

Annexure –I

Commercial terms and conditions for CHP Mechanical Main Package – Supply

Name of the Bidder :

Enquiry No. & Date :

Project : 2 x 660MW Coal Handling Plant Package for Meja Thermal Power Project, Meja, Dist: Allahabad, UP

Note :

This package was earlier ordered on turnkey basis on a contractor who has made a partial progress in Engineering and Supply which is explained in various sections in technical specifications, kindly refer the same for details. Due to various reasons, this contract is to be taken out from the present vendor and will be executed by a successful bidder of this tender. Against this enquiry, the eligible bidders are invited to quote for the balance scope of work, taking over the total package on turnkey basis. The vendor shall be responsible for the total package on turnkey basis including the supplied materials and work done by the previous contractor .

Sl. No.	Particulars	Description	Acceptance / Remarks
1.	Name of the Project	2 x 660MW Coal Handling Plant Package for Meja Thermal Power Project, Meja, Dist: Allahabad, UP.	
2.	Price basis for Supply	a) FIRM Ex-works. However, Price shall be quoted on FOR Site basis including all applicable taxes, levies, duties of State & Central & Freight as detailed in Clauses 3, 4, 5 & 6 below for price comparison. b) Rate & Ceiling values of all above T & D and Freight to be indicated separately. c) CIF Content is zero. Equipments to be cleared through Customs on MERIT. Customs Duty to be included in Price. d) If any other taxes or levies like octroi, entry tax etc. are to be paid, the same shall be reimbursed at actual on documentary evidence.	
3.	Sales Tax	BHEL shall re-imburse CST against form "C" or Local sales tax limited to ceiling value indicated in price bid. VAT amount paid by BHEL for local supplies beyond VAT ceiling limit, will be recovered from vendor's bill. No other form other than 'C' form can be issued by BHEL. Hence, vendor shall consider Concessional CST/VAT/State sales tax in the price. E1 form to be issued by supplier to BHEL for availing C form.	
4.	Excise Duty	ED is exempted against issue of PAC by BHEL. While quoting, vendor should not consider Excise Duty for self-manufactured and direct-dispatchable sub-vendors items, since it is a Mega Power Project and exemption / duty draw back is available. Further in the event of introduction of GST or any other tax in lieu of existing ED/Service Tax and Vat/Sales Tax, the impact of differential tax liability, if any, on the total contract price including bought out items (to be dispatched directly from Sub-vendors' works to site) will also be adjusted in Contract Price subject to documentary evidence.	

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5.	VAT invoices	Suppliers to note that in case of local (within state) dispatches in their VAT invoices, address & TIN no of Nodal agency shall be indicated instead of ISG's address & TIN no. and paying authority shall be same as BHEL/ISG Bangalore. Please refer Annexure – III (enclosed).	
6.	Freight	Equipment to be dispatched by road on freight prepaid and on door delivery basis. Consignee copy of LR to be sent with truck. Freight Charges to be indicated separately in price bid only. This will be paid on pro-rata basis proportionate to the ex-works value of the items dispatched limited to the amount indicated.	
7.	Payment terms for Supply	<ol style="list-style-type: none"> 1. 80% of supply value (ex-works) on prorata basis against dispatch document as per approved billing schedule with 100% taxes, duties as applicable. 2. 10% of supply value (ex-works) on prorata basis against receipt of equipment at site as per approved billing schedule. BHEL site will acknowledge the receipt of materials at site by issuing Material Receipt Certificate (MRC). 3. 5% of supply value (ex-works) against Trial run of the system. 4. 5% of supply value (ex-works) against Final Acceptance Certificate of each unit from the customer. 	
8.	Payment Terms for Mandatory Spares	<ol style="list-style-type: none"> 1. 80% of supply value (ex-works) on prorata basis against dispatch document as per approved billing schedule with 100% taxes, duties as applicable. 2. 10% of supply value (ex-works) on prorata basis against receipt of material at site as per approved billing schedule. BHEL site will acknowledge the receipt of materials at site by issuing Material Receipt Certificate (MRC). 3. 10% of supply value (ex-works) against handing over to Customer (MUNPL). 	
9.	LD for Delay in Completion of the project	<p>If the Contractor fails to successfully achieve the "Completion of all Facilities" including trial operation of complete system within 36 months for Unit #1 & Common facilities and 40 months for Unit #2 from the date of Notification of Award of LOI from MUNPL to BHEL/ISG (i.e. 30.04.2012), the Contractor / Vendor shall pay as Liquidated Damages, and not as penalty, a sum calculated at the following rates: -</p> <p>A sum of US \$ 52,344 (US Dollar Fifty Two Thousand Three Hundred Forty Four Only) or equivalent amount in Contract currencies based on Bill Selling exchange rate of SBI prevailing as on the date of Notification of Award of LOI from MUNPL to BHEL/ISG for each day of delay in successful completion of all facilities for Unit #1 and common facilities as per the scope of the work under the contract.</p> <p>A sum of US \$ 9,237 (US Dollar Nine Thousand Two Hundred Thirty Seven Only) or equivalent amount in Contract currencies based on Bill Selling exchange rate of SBI prevailing as on the</p>	

