



Annexure - B to Tender BAP/CAP/2013-14/OT-23
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	Price: Supplier shall be quoted on " FIRM PRICE " basis only. No price variation clause will be entertained.		
02	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].		
03	Time Period for 'Supply' and 'E&C' : To be indicated in weeks from date of receipt of Letter of Intent (LoI). Bidder should quote time period separately for 'Supply' and 'E&C'. The bidders should quote their earliest schedule for Supply and E&C against the schedule indicated in the NIT. Supply period indicated by bidder should include reasonable time required for approval of drawings and other inputs from BHEL. BHEL, however, reserves the right to accept an offer not meeting the NIT schedule. Delivery period shall not be more than 02 Months from the date of LOI for despatch. Duration of Erection & Commissioning shall be a maximum of 06 Days from the date of readiness of site.		
04	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. Such of those suppliers, who quote for higher delivery would be loaded with a factor of 1/2% per week, subject to a maximum of 4%. Such of those Suppliers whose offer is more than 8 weeks of the delivery specified by BHEL, would not be considered further in the tender, and their Price Bid would not be considered.		
05	Penalty: For the purpose of penalty for delay in E&C of the equipment the duration will be reckoned from the date of intimation by BHEL to vendor for readiness of site. 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).		
	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.		
	Loading Factor for non-acceptance of Penalty Clause: 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. Example : If the Supplier has accepted for maximum 10% penalty clause, then balance 5% will be loaded for evaluating lowest bidder.		

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06	<p>Payment Terms: If payment terms as mentioned by BHEL are not agreed by bidder, such bidder have to submit Bank Guarantee at the time of payment 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:</p> <p>(a) Benchmark Prime Lending Rate (BPLR) of SBI as applicable on the scheduled date of tender opening + 2%, for the amount & period of relaxation sought by bidder.</p>		
(a)	<p>Terms of payment for Indigenous Offer: Dispatch of Goods on door delivery basis only. Goods dispatched with documents presented through Bank will be loaded with corresponding bank charges.</p> <p>In case of direct payment, 80% payment of Supply value shall be made within 45 days from the date of receipt of material at BHEL. 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 beyond the warranty period by Supplier from any of the Consortium Banks of BHEL for 10% of total PO Value in the prescribed Format. The PBG confirmation charges shall be borne by vendor. (PBG is applicable for orders above Rs. 5.00 Lakh)</p>		
07	<p>CEBG: The successful tenderer shall be required to execute within 30 days from the date of PO, a contract execution bank guarantee for 10% (ten percent) of the Contract Price in favour of the BHEL. (Applicable for orders above Rs. 20.00 lakh)</p>	Not Applicable	Not Applicable
(i)	<p>Bank Guarantee (CEBG and PBG) from indigenous suppliers shall be in the prescribed form and from the list of bankers, provided by BHEL.</p>		
08	<p>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.</p> <p>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.</p>		
09	<p>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. (Applicable for orders above Rs. 5.00 Lakh)</p> <p>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.</p>		
10	<p>Erection & Commissioning (E & C) Charges: Supplier to specify clearly the E & C Charges in their price bid. Service tax shall be extra as applicable. Requirement of technical specification needs to be complied with.</p>		
11	<p>Validity: Supplier to mention clearly the validity date of the offer. [Minimum 180 days from tender opening date]</p>		

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12	<p>Risk Purchase: Supplier specific confirmation is required for this clause - 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 therefor. 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 in "Penalty" clause.</p>		
13	<p>Taxes & Duties:</p>		
(i)	<p>Excise duty in % (for Indegenous supplier): To be indicated by supplier. ED invoice is required for availing Cenvat. benefit</p>		
(ii)	<p>Sales tax in % (for Indegenous supplier): VAT / CST to be indicated by the supplier.</p>		
(iii)	<p>Service Tax for services: To be indicated by supplier.</p>		
14	<p>Test Certificate: To be submitted.</p>		
15	<p>O & M Manual: 5 sets in english language.</p>		
16	<p>Training: Supplier's scope at no extra cost.</p>		
17	<p>Pre-Despatch Inspection (PDI): BHEL will have the option to pre-inspect the equipment at Supplier's works by BHEL's own inspector or by third party agency appointed by BHEL before despatch. Inspection call for carrying out the inspection shall be given 15 days before for indigenou supplies from the scheduled contract delivery date.</p>		

Signature and Office Seal of Vendor