

ANNEXURE – I

BHEL CLARIFICATION FOR THE QUERIES RAISED BY THE SUPPLIERS IN THE PRE BID MEETING HELD ON 18.04.2014

(Recorded Excerpts of the meeting held on 18.04.2014 (Pre-bid discussions) - Open Tender for Rate Contract of Aluminium Sheets Supply (in coil form) NIT: 17080 dated 26.03.2014)

Sl. No	Specification Reference	Bidder's Pre-Bid Query	BHEL Response during pre-bid meeting on 18.04.2014
01	Annexure – A – (Page 7 of 16) Clause q (i)	Indigenous offer – FOR dispatching station inclusive of all charges, duties and taxes but exclusive of the freight charges. (BHEL to clarify whether the freight charges are exclusive)	Clarified that the freight charges are exclusive .
02	Annexure – A – (Page 3 of 16) Clause xi	Freight charges shall be given separately or lumpsum anywhere to anywhere per MT basis to enable BHEL to calculate the FOR destination prices. (BHEL to clarify whether the freight charges shall be given separately)	To be corrected as : Freight charges shall be given separately by indigenous sources only in lumpsum on per MT basis state wise. The likely quantity site wise is given for the known projects and period as per Annexure II . In case of multi location suppliers, freight rate state wise can be given for each location.
03	Annexure – A – (Page 3 of 16) Clause xi	The exact site and the respective quantity for each year should be explicitly given in the tender documents to avoid unambiguous costing of freight charges. By Factored freight rate, the risk of being quoting the wrong value is very high for the seller and the same may be applicable to BHEL also.	Due to difficulty in the factored freight rate, the Evaluation will be done on Plant Wise & State Wise basis (for indigenous suppliers). Freight charges shall be given separately by indigenous sources only in lumpsum on per MT basis state wise Annexure III . In case of multi location suppliers, freight rate state wise can be given for each location.
04	General	BHEL to specify the Minimum order quantity to be ordered for a site. In case of quantities lesser than the transportable lot BHEL should pay for full truck load transport charge.	Evaluation of offers will be on Plant Wise & State wise basis (for Indigenous suppliers). And transportation as applicable for full lorry load will be paid (limited to a maximum of 9 MT)
05	General	It is observed that from the tender conditions, after the contract is entered into, for placement of order, BHEL will wait for the LME prices to cool and place the orders when the prices are at the bottom. In order to insulate the risk for both buyer and seller, it is suggested that the PO should be placed on a fixed period of each month. (For example: For he Material required during the following month, Purchase Order to be placed during the last week of current month) This will minimize speculation by the buyer & seller.	The orders will be placed on any day of month taking the PVC factor as applicable on the first day of that calendar month. (Pl refer Sheet No.03 of 03 of this Annexure I under Clause Placement of Orders)

06	General	For the Projects which are eligible for excise duty exemption, after finalization of Rate Contract, the addendum Purchase Orders should be placed alongwith all the excise duty exemption documents on hand. (BHEL for applying Excise exemption documents should submit the unpriced PO to their Customer and on receipt of the above excise exemption documents, BHEL to issue amendment Purchase with the prevailing PVC price on the date of issual of PO to suppliers.)	In case PAC/offline road permit forms are to be issued by BHEL, PVC factor will be as applicable on the first day of calendar month in which the documents are issued by BHEL.
07	General	How for the EOU projects evaluation will be done ?	The indigenous offers will be evaluated on Ex-Works basis and hence no preferential treatment is given.
08	General	Shipping tolerance on quantity per project/site to be included.	The quantity tolerance will be +0% and -5%
09	General	Insurance in whose scope	Insurance shall be in the scope of BHEL
10	General	The tenure of the rate contract should be explicitly informed	The tenure of the rate contract is for two (2) year period.
11	General	The evaluation methodology : The purchase cost would be computed with LME Aluminium Cash Buyer price as prevalent on the date of issue of LOI . The LME price has to be factored with MJP (Mean Japan Premium) in order to make the pricing more resilient to the day to day dynamics of LME. MJP published in Metal Bulletin can be referred while placement of Purchase Order.	Please refer examples given below in Page 03 of 03.
12.	General	The lead time for the supply shall be 6 weeks from the date of Placement of Purchase Order. If the delivery is extended due to whatsoever reasons from the buyer end, PVC shall be applicable as prevalent on the date of dispatch clearance. For this effect fresh PO amendment has to be issued by BHEL.	For reasons attributable to BHEL necessary delivery extension will be provided, resetting the delivery date. This to be read in conjunction with the example given below. The reset delivery period will be arrived at by adding the agreed delivery period to the date of issue of the delivery extension. (Example: If delivery period is 45 days, and date of issue of delivery extension is 16.05.2014, the revised delivery date will be 30.06.2014)

