

# NOTICE INVITING TENDER

**NAME OF MATERIAL: POLY VINYL ALCOHOL SPEC SEC. 37.0**

**QUANTITY REQUIRED: 70 METRIC TON - BHEL EPD BANGALORE**

**ENQUIRY REFNo.: BHEL: EPD: MM: PVA: DATED 09.05.2013**

**TENDER OPENING DATE: 30.05.2013 AT 14.30 HOURS.**

**ENCLOSURES: 1. SPECIFICATION SHEET. (SPEC SEC.37.0)**

Enclosures:

- 1) Specification SEC: 37.0
- 2) General Terms and conditions with Annexure A and B.
- 3) Techno-Commercial offer along with **unpriced** Price Bid format)
- 4) NEFT Mandate Form
- 5) ANNEXURE - A - Guidelines for Indian Agents of Foreign Suppliers
- 6) ANNEXURE - B - extant guidelines of SEARP
- 7) ANNEXURE -C- RESPONSE SHEET:
- 8) Un-Priced "Price Bid Format" Annexure - D
- 9) FORM NO. E - 5 Appendix -VII

<b>GENERAL TERMS AND CONDITIONS OF TENDER</b>
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The offer should be submitted in a sealed cover super-scribing tender no. & due date and addressed to

AGM / MM  
Bharat Heavy Electricals Limited  
Electroporcelains Division  
P.B.No. 1245, Science Institute Post,  
Malleshwaram,  
BANGALORE 560 012.

Your offer should be submitted in BHEL-EPD tender box on or before 2.00 PM on the due date. The offers will be opened on the due date at 2.30 PM in the presence of tenderers who may like to be present. Late offers are liable to be rejected.

**The offer shall be in two parts-**

**Part-I-TECHNO-COMMERCIAL**

**Part-II-PRICE.**

Each part shall be put in a separate sealed cover and the cover should have the corresponding part name, Subject of tender and Due Date written on it. Only the techno-commercial part will be opened on the due date. The tenders meeting our techno-commercial requirements will be considered for price bid opening at a later date for which eligible vendors will be intimated in due course. Vendors will be given due opportunity to comply with BHEL requirements in a time frame in case there is any non-compliance in the original quote

1. The terms & conditions of tender should be thoroughly understood & confirmed in the quotations.
2. The quantity mentioned is indicative & may vary at the time of ordering.
3. The rates should be quoted on per MT basis as per purchase specifications.
4. **Delivery Terms:** Indian vendors should quote the price exclusive of taxes & duties on both ex-works basis and FOR destination BHEL-EPD Stores Bangalore (inclusive of freight and insurance). The actual rates of excise duty & sales tax prevailing as on date to be mentioned in your offer.
5. **Bid Opening:**

**Part-1 (Techno-Commercial Bids) only will be opened at 14:30 hrs on due date in the presence of bidders who may like to be present or their representatives.** Date & Time for opening of Part-2: Price Bid / Online Bid will be intimated separately to the shortlisted technically & commercially qualified bidder.

6. Price bid of unsuccessful & in case of on line sealed bid and Reverse auction vendors will be returned either by post or by courier.

7. Packing, forwarding, insurance charge (transit risks), taxes & duties (V.A.T./C.S.T./Excise duty) etc. if extra applicable are to be stated clearly. If included in the price, it must be stated clearly. In such a case, ED components must be mentioned, wherever applicable, in order to avail MODVAT. CR or VAT will be reimbursed only if the relevant valid documents are furnished.
8. Foreign vendor shall quote both on FOB basis and on CIF basis Chennai sea port/ Nava Seva port, Mumbai respectively as the requirement is for both BHEL units viz., EPD Bangalore and IP Jagdishpur, UP, India.
9. The rates quoted should be **firm and Valid** for the full validity period of the contract and PVC clause shall not be acceptable. The suppliers may offer **off-take discount**, which will be taken into account for price comparison.
10. **New Vendors who are not Registered Vendors in BHEL shall submit their Technical Bids ONLY. Price Bids need not be submitted** by such of those New Vendors and in case they are found technically qualified, then the L1 Price shall be offered to them. This is exclusively applicable only for 25% of the total quantity reserved for developing New Vendors.
11. All new Vendors who are **submitting their technical bids have to submit sample of not less than 25 kgs.(Free Sample)** for laboratory evaluation purposes & upon qualifying lab evaluation a trial quantity of 20 Metric Ton shall be supplied at L1 Landing Cost Price.
12. In case, more than one new vendor gets technically qualified, then this 25% quantity shall be apportioned equally amongst the respective qualified Vendors.
13. In case of non-acceptance of L1 Price by the such of those New Vendors, then this 25% Quantity shall be allocated to respective Vendors as per the Load Distribution Ratio as mentioned in this NIT.
14. Upon successful supply and acceptance of material by BHEL in case of New Vendors, then their names shall be brought under BHEL Product Material Directory List of both BHEL Bangalore and BHEL Jagdishpur for all future procurement / enquiries.

