisdiction:**

The court of the place from where the purchase order is issued shall alone have jurisdiction to decide any dispute arising out of or in connection with the purchase order.

C18 **Banned Firms:**

The offers of the bidders who are on the banned list as also the offer of the bidders, who engage the services of the banned firms, shall be rejected. The list of banned firms is available on BHEL website www.bhel.com.

C19 **Clarifications:**

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The correspondence exchanged against the tender from both tenderer and BHEL through email are considered as valid document legally though it is not signed.

It is treated as valid confirmations made on behalf of the respective company and very much comes under the legal ambit of the business transaction and hence it is binding on both the parties to the business. Any transaction pertaining to the tender from both the parties of business done round the clock irrespective of the office or business hours of the companies, are valid legally and binding on both the parties. This applies to the extent only in such cases where deadline time for transaction is not specifically declared by either or both the parties to the business.

C20 Purchase Order :

BHEL may issue LOI prior to the PO for any reason whatsoever. The LOI in such cases is to be treated as PO for all practical purposes and all the Terms & Conditions of the tender shall be applicable from the date of issue of LOI. Comparison of rates will be done on the basis of landed cost to BHEL for individual item. In case a vendor turns out to be L1 in one item only, than vendor have to commence the Purchase order within specified time period irrespective of the total value of PO. At any stage BHEL may cancel the Tender/Purchase order on any bidder.

C21 WORDS AND FIGURES:

- If, in the price structure quoted for the required goods/ services/ works, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
- If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject of (a) and (b) above.
- If there is such discrepancy in an offer, the same shall be conveyed to the bidder with target date upto which the bidder has to send his acceptance on the above lines and if the bidder does not agree to the decision of the purchaser, the bid is liable to be ignored.

C22. Packaging:

All material has to be dispatched in packing boxes only i.e. wooden or carton or cardboards with material code, description, grade and quantity. Preferable is to supply no of packing boxes with small quantities eg if 1 Item is to be supplied then it may be supplied in box containing 1Pc. Box must have TAG containing Purchase order No., Material Code, Material Description (as mentioned in PO) along with Unit weight of each item and Total weight of Box and Total Quantity in Box. No cost for these boxes will be given separately and must be included in prices only.

C23. General:

- BHEL will not be bound by any power of attorney granted by the vendors or by changes in the composition of the firm made subsequent to the execution of the contract.

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They may, however, recognize such power of attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the vendor concerned.

b) BHEL reserves the right to accept or reject any part or whole of the tender by assigning a valid reason thereof. BHEL reserves the right to cancel the tender without assigning any reason thereof and without any obligation before any commitment.

c) BHEL reserves the right to short close the contract at any time. The quantity supplied or requirement intimated by BHEL will stand as it is, but contract may be close for further supplies, if no further requirement exists.

d) Please submit acceptance of all techno-commercial terms along with quotation. If nothing is mentioned for any term, it shall be concluded that the same is acceptable. Performance of suppliers shall be monitored periodically by user department of BHEL.

C24 Supplier Registration:

Bidders, who are not currently on registered list of BHEL IVP Goindwal Sahib, may submit duly filled format for "Vendor Registration form". The form can be downloaded from our website www.bhel.com or can be requested at gss@bhelivp.in or amit@bhelivp.in. Registered vendors with BHEL IVP GWL have to mention their vendor code. Registered vendors with any other unit of BHEL are also required to mention the vendor code given by respective BHEL unit along with photocopy of latest POs from BHEL unit. Techno-commercially qualified bidders may be asked for submission of supplier registration form for getting registered with BHEL, IVP, Goindwal.

C25 REVERSE AUCTION:

Reverse Auction (RA): "BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. All bidders to give their acceptance 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.

In case BHEL decides to go for Reverse Auction, only those bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit "online sealed bid" in the Reverse Auction. Non-submission of „online sealed bid" by the bidder will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue."

Terms & Conditions of Reverse Auction

Against this enquiry for the subject item/ system with detailed scope of supply as per enquiry specifications, BHEL may resort to "REVERSE AUCTION PROCEDURE" i.e., ON LINE BIDDING (THROUGH A SERVICE PROVIDER). The philosophy followed for reverse auction shall be English Reverse (No ties).

1. For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible 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 on line bidding on internet.



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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 the Compliance form (annexure IV) before start of Reverse auction. Without this, the bidder will not be eligible to participate in the event.
7. In line with the NIT terms, BHEL will provide the calculation sheet (e.g., EXCEL sheet) 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 (whose quote is highest in online sealed bid) may not be allowed to participate in further RA process.

C26 Loading Criteria and Counter Offer

BHEL will give counter-offer to vendors other than L1, in order to have broader vendors base for ensuring timely delivery. Following directions shall be followed when allotting the tender quantities:

- (a) Tender quantity shall be divided in the proportion 60:20:20 (60% for L1, 20% for L2 and 20% for MSE's) in case the L1 vendor is not a MSE subject to following conditions:
 - 1 L2 acceptance of L1 rates.
In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 per cent shall also be allowed to supply a portion of requirement at L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise shall be allowed to supply up to 20 per cent of total tendered value. In case of more than one such Micro and Small Enterprise, the supply shall be shared equally.
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3 20% from the 20% quantity (i.e. 4% of the tender quantity) offered to the MSE's shall be reserved for MSE's owned by SC/STs. In event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 per cent quantity for Micro and Small Enterprises owned by SC/ST entrepreneurs shall be met from other Micro and Small Enterprises.

4 In case any MSE vendor does not accept the counter offer, the above mentioned 20% quantity shall be offered to L2 subject to its acceptance to L1 price.

(b) In case if the L1 vendor is MSE then quantity shall be provided as 56 % and 40% in L1 and L2 vendor subject to acceptance to above mentioned provision no.(i). 4% tender quantity shall be offered to the MSEs owned by SC/ST's. In event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 per cent sub-target for procurement earmarked for Micro and Small Enterprises owned by SC/ST entrepreneurs shall be met from L1 vendor.

(c) In case L2 bidder doesn't accept the counter offer, L3 will be contacted and so on except highest bidder.

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Annexure-1

Certificate by Chartered Accountant on letter head

This is to Certify that M/S (hereinafter referred to as 'company') having its registered office at is registered under MSMED Act 2006, (Entrepreneur Memorandum No (Part-11) dtd:....., Category:..... (Micro/Small)). (Copy enclosed).

1. For Manufacturing 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 :

Rs.....Lacs

2. For Service Enterprises: Investment in equipment (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

(Strike off whichever is not applicable)

The above investment of Rs.....Lacs is within permissible limit of Rs.....Lacs forMicro / Small (Strike off which is not applicable) Category under MSMED Act 2006.

Or

The company has been graduated from its original category {Micro/ Small} (Strike off which is not applicable) and the date of graduation of such enterprise from its original category is (dd/mm/yyyy) which is within the period of 3 years from the date of graduation of such enterprise from its original category as notified vide S.O. No. 3322(E) dated 01.11.2013 published in the gazette notification dated 04.11.2013 by Ministry of MSME.

Date:

Name-

Membership number-

(Signature)

Seal of Chartered Accountant