Evaluation of Offers : Evaluation of offers will be on Ex-Works basis (for indigenous suppliers). The transportation charges on per MT basis to the sites located at various states of India to be quoted separately (In other words the transportation charges as applicable for each state of India shall be quoted for despatches from each works of the tenderer).

The period required for delivery of the material from the date of receipt of Technically and Commercially clear Purchase Order shall be indicated by the suppliers specifically. This delivery period will be included in the Purchase Order of BHEL.

Placement of Orders (Post award of Rate Contract): The PO will be placed *on 'any day of the month'* with a scheduled delivery, however the LME Aluminium Cash Buyer Price (A) added with the Metal Bulletin Aluminium Premium Japan Premium (B) multiplied with the USD (C) rate against Indian Rupee (INR) as prevailing on the 'First day of the month' will be taken as basis of arriving at the PO Price alongwith the conversion charges (D in INR) and transportation charges (E) and including Duties and Taxes (F) as applicable. Example: PO rate (Z) in INR = ((A+B)(C)) + D + E + F

PVC: The price will be as prevailing on the date of dispatch within the agreed delivery period. If the delivery is made beyond the agreed delivery period, the price applicable as on the actual date of delivery or on the scheduled delivery, whichever is lower shall apply.

The PVC will be applicable only for those deliveries scheduled 30 days after the date of the announcement of the price revision. LC will be opened 30 days prior to the scheduled delivery date with the value arrived at by applying the applicable PVC formula for the scheduled delivery.

Example:1

Date of PO release : 03.05.2014

Agreed Delivery period : 45 days from date of PO

Therefore PO delivery date : 18.06.2014

PO Rate : LME Price as on 01.05.2014 + MPJ Premium as on 01.05.2014 + Conversion Cost (fixed)

LC opening date : 18.05.2014 (ie., 30 days prior to Agreed PO delivery date)

LC Value : LC Rate x Quantity

LC Rate : LME Price as on 17.05.2014 + MPJ Premium as on 01.05.2014 + Conversion Cost (fixed)

(For Indigenous sources for calculating the LC rate, the exchange rate applicable for the LC opening date shall prevail)

The exchange rate (between the USD and INR) will be as announced by State Bank of India, TT Selling Card Rate.

Delivery is defined as FOB (Clean On Board Bill of Lading date) in the case of overseas supplier and FOR Destination for Indigenous supplier.

Example:2

Date of PO release : 03.05.2014

Agreed Delivery period : 60 days from date of PO

Therefore PO delivery date : 02.07.2014

PO Rate : LME Price as on 01.05.2014 + MPJ Premium as on 01.05.2014 + Conversion Cost (fixed)

LC opening date : 02.06.2014 (ie., 30 days prior to Agreed PO delivery date)

LC Value : LC Rate x Quantity

LC Rate : LME Price as on 01.06.2014 + MPJ Premium as on 01.06.2014 + Conversion Cost (fixed)

REVISED TENDER QUANTITY : FOR THE YEAR 2014-15 : 4936 MT
FOR THE YEAR 2015-16 : 5698 MT

TOTAL : 10634 MT