15. **ACCEPTANCE OF MATERIAL:** The routine inspection & acceptance of material shall be done at BHEL-EPD, Bangalore / IP Jagdishpur as the case may be.

**16. PAYMENT TERMS:**

**For Indian Vendors:** Our standard payment terms are 100% in 30days on receipt of material at BHEL stores for accepted quantity (**30 Days from GRN date for the accepted quantity**). In case of any alternate payment term offered by the supplier, their price will be loaded with the commercial borrowing rate prevailing (on the day of tender opening) State Bank of India PLR rate + 2.0%. **BHEL will not entertain any advance payment**

**For Foreign Vendors:** Our Payment Terms shall be 90 Days from Bill of Lading Date through TT for the accepted quantity. Payment will be made through our Bankers.

BHEL being a government of India undertaking are governed by strict corporate and RBI guidelines and therefore shall not entertain any request for advance payment. The payment shall be through TT/NEFT.

17. **VENDOR CAPACITY AND DELIVERY REQUIREMENT:** **Vendor shall mention clearly, their committed capacities available with them for supplies to BHEL-CBU only (Not the vendor's total capacity).** The quantity mentioned in the NIT will have to be uniformly supplied. However, requirements will be intimated periodically. The vendor has to mention their min & max accepted quantity to be supplied per month all grades clubbed together and for each grade as single combination for arriving at the figures of contractual delivery per month. Minimum lead-time required should also be indicated in your offer.

**18. Company Profile**

**Parties should be registered with the concerned excise & sales tax authorities and should quote relevant registration no. The copies of the same must be enclosed in the offer. Audited financial results of previous 2 financial years should be furnished.**

19. **RISK PURCHASE CLAUSE:** In case, supplier fails to meet the delivery commitment resulting in a crisis and BHEL is compelled to purchase the product at a higher cost from an alternate source, the excess expenditure incurred, if any, will be debited to the defaulting supplier's account.

**20. BHEL at its option will be entitled to terminate the contract and/or purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the seller fails to deliver within the stipulated**

time. The seller shall be liable for any loss, which BHEL may sustain by such risk purchases. The loss may be recovered from the vendor's outstanding bills with the concerned unit or any sister unit.

#### 21. Price Evaluation

Prices shall be considered on landed cost basis (cost to BHEL). Landed cost shall be worked out on price quoted including freight, excise duty, and sales tax after taking out CENVAT and VAT benefit, as applicable. The comparative statement shall be worked out on landed cost basis. The comparative statement of the prices prepared on the reference date shall remain firm throughout the execution period. Any change in duty & tax structure during execution of the contract will not be considered for re-ranking of vendors.

- The lowest price received against BHEL tender need not be commercially lowest price (L1).
- BHEL reserves the right/option to refloat the tender if L1 price is not the lowest acceptable price to BHEL.

22. Rejections attributable to your manufacturing process and poor packing noticed at the time of use will be treated as valid rejections. The same shall be either replaced free of cost or payment towards same will have to be adjusted from vendors pending bills.

23. The rejected lots should be lifted by vendor on his own cost within 45 days notice. Failing which material shall be despatched back on freight to pay basis through BHEL approved transporter.

