



An ISO 9001 Company

Bharat Heavy Electricals Limited

(High Pressure Boiler Plant)

Tiruchirappalli-620014, Tamil Nadu, India
MM/CAPITAL EQUIPMENT/MODERNISATION

Document No.MM/CE/GT/001

GENERAL GUIDELINES & INSTRUCTIONS TO BIDDERS FOR SUBMITTING OFFER

Vendors are requested to read the following points / guidelines / instructions and ensure that the offer is prepared and submitted strictly as per the requirements. Offers with insufficient details would not be considered for evaluation. The following points / guidelines / instructions are part and parcel of the tender and non-compliance will result in rejection of offer.

1.0 QUOTATIONS

Considering the nature of procurement which requires a good amount of technical details, brochures, catalogues etc., to be submitted along with the offer as well as the confidentiality required to be maintained during the offer evaluation process, bidders are requested to submit their offers only through sealed bids. As the part II (the price bid) would not be opened before the technical evaluation is completed, bidders are requested not to submit their bids through email / fax etc.

Bidders shall submit the offer in TWO INNER ENVELOPES as indicated below which shall be sealed in one outer envelope.

Envelope I This sealed envelope should contain all the copies of technical bid together with un-priced commercial bid. This envelope should be clearly marked "Part I - Technical and Un-priced commercial bid", indicating Enquiry No., Due Date, Address & Reference of the Bidder.

Envelope II This sealed envelope should contain price details. This envelope should be clearly marked "Part II - Price bid", indicating Enquiry No., Due Date, Address & Reference of the Bidder

Both the envelopes (Part I & II) shall be put in one cover, duly sealed, super scribing as Part I and Part II indicating Enquiry No., Due Date, Address & Reference of the Bidder.

The above tender (envelope containing Part I & II) should reach this office on or before the due date by 14.00 Hrs (IST). Tenders received after 14.00 Hrs (IST) will not be considered for evaluation.

Tender should not be addressed to any Individual's name but only by designation to:

AGM / MM / CAPITAL EQUIPMENT / MODERNISATION
IC BUILDING (NEAR 24 BUILDING)
BHARAT HEAVY ELECTRICALS LIMITED
HIGH PRESSURE BOILER PLANT
TIRUCHIRAPALLI – 620 014
TAMIL NADU, INDIA

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Tenders should be free from CORRECTION AND ERASURES, Corrections if any, must be attested. All amounts shall be indicated both in words as well as in figures. Where there is difference between amount quoted in words and figures, amount quoted in words shall prevail.

Tenders should be in ENGLISH and accompanied by detailed technical literature, catalogue and detailed dimensional drawings in ENGLISH or otherwise, the tenders will not be considered for evaluation.

If the past performance of a vendor in any of the previous Purchase orders/contracts/in any projects, of BHEL Units, and NON-BHEL, is not satisfactory BHEL then reserves the full right to reject such offers of those vendors straightaway irrespective of their suitability and will not be considered for further processing of the tender.

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| 2.0 | PART I (TECHNICAL & UN-PRICED COMMERCIAL BID) |
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| 2.1 | Technical |
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This part shall include / indicate the following:

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| 2.1.1 | Tenders should contain complete scope of supply with all technical details, specifications, delivery and other commercial terms and conditions. |
| 2.1.2 | Point by point confirmation for the Technical Specification enclosed is to be provided. If there are any deviations, the same should be clearly specified. Tenders received without confirmation to our specification will be rejected. |
| 2.1.3 | List of customers to whom same or similar equipment have been supplied along with performance certificates are to be enclosed. |
| 2.1.4 | Relevant catalogues to be attached |
| 2.1.5 | List of spares parts (with part numbers) for two years operation and maintenance should be attached. |
| 2.1.6 | Information on shipping weight and cubage (length, width & height) to be provided. |

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| 2.2 | Un-Priced Commercial |
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This part shall include / indicate the following:

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| 2.2.1 | Acceptance of commercial terms and conditions by the bidders (in the check-list enclosed) |
| 2.2.2 | Port of shipment / Station of despatch |
| 2.2.3 | Terms of payment |
| 2.2.4 | CFR price up to Chennai port (for foreign bidders). FOR BHEL, Tiruchy price (for Indian bidders) |
| 2.2.5 | Taxes, Service tax & duties including cess applicable. |
| 2.2.6 | Delivery Schedule from the date of Purchase Order |
| 2.2.7 | Offer validity |
| 2.2.8 | Country of origin |
| 2.2.9 | Currency in which the price has been indicated. |

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| 2.2.10 | Percentage of agency commission if any along with a copy of Agency agreement. The CFR prices quoted shall include the agency commission. |
| 2.2.11 | A copy of "Un-Priced Part II" i.e., a copy of the Price Bid without the price details to be enclosed. |

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| 3.0 | OPENING OF TENDERS |
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The Part I - Technical & Un-priced commercial bid alone would be opened on the Tender opening date.

