

# **REVERSE AUCTION**

## **TECHNOCOMMERCIAL TERMS, CONDITIONS AND SPECIAL INSTRUCTIONS**

- 1 **Reverse Auction (RA):** BHEL reserve the right to resort to Reverse Auction procedure i.e. Online bidding on internet, instead of opening the submitted sealed bid, which will be decided after technical evaluation. RA terms and condition will be intimated separately. **In case any tenderer refuses to participate in the Reverse Auction process the tender will be rejected. The EMD will be forfeited to the bidder who did not participate in the reverse auction** (The bidder should compulsorily participate in providing the Online sealed bid through internet "during the **Online initial sealed bid** time" and in the Dynamic auction the agency can participate if they are willing to continue in the auction).

**General Terms and conditions of RA are given in Annexure- AA' for information.**

- 2 The agency shall quote (+) or (-) both in Figures and words over the BHEL estimate value given in the Price bid. In case of any difference in words and figures the percentage given in words will be considered for comparison and for awarding the work. In case more than one agency becomes L1 by quoting same value, further sealed quotations will be called for, from those L1 agencies only to decide final agency with further lowest rates. No agency shall quote more than his original tender value, while re-quoting.
- 3 The tenderer should quote the value inclusive of all taxes & duties levied by State and other Government organizations as well as all local authorities as applicable except **Service tax, which is extra as per service tax norms will be paid by BHEL to the agency after submission of necessary documents and VAT not applicable.**
- 4 Bills /material proof of entry inside factory area shall be shown to the Engineer - in charge for the bought out items
- 5 The tenderer shall accept all the terms and conditions of the techno commercial bid of the tender document. In case same is not confirmed by the tenderer, the offer will be liable for rejection.
- 6 The tenderer shall not include any additional conditions / alter conditions either in the Techno commercial bid or Price bid.
- 7 The tenderer must visit site and familiarise with the nature of work before submitting the tender.
- 8 All materials of BHEL free issue shall be lifted by the bidder from BHEL stores and transported to worksite. The rates shall include transportation costs also.
- 9 **The agency shall sign on each page of the tender schedule issued.**
- 10 Sub-contracting is not permitted under any circumstances without written consent of BHEL.

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12. Contract to be closed in all respects including final measurement recording in M book and submitting the bill within two months from the completion time as mentioned in the tender or Approved date of completion whichever is later.
13. M/s BHEL will not responsible for any delay or loss of tender document on transit/post.
14. Tenders received after due date and time shall not be considered or accepted.
15. In case date of opening happens to be a holiday by any reason, tender will be received and opened on next working day at the same hours.

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**Special Instructions:**

1. All BHEL General Conditions of the Contract shall be applicable. A copy of this available in website. This is a part of tender document but agencies need not enclose along with Technical bid.
2. Any statutory increase in the labour wages during the period of execution shall be borne by the agency. The agency shall quote the firm rates considering the possible labour escalation also.
3. The agency should affix his signature at the end of each page of the document.
4. The rates quoted shall be finished items of work including all lifts, leads and other incidental charges mentioned in the General Conditions of the Contract, unless otherwise specified.
5. The department reserves the right to split and award the work to more than one agency.
6. **The contractor should follow all the safety precautions**, special conditions of safety attached at annexure I while executing the work. While working above 2.5 M from ground level prior permission has to be obtained from BHEL by the agency before proceeding with the work.
7. The contractor should engage labours who should not be less than 18 (eighteen) years age.
8. All the bills of contractors will be cleared by Finance Department subject to production of "Clearance Certificate" by the contractors in respect of compliance of all statutory requirement, issued by I R section of Human Resource Department.
9. All the materials including C R stones, bricks, sand and granite metal required for execution of civil works against items in the contract, are to be entered at CISF gates and supplied to site by contractor for using in works.
10. The tenderer should make fabrication detailed drawing along with BOM for fabricated structures. However BHEL will furnish sketches & design for the above.
11. Rates quoted shall be firm throughout the period of the contract and **no price escalation** is payable under this contract on any account.
12. The tenderer shall comply with all statutory requirement pertaining to the state or any government agencies or authorities Example, **PF, ESIC, workman's compensation & personnel accidents insurance**. The company will not be responsible for any claim made by the workers or government agencies / authorities.
13. Time is the essence of the contract. If agency fail to complete the work with in stipulated time, agency is liable to pay penalty as mentioned below.  
0.50% of the gross value of work will be levied for every weeks delay by the agency subject to a maximum of 10% value of the work.
14. BHEL is an ISO 14001 & OHSAS 18001 certificate company and always strives for excellence in HSE management.

