

PEM / PG-II-1, BHEL, PPEI, NOIDA

SPECIAL CONDITIONS OF CONTRACT (REV01)

1X700MW BELLARY THERMAL POWER STATION
KARNATAKA POWER CORPORATION LIMITED

These Conditions shall be read and construed along with **General Condition of Contract**. Enclosed Along with the tender enquiry. In case of any conflict or inconsistency the condition given in SCC shall prevail over the GCC.

1.0 **Project Name :-** **1X700MW BELLARY THERMAL POWER STATION (TPS)**

2.0 **Consignee Address :-** **A. FOR MAIN EQUIPMENT:-**

BHEL
Bellary Thermal Power Project, Stage-III.
P.O. Kudatini, Distt. Betlary,
Karnataka , India
PIN - 583115

B. FOR MANDATORY SPARES:-

BHEL
Bellary Thermal Power Project, Stage-III.
P.O. Kudatini, Distt. Betlary,
Karnataka , India
PIN – 583115

3.0 **BHEL Site Office**
Address : Construction Manager,
BHEL Site Office
Bellary Thermal Power Project, Stage-III.
P.O. Kudatini, Distt. Betlary,
Karnataka , India
PIN - 583115

4.0 **Customer Order Ref No:-** TD/BT3/EPC/1500 dated 28.09.2010
TD/BT3/EPC/1501 dated 28.09.2010

5.0 **Mode of Dispatch:-** ROAD & RAIL TRANSPORTATION



- 6.0 Road Permit Required:- No
- 7.0 LOA Date:- 28 SEP 2010
- 8.0 Zero Date:- 28 SEP 2010
- 9.0 Synchronization: 44 Months
- 10.0 Trial operation 47 Months
- 11.0 Nearest Sea port Chennai
- 12.0 Nearest Railway station Kudatini Railway station
- 13.0 Customer Consultants M/s Tractebel Engineering Pvt. Ltd
- 14.0 Prior Dispatch intimation to BHEL Site Office and Underwriters :- Yes, one set consisting of LR / RR copy, Packing List/ Challan indicating the items dispatched (with their weights) and letter informing the underwriters about the value of consignment and dispatch details to be sent to:
a) BHEL Site office
b) BHEL, PEM, PPEI-Noida
- 15.0 Transit Insurance By BHEL (Vendor to intimate the underwriters quoting the insurance Policy No. As below) :-

Policy No. 500300/44/12/08/50000005
Underwriters Shri Soumya Mukherjee-Regional Manager
UNITED INDIA INSURANCE COMPANY LIMITED
LARGE CORPORATE CELL,
D-24 & E-25, 2ND FLOOR,
HIMAYALA HOUSE, 23, K G MARG,
NEW DELHI
Phone: 011-46016859, 23324759, 23314657
Fax: 011-23355307
E-mail: soumyamukherjee@uiic.co.in / anjukochhar@uiic.co.in / sujathaganguli@uiic.co.in
- 16.0 BHEL CST DETAILS CST : ND 5341151 DATED 01/07/2006
UPTT : ND 0345307 DATED 01/07/2006
UPTIN: 09765702874

Customer (KPCL) CST CST No. 70150205
KST No. 70100202
TIN No. 29240078547 dated 01.04.03
- 17.0 Unloading at site By BHEL site office for supply packages.

By vendor for Turnkey i.e. supply and Erection & Commissioning packages
(The Supplier shall give Gross Wt./Net Weight of the Consignment on LR/GR/RR for the purpose of handling the consignment by BHEL site loading/unloading contractor.



- 18.0 **Storage at site** By BHEL site for supply packages
- 19.0 **Movement of Material within Site**
- a) By BHEL site for supply packages
 - b) By vendor for Turnkey i.e. supply and Erection & commissioning packages.
- 20.0 **DOCUMENT REQUIRED FOR VENDOR PAYMENT.** For customer billing by PEM the supplier shall provide the following Documents to PG-II :-
- A. **Supplier Invoice – 8 Copy**
 - B. **Copy of Consignee copy LR. (CONSIGNOR / LORRY COPY NOT REQD) – 8 Copies**
 - C. **Copies of Packing List** indicating Quantity/ Gross weight/ Net weight and KPCL approved BBU item no. against each item dispatched. – **8 Copies**
- VERY IMP:- **IN PACKING LIST QUANTITY,GROSS & NET WEIGHT OF THE DESPATCHES TO BE CLEARLY INDIACTED AGAINST EACH LR OTHERWISE VENDOR INVOICE SHALL NOT BE PROCESSED.**
- D. **MDCC – Original + 7 Copies**
 - E. **Copy of Insurance intimation letter.**
 - F. **Test Certificates/Inspection reports.**
 - G. **Guarantee Certificate.**
- 21.0 **PAYING AUTHORITY:-**
- a) **PEM SUPPLIED ITEMS – BY BHEL - PEM.**
 - b) **FOR TURNKEY PACKAGES – BY BHEL - PSSR.**



