

ENQUIRY FOR FABRICATION OF PIPE WITH ATTACHMENTS ON CONVERSION BASIS FROM BHEL SUPPLIED MATERIAL

ENQUIRY NO: 4601300032 DATED: 03-01-13

DUE ON 10-01-13

## **GENERAL TERMS AND CONDITIONS**

Dear sirs,

Sub : FABRICATION of PIPE WITH ATTACHMENTS on conversion basis with BHEL materials.

We are pleased to send this enquiry to you for the FABRICATION of PIPE WITH ATTACHMENTS on conversion basis with BHEL MATERIAL, as per enclosed/Attached details and request to submit Your offers on or before 14.00 Hrs on 10-01-13.

The following are for Your information:

1. **A.GENERAL REQUIREMENTS, B.TERMS AND CONDITIONS OF WORK, C.GENERAL CONDITIONS ,D.SPECIAL TERMS AND CONDITIONS.**
2. Excel file Giving Format for
  - A.Techno Commercial Offer (Annexure-A)
  - B. Price Bid (Annexure-B)
  - C. A SET OF INDICATIVE DRAWINGS AND STATUS OF ATTACHMENTS (ANNEXURE-C)
  - D] PQR FORMAT, SCOPE OF WORK
3. Set of indicative line drawings, QP.

### **IMPORTANT INFORMATION TO BIDDERS.**

Quotation shall be furnished as per Annexure "B" PRICE BID in a SEPARATE SEALED COVER along with the main Techno Commercial Offers(Annexure-A) with a copy of unpriced format of Annexure-B indicating the items for which you are quoting.

Techno commercial Bid will be opened first, and only after acceptance of the Techno Commercial Bids, Price bid will be opened, with a detailed technical discussion to confirm the acceptance of Technical and commercial conditions clearly, and specification requirements are fully understood and complied with. Prices quoted shall be kept Valid for a period of twelve months from the date of opening of the "Price Bid" for finalizing the contract.

Quotations shall be strictly as per the price bid and should not be subjected to any correlation or indirect interpretations.

All clarifications may please be obtained to ensure the technical, quality, delivery, price requirements are understood, before submitting the offer.

Mode of Operation for Price Bid – Reverse Auction

**Your specific attention is drawn to the following:**

- 1] The requirement of this specification in all parts **A.GENERAL REQUIREMENTS, B.TERMS AND CONDITIONS OF WORK, C.GENERAL CONDITIONS ,D.SPECIAL TERMS AND CONDITIONS** which will form part of the contract arrived through this enquiry, are thoroughly read and understood before offering the rates. A confirmation to this is to be enclosed to the offer by a signed Letter.
- 2] Rate inclusive of Material collection charges, manufacturing, packing and delivering of Finished components at respective project site shall be Quoted as per PRICE BID "Annexure B
- 3] Rates quoted shall be legible without any striking/over writing etc. in the format enclosed and as per conditions indicated.
- 4] Quotations shall fulfill all the above requirements. Otherwise the offers may be summarily rejected as a whole or as part there of.
- 5] Finished components shall dispatched to respective project site.
- 6] Validity of the offer shall be 12 months for ordering from the date of price approval by BHEL.
- 7] Quantity may be increased/decreased based on the actual requirement during the placement of order.

**A.GENERAL REQUIREMENTS**

**1.SALIENT POINTS:**

- a) Finished items are to be offered for final inspection to our Quality Department /BHEL/Piping Centre / Chennai- 600 017. The cost of transportation shall be included in the price quoted.
- b) Vendors shall be conversent with relevant standards adopted by BHEL, and manufacture in accordance with standards, and relevant quality plans, drawings.
- c) Vendors shall get familiarized and understand fully all BHEL drawings , Quality Control Procedures , Quality plans.
- d) Vendors shall have established infrastructures and capability in procuring and meeting the manufacturing, design and quality requirements. Vendors shall submit a complete profile of their organization and existing facilities with full details of financial back ground with audited Balance sheets, income tax returns filed for the last three years.
- e) The quantum of work indicated is for overall appreciation of the job content and BHEL reserves the right to distribute the work to more than one vendor, or restrict ordering to limited items and limited quantity.
- f) Vendors shall have adequate capacity in procuring, handling, receipt of materials and usage etc. for carrying out the jobs in the most fitting manner to meet the expectations of Industry standards.