The Part II – The Part I would be evaluated and bidders qualifying alone will be considered for further processing. BHEL would proceed with Reverse Auction route or Price Bid opening route for finalizing the tender, which would be intimated to the qualified bidders after completion of the techno-commercial evaluation.

BHEL reserves the right to go for a Reverse Auction (RA) instead of Opening the Price Bid submitted, which will be decided after the techno-commercial evaluation. Information and general terms and conditions governing RA are given below.

GENERAL TERMS AND CONDITIONS OF RA

- 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 ON INTERNET.
- For the proposed RA, technically and commercially acceptable bidders only shall be eligible to participate.
- In case of RA, BHEL will engage the services of a service provider for conduct of the RA who will provide all necessary training and assistance to the bidders before commencement of on line bidding on internet.
- Business rules governing the RA will be communicated to the bidders through service provider for compliance.
- Vendors have to fax the Compliance form in the prescribed format (provided by Service provider) before start of RA. Without the compliance, the vendor will not be eligible to participate in the event.
- BHEL will provide a sample calculation sheet (in EXCEL format) which would help the bidders to arrive at "Net Cash outflow to BHEL" considering various price / cost elements 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) etc. for each of the bidders to enable them to arrive at "Net Cash outflow to BHEL" which is the amount the bidder would be bidding during the RA.
- RA will be conducted on scheduled date & time and at the end of event, the lowest bidder value will be known on the network.

- The lowest bidder has to Fax the duly signed "Price Break-up" in prescribed format as provided on case-to-case basis to BHEL through Service provider within 24 hours of Auction without fail.
- Any variation between the on-line bid value and the signed document will be considered as sabotaging the tender process and will invite disqualification of vendor to conduct further business with BHEL, as per the prevailing procedure.
- BHEL reserves the right to negotiate if need be, with the "L1" vendor of the Reverse Auction

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| 4.0 | DEFINITIONS & OTHER TERMS |
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Fixed price: Prices quoted by the bidder shall be fixed and not subject to any escalation 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. Prices shall be written in words and figures. In the event of difference, the price written in words shall be valid and binding.

Bid currency: Indian bidders should submit the prices only in Indian Rupees. Foreign bidders may submit the bid in their home currency, which should be clearly indicated in the un-priced commercial bid as well as in the price bid.

Taxes and Duties: All Taxes and Duties payable asextra to the quoted price should be specifically stated in offers along with CST & TIN No / Tariff No. etc., failing which BHEL will not be liable for payment of such Taxes and Duties. Our TIN No. 33243560005, TNGST No. 3560005, CST. No. 239383 Dt. 11-06-1991 & BHEL ECC No. AAACB4146PXM012, Assessment circle Tiruverumbur. Our I E Code: 0588138690.

For services rendered by the foreign vendor in India (like Erection & Commission supervision etc.) Income Tax (IT) shall become payable by the Foreign vendor. Hence, Foreign bidders are requested to take care of the IT payment during submission of tender.

Cenvat & VAT credit: (applicable for Indian Bidders only) the quotation must indicate Tariff item number and rate of Excise Duty applicable. The original Excise Duty Gate Pass will be required to be furnished in case Excise Duty is applicable. If the bidder is availing Cenvat credit for his input materials, the effect of proforma credit should be passed on to BHEL.

Packing: The Supplier shall arrange for packing suitably in all respects considering the peculiarity of the material involved for normal safe transport by sea / air / rail / road and suitably protected against effect of tropical salt laden atmosphere in the event of shipment being delayed at ports.