22.0 **Material Receipt Certificate (MRC):-**

NOTE: Inspection for main supplies/mandatory spares shall be done by BHEL/KPCL.MDCC shall be issued by BHEL.

- a) For Supply Packages BHEL/PEM will arrange MRC from BHEL Site, however supplier/ contractor shall provide support for verification of material at site if required.
- b) For Turnkey i.e. Supply and Erection & Commissioning packages, Original MRC duly signed by customer (KPCL) & BHEL-Site is to be arranged by vendor for their MRC payment.

23.0 **Dispatch Markings:-**

Each box/ Drum shall be marked with Capital Letters in Red indicating **Main Supply OR Commissioning spares.**

Each package/Drum delivered under the Contract shall be marked by Supplier as per details listed below and such marking must be distinct and in English language (all previous irrelevant markings being carefully obliterated) for purposes of identification.

Each and every box (package) shall be marked with following:-

- 1) Name and address of the consignee:
- 2) Project reference:
- 3) Customer Contract No.:
- 4) Vendor Name:
- 5) PEM P.O. reference No.
- 6) Gross Weight/ Net Weight (Without Gross Weight/ Net Weight mention on LR, Vendors invoice can not be processed)
- 7) Packing No.: (1/10, 2/10, 3/10 when there are 10 packages for one consignment)
- 8) Packing Mark: (symbols indicating "TOP" and other special marking)
- 9) Type of Equipment: "E" (for equipment supply)
"T" (for Tools & Tackles)
"S" (for Mandatory Spares)

Besides above necessary, packing shall bear a special marking "TOP", "BOTTOM", "DO NOT TURN OVER", "KEEP DRY", "HANDLE WITH CARE", etc.

IMPORTANT:-

One copy of respective standard manufacturer's erection instruction/operation manual shall be kept in each package/container for immediate reference by BHEL site.

NOTE:-

The Copy of complete **Packing list** for the consignment must be put inside the Box/ Boxes.

15 copies of supplier's Erection / Instruction manuals to be given to the BHEL, PEM, PPEI-Noida (PG-II) within 30 days of dispatch for handing over to Customer/ BHEL site.

Ultimate Destination:-

Each box/ Drum shall be marked with Capital Letters in Red indicating :
Construction Manager,
BHEL Site Office
Bellary Thermal Power Project, Stage-III.
P.O. Kudatini, Distt. Bellary,
Karnataka , India
PIN - 583115



24.0 **Commissioning spares:**

The commissioning spares shall be properly packed separately in separate box and each spare shall be properly tagged giving details i.e dispatch (to match the description given in the packing slip) to facilitate their proper identification. One Copy of Packing list must be put inside the Box.

25.0

Mandatory Spares:-

The Mandatory spares shall be properly packed separately in separate box indicating Mandatory Spares in bold letters and each spare shall be properly tagged giving details i.e item number of the equipment in line with the KPCL approved BBU for Mandatory spares & Number per item (to match the description given in the packing slip) to facilitate their proper identification by ultimate customer M/s KPCL. One Copy of Packing list must be put inside the Box along with Manufacturing drawing no. reference, Catalogue reference etc. **Mandatory Spares shall be handed over directly to KPCL stores** otherwise transportation charges shall be debited against transportation of materials from BHEL store to **KPCL** stores in Vendors account.

The Supplier to note that separate **KPCL** MDCC shall be obtained for Mandatory spares from **KPCL - IS/ QA**.

26.0 **Demurrage charges**

Demurrage charges shall be paid by supplier/vendor to the transporter. No claim shall be acceptable in this regard due to any reason.

27.0 **PVC (Price Variation clause)**

The prices shall be firm and shall not be subject to price variation on account of material & labor till the completion schedule indicated in the vendor's offer.



