

## **Annexure-VII**

### **REVERSE AUCTION (RA)**

BHEL may go for Reverse Auction (on line bidding on the Internet) instead of opening the submitted sealed price bid. The decision to go for Reverse Auction will be taken after techno-commercial evaluation. Information and general terms and conditions governing RA are given below:

- a) For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.
- b) BHEL will engage the services of a service provider who will provide all necessary training and assistance / demonstration before commencement of on line bidding on internet.
- c) BHEL will inform the Vendors in writing the details of Service Provider to enable them to contact for training/demonstration.
- d) Business rules like event date, time, start price, bid decrement, extensions etc. also will be communicated through Service Provider for compliance.
- e) Vendors have to fax the Compliance form in the prescribed format (provided by Service Provider) before start of Reverse Auction. Without this, the vendor will not be eligible to participate in the event.
- f) BHEL will provide the calculation sheet which will help the vendors to arrive at "Total Cost to BHEL" by including items like packing & forwarding charges, Taxes & Duties, Freight charges, Insurance, Service Tax for services and loading factors (for non-compliance to BHEL commercial terms & conditions) for each of the vendors to enable them to fill-in the price and keep it ready for keying in during the Auction.
- g) Reverse auction will be conducted on a scheduled date & time.
- h) At the end of Reverse auction event, the lowest bid value will be known on the network.
- i) The lowest bidder has to fax the duly signed filled-in prescribed format as provided to BHEL through service provider within 24 hours of Auction without fail.
- j) 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 business with BHEL as per prevailing procedure.
- k) In case BHEL decides not to go for Reverse Auction procedure for this tender enquiry, the Price bids already submitted and available with BHEL shall be opened as per BHEL's standard practice.
- l) Tenders when finalized shall be in the name of the Bidder only and change of name during tender evaluation (without certificate from registrar of company/other appropriate Authority) and after submission of the Tender is liable to make the offer ineligible for participation.