- g) Rates are to be quoted strictly as per the format attached taking care of the requirements including transportation charges to our BHEL site / unit shipping as indicated.
- h) The jobs are to be offered to BHEL and Third party/customer inspection as detailed in the relevant and Quality documents.
- i) The nature of work may be clearly analysed by reading the relevant drawings/QCPs,, SQP's, TDCs etc before submitting your offer.

## **2.SCOPE OF WORK**

**AS INDICATED IN A SEPARATE SHEET.**

### **3.0 TECHNICAL CONDITIONS:**

Fabrication shall strictly conform to the dimensions and tolerances indicated in the respective drawing. Manufacturing process should be as detailed out in the Quality Control Procedures. The Quality Plans and Testing and Inspection procedures should also be adhered to. Care must be taken to strictly adhere to the notes indicated in the drawing, QCP/QP/TIP. Punching, painting and work order stenciling shall be done as per enclosed terms and conditions.

### **4.0 INSPECTION:**

All components shall be inspected at various stages by our Quality control department and offered for Inspection by BHEL Inspection Department/IBR/NTPC or any other external Inspection agency(if required) at Your works. All equipments and instruments required for inspection shall be provided by You free of cost. BHEL representative will have free access to Your works during the currency of contract.

### **5.0 DELIVERY SCHEDULE:**

As the components are required urgently, Expected Delivery shall be progressively **within 10 WEEKS** from material issue by BHEL. The sequential of Delivery requirement will be discussed and finalized at the time of placing order. Liquidated damages at the rate of ½ % per week of the undelivered P.O.Value, subject to a maximum of 5% of the Total value.

### **6.0 PAYEMENT:**

**AS INDICATED IN ANNEXURE-A TO ENQUIRY.**

### **7.0 BANK GUARANTEE:**

7.1 A Bank guarantee for a value of rupees **Rs.10,00,000/- (Rupees Ten Lakhs only)** for the safe custody of the materials issued by BHEL as free issue is to be executed by any one of the Nationalised banks/SBI group Banks on behalf of the contractor and the same is to be kept valid for a period of twelve months and claim period of three months thereafter. Also the above bank guarantee shall be executed on a non-judicial stamp paper of value of Rs.100/- as per our standard guarantee clauses. The

bank guarantee should cover the recoveries to be made by BHEL towards scrap / faulty workmanship etc. and also for proper material accounting not made within the stipulated time.

7.2 The release of raw materials by BHEL will be after the Bank Guarantee is furnished by contractor for the above value.

7.3 The contractor shall warrant that the fabrication comply fully with the drawings and other Technical conditions. If the fabrications are found to be defective due to faulty workmanship / Incomplete work/ defective raw materials within a period of 18 months from the date of dispatch from the contractor's works to the extent provided by the contractor, the contractor shall replace the same free of cost. Alternatively, the work / replacement charges will be recovered from the contractor.

#### **8.0 GENERAL:**

You may please furnish Your most competitive offer after thoroughly understanding the technical requirements and confirming to meet the same. Any detailed technical and commercial clarification may please be obtained before submission of Price Bid. Price bid shall be submitted in sealed covers, addressed to the AGM / Outsourcing/BHEL/Piping Centre, No. 80 (Old No.93), G.N.Road, T.Nagar, Chennai, 600 017.

In addition to the "A.General Requirements of the enquiry as above, our "B.Terms and Conditions of Work" , "C.General conditions" ,"D.Special Terms & Conditions" as below shall also be applicable to this enquiry , as a part of the total requirements.

#### **B.TERMS AND CONDITIONS OF WORK**

##### **1.0 RATE QUOTED SHALL INCLUDE THE FOLLOWING:**

- a) Trial Assembly charges as called for in the drawing or by the Inspecting Authority if any.
- b) Cost of machining wherever involved.
- c) Charges for testing the components Eg. Hydraulic Testing, Mechanical testing of test plates etc.,
- d) Collection of raw material from BHEL, Trichy stores and delivery of finished goods to respective sites // units.
- e) Packing, and forwarding charges , as per clause 2.1.1 of SCOPE OF WORK .
- f) Cost of cleaning, (power tool cleaning) wherever applicable, painting and applying rust preventive oil on threaded portions, stenciling and punching of work order number, DU No. etc. as per QCP/DRG.
- g) Charges for Heat Treatment and Non-destructive Testing (MPI, Radiography etc.) AS APPLICABLE.
- h) IBR inspection and certification if applicable.

If required the total work may be distributed depending on the delivery requirement and the capacity available from various bidders. BHEL has the right to decide diversion of any jobs loaded from one

fabricator to other fabricator if the progress of the job and response of the fabricator is not meeting the requirements of quality, delivery, project schedule or any other reasons, at the cost of the fabricator on whom the job was originally loaded. The fabricator shall extend fullest cooperation in this regard.