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		<p>date of Notification of Award of LOI from MUNPL to BHEL/ISG for each day of delay in successful completion of all facilities for Unit #2 and common facilities as per the scope of the work under the contract.</p> <p><u>Maximum deduction for LD:</u></p> <p>The Total amount of LD for Delay under the Contracts will be subject to a Maximum of 5% of the total Contract Price.</p>	
10.	<p>Liquidated damages due to Functional Guarantees & Guaranteed Power Consumption</p>	<p><u>THE FUNCTIONAL GUARANTEES WHICH ATTRACT LIQUIDATED DAMAGES ARE AS FOLLOWS:</u></p> <p>A. <u>Flow Path Capacity:-</u></p> <p>The contractor shall guarantee the capacity of conveyor system including the intermediate equipment for each of the two parallel conveyors streams separately or any combination thereof to be tested in the following flow path operations.</p> <p>1. <u>Flow Path IA (Direct Stream): -</u></p> <p>Apron feeder taking feed of incoming coal from wagon tippler WT-1 and WT-2 and discharging crushed coal into last bunker of Unit 2 through travelling tripper on conveyor 9B includes all intermediate conveyors and equipment. This includes Conveyor 1A/B, 2A/B, 3A/B, 4A/B, 5A/B, 6A/B, 7A/B, 9A/B & Belt Feeder 1/2/3/4 & Movable Belt Feeder 1/2/3/4.</p> <p>2. <u>Flow Path IB (Direct Stream): -</u></p> <p>Paddle feeder taking feed of incoming coal from track hopper and discharging crushed coal into last bunker of Unit#2 through travelling tripper on conveyor 9B includes all intermediate Conveyors and equipment. This includes Conveyor 1A/B, 2A/B, 3A/B, 4A/B, 5A/B, 6A/B, 7A/B, 9A/B, 13A/B, Belt Feeder 1/2/3/4 & Movable Belt Feeder 1/2/3/4.</p> <p>3. <u>Flow Path IIA (Stacking Stream)</u></p> <p>Apron feeder taking feed of incoming coal from wagon tippler and stacking crushed coal in stock yard using yard conveyor 10A or 10B with stacker/reclaimer at position farthest from TP-1 or TP-2 and boom conveyor at highest angle including all intermediate equipment. This includes Conveyor 1A/B, 2A/B & Belt Feeder 1/2/3/4 & Movable Belt Feeder 1/2/3/4.</p> <p>4. <u>Flow Path IIB (Stacking Stream)</u></p> <p>Paddle feeder taking feed of incoming coal from track hopper and stacking crushed coal in stack yard using yard conveyor 10A or 10B with stacker/reclaimer at position farthest from TP-1 or TP-2 and boom conveyor at highest angle including all intermediate equipment. This includes Conveyor 1A/B, 2A/B, 13A/B & Belt Feeder 1/2/3/4 & Movable Belt Feeder 1/2/3/4.</p> <p>5. <u>Flow Path III (Reclaiming Stream)</u></p>	

