



BIDDERS SHALL CAREFULLY READ THE FOLLOWING ANNEXURES/NOTES AND SHALL QUOTE THEIR BEST COMPETITIVE PRICE.

- Please refer Standard Technical Specification for Aluminium Cladding Sheets.
- Please refer Annexure-A for Standard terms & Conditions.
- Please refer Annexure-B for Commercial terms & Conditions which are to be filled in and submitted along with Techno-Commercial bid.
- Please refer Annexure-C for Item Description, Quantity, Destination and the Period of requirement
- Please refer Annexure-D for the details of Independent External Monitor for Integrity Pact.
- Please refer Electronic Fund Transfer Form (for Indigenous supplier)

➤ Tender shall be submitted in two parts as referred in Annexure-A.

➤ Any revised offer(s) sent by vendors on their own, after the tender opening, will be treated as "unsolicited offer". Such offers will not be considered.

Important note:

Tenders should be sent in duplicate in a sealed cover. Inner cover sealed with tenderer's distinctive seal and superscribed with correct tender no., item of supply, due date of opening and validity of the offer addressed by designation to Sr.Manager / Purchase, Bharat Heavy Electricals Limited, Boiler Auxiliaries Plant, Indira Gandhi Industrial Complex, Ranipet, Vellore District-632406 (TN).

- 1) Offerers are requested to carefully read the following conditions and give their specific confirmation of acceptance in toto.
- 2) Time is the essence of contract.
- 3) LD Terms:
 - a. In the event of delay on the contracted delivery, liquidated damages (LD) will be levied.
 - b. LD will be levied at the rate of 0.5 % per week or part thereof on the contract value. The ceiling will be 10%.
 - c. If no specific confirmation or comments are included in the initial offer by the tenderer, in the event of placement of order, the order will be released with the standard LD conditions given above. The conditions will be included in the order without any further reference to the offerer and no changes will be permissible, post order release.
 - d. In case any bidder is not accepting the above penalty for delayed supply to maximum of 10%, the offer of the bidder shall be loaded to the extent to which it is not agreed by the bidder.
Example: If the supplier has accepted for maximum 5% penalty clause, then balance 5% will be loaded for evaluating lowest bidder.

MSME status - this is applicable for Indian Suppliers only

As per the public procurement policy notified by the central government (and any such subsequent statutory amendments during the currency of the contract), micro and small enterprises quoting within the price band of L1+15% shall be allowed to supply a portion of the requirement up to 20% of the tender value subject to condition that such enterprises bring down their price to L1 price where L1 price is from other than a micro and small enterprise. If L1 offer is from a micro / small enterprise, this provision will not be applicable. In case more than one micro and small enterprise is there within this span, the supply quantity (20%) shall be shared proportionate to the tender quantity. However this will be regulated during placement of Purchase Orders.

Note: **Special provision for micro and small enterprises owned by SC or ST: -**

Sub target out of 20% (i.e. 4% out of 20%) would be earmarked for procurement from micro and small enterprises owned by the scheduled caste or scheduled tribe entrepreneurs provided that in event of failure of such micro and small enterprises to participate in the tender process or meet the tender requirements and the L1 price, the 4% sub-target for procurement ear-marked MSE owned by scheduled caste or scheduled tribe entrepreneurs shall be met from other MSE enterprises/s. The MSE concession is subject to condition that latest valid certificate for MSE and ownership is submitted along with the offer duly certified by a practicing chartered accountant that the investment in the plant from



which the supply would be made is on MSE. Offer/s received without these documents will be treated as non-mse and order finalization will be done based on this premise. This provision for MSE will apply subject to the condition that the participating MSE meets the other tender requirements. However this will be regulated during placement of Purchase Order.

Value added tax (applicable to Indian vendors only)

Please indicate your TIN (taxpayer identification) number, commodity code for each item, dispatching place and state, while submitting your offer.

E - payment

BHEL is making payments through e-mode. Suppliers, who have not availed themselves of this facility, can e-mail to Purchase Executives to obtain necessary formats.



ANNEXURE – A
OPEN TENDER
FOR RATE CONTRACT OF ALUMINIUM SHEETS SUPPLY (IN COIL FORM)
STANDARD TERMS & CONDITIONS
(FOR GUIDANCE TO THE SUPPLIERS)

A] Submission of Offer

Sealed tenders are invited for purpose of entering into rate contract for supply of Aluminium Sheets as per specification given in the tender documents for a period of Two years. Offer shall be submitted super-scribed with Tender Number, Due Date, Item Name & Supplier's Name and Validity of the Offer shall be addressed to Senior Manager / Purchase (ESP), Bharat Heavy Electricals Limited, Ranipet – 632 406, Tamilnadu, INDIA, and sent so as to reach him on or before the date and time specified in the tender. It shall contain two sealed covers in one envelope.

Sealed envelope super-scribed, with Tender Number, Item Name, Tender Due Date & Supplier's Name, Validity of the offer/s containing:

Cover I: Techno-Commercial and Unpriced Bid

Sealed Cover super-scribed "Cover I – Techno-Commercial and Unpriced Bid" containing:

