



**Commercial Terms & Conditions for
PU Coating and Surface Painting of 450NB
MS ERW pipe for AWR System**

**Project: 2X520 MW
HNPCL VIZAG TPP.**

NAME OF THE BIDDER :

ENQUIRY No. & DATE
PROJECT

: **88/14/6007/SV Dated 12-05-2014**
: **2X520 MW TPP HNPCL VIZAG TPP**

NAME OF THE WORK :

: **PU Coating and Surface Painting of 450NB
MS ERW pipe for Coating for AWR System**

COMMERCIAL TERMS AND CONDITIONS:

SL NO.	Clause	BHEL's Requirement	Bidders Acceptance / Remarks
1.	Scope of Work	Application of Polyurethane (PU) Coating including supply of raw materials for Inner surface and Painting outer surface of 450 NB ERW Pipes, Bends and Flanges supplied by BHEL. Detailed scope as per clause No.2.0 of Technical specifications.	
2	Price Basis	Prices shall be quoted by the Contractor on Unit rate basis. Unit rate shall be inclusive of all taxes and duties except Service Tax with cess which shall be paid extra at actual by BHEL. Further the rates quoted shall be Firm during the entire duration of contract period.	
3	Taxes	All taxes except Service Tax for the contract shall be borne by the bidder and shall not be payable extra. Service Tax with cess shall be paid extra on labour portion of the contract on " Composition Basis " as applicable against Tax Invoice by BHEL. Contractor shall furnish proof of service tax registration with the Central Excise department.	



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4	Terms of Payment	<p>Ninety Five percent (95%) of contract price shall be released progressively against completion of work and based on the certification by BHEL and submission of invoice with RAB.</p> <p>Five per cent (5%) of contract price shall be released on successful completion of Erection & Commissioning of PU coated/painted pipes and based on the certification by HNPCL / BHEL and submission of invoice with RAB.</p>	
5	Payment Mode Through	All the payment shall be made through electronic transfer only (EFT).	
6	Earnest Money Deposit	<p>An amount of Rs.2 lakhs only as EMD shall be deposited in the form of DD (as permissible under Income Tax Act), Pay-order or bank draft (in favor of BHEL) in a separate cover with the offer. In case of cash deposits, the money shall be deposited with finance dept. of BHEL and the cash receipt shall be submitted with the offer. Offer shall be liable for rejection, in case no EMD as above is found in the cover marked 'EMD'. EMD shall not carry any interest.</p> <p>The 'EMD' by the tenderer will be forfeited if:</p> <ul style="list-style-type: none">* After opening the tender, the tenderer revokes his tender within the validity period or increases his earlier quoted rates.* The tenderer does not commence work within a period of 15 days after the award of the contract or backs out from this contract.	
7	Security Deposit	<p>7.1 Security deposit should be collected from the successful tenderer. The rate of security deposit on the contract value will be as follows :</p> <ul style="list-style-type: none">- upto Rs.10 lakhs: 10%- Above Rs.10 lakhs and upto Rs..50 lakhs: Rs . 1 lakh + 7.5% of the amount exceeding Rs .10 lakhs- Above Rs. 50 lakhs:Rs.4 lakhs + 5% of the amount exceeding Rs. 50 lakhs.	



		<p>The security deposit should be deposited before start of the work by the contractor.</p> <p>7.2 Security deposit may be furnished in any one of the following forms:</p> <ul style="list-style-type: none">i.) Cash (as permissible under the income tax act).ii.) Pay order, demand draft in favour of BHEL.iii.) Local cheques of Scheduled Banks, subject to realization.iv.) Securities available from post office` such as National Savings Certificates, Kissan Vikas Patras etc. (certificates should be held in the name of contractor furnishing the security and duly pledged in favour of BHEL and discharged on the back).v.) Bank guarantee from Scheduled Banks/Public Financial as defined in the Companies Act. The Bank Guarantee format should have the approval of BHELvi.) Fixed Deposit Receipt issued by 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.vii.) Security deposit can also recovered at the rate of 10% from the running bills. However In such cases at least 50% of the security deposit should be deposited before start of the work and the balance 50% will be recovered from the running bills.viii.) EMD of the successful tenderer can be converted and adjusted against the security deposit.ix.) The security deposit shall not carry any interest.	
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		<p>(Note:Acceptance of security deposit against Sl.No.(iv) and (vi) above will be subject to hypothecation or endorsement on the documents in favour of BHEL. However, BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected therewith).</p> <p>7.3 Security deposit shall be valid till the defect liability period.</p>	
8	Reverse Auction	<p>BHEL reserves the right to finalize the tender either through <u>Reverse Auction or opening the sealed bid submitted by the vendor which will be decided after the Tech/commercial evaluation</u>. The decision of BHEL shall be final in this regard and the same shall be informed to all Technically/Commercially qualified Contractors prior to opening of the Price Bid/Reverse Auction.</p> <p>Non-compliance with this clause by the Contractor will be liable for rejection of offer.</p> <p>Terms & Conditions of Reverse Auction shall be as per Annexure-1 of Volume-1,Section-5 of NIT.</p>	
9	Customer Approval	<p>The offers of technically and commercially qualified and customer approved bidders shall only be considered for Reverse Auction/price bid opening.</p>	
10	Defect period Liability	<p>12 Months from the date of E&C of the Coated Pipes. Any defective work coming to the notice within the Defect Liability Period shall be made good by the Bidder at their own cost.</p>	



