



COMMERCIAL CONDITIONS OF TENDER

Enquiry No.& Date: 88/13/6008/NM

Project: Erection and commissioning - Electrical for CHP FOR 1040 MW VIZAG.

SL No	Clause	Description	Contractor Acceptance/Remarks (Yes or No)
1.0	Scope of work	Erection and commissioning works which includes material receipt , proper storage & security, electrical equipment erection ,supply of material and commissioning assistance as required. Details as per enclosed specification. Quantity mentioned is tentative and subject to variation.	
2.0	Price basis The price shall be firm throughout the period of the contract and extensions thereof, if any.	Unit Price quoted shall be FIRM inclusive of all taxes and duties for supplies (If any) & services till completion of job. Price includes Erection & Commissioning, supply of all miscellaneous erection materials, labour, tools & tackles, loading, transportation charges up to site of erection from stores, leads, lifts, water and electricity charges, royalties etc and taxes and duties, WCT, BOCW license fees, statutory obligations, (except service tax for works, which will be reimbursed to you at actual against documentary evidence). TDS shall be deducted as per IT rules.	
3.0	Payment Terms, mode of payment & method of measurement. Payment will be released through ECS/Cheque from Bangalore office only. The site Engineer concerned should duly certify all the RABs. & the Measurement sheet.	<ol style="list-style-type: none">1. 90% payment based on duly certified RAB by BHEL/RM on completion of erection activity on prorata basis as per approved billing break-up along with documents for proof of wages paid, ESI, EPF etc., duly certified by BHEL Engineer.2. 90% payment towards supply shall be paid against proof of receipt of materials at site(as per the BOQ in the price format), duly certified by BHEL/RM in the form of RAB.3. 90% payment will be made for manpower supply against bills along with BHEL Site Engineer certified time sheets.4. 5% for all the above shall be paid on Preliminary Acceptance / Unit commissioned duly certified by HNPCL and on completion of material reconciliation and handing over of remaining materials to BHEL Stores.5. 5% after liquidation of all defects and final acceptance by customer.	



4.0	Type of contract	Unit rate	
5.0	Contract schedule	<p>Start Date – From the date of Letter of Award. Date of Completion is 12 months from the date of front availability/ Work Order whichever is later.</p> <p>NOTE : The contractor shall strictly adhere to ‘L2’ schedule. In case of non compliance to agreed schedules / milestones, then it would be presumed that contractor is not fulfilling contractual obligations. BHEL reserves the right to take suitable action like operating “Risk & cost clause”.</p> <p>In case the work gets delayed and scheduled completion gets extended due to reasons not attributable to the contractor, time extension will be granted by BHEL without any price implication (If service tax rate changes during the extension period the revised rate will be applicable).</p>	
6.0	Liquidated Damages (Compensation for Delay)	0.5% per week of delay from the cutoff date of erection and commissioning as per the above schedule limited to 7.5% of the total order value. (As per clause 41 of GCC)	
7.0	Warranty for the installation carried by the bidder	ONSITE warranty for 12 months from the date of commissioning of the entire project.	
8.0	Security Deposit	As per Clause No.16(c) of Chapter III of our General Conditions of Electrical Contract. (Rs.4.00 Lakhs + 5% of the amount exceeding Rs. 50 lakhs)	
9.0	Insurance	<p>a) By the contractor for his workers, tools & tackles, workmen compensation insurance. The contractor shall also take third party insurance liability for a value of Rs.10.00 Lakhs subject to Rs. 1.00 Lakhs per occurrence and Rs.5.00 Lakhs for death.</p> <p>b) In case of theft or loss of materials from the temporary stores or from the erected equipments (till handing over of erected equipment to customer) – coordination with local police, authorities, lodging the FIR & obtaining the receipt for the same and coordination with the insurance agencies, are in contractor’s scope.</p> <p>c) For all the equipments, the insurance is by BHEL.</p>	
10.0	Labour Laws	The contractor should follow all the labour laws including BOCW act as applicable at the place of work / HNPCL / VIZAG state including payment	