- a) **Complete technical Offer** with details, catalogues, as applicable.
- b) **Un-priced bid** (i.e. Bid without the Price)
- c) **Filled-in BHEL's Standard Terms & Conditions** for Procurement of Aluminium sheets in Coil form, enclosed with the Tender Document,
- d) **All relevant enclosures** of above documents / formats, if any.
- e) **Deviation summary** submitted in two parts – giving the summary of technical deviations separately and the commercial deviations separately, if any and
- f) **Shipping weight and cubage** – Approximate quantum of sheets in MT that can be loaded in one Standard 20' / 40' containers to be furnished.
- g) **Supporting documents** to substantiate equivalent material specifications / sections, where quoted for.
- h) **Client list** with their full address including detail of contact person with phone no., fax no. & e-mail ID (if any) to whom the same / similar items are supplied in the past two years. The date of supply may also be indicated, against each client.
- i) **Bidders who are not already registered with BHEL** are requested to submit the filled in Supplier Registration Forms (SRF) available in the BHEL website: www.bhel.com and the other required documents called for in the SRF (including D&B reports for import vendors, the facilities available at the mill – starting material to finished product, manufacturing quality plan, inspection & test plan to meet the Technical Delivery Condition requirements) along with the technical bid. In addition, vendors may submit an experience certificate detailing the quantity supplied spec wise year wise along with the unpriced PO copies and proof of supply along with the offer for all the tendered specifications. Technical acceptance of offer by BHEL, shall be based on the evaluation of offer and the submitted documents.
- j) **Authorization Letter:** Such of those tenderers who wish to participate in the Tender Opening, should attach an authorization letter which shall be duly signed and stamped in original, identifying the representative to be deputed for tender opening.



Note

- (i) This tender is issued for procurement of Aluminium Sheet required by various units of BHEL.
- (ii) As and when requirement arises, the concerned unit of BHEL will place order directly on the supplier against the rate contract.
- (iii) The materials offered, shall conform to the specification and scope attached in the tender.
- (iv) In case the offered materials are not conforming to the Enquiry material Specification or such that the offered materials do not match the enquiry, such offers would not be considered for evaluation and would be rejected. Where equivalent specifications are offered considering such offers will be at the sole discretion of BHEL. Wherever alternative standards / specifications are offered by Bidder, the Bidder shall provide sufficient documentary evidence to ensure equivalence to the designated standards / specifications, failing which the offer would be considered as not technically acceptable and hence shall stand rejected.
- (v) All taxes and duties payable as extra to the quoted price should be specifically stated in offers. Offer from within India shall be submitted along with CST & TIN No. / Tariff No. etc, failing which the purchaser will not be liable for payment of such taxes and duties. ***The present Rate Contract Enquiry is for supply of Aluminium sheets (valid for period of two years) to various units of BHEL (Viz. Trichy, Ranipet, Piping Centre Chennai, and PEM New Delhi) and to their project Sites at various locations spread across various locations of India and abroad.*** The respective TIN, CST and ECC Number will be available in the respective Purchase Orders released by the concerned BHEL Units
- (vi) The un-priced bid is to be used to indicate relevant commercial implications without indicating price.
- (vii) Commercial terms are to be indicated clearly in the offer. (As per Annexure B)
- (viii) No changes shall be entertained once the bid is opened unless otherwise specifically agreed to in writing by BHEL.
- (ix) Money values shall not be indicated anywhere in the un-priced bid.
- (x) Time required for inspection (at Supplier's works), should be clearly given in terms of numbers of working days
- (xi) It is advised that all the pages and annexure to the Techno-Commercial bid should be serially numbered, including indicating the total number of pages.

Sealed envelope super-scribed Cover – II (Price bid), with Tender Number, Item Name, Tender Due Date & Name of the Supplier and Validity, containing:

Sealed Cover super scribed "Cover II –Price Bid" containing:

Price Bid (i.e. Un-priced bid but with Price duly filled-in) in conformance with the commercial terms as per Cover- I.

The Prices shall be indicated in both figures and words, clearly specifying the currency used. Differential foreign currencies may not be used in a given offer.

Wherever there is a discrepancy between the figures and the words, the value as indicated by words shall be taken as the "Price" by the Purchaser. Similarly if there is a discrepancy between the Unit Price and the Value on account of arithmetical error in the computation of the Value (Price x Quantity), only the Unit Price would be taken by the Purchaser for consideration. No corrections would be permitted after the submission of the bids. Error statements should be completely erased / struck out and fresh values given in the offer, which should be initialled and attested by the tender submitting authority. Offers without the above may become liable for rejection.



Note

- (i) The price break-up should be in line with technical specification / scope of the tender. (Cost of material, packing charges, forwarding charges, freight, insurance charges may be shown appropriately, as applicable).
- (ii) Price Variation shall be allowed inline with the price variation clause mentioned elsewhere in the tender.
- (iii) No advance payment will be made by BHEL.
- (iv) In case, there is a discrepancy in the term quoted in techno-commercial bid and price bid, the term as per the techno-commercial bid (Cover I) shall hold good and the commercial term quoted in the Price Bid (Cover II) shall not be considered.
- (v) In their own interest, all Tenderers are advised to double check their prices, applicable duties and taxes.
- (vi) The offer should be valid at least for a period of 60 days from the tender opening date.
- (vii) Offers should be submitted in two sets, one original and one copy.
- (viii) The offers should invariably contain Signature (ink-signed) & Office Stamp of the Supplier. Any corrections / erasures in the offers should be initialled and stamped.
- (ix) Indian bidders should submit the prices in Indian Rupees only.
- (x) Foreign bidders may submit their bid in any of the following currency viz., (USD or Euro). The currency should be clearly indicated in the un-priced commercial bid as well as in the price bid. (Exchange rate as applicable on the date of technical bid opening only will be considered for deciding the lowest bidder – also please refer Clause C-h)
- (xi) Indian Suppliers shall quote on FOR Dispatching station basis only. Freight charges shall be given separately or lump-sum anywhere to anywhere per MT basis to enable BHEL to calculate the FOR destination prices. The destinations are the manufacturing units of BHEL located at Trichy, Ranipet, Piping Centre Chennai, and PEM New Delhi and Project Sites located across the Country. Foreign Suppliers shall quote on FOB Delivery. Delivery shall be on FOB Sea-Port basis. No other delivery terms shall be acceptable. The Port of delivery shall be a popular and commonly used international sea port. Freight charges for carriage from port of dispatch to Chennai Sea shall be separately indicated in the price bid. (C&F Charges). All home port charges like Quay Dues, Bill of Lading issue charges, ISPS, Loading permit charges, Handling Charges and all and any other charges shall be borne by the Seller only. Ocean transit would be arranged by the freight forwarder nominated by BHEL, details of whom would be included in the Purchase Contract. As per Government of India guidelines, BHEL being a Government of India Undertaking the Bill of Lading shall be made with the Shipper as "Government of India". This shall be specifically confirmed by the Bidder.
- (xii) Where the cargo is containerized, Container stuffing charges would be to the account of the supplier, where the containers are to be stuffed at the works of the supplier. The containers would be arranged by the freight forwarder of BHEL.
- (xiii) Port to Port carriage would be arranged through shipping agent nominated by Government of India / BHEL in the case of Sea Shipments and
- (xiv) List of shipping agents would be a part of the Purchase Contract.