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		<p>Reclaiming coal from stockyard using yard conveyor 10A or 10B with stacker reclaimer at farthest position from TP-10 or TP-11, with the boom conveyor at its lowest position and feeding last bunker of Unit#2 through travelling tripper on conveyor 9B includes all intermediate equipment. This includes Conveyor 5A/B, 6A/B, 7A/B, 9A/B, 11A/B & 12A/B.</p> <p>6. Further for the purpose of Guarantee test conveyor 8A, 8B, 9A, 9B along with all associated equipment shall also be considered.</p> <p>If the guarantees specified are not achieved by the vendor, BHEL will have the right to reject the equipment / system and recover the payment already made or accept the equipment / system only after levying liquidated damages listed therein against the vendor and such amounts shall be deducted from the contract price.</p> <p><u>LD for Short fall in Capacity: -</u></p> <table border="1" data-bbox="496 772 1284 1083"> <thead> <tr> <th data-bbox="496 772 570 898">Sl. No.</th> <th data-bbox="570 772 891 898">Coal Handling System/Equipment</th> <th data-bbox="891 772 1284 898">L D for short fall in capacity of major Equipment for deficiency of 1% or part there of in Guarantee capacity.</th> </tr> </thead> <tbody> <tr> <td data-bbox="496 898 570 1083">1.</td> <td data-bbox="570 898 891 1083">L D for short fall in conveyor capacity for deficiency of 1% or part there of shortfall in Guarantee System capacity (2200 TPH)</td> <td data-bbox="891 898 1284 1083">US \$ 8,92,410</td> </tr> </tbody> </table> <p>The L.D. shall be assessed on the basis of conveyor stream in a flow path/equipment having the poorest performance. The L.D. for only one of the paths (having the poorest performance) shall be payable.</p> <p><u>Total Power Consumption: -</u></p> <p>1. The contractor shall guarantee the total power consumption of various drive motors (when the plant is operating at guaranteed capacity) at the switchgear terminals. The drive motors to be considered for levying liquidated damages shall be path wise. The liquidated damages shall be levied separately and independently for individual paths i.e. direct path, stacking path and reclaiming path.</p> <p>The parameters/capabilities to be demonstrated for various systems/equipments are elaborated in the Guarantee tests procedure. The figures for various paths are as follows:</p> <table border="1" data-bbox="526 1661 1284 1913"> <thead> <tr> <th data-bbox="526 1661 724 1724">Sl. No.</th> <th data-bbox="724 1661 987 1724">Equipment / Item Description</th> <th data-bbox="987 1661 1284 1724">Guaranteed Power Consumption in KW</th> </tr> </thead> <tbody> <tr> <td data-bbox="526 1724 724 1755">a)</td> <td data-bbox="724 1724 987 1755">Direct Path I A</td> <td data-bbox="987 1724 1284 1755">1727</td> </tr> <tr> <td data-bbox="526 1755 724 1787">b)</td> <td data-bbox="724 1755 987 1787">Direct Path I B</td> <td data-bbox="987 1755 1284 1787">1790</td> </tr> <tr> <td data-bbox="526 1787 724 1818">c)</td> <td data-bbox="724 1787 987 1818">Stacking Path IIA</td> <td data-bbox="987 1787 1284 1818">832</td> </tr> <tr> <td data-bbox="526 1818 724 1850">d)</td> <td data-bbox="724 1818 987 1850">Stacking Path IIB</td> <td data-bbox="987 1818 1284 1850">895</td> </tr> <tr> <td data-bbox="526 1850 724 1881">e)</td> <td data-bbox="724 1850 987 1881">Reclaiming Path III</td> <td data-bbox="987 1850 1284 1881">1411</td> </tr> <tr> <td data-bbox="526 1881 724 1913">f)</td> <td data-bbox="724 1881 987 1913">Conveyor 8A/B</td> <td data-bbox="987 1881 1284 1913">92</td> </tr> </tbody> </table>	Sl. No.	Coal Handling System/Equipment	L D for short fall in capacity of major Equipment for deficiency of 1% or part there of in Guarantee capacity.	1.	L D for short fall in conveyor capacity for deficiency of 1% or part there of shortfall in Guarantee System capacity (2200 TPH)	US \$ 8,92,410	Sl. No.	Equipment / Item Description	Guaranteed Power Consumption in KW	a)	Direct Path I A	1727	b)	Direct Path I B	1790	c)	Stacking Path IIA	832	d)	Stacking Path IIB	895	e)	Reclaiming Path III	1411	f)	Conveyor 8A/B	92	
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		<p>INCREASE IN GUARANTEED POWER CONSUMPTION:- If the total power consumption of drive motors identified in above exceed the guaranteed power consumption, Liquidated Damages at the rate of US \$ 1,849/- (US Dollars one thousand eight hundred forty nine only) per KW or part thereof shall be deducted from the contract price.</p> <p>If the contract currency is other than US \$ then the Liquidated Damages shall be an equivalent amount in contract currency based on bill selling exchange rate of State Bank of India prevailing on the date of notification of award of award of LOI from MUNPL to BHEL/ISG. Such liquidated damages may be recovered by the deduction from the contract price or by enforcing the contract performance guarantee or in any other manner deemed fit by Project Manager.</p> <p>Contractors aggregate liability to pay liquidated damages for failure to attain the functional guarantee shall not exceed twenty five (25%) percent of the contract price and such amount shall be recoverable by operating the Performance Bank guarantee of the contractor or deduction from the contract price or otherwise.</p>	
11.	LD for Mandatory Spares	Half Percent (0.5%) of Contract price of the delayed Mandatory Spares per week or part thereof of delay , subject to maximum of 5 % of the Total contract price of Mandatory Spares covered under this package.	
12.	Security Deposit cum PBG	<p>Security deposit cum PBG for 10% of order (ex-works) value (Supply + E&C) is to be submitted within 10 days from the date of Letter of Intent. This BG is to be kept valid for the entire guarantee period and shall have a claim period of 3 months more than the guarantee period.</p> <p>Initially this BG shall be with validity of 24 months from the date of LOA + 3 months claim period and the same shall be extended as required later to suit guarantee period.</p> <p>Note:</p> <ol style="list-style-type: none"> 1) Two witness signature from bank officials, other than the bank official who has already signed is a must. 2) BGs of PSU Banks in addition to consortium banks are only acceptable (list of consortium banks enclosed). 3) In case of BGs issued by non consortium PSU banks, the same are to be enforceable in Bangalore. 4) Bank Guarantee shall be submitted as per the format of PBG enclosed. 5) BGs to be submitted directly by the issuing bank to Sr. DGM/MM/BG-1A, under registered post (A/D). 	