#### 24. PRICE RANKING & ORDER DISTRIBUTION:

The offer shall be evaluated on landed cost (cost to BHEL) basis for arriving at L1 status. Landed cost shall be worked out on price quoted including freight, duty, sales taxes, etc., after taking out applicable benefit (total net cost to BHEL). The price negotiations if considered necessary may be done with L1 Bidder only.

25. **The total quantity will be distributed among Two successful vendors L1 & L2 in the ratio of 70:30 provided L2 accepts the counter offer of the rate of L1(Negotiated L1 price, if negotiation is done).** In case L2 vendor do not accept the counter offer to match L1 cost to BHEL price, then same will be counter offered to next eligible vendor. In case of no one accepting the counter offer, L1 will get the full quantity. However, this sharing will be subject to the vendor's capacity as declared above. If L1 capacity is less than BHEL (CBU) requirement then the balance quantity will be distributed equally amongst eligible vendors.

In case more than one vendor having same ranking, the loaded share corresponding to the ranking and next one will be clubbed together and will be equally distributed among such vendors

**26. COUNTER OFFER:-**

Finalized L1 rates will be counter offered to the eligible vendor. The vendor will have the option of either to accept or reject. **NO OTHER OFFER OF THE VENDOR WILL BE ENTERTAINED.**

**27. VALIDITY:** The rate contract shall be valid for 1 year from the date of execution of the contract for supply. In case of unsatisfactory performance of quality/delivery BHEL will have right to discontinue the contract in part or full. The rate contract shall have provision for further extension on same terms & condition for mutually agreed period with the mutual consent of both the parties.

28. The supplier shall furnish test reports in line with the specifications covering all parameters as mentioned the specifications for each processing batch or each batch of supply-whichever is smaller in size.

29. **Packing should be environment friendly and appropriate from the transportation, handling and storage point of view. Each bag should have the batch no printed on it. Packing of each bag should STRICTLY not exceed 40Kgs.**

30. Vendor has to mention very clearly both in figure and words. In case of any ambiguity in the furnished price, then the price furnished in words will alone be considered for the purposes of evaluation.

31. For the purposes of evaluation of the price, the exchanged rates prevailing as on **original tender opening date** (Technical bid) will be considered. Even in case the tender opening date stands extended, the exchange rates that shall be taken will be original tender opening date.

*"For evaluation exchange rate (TT selling rate of SBI) as on scheduled date of tender opening (Part-1 Techno commercial bid in case of two part bid) shall be considered.*

**The tender not meeting above conditions including deviation in packing (Offers received for beyond 50 Kgs. Bags packing) may not be entertained.**

**32. Guidelines for Indian agents of foreign suppliers - Pl refer Annexure A**

## Arbitration

Settlement of dispute, if any arises, at any time between the BHEL and the vendors upon or in relation to or in connection with the vendor, the same shall be referred to the sole arbitration of the head of BHEL unit or to person appointed by him. The award of the arbitrator shall be final and binding on both BHEL and the vendor

## Legal Jurisdiction

In case of any legal proceedings, area of jurisdiction will be Bangalore in case of EPD.

### **NOTE:**

- BHEL reserves the right to go for Online Seal Bid & Reverse Auction.
- TO ALL INDIAN VENDORS: Kindly note that if you are registered under MSMED Act 2006, confirm the same in your quotation and submit the latest valid certificate for micro, small & medium enterprises (MSME) and for the SC/ST ownership, if any, for availing benefits as per the act.
- BHEL wishes to encourage the participation of micro and small scale enterprises (M&SE).
- In case L1 vendor is not a micro & small enterprises, 15% purchase preference will be given to the other M&SE for ordering up to 20% of the tender quantity, provided the MSE matches the L1 price. In case of more than one such M&SEs, the share of 20% will be distributed proportionately.
- 4% of our total procurement is earmarked for procurement from micro and small enterprises owned by SC/ST. in the event there is no participation from such micro and small scale enterprises. The same shall be met through other M&SES.

**B.R.BARKER**  
DY. MANAGER / MM  
BHEL/EPD/BANGALORE