28.0 **Taxes & Duties:-**
(AS APPLICABLE)

(REV 01)

All Bidders to note that this is an ICB (International Competitive Bidding) Project and Essentiality Certificate shall be issued by KPCL (customer) for availing concessional customs duty on the Imported Contents of the supplier.

Essentiality Certificate shall be issued by KPCL through BHEL for the items to be imported by vendor for specified items, limited to CIF content mentioned in offer / order, for availing Concessional Custom Duty. The list of imported items, quantity, CIF value (in Rupee) and Foreign currency, Amt. of CD, rate of CD along with the origin of country supplying raw material etc, shall be indicated in price bid. This list will be later on used as reference list for getting the Essentiality Certificate from Customer i.e M/s KPCL for this Project. Please note that no request later at Contract execution stage shall be entertained by BHEL PEM for additional CIF other than the that given in order. Thus complete care to be taken by Bidder for identifying the imported items under their scope / system at the enquiry stage.

It may be noted that concessional Custom Duty/CVD/SAD etc paid by the bidders (to Govt. Authorities) shall be reimbursed to Bidders by BHEL against submission of following documents:-

1. Copy of overseas supplier's invoice along with vendor's invoice in original

2. Copy of Bill of lading

3. Copy of Packing slip

4. Copy of customs attested bill of entry

5. Proof of having made the payment to Govt. Authorities

6. Undertaking that any other document reqd. by KPCL to reimburse the Custom Duty to BHEL shall be furnished by vendor

Vendors shall be reimbursed the concessional CD/CVD/SAD etc at actual against documentary proof (as mentioned above) limited to amount mentioned in their PO.

Amount on account of Concessional CD/CVD/SAD shall not be included in total quoted price, but to be shown separately in price bid(as indicated in price format) and it will not be considered for evaluation purpose, however, same shall be added in Ordering Value (P.O Value) and shall be reimbursed by BHEL against documentary proof as mentioned above.

All bidders to note that the Excise Duty shall be included in their prices to BHEL, concessional sales tax/VAT is to be considered in their prices and same concessional sales tax/VAT and excise duty shall be taken for evaluation purpose to arrive at the L1 bidder for the respective Project.

Entry Tax, Exit Tax, Octroi, GST (Goods & Service Tax) etc will be reimbursement at actual on the basis of documentary proof and same shall not be considered for evaluation.

Taxes & Duties
(For Order Directly to Foreign Bidders)

In case of Order on foreign supplier, the dispatches shall be FOB (Port of Dispatch) basis and the Taxes Duties in the country of dispatch shall be borne by Foreign Bidder & to be accounted in the prices quoted to BHEL/PEM/NOIDA.

The taxes duties applicable in India shall be borne by BHEL/PEM/NOIDA as port clearance/handling in India shall be done by BHEL-PEM/ BHEL ROD Mumbai for the direct order placed by PEM to the foreign bidder.



29.0 **CIF:-**

CIF component shall be included by vendor in his price.
This is applicable for

Supply Packages: Auxiliary PRDS, Power
Cycle Valves, PHE, SCS, COLTCS, Spring
Loaded Bypass Valves.

Turnkey packages: Condensate Polishing Unit.(CPU), Fire detection and protection, Air conditioning, Ozonisation system.

30.0 **Inspection Agency:-**

BHEL & KPCL

Domestic supplies

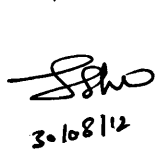
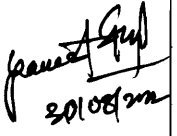
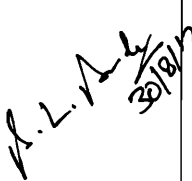
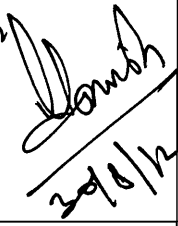
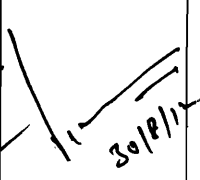
Vendor shall give inspection call on BHEL format **in line with approved QP** to Regional BHEL-CQS WEB SITE with a copy of inspection call to BHEL-PEM (PG-II) for arranging Customer participation in inspection/ Joint inspection on the proposed date **with an advance notice of 10 – 15 days**. The MDCC shall be issued by BHEL based on Joint inspection report of BHEL CQS & KPCL/ Customer Agency (as nominated by KPCL). **The MDCC issued by BHEL shall be attached by bidders for their payment from BHEL.**

