



BHEL / PIPING CENTRE / CHENNAI

**TECHNO-COMMERCIAL MEMORANDUM OF UNDERSTANDING FOR SUPPLYING
LIGHTLY BONDED MINERAL WOOL INSULATION FOR NTPC PROJECTS**

BETWEEN

M/s. BHEL/PIPING CENTRE, CHENNAI

&

***M/s.**

*TO BE FILLED IN BY VENDOR

**DOC NO: BHEL: PC: SD: MOU: INSULATION: NTPC: REV 00
PRODUCT: MINERAL WOOL INSULATION**

REVISION STATUS

REV NO	DATE OF REVISION	RECORD OF REVISION
00	14.05.2016	ORIGINAL ISSUE

VENDOR'S SIGNATURE WITH SEAL

BHEL PIPING CENTRE

GENERAL:

- This Techno-Commercial MOU is signed to finalize the Technical and Commercial terms (except price) for the supply of Mineral Wool Insulation for NTPC projects.
- By signing this MOU, Vendor agrees to the following terms and conditions.
- This MOU will be applicable for all Single & Limited Tender.
- The MOU will stand valid for **2 years** from the signing of MOU. The MOU validity may be extended even after the initial period if required by M/s BHEL, with the consent of vendor. However, if any change is required within the validity of the MOU, the MOU may be amended with mutual consent.

MOU TERMS:

SL NO	MOU TERMS
1.0	<p><u>Type of Bid:</u> Enquiry can be either 'SINGLE PART BID TYPE' OR 'TWO PART BID TYPE' The bid type to which an Enquiry will be resorted to will be indicated in the Enquiry itself. Vendors have to submit their bids suitably.</p>
1.1	<p><u>Single Part Bid:</u> In case of Single Part, only one bid has to be submitted either thru conventional manner or thru E-Procurement and the same shall be indicated in the tender. The bid must consist of the following:</p> <ul style="list-style-type: none"> a) Vendor has to confirm to supply as per MOU in the format which will be sent along with the Enquiry b) Price has to be submitted in the format which will be sent along with the Enquiry
1.2	<p><u>Two Part Bid:</u> In case of two part bid, two bids (Part I & Part II) have to be submitted either thru conventional manner or thru E-Procurement and the same shall be indicated in the tender:</p> <ul style="list-style-type: none"> • PART I: a) Vendor has to confirm to supply as per MOU, in the format which will be sent along with Enquiry b) Unpriced bid to be submitted to know the items for which the vendor has quoted c) Taxes and duties applicable • PART II: Price bid has to be submitted in the format which will be sent along with the Enquiry <p>Both Part I bid and Part II bid, each sealed in a separate cover, shall be put in a sealed offer cover. Cover indicating Tender No with date, Tender Opening Date & Item Description: Mineral Wool Insulation for NTPC project shall be sent to</p> <p align="center">ENGINEER / PURCHASE BHEL PIPING CENTRE PURCHASE DEAPRTMENT NO 80, GN CHETTY ROAD (II FLOOR) T.NAGAR, CHENNAI 600 017</p>
2.0	<p><u>Technical Requirements:</u></p> <ul style="list-style-type: none"> a) BHEL Drawing Nos 4-33-021-00833 & 4-33-021-00834 has been agreed in toto and the latest revision shall be followed for manufacturing of Mineral Wool Insulation. b) Inspection and testing will be as per NTPC CQP 1474 Rev 05 dt 30.04.2009 or 0000-999-QOM-S-065 Rev 00 dt 25.10.2013 depending on NTPC approved QP Endorsement against each project. In case of any revision in the Technical Specification or QP, vendor's acceptance will be obtained. c) Vendors shall not alter the description and size details given in the Enquiry. d) Upon placement of Purchase Order, vendor has to submit project specific datasheet for NTPC approval within 5 working days.