B] Opening of Offers

a) Tenders shall be received up to 14.00 Hours on the specified date as per the tender notification and be opened on the same day at 14.30 Hours. Tenders received after 14.00 Hours would not be opened. The times indicated are Indian Standard Time (IST). Tenders received after 14.00 Hrs would be designated as "Late Offer" and would be returned back to the Bidder unopened.

b) Supplier shall submit two covers (Cover-I techno-commercial bid & Cover-II price bid) in one envelope.

c) Such of those Tenderers who wish so, may participate in the Tender Opening by deputing their representatives. The representatives would be allowed to participate in the Tender opening only on submission of a signed and stamped authorization letter issued by the Supplier. Representatives without the Authorization Letter would not be allowed to participate in the Tender Opening. Representatives who turn up after the Tender opening time / start of the Tender opening would not be allowed to participate. After tender opening the details would not be given to such suppliers who choose to be absent at the time of Tender opening.

d) Details such as the Technical Specification, Delivery Terms, and Delivery Period and the Price details in the event of the sealed price bid opening, alone would be read out by the Tender Opening Officer. No other data will be read out. (The delivery period shall be given in terms of capacity in MT that can be supplied i.e X MT from Y weeks of receipt of firm order, with delivery rate at Z MT per month / Week)

e) In exceptional cases, at the discretion of BHEL, in the event of the named representative (named in the Tender Document) is unable to come due to unavoidable circumstances, then an alternative representative would be allowed, where the alternative representative should carry a revised original authorization certificate. Suppliers are advised to avoid such situations to avoid embarrassments on both sides and

f) If so required, BHEL reserves the right to open the Price-Bids, '*in-camera*'. Intimation to this effect would be given to the Supplier by BHEL, before the opening of the Price-Bids.

g) Price Bid opening may be done through Reverse Auction method (English method). All tenderers would have to specifically give their acceptance for this in their bid/s. The decision as to whether the sealed price bid would be opened or the price bid opening would be through Reverse Auction will be intimated by BHEL after the technical bid opening. Generally, price bid opening will be resorted to through Reverse Auction, if there are four or more valid technically accepted offers in this tender. However, the decision to conduct Reverse Auction or not, will be at the sole discretion of BHEL. For other details on Reverse Auction, please refer the General conditions of Reverse Auction attached separately.

Note

(i) Bids including all enclosures and supporting documents like catalogues, pamphlets, etc., shall be provided in ENGLISH language only.

(ii) At its option, BHEL may consider extending the due date/s for the tender openings. Sufficient notice would be given by BHEL for such extensions.

(iii) Specifications are the basic essence of the "Item". and all deviations shall be summarized and provided in a "Deviation Statement", listing the points and the deviation against each point, and

(iv) Where the Reverse Auction is not conducted, the sealed price bid along with the impact price bids if any would be opened.

(v) BHEL reserves the right to increase or decrease the tendered quantity and would order on more than one vendor at the lowest acceptable price to BHEL. In ordering on more than one source, the ratio of quantity split will be in the ratio of 70:30. BHEL reserves the right to split the quantity of the enquiry. In case of split



70% qty will be ordered on the original lowest bidder (L1) and balance 30% on the next higher bidder excluding H1, who accepts the L1 price. However, final decision to split the order rest with BHEL only. In the event that the other than L1 suppliers do not accept the L1 price, then the balance 30% will be reverted back to the original L1 and the original L1 shall be bound to accept the balance 30% of the enquiry quantity kept reserved for order splitting. This decision would be given by BHEL within 60 days of the price bid opening.

(vi) The decision of the type of price bidding and quantity split would be notified to all successful bidders before the Price Bidding stage.

(vii) Offers for part quantities on item level basis are not acceptable to BHEL. While tenderers can quote for some or all the tendered items, no supplier shall quote for partial quantity of any given enquiry item. Such partial offer would not be considered in the enquiry for that item.

(viii) While resorting to Reverse Auction (RA), 20% of the higher ranked offers on the online sealed bids will not be allowed to participate in the dynamic auction subject to the condition that such elimination leads to a minimum of four bidders in the dynamic auction round. In order to have serious bidding in RA, the H1 bidder (whose quote is highest in online sealed bid) will not be allowed to participate in further RA Process provided minimum four bidders have submitted online sealed bids. For more than four valid offers 20% of the higher ranked offers will not be considered subject to the rounding off to the nearest next higher integer.