## **2.0 TAXES AND EXCISE DUTY:**

~~The price quoted shall be clearly indicative of the basic price with duty and taxes separate. For Mega projects and Projects exempted from Payment of Duty, BHEL will avail the duty exemption and Bidders shall fulfill the requirements for the same. Proof of payment of the duties shall be furnished as required by BHEL. THIS BEING A CONVERSION JOB, NO ED, SALES TAX, VAT, SERVICE TAX IS PAYABLE. Income tax shall be deducted at source as applicable.~~

## **3.0 DOCUMENTS::**

Bidder shall furnish the Inspection reports, acknowledged delivery challans as applicable along with Invoice.

## **4.0 TECHNICAL REQUIREMENTS:**

a) Fabrication shall strictly confirm to the dimension and tolerances indicated in the drawings. Care must be taken to strictly adhere to the NOTES given in the drawing and QCP. They must ensure that correct dimensions and deviations, if any, are recorded properly in the Dimensional Report books and the same shall be made available to BHEL officials or their authorized agencies.

b) All Fabrication, machining, heat treatment and non destructive testing and other testing should confirm to drawings / QCP / CQP / SQP / TIP.

**c) Bulk manufacture shall be taken up only after the approval of the first sample by our Inspection.**

d) Normal packing shall be made by the Contactor to avoid transit damages.

e) Any other work done outside the requirements of drawings, CQP/TIP/QCP shall have the prior written approval of the competent Authority of Ancillary Development.

f) Adequate facilities like welding equipments, baking oven, handling facilities and measuring instruments (calibrated by BHEL or their authorized agencies) as called for must be available with the contractor for the manufacture of ordered items. All the above basic fabrication requirements must be under working condition and the same be made available for verification by BHEL officials or their authorized representatives whenever they are called for.

g) Procurement of Welding electrodes, consumables like paints, VCI pallets. Etc. calibration of instruments and gauges, heat treatment, non-destructive testing, laboratory services should be done only from BHEL approved sources.

## **5.0 INSPECTION:**

5.1 All fabrication components shall be offered for BHEL Inspectors. Apart from the above inspections, there may be third party inspection like Lloyds/ NTPC etc. as nominated by BHEL / customer as a specific customer requirement, which will be arranged by BHEL. Bidders shall complete the inspection documentation as apart of this basic scope.

All facilities, equipments and instruments required for inspection shall be provided by the contractor free of cost. BHEL's Representatives will have free access to contractor's works during the currency of the contract.

History cards shall be maintained for all the items (size/batch wise) duly signed by BHEL Inspector. One copy of the History card shall be handed over to QA&C/ Piping Centre, BHEL, Chennai.

#### **6.0 PACKING:**

As per SCOPE OF WORK / QP

#### **7.0 BILLING / INVOICING AND PAYMENT**

Payment as per clause A.GENERAL, Requirements will be made on fulfillment of the following:

Invoices shall be raised for the DU QUANTITY weights only. ~~Any change in weight shall be accepted only after approval by BHEL Designers.~~

All the invoices shall be addressed to AGM / OS, Piping Centre, BHEL, Chennai.

Separate invoices shall be raised for each batch of manufacture. Retirement of documents through bank is not acceptable.

#### **8.0 SUBLETTING:**

The contractor will not sublet or assign this contract or any part thereof without the written permission of the contractee. In the event of the contractor subletting or assigning this contract or any part thereof without such permission, the contractee shall be entitled to cancel the contract and to execute the fabrication work elsewhere at the risk and account of the contractor and the contractor shall be liable for any loss or damage which the contractee may sustain in consequence of or arising out of such fabrication elsewhere.

#### **11.0 DELAYED EXECUTION, FAILURE & TERMINATION OF CONTRACT:**

##### **ACTION AND COMPENSATION IN CASE OF BAD WORKMANSHIP:**

If any work has been executed with unsound, imperfect or bad workmanship or with materials of inferior quality, the contractor shall on demand in writing from BHEL specifying the work, materials/articles complained of notwithstanding that the same may have been passed, certified and paid for, forthwith, rectify the work so specified in whole or in part as the case may require, at their own cost and in the event of his failure to do within reasonable period, BHEL will rectify or remove and re-execute the work at the risk and expense of the contractor.

