



STANDARD TERMS & CONDITIONS FOR PROCUREMENT OF CAPITAL EQUIPMENT
[FORMAT TO BE FILLED-UP BY THE SUPPLIER]

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
01	Terms of Delivery:		
(a)	Indigenous Supplies : FOR - Destination means FOR - B.H.E.L. Hyderabad stores. (Packing & Forwarding, Freight & Insurance are in Supplier's scope i.e. included in the quoted prices) . Ex-works is not acceptable. Vendor to submit "COMPLETION CERTIFICATE " as per ANNEXURE VII along with other dispatch documents.		
(b)	Foreign Supplies : Foreign supplies have to be made on Incoterm CIF basis (i.e. Inclusive of Sea/Air worthy packing and inclusive of all freight upto Mumbai and Insurance upto BHEL Hyderabad stores). Foreign supplies will be loaded with 2% towards inland freight from Mumbai to BHEL Hyderabad stores for tender evaluation purpose. Trans-shipment strictly not permitted, please refer instructions point no:K-2 in this regard. Vendor to submit "COMPLETION CERTIFICATE " as per ANNEXURE VII along with other dispatch documents.		
02	Delivery Period:		
	Vendor to specify firm delivery period, in months with effective from Letter of Intent / Purchase Order up to terms of delivery as indicated in the tender schedule.		
	Any offer beyond the "max.acceptable delivery period" shall be rejected .All offers which do not confirm to the specified delievry period mentioned in tender schedule , but are within the "max. acceptable delivery period" shall be loaded for the delayed delivery beyond 'X' @ 0.5% per week or part thereof subject to a maximum of 10% of the supply value.	NOT APPLICABLE	NOT APPLICABLE
03	Payment Terms & Security Deposit: Offer with deviations to BHEL Payment Terms will be loaded @ 1.5% per month for deviated amount for deviated period for the purpose of evaluating the lowest bidder. Offers with non-acceptance of Security Deposit and insistence of advance payment are liable to be rejected. In no case BHEL shall accept liability towards interest. Payment terms mentioned here under for Indigenous.		
(a)	Terms of payment for Indigenous Offer:(E&C is to be done by vendor)	NOT APPLICABLE	NOT APPLICABLE
(i)	Despatch of Goods on door delivery basis only. Goods despatched with documents presented through Bank will be loaded with corresponding bank charges.		
(ii)	80% payment will be made on 90th day from the date of receipt of material (date of goods receipt (GR)). Balance 20% + E & C will be made after successful commissioning of the equipment and subjected to submission & acceptance of Performance Bank Guarantee of 10% of contract value valid for guarantee period. SSI Units:	NOT APPLICABLE	NOT APPLICABLE
(iii)	80% payment will be made on 45th day from the date of receipt of materials (date of goods receipt (GR)). Balance 20% + E & C will be made after successful commissioning of the equipment and subjected to submission and acceptance of Performance Bank Guarantee of 10% of contract value valid for guarantee period.		

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
(b)	Terms of Payment for Foreign Offers:(E&C is to be done by vendor)	NOT APPLICABLE	NOT APPLICABLE
(i)	Total supplies are to be from Foreign Source. First letter of Credit for 80% value (less Agency Commission) shall be opened 1 month before confirmed date of despatch valid for 3 months and is encashable against Shipping Documents and submission of Pre-inspection Report of BHEL negotiated through bank.	NOT APPLICABLE	NOT APPLICABLE
(ii)	When ever there is an Indian Agent to represent a Supplier, it is essential to give the details of services to be rendered by Indian Agent and / or the details of agreement between Supplier and Agent. Supplier to indicate the Agency Commission payable. Indian Agency Commission will be paid only in Indian Rupees, calculated at the rate of exchange prevailing on the date of the tender opening. This is payable on satisfactory completion of the contract. Note: In order to maintain sanctity of the tender system, it is essential that one Agent cannot represent two Suppliers or quote on their behalf in a particular tender enquiry. If any Agent represents more than one Suppliers, all the offers associated with the Agent will be rejected.	NOT APPLICABLE	NOT APPLICABLE
(iii)	The second letter of credit for 20% & E&C Charges will be opened after freezing of E&C schedule and confirmation of team by the vendor, valid for 3 months and encashable against submission of a Joint Protocol signed by both the parties (BHEL and Vendor) as per ANNEXURE V for successful commissioning and job prove out. This is subject to the submission of Performance Bank Guarantee for 10% of contract value valid for the Guarantee / Warranty period of 24 months from the date of commissioning. The bank guarantee is to be attested by Indian Embassy & to be registered in India.	NOT APPLICABLE	NOT APPLICABLE
(c)	Terms of payment for Indigenous Offer: (Pure supply, no E&C is envisaged in the NIT scope).		
	Despatch of Goods on door delivery basis only. Goods despatched with documents presented through Bank will be loaded with corresponding bank charges.		
	100% payment will be made on 90th day from the date of Goods Receipt, subjected to submission & acceptance of Performance Bank Guarantee of 10% of contract value valid for guarantee period. <u>SSI</u> Units: certificate is not furnished along with Techno-Commercial bid, it will be treated as non SSI unit 100% payment will be made on 45th day from the date of Goods Receipt (GR), subjected to submission and acceptance of Performance Bank Guarantee of 10% of contract value valid for guarantee period. NOTE:PBG is to be submitted after immediate completion of supply.		
(d)	Terms of payment for Foreign Offer: (Pure supply, no E&C is envisaged in the NIT scope).		