C] Evaluation of Offers

a) The price bids of the technically acceptable offers alone will be considered for the price bid opening.

b) All bidders shall submit their offers by filling-in the format of the BHEL tender documents. Offers received in any other format are liable to be rejected. Offers are asked in BHEL's format for purpose of standardisation - to help in the offer evaluation.

c) Offer with any pre-conditions (like conditional discounts) for price are liable to be not considered / rejected. For evaluation, such conditions would be removed and only the base offer would be considered for evaluation and comparison.

d) In the event of any change in scope / quantity arising out of the discussions, offerers would be given a chance to submit their revised offer. The revised offer shall contain only the price addition / deletion for such change in the scope / quantities, over and above the original scope and price quoted. The original price quoted shall not be changed on account of the technical discussions. Price discounts given by the suppliers on their own (unsolicited) after the technical bid opening will not be entertained.

e) BHEL reserves the right to reject without assigning any reasons / load any offer with factors other than already specified for such offers having deviations to BHEL Specifications, Standard Terms & Conditions at its discretion. The decision of BHEL in this regard shall be final.

f) BHEL reserves the right to reject an offer due to unsatisfactory past performance during tender finalisation / execution of a contract at any of BHEL projects / units or if unsatisfactory performance report is received from the party/s referenced by the supplier at any time during tender finalisation. Firms with whom business dealings are banned by BHEL are prohibited from participating in this tender. Any offer received from "banned" firm/s will be returned unopened.

g) The government guidelines for extending concessions as per the MSME Act 2006 shall be applicable to eligible indigenous suppliers.

h) For the purpose of comparing prices, tender prices shall be converted to Indian rupees and the conversion shall be made by using the TT Selling rate of State Bank of India (SBI) prevailing on the date of opening of Techno-Commercial/Unpriced bids. This exchange rate will be followed till entering into the rate contract.



i) BHEL reserves the right to conduct negotiations on the “Price” and “Other Commercial Terms and conditions” with the lowest ranked offerer at any time after the bid opening but before the release of the Purchase Order and

In the case of indigenous offers, where intra state despatches are made, the applicable VAT / VAT benefit will be used to arrive at the cost to BHEL. Currently, for supplies to be made in the NCR and in the State of Maharashtra, as intra state sale, as per the directives issued by the Department of Commercial Taxes, since the purchaser will be penalised including visited with criminal proceedings, in the event of the seller defaulting on the remittance of the VAT with the department, BHEL will retain the VAT amount payable and shall release the same only after submission of the tax returns (online) submitted by the seller to the department, indicating the invoice numbers of the sale made to BHEL. If this condition is extended to the other States, the above shall apply ‘mutatis – mutandis’.

j) As and when the requirement arises, BHEL will calculate the cost to BHEL in line with the agreed terms and conditions and orders will be issued on the lowest ranked supplier. In the case of multi location suppliers, while computing the cost to BHEL the most proximate plant location to BHEL destination will be considered for calculating the total cost and the same has to be accepted by the supplier.

D] Execution of the Order

a) BHEL will have the option to pre-inspect the materials at Supplier's works by BHEL's own inspector or by third party agency appointed by BHEL or BHEL's end customer/s **but this does not absolve the Supplier from giving the specifications as agreed upon.**

b) In the case of overseas suppliers Inspection call for carrying out the inspection shall be given 30 days before the scheduled contract delivery date. BHEL requires clear 20 days notice to arrange for inspection. The Inspection date/s given by the Supplier shall be on firm basis. For local Suppliers the Notice period of Inspection shall be 10 working days.

c) Deviations, if any pointed out by the visiting Inspection team of BHEL shall be corrected and the items as per specification shall be dispatched on or before the contract delivery date.

d) The final inspection for acceptance will, however, be carried out at BHEL specified destination.

e) The contract delivery date is the date of ex-works dispatch of the item for suppliers in India and the date of dispatch clearance given by BHEL for overseas suppliers.

f) Travel & other local stay cost for the Inspectors sent by BHEL will be to BHEL account, but other Inspection Charges, if any shall be to the account of the Seller only.

g) The supplier shall arrange for packing suitably in all respects for normal transport by sea / rail / road and Materials shall be suitably protected against effect of tropical salt laden atmosphere in the event of shipment being delayed at ports / store yards.

h) Foreign suppliers shall dispatch on FOB agreed Sea-Port basis, according to the contract conditions. Indian suppliers shall dispatch on free delivery (door-delivery) at BHEL destination basis only. Unloading the materials at BHEL specified destination would be to the account of BHEL only.

i) In case of rejection/damage/short supply attributable to the supplier, it shall be the responsibility of the supplier to deliver such short supplied/ missing items on Free-of-Cost basis at BHEL's destination, including customs clearances at Indian Ports in the case of foreign suppliers.

j) Materials shall be dispatched only after getting the dispatch clearance of BHEL (Dispatch clearance would either be faxed / e-mailed as a scanned document / couriered.)



k) **Payment terms:**

For Indigenous suppliers : The acceptable mode is “100% with in 45 days after receipt and acceptance of materials (with Site acknowledged Lorry Receipt) at BHEL designated destinations for MSME suppliers and OR 100% with in 90 days after receipt and acceptance of materials (with Site acknowledged Lorry Receipt) at BHEL designated destinations for non MSME suppliers. Payment to Indian suppliers would be through Electronic Fund Transfer (EFT). The EFT form which is a part of the tender document has to be filled in and submitted by the Indian bidder along with the techno-commercial offer in Cover-I. No other payment terms are acceptable

For import Sources : 100% by unconfirmed irrevocable Letter of Credit by a first class bank in India payable within 10 days after receipt of the documents at the opening bank.. Indian Bank charges to BHEL A/C. Foreign Bank charges to Sellers account“.

l) Even though Sight LC is standard payment term for all foreign Suppliers by BHEL, however, BHEL would load the price of foreign suppliers in order to bring them on common platform as per Indigenous Suppliers on the account of differential payment terms to Indigenous Suppliers.