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13)	Contract schedule for Supply	1) <u>Engineering</u> : - a) Start : Immediate b) Completion: 06 Months from LOI 2) <u>Manufacturing & Supply</u> : - a) Start : 1 Month from LOI b) Completion: 11 Months from LOI The supplies shall be completed as per L2/L3 schedule. The Vendor will submit L2/L3 schedule which will be approved by BHEL. Vendor to strictly adhere to the dates committed in L2/L3 schedule.	
14)	Guarantee	18 Months from the date of Completion of Facility or 12 Months from the date of Operational Acceptance whichever is earlier.	
15)	Reverse Auction	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 may result in non-consideration of their bids, in case BHEL decides to go for RA. In case BHEL decides to go for Reverse Auction, 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. Information and General Terms and Conditions governing RA shall form part of the RFQ/ Enquiry. (annexure-IV). Please fill in here details of person who is going to participate in Reverse Auction: 1. Name of the Person: 2. Mobile number: 3. Phone Number: 4. Fax Number e-mail ID:.	
16)	Drawing submission & approval	Drawing submission as per L2 network (to be furnished by the Vendor and approved by BHEL). Obtaining drawing approval from customer is the responsibility of the vendor. BHEL shall however help the vendor in getting the approvals.	
17)	Insurance	The project is covered by MCE Insurance by BHEL. Any procedure / documentation required for claims in case of damage / theft / loss etc is to be taken care by vendor.	
18)	Validity of the offer	90 Days from the date of the opening of the tender. In case revised price bids are sought due to revision in BOM / scope during technical evaluation, then the revised price bids shall also be valid for another 60 days from the revised due date.	