Salient points of HSE (Health Safety & Environment) that are to be considered while submission of offer are:

- Consumption benchmarks related to output shall be provided wherever applicable for key input resources (energy/fuel/chemicals)
- Competency requirements for operation, maintenance and calibration, if any, shall be communicated

- If any hazardous chemicals as per MSIHC (Manufacturing, Storage and import of such Hazardous Chemicals) Rules 1989/94/2000 are used, the MSDS shall be provided along with On site & Off site emergency plan (as applicable)
- The noise level at operator level shall be within 80 dBA
- OH&S (Occupational Health and Safety) control measures for safe working of machine as applicable shall be specified.
- 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
- The supplier shall submit the layout drawing of operating controls, displays etc. Along with operating instructions to enable ergonomics evaluation and approval.
- The recommended list of PPE (Personal Protective Equipment) for the equipment shall be furnished.
- 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
- 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 TLV, (Threshold Limit Value).
- 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.
- 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.
- Wherever industry specific standards are not available for control of pollutants, general emission standards shall be used.
- Chemicals banned due to their negative impact on the environment shall not be used in the process.
- Fuels with sulphur content less than 0.05% shall be proposed.
- Details regarding nature of waste generated and appropriate disposal practices available shall be provided, along with the operation procedure of the plant / process. 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
- Primary materials used in the equipment shall be specified and they shall be eco-friendly

Force Majeure clause: If at any time during the continuance of the contract the performance in whole or in part by either party of any obligations under the contract is prevented or delayed by reason, of any war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine, restrictions or acts of GOD (hereinafter referred to as events) and notice of happening of any such events is given by either party to other within twenty one days from the date of occurrence thereof then neither party shall by reason of such events be entitled to terminate the contract. If the performance in whole or part of any obligation under this contract is prevented or delayed by reason of occurrence of such events, then claims for extension of time shall be granted for period considered reasonable by the purchaser subject to prompt notification by the seller to the purchaser the particulars

of the events, if required with supporting evidence. Any waiver of time in respect of partial instalment shall not be deemed to be a waiver of time in respect of remaining deliveries.

Agency agreement from foreign suppliers for their Indian agents: Based on Ministry of Finance vide circular dated 31/01/1989 the following are compulsory:

- Registration of Indian agents of a foreign supplier.
- Precise relationship between foreign suppliers and their Indian agents and their mutual interest in the business, should be clearly spelt out.
- Any payment, which the agent receives in India or abroad, from the foreign supplier, whether as a commission or as a general retainer fee, also needs to be brought on record and made explicit so as to ensure compliance to tax laws and to prevent leakage of foreign exchange.
- All services to be rendered by the agent, whether of general nature or in relation to the particular contract, must be clearly stated by the foreign supplier and the Indian agent.
- The amount of agency commission agreed to between the foreign principal and the Indian agent should be specifically disclosed and the agency commission will be paid in Indian Rupees only.

Short shipment / Warrantee replacement: In case of any short-shipment during initially supply, subsequently dispatched by the supplier or any warrantee replacement dispatched during the warrantee period shall be dispatched on “DDP – Delivered Duty Paid BHEL Stores” basis for foreign suppliers and “FOR BHEL Stores” basis for Indian suppliers.

Inspection & Testing: All goods shall be subject to inspection by BHEL or its authorized representatives at supplier's works or at BHEL Stores. The supplier will not charge for the facilities provided for inspection of goods. In case of machine tools, the machine would be inspected and proved at supplier's works prior to dispatch. However, final inspection and acceptance of the machine will be carried after installation of the machine BHEL.

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| 5.0 | GENERAL |
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Evaluation of offers shall be on “Net Cash Outflow to BHEL basis”.

BHEL reserves its right to allow to the Public Sector Enterprises ordering and price preference facilities as admissible under the existing policy.

BHEL reserves its right to reject a tender due to unsatisfactory past performance in the execution of a contract at any of BHEL projects / Units.

BHEL shall be at liberty to reject or accept any tender, part or in full, at their own discretion and any such action is not liable for any question or claim against BHEL.

The correspondence exchanged against the tender between the bidder 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 / communication pertaining to the tender carried out by the bidder and BHEL 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.

In case Letter of Intent (Lol) is issued through email, the computer generated time and date of mail shall be construed as the official time and date of release of Lol. In as much as this date is within the last date of validity given by the bidder the Lol is said to have been issued within the validity period and shall be binding on both the parties to the business.

Bidders participating in the tender should declare in their technical bid that whether they have been black-listed / kept on hold for a specified period / given Business holiday for a specified period by any Public sector undertaking or Government departments. The reasons for such action with details and the current status of such hold shall be clearly furnished to BHEL. If no such details are mentioned in the offer then it will be construed that the subject bidder is not under any such hold. But at a later date if it comes to the notice of BHEL about any such hold under enforcement on the subject bidder, BHEL will have every right to reject the offer of such vendors at any point of time and also under any stage of the finalisation of the subject tender irrespective of the status of the subject bidder in that tender. Such bidders will not be permitted to participate in the further tender proceedings and will be communicated suitably. They will not be also considered for any ongoing enquiries even if participated till the hold is officially lifted and confirmed in writing.