m) Any incidence of tax like Income tax, Service Tax and any other similar tax / duties /levies imposed by the Government of India, or the State Government, where the BHEL Unit is located, deductible at Source, during the tenure of the Order shall be deducted by BHEL and necessary certification of the deduction (Tax deduction at Source) would be given.

n) The Guarantee period shall start from the “Date of receipt and acceptance of the materials at BHEL Stores or at BHEL specified destination.”

o) The Purchase Order will be treated as executed only on delivery as per the delivery terms mutually agreed. The buyer will not be liable to receive and pay for any supply made after the delivery date unless the delivery date is extended by the purchaser.

p) The quantity indicated in the tender are tentative quantities. No minimum quantity is guaranteed by BHEL. The tentative destinations for the firmed up Orders on BHEL for which the above material needs to be supplied are also indicated separately in order to aid the supplier to work out the single freight rate for despatches to any BHEL specified destination. The indigenous suppliers shall give the freight charges on freight equalised to any destination basis.

q) The comparison of the offers to arrive at the lowest rank offer will be as follows:

i) Indigenous offer – FOR dispatching station inclusive of all charges, duties and taxes but exclusive of the freight charges.

ii) Overseas offers – C I F Chennai price arrived at **by adding the** FOB price given by the supplier with BHEL’s freight rates, insurance cost, landing charges at port and import duties if any.

E] Liquidated Damages Clause:

BHEL will levy penalty as Liquidated Damages (LD), for delay in delivery. The damages shall be at the rate of ½% per week or part thereof subject to a maximum of **10%**. Delivery for purpose of L.D, will be reckoned as the date of the ex-works dispatch of the materials by the Supplier. Supplier shall deduct the applicable LD from the first payment when raising the claim for the same. The applicable LD if any would be communicated by BHEL along with the dispatch clearance. The LD would apply on the undelivered portion only. In case of reasons attributable to BHEL for the delay in delivery (for e.g. delay in arranging the pre-inspection) then the delivery time would be reset to the extent of the time delay attributable to BHEL, with waiver of the LD. Delivery being the essence of BHEL’s contract requirements, In the event that a Supplier does not accept the LD condition above, the offer would be loaded to the extent of the shortfall with respect to upper limit specified above.



F) Miscellaneous

i) Role of Agents:

BHEL prefers to deal directly with the Main producers only.

BHEL strongly discourages the engagement of Agents in India by foreign principals, to deal with BHEL, in BHEL's tenders.

In case, in spite of the above, a foreign principal insists on engaging an Indian Agent, It is made clear by BHEL that:

It is the sole responsibility of the foreign principal to ensure the Agent does not represent any other foreign principal in a given tender and also that they are not banned by BHEL.

An undertaking to this effect shall be given by the foreign principal that his / her Agent does not represent any other foreign principal in the tender. This document shall form a part of the techno-commercial offer.

If at any stage of the tender, BHEL finds that an Indian Agent has represented more than one foreign principal, all such offers of and all the foreign principals would be disqualified summarily in the tender inquiry.

BHEL will only give an intimation of notice of the disqualification. No correspondence would be entertained by BHEL, on their decision. Such decision of BHEL shall be irrevocable, firm and final and shall be binding on the tenderer.

BHEL, due to business reasons would ban, would have banned Indian agents from dealing with BHEL.

Any foreign principal who engages such a banned agent, or an employee of the banned agency, or any other person connected with the banned agency, at any time during the tender proceedings, would be disqualified from the tender proceedings. The decision of BHEL in this regard shall be final and be binding on the OEM.

Hence in their own interests, prospective tenderers may check with BHEL, the status of their proposed agent vis-à-vis BHEL.

In view of the requirement of BHEL, it is strongly suggested that in their own interest, foreign principals may desist from engaging any Indian agent and deal with BHEL directly and it is stressed that any Main producer proposing to deal with BHEL by engaging and through an Indian Agent does so at their own risk.

BHEL shall in no way be responsible for any consequences that may arise to the foreign principal on account of the antecedents / actions of their Indian Agent.

In the event of the foreign principal engaging an Indian Agent:

a) The Supplier shall furnish an authenticated copy of the Agency Agreement with his agent detailing the precise relationship between them and their mutual interest in the business along with techno-commercial bid.

b) The Supplier shall furnish original authorization letter for the Indian Agent. The letter shall contain name, contact person, complete postal address including phone, fax and e-mail ID. It shall also spell out the type of services to be rendered by Indian Agent.

c) The authorisation given by the principal shall specifically mention BHEL's Tender Number. It is understood by BHEL that this authorisation shall be valid for this tender only.

d) Indian Agent & Agency commission: An Indian Agent can represent only one Foreign Manufacturer against a particular Tender. The FOB price quoted by the foreign bidder shall include the agency commission. However, the agency commission component payable to their Indian Agents shall be shown separately in the Offer, either as a lump-sum or as a percentage of the quoted price. This will be paid by BHEL in Indian Rupees, on satisfactory receipt & acceptance of the materials. For calculation of Rupee



equivalent of Agency Commission, exchange rate as prevailing on the date of Purchase Order will be taken and

e) For all discussions, technical clarification and negotiations etc. only the principal would be authorized for interaction with BHEL. The Agent shall not be a party to the discussions / negotiations and would not be normally allowed to participate, unless otherwise, specifically requested for, in writing by the principal.

ii) Terms & Conditions of Letter of Credit (L/C) for overseas suppliers (indicated for acceptance).

a) Unconfirmed irrevocable Letter of Credit only will be opened by BHEL. Confirmation of L/C is not preferred by BHEL.

b) Bank charges out side India are to the Supplier's account.