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19)	Inspection	<p>a) At manufacturer's works, prior to dispatch by BHEL / Customer / Consultant. Inspection call with internal TC's to be given 15 & 45 working days in advance for indigenous & imported equipments respectively. Inspection call should be furnished in the enclosed format only.</p> <p>b) <u>Penalty for items not ready after inspection call:</u> The expenses incurred by Customer / BHEL for travel, stay etc. shall be recovered from the vendor's bills.</p> <p>c) No item / equipments shall be dispatched without obtaining Material Dispatch clearance certificate from MUNPL/BHEL/ISG irrespective of inspection categories.</p>	
20)	Arbitration	Subject to Bangalore jurisdiction only based on Indian Arbitration Act 1996.	
21)	Risk Purchase & rights of BHEL	<p>BHEL reserves the following rights in respect of this contract during the original contract period or its extensions if any, as per the provisions of the contract, without entitling the contractor for any compensation:-</p> <p>a) To withdraw any portion of work and/or to restrict/alter quantum of work as indicated in the contract during the progress of work and get it done through other agencies to suit BHEL's commitment to its customer or in case BHEL decides to advance the date of completion due to other emergent reasons/ BHEL's obligation to its customer.</p> <p>b) To terminate the contract or get any part of the work done through other agency or deploy BHEL's own/hired/otherwise arranged resources , at the risk and cost of the contractor after due notice of a period of two weeks by BHEL, in the event of:-</p> <p>i) Contractor's continued poor progress</p> <p>ii) Withdrawal from or abandonment of the work before completion of the work</p> <p>iii) Contractor's inability to progress the work for completion as stipulated in the contract</p> <p>iv) Poor quality of work</p> <p>v) Corrupt act of Contractor</p> <p>vi) Insolvency of the Contractor</p> <p>vii) Persistent disregard to the instructions of BHEL</p> <p>viii) Assignment, transfer, sub-letting of contract without BHEL's written permission</p> <p>ix) Non fulfillment of any contractual obligations</p> <p>x) In the opinion of BHEL, the contractor is overloaded and is not in a position to execute the job as per required schedule .</p> <p>c) To meet the expenses including BHEL overheads on the differential cost at 15%, over and above the Liquidated damages/penalties arising out of "Risk & Cost" as explained above under Sl. No. b BHEL shall recover the amount from any money due from Contractor, or from any money due to the Contractor including Security Deposit/ BG, or by forfeiting any T&P or material of the contractor under this contract or any other contract of BHEL or by any other means or any combination thereof</p> <p>d) To terminate the contract or to restrict the quantum of work and pay for the portion of work executed in case BHEL's contract with their customer are terminated for any reason, as per mutual agreement:</p>	