		of minimum wages fixed by the Government of ANDHRA PRADESH and should have valid licence to work. (This is precondition for finalization of the contract).	
11.0	Risk & Cost	As per the risk & cost policy, if the contractor fails to render the services, tools and tackles or failed to carry out the job in time specified under their scope, BHEL will get the job done at the risk & cost of the contractor. The actual cost incurred for such jobs along with the <u>departmental charges @ 15% will be recovered from the contractor 's bills.</u>	
12.0	Arbitration	Subject to Bangalore jurisdiction only based on Indian Arbitration Act 1996.	
13.0	Earnest Money Deposit (Value is as per Clause 16 of chapter – III, page 11 of 52)	Rs.2,00,000/- by DD payable to BHEL-ISG, Bangalore. BG is not acceptable. (Please ignore the BG format available in GCC).	
14.0	Validity	90 days from the date of opening the tender for the finalization of order/ reverse auction.	
15.0	Proposed organization chart for E&C activities including Engineers, supervisors, welders, rigger, fitters, skilled & unskilled work force planned for the execution of the job and no. of years experience. Welders certificate may be enclosed.	To be furnished by the contractor along with the Technical Bid offer.	
16.0	Income tax clearance certificate for the previous 2 years.	To be furnished by the contractor with offer.	
17.0	Experience in executing major works in the last 7 years with supporting documents.	Pre-qualification criteria given in Part-D. Tender Documents to be referred and all the mandatory information have to be provided to get the compulsory approval of end customer for consideration of the bid.	
18.0	Balance Sheet for the last 3 years.	To be furnished by the contractor with the offer.	
19.0	Tools & Tackles,	By the contractor (To be listed in the offer)	



	Calibrated Testing Instruments, Material handling equipment, Power & Water requirement.		
20.0	Rejection of Offer	BHEL reserve the right to reject the offer, in case the bidder past performance in any of BHEL's previous contract is not found satisfactory.	
21.0	Credentials of the firm	To be enclosed along with the offer. Refer part-D.	
22.0	Receipt, Unloading, Storage of materials at site, Security of the same round the clock & loading/unloading/transportation of materials from stores to different erection locations.	Is to be included in the scope of the bidder. Necessary manpower, tools, material handling equipment etc for carrying out these activities will be made available at site by the bidder from the date of opening of site office until closure of the project. No separate payment term is allowed for this activity.	
23.0	All consumables required for the erection, testing and commissioning	Is to be included in the scope of the bidder.	
24.0	Labour license	By the bidder. Bidder should have valid license to work in Andhra Pradesh state, if not the same should be produced within one month on award of the contract.	
25.0	Reverse Auction	BHEL reserves the right to go for Reverse Auction instead of opening the submitted sealed bid, which will be decided after technical evaluation. In case the reverse auction couldnot be completed due to any reasons, BHEL reserves the right to open the sealed price bids in public and finalise the placement of order accordingly. Non acceptance of this clause by the vendor will lead to rejection of offer.	
26.0	Electrical inspectors /Statutory authorities clearance	Providing necessary documents & obtaining Electrical inspectors /Statutory authorities clearance for the equipments under this package shall be in the scope of bidder.	
27.0	Other works in scope of contractor	1) All material handling equipments like cranes, fork lifters, tripods etc required for the completion of the work. 2) Providing of tarpaulins & covering materials as required for protection of materials at temporary storage place.	



		3) 24 hrs Security for the temporary stores, at the temporary storage place & for the erection equipments. 4) Good housekeeping of work area & maintaining the stores of BHEL ISG in a neat & clean manner.	
28.0	Condition for opening the price bid/Reverse Auction,	Vendor should register with BHEL-ISG before price bid opening/Reverse Auction. You have to download the sub-contractor Registration form from BHEL website. (http://www.bhel.com/vendor_registration/vendor.php). For details contact;080-22184079 (Mr. PHILOMEN BENEDICT Y)	
29.0	All other terms & conditions	As per our tender enquiry & GCC	

Signature of the Contractor with seal & Date.