c) In case of L/C extension caused by delays attributable to the Supplier, the L/C extension / commitment charges are to be borne by the Supplier.

iii) Other terms & conditions for letter of credit: - Documents for negotiation

a) Signed Commercial invoice in quadruplicate, for a value not exceeding the draft amount, quoting the import Licence No and certifying goods evidencing shipment of the merchandise are as per Applicant's Purchase Order. The amount of invoice after deducting Indian Agent's commission, if any, should not exceed the Credit amount. (The Indian agent's commission, if any, is payable in India in Indian rupees only.)

b) Certificate of Country of Origin, from the country of manufacture, issued by the Chamber of Commerce.

c) One set of Original and two sets of Non-negotiable copies of 'signed', 'unmarked', 'clean on board' Ocean Bill of Lading, showing Shipper as "Government of India" Account M/s. Bharat Heavy Electrical Ltd, Unit: BHEL, as consignee (The opening bank should not be notified as consignee), marked freight payable / prepaid at destination.

d) Packing list in 4 copies in English, indicating Size wise Number of bundles / pieces shipped and weight.

e) Certified copy of the fax / e-mail sent by the beneficiary to the applicant giving the following particulars of shipment, as the insurance is to be arranged by the Applicant in India: (a) Purchase Order Number & date; (b) Bill of Lading Number & date (c) Name of vessel; (d) Port of Loading; (e) Number of bundles / pieces and weight; (f) Invoice Number, date and value (g) Purchase Order item number's despatched. The cable / fax is to be sent within 2 working days of shipment.

f) Beneficiary's certificate showing the relevant airmail / courier reference no. and date that the following clauses have been complied with:

1] Beneficiary to forward by Registered Airmail / Courier one complete set of original documents and one set of non-negotiable documents within 3 working days of obtaining shipping documents to BHEL's specified address.

2] Beneficiary to courier at his cost 3 copies of complete set of non-negotiable documents to the Officer who released the Purchase Order.

3] Declaration by the Supplier certifying that the contents in each case are not less than those entered in the invoices / packing list and that the invoicing for the supplies effected is strictly in accordance with agreed rates as stipulated in the Purchase Order.

4] Declaration to the effect that all other documents as per purchase order has been couriered to the Purchase order releasing authority

5) The carrying steamer should be seaworthy, less than 25 years of age and approved by Lloyds / Classification Societies / General Insurance Corporation of India from time to time and

6) Copy of Dispatch Clearance / Instruction issued by BHEL.



iv) Documents to be sent directly to the Purchaser prior to shipment

- a) Manufacturer's Original Internal Inspection / Test certificate in triplicate.
- b) Manufacturer's Original Guarantee certificate as per Purchase Order. The material shall be guaranteed for a period of 12 months from the date of acceptance of the materials at BHEL's specified destination or 18 months from the date of dispatch whichever is earlier. The acceptance would be evidenced by the Stores Receipt Voucher (SRV) in case of BHEL stores / site acknowledgement in case of BHEL project sites which will be raised by BHEL. If any defect is noticed during the above period, such defective materials shall be replaced at free of cost on FOR destination basis, within a reasonable period (approximately 30 days).
- c) Inspection / Test Certificate issued by BHEL / Inspection agency specified in the Purchase Order. In the event that Inspection prior to dispatch is not carried out by the Engineers of BHEL, the Inspection certificate of the third party so authorized by BHEL and
- d) Any other documentation as specified in the Purchase Order.

v) Conditions for transportation:

- a) All shipping documents shall show the Purchase Order Number & Date, Import Licence Number & Date, and Letter of Credit Number & Date.
- b) Transshipment is to be avoided.
- c) A transport document which is produced or appearing to have been produced by reprographic, automated or computerized systems or as carbon copy will be accepted as an original document provided that it is marked as original and is ink-signed.
- d) The transport document must contain all the conditions of carriage on the original document.
- e) The transport document must not indicate the place of destination as being different from the port of discharge.
- f) The transport document must not contain the indication 'intended' or similar qualification in relation to the vessel or other means of transport or port of loading or port of discharge.
- g) The transport document must be issued by the carrier or his agent and not by any freight forwarder.
- h) Transport documents bearing reference by stamp or otherwise, to costs additional to the freight charges are not acceptable.
- i) The Bills of Exchange must be dated and presentation of documents for negotiation must not be later than 15 days after the date of shipment and in any case not later than the expiry date of the Credit.
- j) Material shall be dispatched through the agency nominated by BHEL. (Applicable for overseas suppliers only)
- k) Indian suppliers shall dispatch the materials, freight prepaid, on door-delivery basis (FOR Destination – Destination will be specified by BHEL) preferably through any one of the approved carriers of BHEL only and
- l) In the event there is a delay by the Supplier in negotiating / submitting the document, any demurrage / wharfage arising out of the same shall be to the account of the Supplier and shall be deducted from the final payment. Also, in such cases, the Supplier shall authorize the Steamer / Shipping agent / transporter to freely release the consignment to BHEL by providing a "Surrender Bill of Lading". Over-seas Suppliers have to give a No-Objection Certificate to BHEL, authorizing BHEL to get the Delivery Order from the Steamer Agent without producing the Original Bill of Lading. This is required to ensure avoidance of incidence of demurrage at Chennai Sea-port that may arise in case of delayed presentation of documents by the Seller.



G) Reverse auction (RA) / on-line bidding on internet:

- a) BHEL may finalize the tender through Reverse Auction Procedure i.e. On-line bidding on Internet.
- b) In case BHEL decides not to go for Reverse Auction the Price bids submitted and available with BHEL shall be opened as per BHEL's standard practice.