3.0	Delivery Terms: FOR DESTINATION PROJECT SITE BASIS as per BHEL Tender. Items shall be sent to respective sites after obtaining dispatch clearance from BHEL.
4.0	Price: Quoted price shall be FIRM till the completion of supply. Bidders shall submit their bid on FOR destination project site basis. Base Price per sqm (inc of P&F) and Freight & Insurance per sqm shall be quoted separately. Applicable Taxes & Duties shall be indicated explicitly.
5.0	Submission of Quotation: If the vendor is not interested / not in a position to participate in the tender, vendor shall send regret letter for not participating, before due date of the tender.
6.0	Offer & Price Validity: Offer shall be valid for 90 days from the Price Bid Opening / last Reverse Auction for placement of Purchase Order. No price revision will be entertained after Techno-Commercial bid opening. Quoted rates shall be FIRM till completion of supplies.
7.0	Taxes & Duties: To be indicated clearly in the offer. Octroi if any, shall be to supplier's account only
8.0	Transport: Items shall be sent to Project sites as DTS after obtaining dispatch clearance from BHEL.
9.0	Delivery: <ul style="list-style-type: none"> • Upto 500 MT- Within 4 months from the date of written manufacturing & dispatch clearance from BHEL • 500 MT to 800 MT- Within 5 months from the date of written manufacturing & dispatch clearance from BHEL • 800 MT to 1100 MT- Within 6 months from the date of written manufacturing & dispatch clearance from BHEL • 900 MT to 1200 MT- Within 7 months from the date of written manufacturing & dispatch clearance from BHEL <p>Even though the above delivery schedule will be applicable, manufacturing shall be inline with BHEL's site requirement. In any case, if SS materials are included in the PO, 1st call on NTPC shall be for SS materials. For urgent requirements, delivery schedule will be indicated in the tender. Vendors will have to necessarily adhere to the delivery schedule in such cases.</p>
10.0	Tender Process: Tender shall be processed by opening the submitted Sealed Price Bid or through Reverse Auction. The mode of tender process will be informed by BHEL after evaluation of Techno-commercial bids. In the event BHEL decides to proceed with Reverse Auction for the price finalization of the tender- <ul style="list-style-type: none"> • 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 • H1 bidder (higher quoting vendor) in dynamic sealed bid will not be allowed to participate in further RA process. • If RA is a failure, sealed price bid/E-Bid will be opened and tender will be finalized accordingly. • Other terms and conditions regarding Reverse Auction will be as per Annexure I enclosed. <p>Ranking will be based on Net Cash Outflow to BHEL on FOR destination basis (Base price + F&I + Taxes & duties). Any loading based on deviations taken by vendors will be considered for arriving Net Cash Outflow to BHEL.</p> <p>Ordering will be done on package basis on boiler/project level only. In the event MSE preference is to be operated, the same will be done on boiler/project level only. Splitting of quantity within the project will not be done. However, operation of MSE preference is at the discretion of BHEL. Applicability of MSE preference will be explicitly mentioned in the Enquiry.</p>
11.0	Inspection: Inspection shall be by NTPC & BHEL/BHEL approved TPI.
12.0	Inspection Charges: Inspection charges of BHEL/BHEL approved TPI are to BHEL a/c. However any other testing charges should be included in the quoted rates.