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15. The samples of materials etc. should be tested in approved laboratory and reports submitted to Engineer –in charge whenever instructed and charges shall be borne by agency.
16. Agency will also ensure that qualified and experienced site staffs are available at all times during working hours in order to ensure proper supervision an to maintain the quality . You should take precaution regarding the safety of labour during the execution of the work. company shall not accept responsibility for the safe keeping of your tools, tackles and materials etc., you will therefore provide and maintain at your own cost locking, watch and ward when and where necessary.
17. **Payment terms:-** After requesting by the agency running bill payment against the work executed based on the progress shall be made to the contractor after recording on measurement book by authorized BHEL representative & agreed by contractors representative and duly checked by Engineer-in-charge.
18. **Safety shoe, Uniform, masks and gloves etc.**  
Uniform-2 Pairs with stitching charges, safety shoes, gum boots, gloves, masks, helmets/summer caps etc. shall be provided by the agency to each worker.

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**Annexure-AA****GENERAL TERMS AND CONDITIONS OF REVERSE AUCTION (RA)**

**Against this enquiry for the subject item/system with detailed scope of supply as per enquiry specifications, BHEL may resort to "REVERSE AUCTION PROCEDURE" i.e. ONLINE BIDDING (THROUGH A SERVICE PROVIDER)**

- (i) For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.
- (ii) BHEL will engage the services of a Service Provider who will provide all necessary training and assistance/demonstration before commencement of on line bidding on internet.
- (iii) BHEL will inform the Vendors in writing the details of Service Provider to enable them to contact for training demonstration.
- (iv) Business rules like event date, time, start price, bid decrement, extensions etc. also will be communicated through Service Provider for compliance.
- (v) Vendors have to fax the Compliance form in the prescribed format (provided by Service provider) before start of Reverse Auction. Without this, the vendor will not be eligible to participate in the event.
- (vi) BHEL will provide the calculation sheet (e.g. EXCEL sheet) which will help to arrive at "Total cost to BHEL" like schedule of items rates, inclusive of all taxes and duties except service tax which is extra as applicable for each of the vendor to enable them to fill in the price and keep it ready for keying in during the Auction.
- (vii) Reverse auction will be conducted on a scheduled date & time.
- (viii) At the end of Reverse Auction event, the lowest bid value will be known on the network.
- (ix) The lowest bidder has to fax/e-mail the duly signed filled-in prescribed format as provided to BHEL through Service Provider within 24 hours of Auction without fail.
- (x) Any variation between the on-line bid value and the signed document (price bid) will be considered as sabotaging the tender process and will invite disqualification of vendor to conduct business with BHEL as per prevailing procedure.
- (xi) In case BHEL decides not to go for Reverse Auction procedure for this tender enquiry, the price bids and price impacts, if any, already submitted and available with BHEL shall be opened as per BHEL's standard practice.
- (xii) **The agencies are advised to keep a copy of the Price bid submitted along with tender for their reference for providing at the time of online sealed bid value.**

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## TERMS AND CONDITIONS FOR REVERSE AUCTION

### Terms & Conditions of Reverse Auction

1. **LOG IN NAME & PASSWORD:** Each Bidder is assigned a Unique User Name & Password by **Service provider**. The Bidders are requested to change the Password and edit the information in the Registration Page after the receipt of initial Password from **Service provider**. All bids made from the Login ID given to the bidder will be deemed to have been made by the bidder.
2. **BIDS PLACED BY BIDDER:** The bid of the bidder will be taken to be an offer to execute the work. Bids once made by the bidder cannot be cancelled. The bidder is bound to execute the work as mentioned above at the price that they bid. Should any bidder back out and not make the supplies as per the rates quoted, BHEL and / or **Service provider** shall take action as appropriate.
3. **LOWEST BID OF A BIDDER:** In case the bidder submits more than one bid, the lowest bid will be considered as the bidder's final offer to execute the work
4. **AUCTION TYPE:**
  - 1) Sealed bid Reverse Auction / Initial Auction.
  - 2) Online English Reverse (No Ties) Auction.
5. **DURATION OF AUCTION** The duration of Auction will be for 60 Minutes. If a bidder places a bid in the last 5 minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for another 5 minutes, for the entire auction (i.e. for all the items in the auction), from the time that bid comes in. Please note that the auto-extension will take place only if a bid comes in those last 5 minutes and if that bid gets accepted. If the bid does not get accepted, the auto-extension will not take place even if that bid might have come in the last 5 minutes. In case, there is no bid in the last 5 minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, vendors are advised not to wait till the last minute or last few seconds to enter their bids during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc. (THIS SCHEDULE IS TENTATIVE. IN CASE OF CHANGE IN SCHEDULE, THE SAME SHALL BE COMMUNICATED TO YOU).
6. **BID DECREMENT:** The minimum Bid decrement shall be available to the Bidders at the time of the Reverse Auction. The bidder can view the same by clicking on the Item details at the start of the auction. The bidder can bid lower than the Lowest Bid in the auction by a decrement/multiples of the minimum Bid decrement. Also please note that the start price of an item in the on line reverse auction is open to all participating bidders. Any bidder can start bidding in on line reverse auction, from the start price itself. If the start price is your own on line initial sealed bid price, you still need to bid in the on line reverse auction. More over please note that the first on line bid that comes on the system during on line reverse auction can be equal to on line auction's start price, or lesser than auction's start price by one or multiples of decrement . The second on line bid and onwards will have to be lesser than the L1 rate by one decrement value, or by multiples of the decrement value.