The General Terms & Conditions for RA are as below:

1. For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.
- 2a. 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 shall result in non-consideration of their bids, in case BHEL decides to go for RA.
- 2b. 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.
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 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., MS 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, as provided on case-to-case basis to Service provider within two working days of Auction without fail.
11. 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.
12. 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.



13. The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.
14. In case BHEL goes for reverse auction & depending on the number of bidders, the H1 bidder (whose quote is highest in online sealed bid) may not be allowed to participate in further RA process.
15. ***In the event of the dynamic auction not occurring due to no posting of bids by the bidders then BHEL will treat the auction as failed and shall proceed with finalising the tender by opening the sealed bids (original and impacts if any) submitted along with the technical bid.***

H] Force Majeure

If at any time during the currency of this contract, the performance in whole or in part, by either party of any obligations under this contract shall be 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), then provided notice of happening of any such events is given by either party to other within ten days from the date of occurrence thereof, neither party shall reason of such events be entitled to terminate this contract nor shall either party have any such non performance and delay is resumed as soon as practicable after such events has come to an end or ceased to exist. If the performance in whole or part of any obligation under this contract is prevented or delayed by reason or any such event 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 of the particulars of the events and supply to the purchaser if required of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed to be a waiver of time in respect of remaining deliveries.

I] Cancellation of Order:

In the event of non-performance of the contract by the Supplier, BHEL reserves the right to cancel the order with issue of a written notice. BHEL would provide a curing period of 30 days, for the Supplier to rectify the situation. If the Supplier fails to rectify the reason/s that led to the issue of cancellation notice by BHEL, then the cancellation order would be issued automatically by BHEL, without further recourse to the Seller. BHEL will not pay any cancellation charges or any other charges / damages to the Supplier, arising out such cancellation. In the event of the non-performance of the supply contract, by the Supplier, the rights of BHEL include, in addition to cancelling the order, to take alternate purchase action at the cost and risk of the supplier. The additional expenditure to be incurred by BHEL in such alternate purchase would be to the account of the supplier (Risk Purchase). This remedy would be in addition to any other legal remedies available with BHEL under the contract."

J] Others

- a) In case of any contradiction in the terms and conditions given here and elsewhere in the other documents of the tender, it shall be the responsibility of the tenderer to get it clarified from BHEL. The officer authorized to provide such clarifications is Senior Manager / Purchase(ESP) e-mail: gravi@bhelrpt.co.in
- b) Alterations to the conditions of the Tender can be done only by the authorized officer, at any time before the date and time of tender opening. Such changes, if any, would be communicated in writing and / or hosted in the web-page.
- c) **Applicability of Integrity Pact:-** Integrity Pact are applicable for all the BHEL enquiries whose estimated value is equal to or more than Rupees 10 Crores. Submission of duly-filled & signed BHEL standard format of Integrity Pact (without any deviation) by Suppliers along with the un-priced (Techno-Commercial) bid is pre-requisite condition for evaluation of the offer. Copy of Integrity Pact with applicable nominated IEM is attached along with the tender documents for ready reference of Suppliers. If any Supplier attempts to bribe, or pay commission, gift or any advantage or bring in undue influence either by himself or on his behalf any one including a stranger to the tender, in addition to instituting legal proceedings as per the extant laws prevailing, will disqualify the supplier from this tender and all future tenders of BHEL. Decision of the Purchaser would be final in this matter.



d) The laws governing this transaction shall be the laws in India.

e) Wherever not specified, INCO Terms 2011 shall be used to interpret the Commercial terms and conditions and

f) In the event of an order, Supplier shall agree to settlement of disputes or differences, if any, by way of arbitration, in accordance with the "Rule of Arbitration" of the Indian Council of Arbitration.

The language in the tender documents downloaded by the Bidders shall at no point of time be changed, altered or modified in any manner by the Tenderer. If such changes are made by any tenderer, it shall be considered as tampering with BHEL's terms and the offer shall be summarily rejected, whenever it is noticed by BHEL. Such Bidders would be disqualified from the Bidding Process. They would also not be allowed to participate in future tenders of BHEL inline with the BHEL's policy of Suspension of Business Dealings with the Suppliers.

KJ Price Variation Clause :

1. **For indigenous manufacturers**, BHEL will consider price variation clause as follows:

Reference Price: The price of Aluminium (Cash Buyer Price) as published in the Web Site of LME as on the date of preparation of the offer. (for e.g for date 21.03.2014, the reference price is USD 1673.00) Suppliers are requested to indicate the date and reference price in their techno – commercial offer (Part – I)

Ordering Price will be +/- on the Aluminium price (Cash Buyer Price) prevailing, as published in the Web site of LME (<http://www.lme.com/en-gb/metals/non-ferrous/aluminium/>) on the date of Purchase Order / Letter of Intent (LOI) added to the reference price.

Explanation: The price quoted by the suppliers shall consists of two components

Price = LME Cash Buyer Price (variable portion) + conversion cost (fixed portion)

The fixed portion shall remain firm and fixed during the tenure of the contract (two years).

Duties, Taxes, freight and insurance shall be extra.

Duties and taxes will be payable extra at actuals prevailing as on date of the agreed delivery.

In case of delayed deliveries the duties and taxes as applicable on the date of agreed delivery or the actual delivery whichever is lower shall be applicable.

The exchange rate as applicable on the date of part – I bid opening. . If that date happens to be bank holiday the immediate preceding date exchange rate would be taken. The exchange rate would be that as released by the State Bank of India (TT Selling)

2. **The price of import sources** (variable portion) would be indexed on the LME rates applicable as prevailing on the date of LOI / purchase order.

