



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

VENDORS HAVE TO OFFER THEIR TERMS IN THE ALLOTTED COLUMN AND SHALL IDENTIFY DEVIATIONS DISTINCTLY.

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.		
(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 and Insurance upto Mumbai Sea Port . Foreign supplies will be loaded with 2.1% towards inland freight & insurance from Mumbai to BHEL Hyderabad stores for tender evaluation purpose. Notes: i)Offer with terms of delivery other than CIF are liable for rejection. ii)Trans-shipment strictly not permitted,		
(c)	In case,any shortage is noticed viz-viz PO requirement in the main equipment/spares,such shortage shall be replenished by supplier on FOR destination basis without any cost implication to BHEL i.e. Custom Duty and freight charges etc.upto destination for such short supplies shall be borne by the supplier. Please also note that any short supply will attract imposition of penalty on the total P.O. value.(Supply).		
02	Delivery Period: (MAXIMUM ACCEPTABLE DELIVERY PERIOD: 6 WEEKS)		
	Bidder shall quote their lowest firm Delivery period against the specified delivery schedule above (i.e. 6 weeks), with effect from the date of PO/LOI upto the quoted Terms of delivery. The delivery period in no case shall be linked with extraneous conditions/stipulations such as approval of drawings.		
(a)	Any offer beyond the "max.acceptable delivery period i.e 6 weeks" shall be rejected .		
03	Payment Terms & CEBG Clause: Offer with deviations to BHEL Payment Terms will be loaded as under.a)Bench Mark Prime Lending Rate (BPLR) of SBI as applicable on the scheduled date of Tender Opening +2%, for the amount and period of relaxation sought by the bidder.b)On account of payment through LC, if insisted by bidder, bank charges shall also be loaded for the deviation in i)opening of LC by BHEL ii)period and amount of LC w.r.t NIT norms, as per the prevailing bank rates. Offers with non-acceptance of CEBG Clause 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 and Imported Offers.		
(a)	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 45th day from the date of Goods Receipt, subjected to submission & acceptance of Performance Bank Guarantee of 10% of contract value valid for guarantee period.		

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(b)	Terms of payment for Foreign Offer: (Pure supply, no E&C is envisaged in the NIT scope).		
	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 .		
4	CONTRACT EXECUTION BANK GUARANTEE(CEBG) The successful vendor shall have to furnish a CONTRACT EXECUTION BANK GUARANTEE(CEBG) for 10% (TEN percent) of the Total PO value in the prescribed format within 30 days from the date of PO but before LC opening. CEBG shall be from the one of the consortium banks of BHEL or from a reputed bank and confirmed by any consortium banks of BHEL. All bank charges on account of issuance and confirmation of CEBG whether incurred in India or outside India will have to be borne by the vendor. CEBG shall be kept valid until 30 days after the date of E&C certificate, which will be issued on completion of E&C of equipment which includes Erection, Commissioning, Job proving, Performance tests, Training to operators etc. as prescribed in PO.Under all circumstances, CEBG shall be kept valid, till the PBG becomes operational. If the supplier fails to submit the CEBG even within 60 days from the date of PO, BHEL reserves the right to cancel the PO . In addition, in such case, action will be initiated in line with extant guidelines for Suspension of Business Dealings with suppliers.		
i	CEBG may be given in the form of Cash/Demand Draft, to be deposited in favour of BHEL Ramachandrapuram		
ii	Note : In case of non submission of CEBG within two months, BHEL shall charge @ 1.5% per month on the CEBG amount for the delayed period portion beyond 2 months and deduct the same in the final bill.		
5	Warranty / 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.		
6	Penalty for Delay in "Supply" : Delay in supply beyond the quoted delivery period will attract Penalty at a rate of 0.5% per week subject to max. of 10% of total PO value .In case any bidder is not accepting the above penalty for delayed supply the offer the bidder shall be loaded as follows.		
	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.		

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7	Performance Bank Guarantee (PBG): The Supplier shall submit a PBG for 10% of the contract value valid for 30 days beyond Warranty / Guarantee period. Offers with non-acceptance of Performance Bank Guarantee clause are liable to be rejected. Offers with less acceptance of PBG than the specified period and or value shall be loaded proportionately, during evaluation of the lowest bidder.		
8	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.		
9	Validity: Supplier to mention clearly the validity of the offer [Minimum 180 days from tender opening date].		
10	Risk Purchase: If the vendor fails to deliver the goods beyond penalty period 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>		
11	PDI inspection :- PDI Invitation shall be given two months before the Purchase order delivery date and PDI shall be completed 15 days before the P.O. delivery date. Vendor to Confirm.		
12	REVERSE AUCTION (RA) / ON LINE BIDDING ON INTERNET:		
a	BHEL reserves the right to resort to Reverse Auction Procedure i.e. On Line Bidding On Internet, instead of Opening the submitted sealed bid, which will be decided after technical evaluation. The General Terms & Conditions for RA are as below:		
b	For the proposed reverse auction, technically and commercially accepted bidders shall be eligible to participate.		
c	BHEL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line bidding on internet.		
d	BHEL will inform the Supplier in writing in case of reverse auction, the details of Service Provider to enable them to contact & get trained.		
e	Business rules like event date, time, Start price, bid decrement, extensions etc. also will be communicated through service provider for compliance.		
f	Suppliers 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.		
g	Based on the accepted commercial terms, BHEL will provide the calculation sheet (e.g., Excel sheet) which will help to arrive at "Total Cost to BHEL" like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service Tax for Services, loading factors (for non-compliance to BHEL Standard Terms & Conditions), etc. for each of the Supplier to enable them to fill-in the price and keep it ready for keying in during the Auction. Suppliers have to confirm acceptance of the working sheet before the commencement of RA.		
h	Reverse auction will be conducted on scheduled date & time.		
i	At the end of Reverse Auction event, the lowest bidder value will be known on the network.		
j	The lowest bidder has to Fax the duly signed Filled-in prescribed format as provided on case-to-case basis to BHEL through Service provider within 24 hours of Auction without fail.		
k	Any variation between the on-line bid value and the signed document will be considered as sabotaging the tender process and will invite disqualification of Supplier to conduct business with BHEL as per prevailing procedure.		
l	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.		
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.			