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
	100% Payment will be made through L.C. , which shall be opened 1 month before the confirmed date of dispatch, valid for three months and is encashable against Shipping Documents, submission of Pre-inspection Report of BHEL and Performance Bank Guarantee of 10% of contract value valid for guarantee period, negotiated through bank . NOTE:Vendor shall comply with Clause:G (pertaining to PBG) of instructions , while submitting PBG.		
(e)	Security Deposit: The successful tenderer shall be required to deposit security deposit of 5% (five percent) of the Contract Price in favour of the BHEL within two months of the acceptance of LOI/P.O., in one of the following forms.		
(i)	Cash / Demand Draft to be deposited in favour of B.H.E.L., Ramachandrapuram, Hyderabad.		
(ii)	Bank Guarantee from indigenous suppliers should be in the prescribed format from State Bank of Hyderabad or any of the Nationalised Banks.		
(iii)	Bank Guarantee from foreign suppliers should be in the prescribed format from any Bank of international repute. Same should be confirmed by our consortium bank in India and are payable in India.		
	Note : In case of non submission of Security Deposit within two months, BHEL shall charge @ 1.5% per month on the Security Deposit amount for the delayed period portion beyond 2 months and deduct the same in the final bill.		
04	Warrantee / Guarantee Period: Equipments shall be guaranteed against workmanship, materials used, design and performance should be for a period of 24 months from the date of commissioning of equipment, unless otherwise stipulated in the specification.		
	Loading Factor for non-acceptance of Guarantee Period: Less than 24 months from commissioning will attract loading of AMC charges for difference of quote with warranty / guarantee period. Example : If a Supplier provides 18 months guarantee period, in place of 24 months, then the difference of 6 months will be loaded with AMC charges of 4% per annum for difference period of 6 months i.e. 2% of total cost will be loaded for evaluating lowest bidder.		
05	Penalty: Supplier should quote a definite delivery period and any delay in delivery will attract Penalty of 1/2% per week subject to a max. of 10% of Supply order value. Delay in delivery beyond the penalty period will result in cancellation of the PO and invoking of Risk Purchase Clause. The vendor should quote only confirmed delivery. Please note that confirmed delivery indicated includes the approval of drawings, etc. Date of delivery at the port of destination will be reckoned for the purpose of penalty.		
	Loading Factor for non-acceptance of Penalty Clause: It will attract maximum 10% loading on the offer and accordingly proportionate percentage will be loaded for accepting less percentage of penalty clause. Example : If the Supplier has accepted for maximum 5% penalty clause, then balance 5% will be loaded on supply value for evaluating lowest bidder.		
06	Performance Bank Guarantee (PBG): The Supplier shall submit a PBG for 10% of the contract value valid for Warranty / Guarantee period. Please refer clause:H of Instructions.		
	Offers with non-acceptance of Performance Bank Guarantee clause are liable to be rejected		

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
07	Erection & Commissioning (E & C) Schedule: Supplier to specify clearly the time period for erection & commissioning of the equipment starting with opening of cases against their supervision.	NOT APPLICABLE	NOT APPLICABLE
08	Erection & Commissioning (E & C) Charges: Supplier to specify clearly the E & C Charges in the form of Extra (min. 5% of offer value) . In case E&C charges are quoted inclusive/zero, BHEL shall consider 5% of the quoted value towards E&C charges and the same shall be paid after successful completion of E&C. Requirement of technical specification need to be complied with.	NOT APPLICABLE	NOT APPLICABLE
09	Essential / Mandatory Spares: Supplier to specify clearly the charges of Essential / Mandatory Spares in the form of Extra only (Itemized break-up shall be given). Requirement of technical specification need to be complied with.		
10	Validity: Supplier to mention clearly the validity of the offer [Minimum 180 days from tender opening date].		
11	CREDIT RATING REPORT: The Supplier to provide Business Information Report incorporating the rating of the company by international credit rating agencies, viz., DUNS number of M/s. DUN & Bradstreet (D & B), etc. along with technical offer. Such Ratings reports shall not be older than one year from the date of submission of offer.	NOT APPLICABLE	NOT APPLICABLE
12	Risk Purchase: If the vendor fails to deliver the goods within the delivery specified in the Purchase Order, BHEL will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the delivery period mentioned in the Purchase Order. <u>BHEL reserves the right not to consider offers from vendors not accepting the above Risk Purchase terms</u>		
Note : The bidders should comply with the above Terms & Conditions. Non-adherence may lead to rejection. Also refer Annexure -A for important general instructions and also do's & don'ts before submitting the offer.			