Reference Price: The price of Aluminium (Cash Buyer Price) as published in the Web Site of LME as on the date of preparation of the offer. (for e.g for date 25.03.2014, the reference price is USD 1716.00) Suppliers are requested to indicate the date and reference price in their techno – commercial offer (Part – I)

Ordering Price will be +/- on the Aluminium price (Cash Buyer Price) prevailing, as published in the Web site of LME (<http://www.lme.com/en-gb/metals/non-ferrous/aluminium/>) on the date of Purchase Order / Letter of Intent (LOI) added to the reference price.

Mechanism of ordering

For every requirement, BHEL will compute the total cost to BHEL as follows:



Variable portion + fixed portion + duties and taxes + freight and insurance + other charges agreed in the contract to arrive at the total cost.

Purchase Orders will be issued on the lowest cost supplier.

In the case of Foreign suppliers, the cost elements will be computed with the exchange rate as prevailing on the previous working day of finalization of BHEL's requirement, against the currency quoted by the supplier.

LJ Methodology of evaluation of offers and operation of the rate contract :

1. Indigenous offers:

Indigenous tenderers shall offer their prices in the following form:-

Conversion Cost: (INR): X (on per MT basis)

The conversion cost shall remain firm and fixed throughout the tenure of the contract.

Freight and Insurance Charges: (INR): Y (on per MT basis)

Tenderers shall quote a single freight rate for delivery for any BHEL site (including BHEL stores) within India.

Where the tenderer has multi-location plants, BHEL prefers to have a single freight rate irrespective of the plant location.

Applicable Excise Duties and Sales Tax: Z.

(e.g.) Presently the Excise Duty is 12.36% and Sales Tax is 2% for inter-state movement.

Order/s will be placed by the respective BHEL units who would operate this contract as and when the requirement arises on lowest purchase cost basis.

The purchase cost would be computed as follows:

LME Aluminium cash buyer price as prevalent on the date of issue of letter of intent.

e.g. As on 25 March 2014: the applicable price is USD 1716.00

The exchange rate as applicable on that date. If that date happens to be bank holiday the immediate preceding date exchange rate would be taken. The exchange rate would be that as released by the State Bank of India.

e.g. As on 25 March 2014, the available exchange rate is: 60.98 (State Bank of India \$ TT selling rate)

The cost to BHEL in this case is computed as:

$(1716 * 60.98 = 104641.68) + X + Y + Z$ in INR.

For e.g if X = INR 40000/_ per MT. And Y is INR. 2500/_ per MT.

Then Z would be: (INR) 21500/- (appx)

From this cost to BHEL can be arrived at.

Note: VAT Credit if any (-A) and load factors, if any (L) would also be added to arrive at the final cost to BHEL.

2. Import (Overseas) offers:

Overseas tenderers shall offer their prices in the following form:-

Conversion Cost: (USD / Euro): X

The conversion cost shall remain firm and fixed throughout the tenure of the contract.

The Conversion Cost would be taken as the FOB Cost



Where the tenderer has multi-location plants, only one single conversion cost shall be offered, irrespective of the plant location.

Freight: (INR): Y

This will be computed by BHEL.

BHEL enters into a long term freighting agreement with shipping companies, which is generally valid for a period of 1 – 2 year.

The rates as applicable now are placed in Annexure.

As and when changes happen, if any, on the freight rates, these would be communicated to the supplier by BHEL.

Insurance Charges (INR): Z

The applicable insurance charges are: 0.07% (e.g.)

Port Charges (INR): P

The presently applicable Port Charges are: 0.01% (e.g.)

Inland freight and insurance charges:

Inland Transportation Charges: Q

(From the port of discharge to the destination)

Customs Duty: R

If any customs duty is applicable, on import, the same would also be included to arrive at the total cost.

The purchase cost would be computed as follows:

LME Aluminium price cash buyer as prevalent on the date of issue of letter of intent.

e.g. As on 25 March 2014: the applicable price is USD 1716

The exchange rate as applicable on that date. If that date happens to be bank holiday the immediate preceding date exchange rate would be taken. The exchange rate would be that as released by the State Bank of India.

e.g. As on 25 March 2014, the available exchange rate is: 60.98 (State Bank of India \$ TT Selling rate)

The cost to BHEL in this case is computed as:

$(1716 * 60.98 = 104641.68) + X + Y + Z + P + Q + R$ in INR.

Note: load factors, if any (L) would also be added to arrive at the final cost to BHEL.

Order/s will be placed on the party who becomes the lowest on the price calculated using the above formulae.

Rate contract would be entered into with that party who is ranked the lowest (L1) as on the first bid opening date.

In order to have a smooth uninterrupted supply of the Aluminum sheets, BHEL would enter into a parallel rate contract with the next higher bidder who agrees to match the L1 price in the tender as on the price bid opening date.

The opportunity to match the L1 price would be given sequentially starting from L2.

However higher ranked offers on the higher end would not be considered for availing this opportunity.



20% of the higher ranked offers (top 20%) would not be considered for price finalization.

The top highest 20% would be so done, such that it leaves not less than 4 tenderers in the fray in evaluating the price offers.

The load factors are described elsewhere in the tender document.

The minimum guaranteed quantity per shipment from Overseas supplier shall be 20 MT (One Container). All the overseas tenderers shall agree for the same. Offers not meeting this condition will not be considered for evaluation.

The two shortlisted parties alone would be considered for loading under the rate contract. As and when the requirement arises the concerned BHEL unit will compute the total cost of procurement as per formula given above. The supplier ranked L1 will be given 70% of the requirement. For the balance 30% the other supplier will be given the opportunity to match the L1 price. In the event they match the L1 price, they will be considered for loading the balance 30%. In case they do not agree then the entire 100% of the quantity will be ordered on the L1. This process will be repeated for every requirement that arises for individual BHEL unit.