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7. **VISIBILITY TO BIDDER:** The Bidder shall be able to view the following on his screen along with the necessary fields during English Reverse –No ties Auction:
  - a. Leading Bid in the Auction
  - b. Bid Placed by him
  - c. His Own Rank
  - d. Start Price & Bid Decrement Value
8. **AUCTION WINNER:** At the end of the Reverse Auction, BHEL will evaluate all the bids submitted and will decide upon the winner.
9. **PROXY BIDS:** Proxy bidding feature is a pro-supplier feature to safe guard the supplier's interest of any Internet failure or to avoid last minute rush. The Proxy feature allows Bidders to place an automated bid against other Bidders in an auction and bid without having to enter a new amount each time a competing Bidder submits a new offer.

The bid amount that a Bidder enters is the minimum that the Bidder is willing to offer. Here the software bids on behalf of the supplier.

- The proxy amount is the minimum amount that the Bidder is willing to offer. During the course of bidding, the Bidder cannot delete or change the amount of a Proxy Bid.
  - Bids are submitted in decrements (decreasing bid amounts). The application automates proxy bidding by processing proxy bids automatically, according to the decrement that the auction originator originally established when creating the auction, submitting offers to the next bid decrement each time a competing Bidder bids, regardless if competing bids are submitted as proxy or standard bids. However it may please be noted that if a manual bid and proxy bid are submitted at the same instant manual bid will be recognized as the L1 at that instant.
  - This feature can be used only once during a particular Reverse Auction and only after the L1 rate is equal to or less than the minimum bid amount that the bidder has put in the system will he get the option to manually bid for the same. In no case during the bidding till the L1 rate or less is not reached as equivalent to the minimum bid amount offered by the bidder, will the bidder get the option to manually bid for the same.
  - **NOTE : In the event of a tie between the proxy bid (automated bid) and manual bid , the manual bid stands accepted and proxy bid stands rejected vendors to note the same**
10. **GENERAL TERMS & CONDITIONS:** Bidders are required to read the "Terms and Conditions" section of the auction website (**Service provider**) using the Login IDs and passwords given to them.

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**11. OTHER TERMS & CONDITIONS:**

- The Bidder shall not involve himself or any of his representatives in Price manipulation of any kind directly or indirectly by communicating with other suppliers / bidders.
- The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.
- BHEL's decision on award of Contract shall be final and binding on all the Bidders.
- If BHEL is not satisfied with the outcome of Reverse auction, BHEL is free to re conduct the reverse Auction.
- BHEL along with **Service provider** can decide to extend, reschedule or cancel any Auction. Any changes made by BHEL and / or **Service provider** after the first posting shall be deemed to have been accepted if the Bidder continues to access the portal after that time.
- **Service provider** shall not have any liability to Bidders for any interruption or delay in access to the portal irrespective of the cause.
- **Service provider** is not responsible for any damages, including damages that result from, but are not limited to negligence.
- **Service provider** will not be held responsible for consequential damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.

**N.B.**

- All the Bidders are required to submit the Process Compliance Form (**Annexure- II**) duly signed to **Service provider** by **BOB Tech Solutions** after the receipt of the Process Compliance Form; Log in ID & Password shall be allotted to the suppliers (bidders).
- After the completion of the Auction event, successful bidder has to submit the Prices in the **Annexure-III** immediately to **Service provider** for further proceedings.

**Note:** Name of the Service provider will be intimated before conducting reverse auction by BHEL.

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