##### **COMPENSATION AGAINST DAMAGE OF PLANT & MACHINERY / TOOLS / AND GAUGES**

BHEL reserves the right to claim adequate compensation from the contractor on account of any damage caused to the plant and equipment / tools and gauges handed over to them for execution of work, due to careless handling or negligence on the part of the contractor.

BHEL shall have general supervision and direction over the work. BHEL has the authority to stop the work, whenever such stoppage may be necessary to ensure the proper execution of the contract. BHEL shall also have the authority to reject all the work which do not conform to the specification.

BHEL reserves the right to suspend the work or part thereof at any time and no claim whatsoever on this account will be entertained.

Any change in the constitution of the contractor's unit will have to be made only after getting the specific approval from Ancillary Development (PC), BHEL, Chennai. Any deviation found later will be dealt with as deemed fit including cancellation of registration.

Partnership firm should have the Form A (Rule 5) Declaration issued by the Registrar of Firms and copy of the same shall be produced at the time of signing the contract.

All the statutory obligations such as ES, PF, Labour Acts, Factory Act etc., will have to be taken care of by the contractor. BHEL will have no liability on them. Notwithstanding the above, if any demand notice is served by the concerned statutory authorities for recovery of any of their dues on BHEL, the same would be paid without notice to the contractor and recovered as a due from any pending / future bills.

All safety precautions and use of safety equipments are to be followed while carrying out the fabrication and dispatch of the same. The contractor must have proper tools and handling equipments. There should always be a responsible persons available to oversee the operation and compliance of safety regulation etc.,

All documents of BHEL made available to the contractor should be kept in strict confidence and under no circumstance be made available to others or allow others to make use of them. The secrecy of clause is binding on the employees of the contractors also. Any contravention will be viewed seriously. Such documents should not be disposed of / destroyed without the prior approval of Ancillary Development (PC) , BHEL, Chennai.

In addition to the above terms and conditions, the enclosed General Conditions of Contract will also apply in as they are not repugnant to the terms and conditions, specifically brought out above in this contract.

## **C.GENERAL CONDITIONS**

### **I. DEFINITION :**

Throughout these conditions and in the specifications, the terms:

- a) 'THE CONTRACTEE' / 'BHEL' means the Bharat Heavy Electricals Ltd, acting through AGM / OS, Piping Centre, Chennai, unless the contract otherwise provides.
- b) 'THE CONTRACTOR' / 'FABRICATOR' / 'SUB CONTRACTOR' means the person, firm, or company with whom the order for fabrication is placed and shall be deemed to include the contractor's successor (as approved by the contractee ), representatives , heirs, executors and administrators as the case may be unless excluded by the term of contract.
- c) 'DRAWINGS' means the drawings exhibited or issued for the guidance of the contractor.

### **II. EXECUTION:**

The whole contract is to be executed in the most approved substantial and workman like manner to the entire satisfaction of the contractee or the Inspecting Officer, who shall have power to reject any of the fabrication of which he may disapprove and his decision thereon and on any question as to the true intent and meaning of the specifications of drawing or of the work necessary for the proper completion of the contract shall be final and conclusive. The contractee may require alterations if any to be made during the progress of

fabrication/machining and should these alterations be such that either party to the contract considers an alteration in the charges is justified, such alterations shall not be carried out until amended cost of fabrication /machining charges have been submitted by the contractor and accepted by the contractee. Should the contractor proceed to fabricate and without obtaining the consent of the contractee in writing to an amended cost of fabrication/machining charges, the contractor shall be deemed to have agreed to execute fabrication at such charges as may be considered reasonable by the contractee.

### **III. FORCE MAJEURE:**

If at anytime during the continuance of this contract the performance in whole or part by either party of any obligation under this contract shall be prevented or delayed by reason of war, hostilities, acts of public enemy, civil commotions, sabotage, fire, flood, explosion, epidemic, quarantine restrictions or acts of God (here in referred to as events), then provided the notice of the happenings of any such event is given by either party to other party within 21(twenty one)days from the date of occurrence thereof, either party shall reason of such event, not be entitled to terminate this contract nor shall either party have any claim for damages against other in respect of such non-performance and delay in performance and delivery under the contract shall be resumed soon as practicable after such event has come to an end or ceased to exist and the decision of the contractee as to whether the deliveries, have been so resumed or not shall be final and conclusive. If the performance in whole or part of any obligation under the contract is for extension of time shall be granted for periods, considered reasonable by the Contractor to the contractee subject to prompt notification by the contractor to the contractee of the particulars of the events and supply to the contractee if required of any supporting evidence. Any waiver of time in respect of particular part and thereof shall not be deemed to be a waiver of time in respect of remaining deliveries.