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		<p>e) To effect recovery from any amounts due to the contractor under this or any other contract or in any other form, the moneys BHEL is statutorily forced to pay to anybody, due to contractor's failure to fulfill any of his obligations. BHEL shall levy overheads of 5% on all such payments along with interest.</p> <p>f) While every endeavour will be made by BHEL to this end, they cannot guarantee uninterrupted work due to conditions beyond their control. The Contractor will not be entitled for any compensation /extra payment on this account unless otherwise specified elsewhere in the contract.</p>	
22)	Approval of sub-vendors	The supplier shall supply the materials from BHEL/NTPC approved vendors only. The same vendors list is applicable for sub-vendors equipments as well.	
23)	Consignee Details	To be intimated at the time of Dispatch clearance.	
24)	Bid evaluation criteria	The tender shall be evaluated on the overall package basis and on total cost to BHEL basis. Order shall be placed on the overall L1 vendor, based on Reverse Auction / opening of sealed bids. Offer will be considered incomplete and rejected if all items are not quoted.	
25)	Rejection of offers	BHEL reserves the right to reject the offer, in case the bidders past performance in any of the BHEL's previous contract' is not found satisfactory.	
26)	Other terms	<p>Please submit your offer in two parts:</p> <p>Part-1: Technical Bid: Please enclose this BHEL Commercial terms & Conditions accepting all the clauses along with your technical offer in a separate sealed envelop and superscribe as technical bid. Unpriced bid shall also be submitted along with the technical bid.</p> <p>Part-2: PRICE BID: Please mention the price and enclose in a separate sealed envelop. Price bid shall strictly be submitted in "PRICE SCHEDULE FORMAT" enclosed along with specification.</p> <p>a) Last day and time for submission of the tender : As mentioned in the enquiry.</p> <p>b) Time of collection of tenders from the tender box by MM / Finance Team : 2:30 PM</p> <p>c) Time of tender opening : 3:00 PM</p> <p>d) Venue of tender opening : Committee room.</p> <p>Please superscribe the cover with the Enquiry Number & date and the due date.</p>	
27)	Bills submission	<p>All your invoices against our order are required to be sent in a sealed envelope addressed to: BHEL - ISG VENDOR BILLS BOX , BHEL - Industrial Systems Group , Opp. IISc, PROF. C N R RAO CIRCLE , MALLESWARAM , BANGALORE - 560 012</p> <p>The envelope shall be super-scribed with Project Name / P.O No. / W.O No., and the Bill / Invoice numbers & Contact person.</p> <p>2) Bills / invoices which are brought personally by vendors to ISG are to be dropped in the "BHEL-ISG vendor bills Box" kept near Tender Box at the Reception Office.</p>	

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28)	Integrity pact	Integrity pact format is enclosed. The same is to be duly filled and submitted along with offer without fail. Details of Independent External Monitor for this project shall be informed later.	
29)	Other terms	<p>Evaluation criteria : The "L1" bidder shall be evaluated based on Total cost (supply+E&C) to "BHEL" inclusive of all taxes (excluding service tax), duties and freight.</p> <p>Ambiguity Clause : If any arithmetical error / discrepancy are observed in price bid in "individual item-wise total", "Qty" or "grand total" then, actual computed figures based on unit rate quoted shall be considered for further evaluation. Where there is a discrepancy between amount stated in figures and amount stated in words, the amount stated in words shall prevail.</p>	

Precedence :

1. **Deviations will not be accepted by BHEL. Bids with deviations are liable for rejection and decision of BHEL will be final in this regard.**
2. No prices to be filled in this format. All prices are to be filled up in the enclosed price bid Formats.
3. Un priced price bid to be enclosed with the techno - commercial bid.
4. For the purpose of interpretation, Commercial Terms and Conditions for Supply and E&C shall be read in conjunction.
5. Commercial terms & conditions shall be submitted along with the technical bid. Otherwise your offer will be considered incomplete and will be rejected.
6. Consideration of bidders offer is subjected to customer approval.
7. All the columns of the above format should be filled and any column left blank will be treated as accepted/included.