International supplies

In case of Imported Supplies the Test Certificates & Inspection reports duly accepted by the Foreign supplier Inspection agency shall be submitted in 5 Sets to BHEL/PEM, NOIDA. The above Inspection reports & Test certificates shall be reviewed by PEM/Engineering in line with the Technical Specifications & Approved Data sheets and then sent to M/s KPCL for their clearance.
The dispatch clearance (MDCC) by Customer shall be given to the Foreign supplier through BHEL/PEM, or their representative in India after acceptance of above test certificates by Ultimate Customer.

31.0 **Final Drawings / Documents Submission:-**

Final Drawing / Documents to be submitted shall be as per Technical specifications otherwise it will be intimated during kickoff meeting.

	PREPARED BY	CHECKED BY	REVIEWED BY	APPROVED BY	ISSUED BY
Name:	TARUN SHARMA	GC THAKUR	BL BEDI	C K Nimesh	PERMINDER SINGH
Designation:	A.E	Dy. MGR	DGM	DGM	AGM
Department:	PEM –PG-II-1	PEM –PG-II-1	PEM –PG-II-1	PEM –PG-II-1	PEM –PG-II-1
Signature:	 30.08/12	 30/08/2012	 30/08/12	 30/8/12	 30/8/12
Date:	30.08.2012	30.08.2012	30.08.2012	30.08.2012	30.08.2012

Annexure-I

SPECIAL CONDITIONS OF CONTRACT (REV1) Dtd. 10.06.2011 **1x700 MW BELLARY TPS UNIT#3**

In order to avail the benefit of input tax credit available to BHEL in case of VAT leviable on intra-state transaction between BHEL and vendor, & to fulfill the compliances as per requirements of applicable State's VAT law, the following modality shall be applicable:

BHEL has identified a nodal agency in each State to take care of VAT compliances in the State in which project is located. For the subject project nodal agency shall be :

BHEL, EDN BANGALORE
PB 2606 MYSORE ROAD, BANGALORE - 560026
VAT TIN NO. 29180069268

Nodal agency is defined as Buyer and BHEL/ PEM shall be paying agency in such cases, where VAT is applicable.

Vendors' original tax invoice for intra State transactions is one of important documents for availing Input Tax credit. In this regard the following may be noted by all vendors for strict compliance:

- As a general rule, a tax invoice must be original, must contain vendor's TIN No with full address, invoice no & date, product description with unit rate, quantity, value, VAT rate, VAT amount, gross value of bill, **buyer i.e. BHEL's address with TIN No**, (as given above) special marking like "Original" and/or "valid for input credit"/ Buyer can take credit against this" etc as per applicable State VAT law.
- Please note that BHEL's address and TIN to be mentioned in vendors tax invoice shall be **principal place of business & applicable TIN No. of nodal agency of BHEL, as given above**. In no case the vendors, invoices shall be addressed to BHEL PEM nor shall they contain our TIN. However for payment purposes, the invoice may mention BHEL PEM as paying authority.
- Where the supplies are made from within the same state where the project is located, the vendor has to provide VAT Tax Invoice for such supplies even if the price quoted is all inclusive.
- As original tax invoice of vendors are to be furnished to nodal unit for assessment/VAT audit purposes, extra copy of Original invoice is reqd to be submitted by vendors for retaining with PEM bank payment voucher.
- Original tax invoice along with extra copy of Original Tax invoice in line with respective state VAT law shall be essential document to be submitted by vendor for claiming payment.
- Vendor shall also furnish a certificate/statement/document as prescribed under applicable State VAT law. Please note that some of the States requires additional certificate/documents e.g. Haryana requires certificate in form C-4 in addition to original tax invoice.
- Please note that reimbursement/payment of VAT shall be subject to furnishing of Vat complaint tax invoice and other certificate/document as per applicable State VAT law.
- Tax invoice must show Vat rate & VAT amount separately and in no case all inclusive prices is to be shown in the tax invoice since input credit is not admissible in case VAT is not indicated separately.
- In case vendor is unable to furnish Vat compliant tax invoice & other certificate/document, VAT shall not be reimbursed by BHEL.