### **IV. TERMINATION OF CONTRACT:**

If as a result of difficulty in procurement of raw materials or due to force majeure reasons or any other reasons whatsoever the contractor is unable to keep the delivery schedule of contractee the extension of time may be granted by the contractee to the extent considered necessary. Should there be delay in supply beyond the extended date of delivery, it shall be open to the contractee to terminate the contract in part or full and make other arrangements for executing fabrication elsewhere at the cost and risk of the contractor.

### **V. INTERPRETATION:**

Any dispute or difference of opinion in respect of interpretation, effect of application of this particular condition of the contractor of the amount recoverable hereunder from the contractor shall be decided by the contractee and decision shall be final conclusive.

### **VI. BOOK EXAMINATION CLAUSE:**

01. The contractor shall, whenever required, shall produce for examination by any officer of the contractee authorized in that behalf, any cost or other account book, account voucher, receipt letter memorandum, paper or writ or any copy of extract from any such document, and also furnish information and returns verified, in such a manner as may be required in any way relating to the execution of the contract (the decision of such officer of the contractee on this question and relevancy of any documents, information or return, being final and binding on the parties). The obligation imposed by this clause is without prejudice to the obligation of the contract/ Purchase orders or any orders binding the contractor.
02. The contractor shall, if the authorized officer of the contractee so required (whether before or after the prices have been finally fixed), extend facilities to the officer of contractee concerned to visit the contractor's work for the purpose of the examining the process of manufacture and estimate or ascertaining the cost of production of the articles. If any portion of the work be carried out by the

contractor or any sub-contractor or any subsidiary or an allied firm or Company, the authorized officer of the contractee shall have power to secure the books of such Contractor or sub-contractor or any subsidiary or allied firm or company and the same shall be open for inspection.

#### **VII SET OF CLAUSES:**

Payment shall be subject to the deduction of any amount for which the contractor is liable under this contract, or any contract in respect of which Bharat Heavy Electricals Limited, Piping centre, Chennai the contractee.

#### **VIII LAWS GOVERNING THE CONTRACT:**

1. The contract shall be governed by the Laws of the Government of India in force.
2. Irrespective of the place of execution of the contract, place of delivery, place of payment under the contract, the contract shall be deemed to have been made at the place at which the acceptance of the tender has been issued.

#### **IX JURISDICTION OF THE COURT:**

The Courts of the place from where the acceptance of the tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

#### **X THE GLOBAL COMPACT**

The Global Compact is a signature initiative of United Nations Secretary General Kofi Annan and Four United Nation Agencies.

\*Office of the High Commissioner for Human Rights.

\*International Labour Organisation.

\*United nations Environment Programme.

\*United Nations Development Programme.

This is a broad based initiative and engages:

**Individual Companies  
Business Associations  
International Labour  
Human Rights, Environment and Development Organisations  
Academic & Public Policy Institutions and United Nations.**

**The contractee (BHEL) is a member of this Global Compact.**

As a participating company, We have the obligation to Support and respect Human Rights within our spheres of influence.

Make sure We are not complicit in Human Rights abuses.

Make sure We are not employing forced or compulsory labour.

Refrain from employing Child labour.

Eliminate discrimination in our hiring and firing policies.

Support a precautionary approach to environmental challenges.

Undertake initiatives to promote greater environmental responsibility.

Encourage development and diffusion of environmentally friendly technologies.

**Contractor shall also ensure to fall in line with the above principles.**

#### **D.SPECIAL TERMS AND CONDITIONS**

1. BHEL reserves the right to increase or decrease the tendered quantity and split the tendered quantity among more than one tenderer and place orders accordingly in any proportion , based on commitment, requirement and supplier's capability in terms of delivery and quality, or any other reason like contract priorities, logistics etc..
2. Lowest prices received against BHEL tenders need not be the technically acceptable one and in that case BHEL reserves the right not to consider the same.
3. BHEL reserves the right to negotiate or re float the tender opened if L1 price is not the lowest acceptable price to them inter-alia other reasons.
4. BHEL reserves the right to negotiate the L1 rate.
5. BHEL may order on more than one vendor at the lowest acceptable price to BHEL.
6. All subcontractors shall maintain quality system and organization as per BHEL requirement . This will be periodically audited by BHEL.
7. BHEL has developed an AD WEB site, Subcontractor shall establish compatible system to interact with BHEL and download the online data through the Internet .

Yours faithfully,

For Bharat Heavy Electricals Ltd

Sr Manager/OS