13.0	<p>Packing & dispatch: Proper packing shall be ensured during physical dispatch of materials and packing & marking shall be as per NTPC approved QP. Packing shall be done in such a way that there is no damage during transit and storage of materials at site. To the farthest extent possible, materials of same specification (density, thickness & wire netting) shall be dispatched in a single consignment.</p>
14.0	<p>Test certificates (TC) along with Inspection Reports (IR), CHP and MDCC as called for in the NTPC approved QP shall be sent to Engineer/Purchase, BHEL Piping Centre, Chennai immediately after successful completion of NTPC/BHEL/TPI Inspection.</p> <p>TC, IR and MDCC shall be furnished for each batch of dispatch / consignment. If entire PO quantity is manufactured in one lot but dispatched in phased manner, original TC, IR and MDCC should be submitted with the first consignment.</p> <p>Soft copies of the all the test certificates shall also be submitted through email.</p>
15.0	<p>Forwarding of Dispatch documents and Test Certificates:</p> <ul style="list-style-type: none"> • Dispatch documents consisting of Invoice & LR shall be sent through email to the following persons in BHEL Piping Centre immediately after physical dispatch. Mr A.K.Lakshmipathy, akpathy@bhelmpc.co.in Mr Anil Sree, anilsree@bhelmpc.co.in • Invoice and LR shall clearly indicate the consignee address as per the dispatch instructions. Test certificate consisting of the following original documents shall be sent through courier to Mr Anil Sree, Engineer/Purchase, BHEL Piping Centre, Chennai <ul style="list-style-type: none"> (i) Inspection report of BHEL/BHEL's authorized Inspection agency (ii) NTPC CHP and MDCC (iii) Manufacturer TC & K-Value Certificate (iv) Copy of dispatch documents
16.0	<p>Payment Term: 100% payment within 45 days against site acknowledged LR Payment shall be made against presentation of following documents to BHEL's Finance Department. However a copy of Invoice and LR shall be sent to Purchase department immediately after the dispatch</p> <ul style="list-style-type: none"> A. Invoice in Triplicate B. Original site acknowledged LR C. Delivery Challan in duplicate (if applicable) D. Guarantee certificate in duplicate E. Inspection Report, CHP and MDCC F. ED gate pass original or copy with a confirmation that the original is sent with the goods (if applicable)
17.0	<p>Generation of C-Forms & Submission of E1 Forms:</p> <ul style="list-style-type: none"> • Dispatch details complete in all respect shall reach BHEL Piping Centre well within 6 months from the date of Invoice. BHEL will be at no obligation to issue C-Forms if all the necessary documents as detailed in point 15.0 are not received within 6 months from Invoice date. • C-Forms will be issued every quarter and E1 forms for the same is to be submitted within 2 months from the date of receipt. BHEL shall be at its discretion to decide alternate course of action in case E1 forms are not submitted within the prescribed time period.
18.0	<p>BHEL Standard Guarantee Clause: The materials are to be guaranteed for satisfactory performance for a period of 18 months from the date of dispatch or 12 months from the date of commissioning / putting into use whichever is earlier and if any defect is noticed during the above period, the same shall be rectified / replaced free of cost on FOR destination basis within a reasonable time, maximum limited to the agreed delivery period. To this effect a Guarantee Certificate should be sent along with the dispatch documents in the event of an order.</p>

19.0	LD Clause: If the supplier fails to deliver the items within the stipulated delivery schedule as mentioned in Point 9, the purchaser shall deduct Liquidated Damages, a sum equivalent to 0.5% of the price for each week of delay up to a maximum of 10% of the price of delayed/undelivered portion. For the purpose of LD, LR date will be reckoned as the delivery date.
20.0	Risk Purchase Clause: Alternatively the purchaser at his option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or despatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefore. The supplier shall be liable for any loss which the Purchaser may sustain by reason of such risk purchases in addition to penalty at the rate mentioned under liquidated damages.
21.0	MSE Preference: <ul style="list-style-type: none">• In case the supplier belongs to MSE's (Micro Small Enterprises), registration copy in this respect shall be submitted along with the offer. MSE suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either EM II certificate having deemed validity (5 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 (where deemed validity of EM II certificate of 5 years has expired) applicable for the relevant FY (latest audited).• Further if MSE's are owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs, the same may be intimated.• Small Enterprises that has graduated to a higher category are also eligible for intended benefits for 3 years from the date of such graduation. Certificates to this effect shall be submitted along with the offer for availing MSE preference.• In tender, participating MSE's quoting price within price band of L1+15% shall also be allowed to supply a portion of requirement (project/boiler level) by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 20% of total tendered value (project/boiler level). In case of more than one such MSE, the supply shall be shared proportionately within this 20%.• If the MSC vendor is owned by either SC or ST, such MSE vendors are eligible for preferential ordering upto 4% of the tendered value. Preferential ordering will be operated within 20% of the total tendered value.
22.0	NOTE: <ul style="list-style-type: none">• Evaluation and ordering will be done on boiler/project level.• The PO copy with all details will be given to successful bidders and acknowledgement for receipt of PO and datasheet for approval shall be sent within one week from the date of receipt.• During the Contract period, any of our sister units of BHEL Piping Centre will be entitled to place order for this item on the same terms and conditions with the consent of the vendor.• BHEL reserves the right to cancel the tender without assigning any reasons what so ever.• Deviation taken after placement of order will not be accepted (Both Technical, delivery & payment terms).• Lowest prices received against BHEL tenders does not mean order will be placed on that Supplier. BHEL reserves the right not to consider the same.• BHEL reserves the right to negotiate or re-float the tender opened if L1 price or other details are not acceptable to them.• BHEL reserves the right to order on more than one vendor at the lowest acceptable price to BHEL.