Note: All the above columns are to be filled up by the contractors. **Deviations will not be accepted by BHEL.** No Prices to be filled up in this format. All Prices are to be filled up only in the enclosed price bid. Tenders are to be submitted in two parts. Part – A : Technical & Commercial bid and Part – B : Price Bid.

Prepared by

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Checked & Approved by

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IMPORTANT POINTS TO BE CONSIDERED WHILE PRICING THE OFFER

1. The complete scope of work is defined in the tender.
2. The contractor should visit the site by taking prior permission and study the site condition thoroughly and estimate the price. Submission of offer is deemed that contractor have visited and fully clear about the scope.
3. PAYMENT TERMS:
 - 90% payment based on RAB on completion of erection activity on prorata basis as per approved billing break-up along with documents for proof of wages paid, ESI, EPF etc., duly certified by BHEL Engineer.
 - 90% payment towards supply, bills to be submitted separately against proof of receipt of materials at site against RAB.
 - 90% payment will be made for manpower supply against bills along with BHEL Site Engineer certified time sheets.
 - 5% for all the above shall be paid after issue of Preliminary Acceptance/Unit commissioned certified by HNPCL and on completion of material reconciliation and handing over of the remaining materials to BHEL Stores.
 - 5% after liquidation of all defects and final acceptance by customer.
4. Payment will be released through ECS/Cheque from Bangalore office only.
5. In the event of contractor failing to achieve the performance guarantee given in the tender a deduction for Liquidated damage shall be applied as per the special conditions of contract part-6
 - The successful bidders EMD amount shall be converted to Security deposit as per the tender condition.



EMD :

Works costing up to Rs.1.0 Lakh	Nil.
Works costing more than 1 lakh & up to 5.0 Lakhs	Rs.10,000/-
Works costing more than 5 lakhs & up to 10 Lakhs	Rs.25,000/-
Works costing more than 10 lakhs & up to 50 lakhs	Rs.1,00,000/-
Works costing more than 50 laksh & up to 100 lakhs	Rs.1,50,000/-
Works costing more than 100 lakhs	Rs.2,00,000/-

SECURITY DEPOSIT

The amount of security money to be deposited for proper fulfillment of contract will be as follows:

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|---|--|
| 1. Order value up to Rs. 10.00 lakhs | 10% of the order value |
| 2. Above Rs.10.00 lakhs and up to Rs. 50.00 lakhs | Rs.1.00 lakh +7.5 % of the amount
Exceeding Rs. 10.00 lakhs |
| 3. Above Rs. 50.00 lakhs | Rs.4.00 lakhs + 5% of the amount
Exceeding Rs. 50.00 lakhs. |

The security deposit shall be collected before start of the work by the contractor.

SECURITY DEPOSIT MAY BE FURNISHED IN ANY ONE OF THE FOLLOWING FORMS

1. Cash (as permissible under the income tax act) Pay order, demand draft in favor of BHEL
Local cheques of scheduled banks, subject to realization.
2. Securities available from post office such as NSC, KVP etc., (certificates should be in the name of contractor furnishing the security and duly pledged in favour of BHEL and discharged back.)
3. Bank Guarantee from scheduled banks / public financial institutions as defined in the companies act subject to a maximum of 50% of the total security deposit value. The balance 50% has to be remitted either by cash. The bank guarantee form \at should have the approval of BHEL.
4. Fixed deposit receipt issued by the scheduled banks / public financial institutions as defined in the companies act. The FDR should be in the name of the contractor A/C BHEL duly discharged on the back.
5. Security deposit can also be recovered at the rate of 10% of the running bills. However in such case at least 50% of the security deposit should be deposited before the start of the work and balance 50% may be recovered from the running bills.
6. The security deposit shall not carry any interest.