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11	Receipt of Material from BHEL / Customer.	The Contractor shall receive the material (Pipes) required for PU coating/External painting from BHEL / Customer's stores & transport the same to work place and transport back the coated and painted pipes to BHEL/Customer's stores. Storage and security of the same during this period shall be in the scope of the contractor.	
12	Project completion period	By September 2014	
13	Arbitration	Subject to Bangalore Jurisdiction only based on Indian Arbitration & Reconciliation Act 1996.	
14	Validity of offer .	90 days from the date of Techno-Commercial Bid opening.	
15	Liquidated damages for delays	In case works gets delayed beyond the contractual completion period due to the reasons attributable to the contractor, then the contractor shall pay LD @0.5% of the total contract price per full week of delay & pro-rated for a part of the week subject to maximum of 5% of the total contract price.	
16	Departmental charges	Any material or service to be issued / rendered by BHEL (unless specifically stipulated to be free of cost / cost recoverable basis) to the contractor, the same shall be made available along with 15% departmental charges over and above the cost. BHEL shall not be responsible for any delay due to this reason and delay shall be to contractors account.	
17	Labour license	In the scope of Contractor. Contractor shall obtain labour license in their name. Contractor shall have valid license to work in the State of Andhrapradesh if not the same shall be obtained and produced before finalization of contract.	



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18	Labour laws	Contractor should follow all the labour laws as applicable at the place of work / Andhra Pradesh State including payment of minimum wages fixed by Government of Andhra Pradesh.	
19	Insurance	By the Contractor for his workers , tools & tackles, workmen compensation insurance. Contractor shall also take third party insurance liability @ Rs.2.00 lakhs per occurrence and maximum of Rs.10.00 Lakhs. The responsibility of settling insurance claim, if any on this account shall be with the contractor.	
20	All material handling equipment required for the completion of work.	By the Contractor	
21	Obtaining statutory authorities clearance for equipments & jobs	By the Contractor	
22	Against any theft or loss of materials from the stores or from erected structures (before handing over of completed work/materials to BHEL) Co-ordination with local police authorities, lodging the FIR & obtaining receipt of same coordinating with insurance agency etc.till the insurance claim is realized.	By the Contractor.	



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23	Office / Residential accommo-dation, Local transport.	Shall be arranged by the contractor. No separate payment shall be made by BHEL for the same.	
24	Approval from Statutory Authorities.	By contractor. All fees and expenditure towards the same should be borne by contractor. BHEL will not reimburse fees and related expenditure.	
25	Experience of having done similar type of work with supporting documents.	To be furnished by the contractor with offer.	
26	Tools and Tackles, Material Handling Equipment etc.	By the contractor .	
27	Quantity Variation	+/- 20% on the total length indicated in the Technical specification/Price format.	
28	Type of Contract	Unit Rate Contract	
29	Risk Purchase	In case of default / late in project completion, contractor reserves his right to make alternate arrangement to get the works completed at the risk and cost of contractor.	
30	Bills Submission	All the bills and other related documents against our order to be submitted to Resident Manager/Engineer at site.	
31	Banned contractors	The offers of the bidders who are on the banned list as also the offer of the bidders, who engage the services of the banned firms shall be rejected. The list of the banned firms is available on BHEL website www:bhel.com	
32	Evaluation criteria	L1 status of the bidder shall be derived considering basic price and Service tax on composition basis.	

I. ARBITRATION

All disputes between parties to the contract arising out of or in relation to the contract, other than those for which the decision of engineer or any other person is by the contract expressed to be final & conclusive, shall after written notice by either party to the contract to the other party, be referred to sole arbitrator of the General Manager of BHEL or his nominee. The arbitration shall be conducted in



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accordance with the provisions of the Indian Arbitration conciliation act 1996 and the rules there under and any statutory modifications thereof. The place of Arbitration will be at Bangalore. The parties to the contract understand and agree that there will be no objection that the General Manager or his person nominated as arbitrator had earlier in his office capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official duties had expressed views on all or any of the matters in dispute of difference. The award of arbitrator shall be final and binding on the parties to this contract.

In the event of Arbitrator's death, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the courts for any reason, it shall be lawful for the General Manager or his successor, as the case may be, either to act himself as the Arbitrator in place of the out going Arbitrator in the manner aforesaid.

The Arbitrator may, from time to time, with consent of both the parties to the contract, enlarge the time for making the award.

The work under the contract shall be continued during the arbitration proceedings. The venue of Arbitration shall be such place from which the contract is issued or such other place as the Arbitrator at his discretion may determine.

II. LAWS GOVERNING THE CONTRACT

This contract shall be governed by the Indian Laws for the time being in force. Any claim or disputes arising under the terms of this tender / agreement shall be enforced or filed in the Courts at Bangalore only.

Signature with Date :

Name :

Company Seal / Name :