



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: liable for rejection. i)Offer with terms of delivery other than CIF are ii)Trans-shipment strictly not permitted, please refer instructions point no:K-2 in this regard.		
(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+Installation).		
02	Delivery Period:		
	The Bidder should quote their earliest schedule for Supply and Installation against the schedule indicated in the Tender schedule of the NIT. Bidder should quote time period separately for "Supply", "Installation" of equipment. BHEL, however, reserves the right not to accept an offer not meeting the NIT schedule. The supply period indicated by bidder should include reasonable time required for approval of drawings and other inputs from BHEL.		
	Any offer beyond the "max.acceptable delivery period" shall be rejected. All offers which do not confirm to the specified delivery 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.		
03	Payment Terms : 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 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:(Installation is to be done by vendor)		
	80% payment of supply value will be made on 45th day from the date of receipt of material at BHEL (date of goods receipt (GR)). Balance 20% of supply value + 100% Installation portion of P.O. value will be paid after successful commissioning of the equipment and subjected to submission & acceptance of Performance Bank Guarantee of 10% of contract value valid for 30 days beyond the guarantee period.		
(b)	Terms of Payment for Foreign Offers:(Installation is to be done by vendor)		
(i)	Total supplies are to be from Foreign Source. Where the payments are through L.C (L.C opening charges are to be loaded) payment of supply value shall be 80% on dispatch and 20% on issue of Installation certificate.Payment of Installation value shall be made against Installation certificate issued by BHEL. Installation certificate shall be issued on satisfactory completion of Erection, Commissioning, Job proving, Performance tests, Training to operators etc. as envisaged in PO. The L.C. shall be opened by BHEL as per the following. 1) Within 30 days of receipt of acceptable of P.O.,Drawing and milestones of Manufacturing schedule, an irrevocable unconfirmed L/C will be opened for30% of the payment towards supply, due on shipment i.e. 24% of the supply value of the P.O.(30% of 80%). Not earlier than 60 days before the shipment date, the value of this irrevocable unconfirmed L/C would be enhanced from 24% to 80% of the supply value of the P.O. The above L/C can be negotiated after the shipment against submission of B/L or AWB, and such other documents, as mentioned in the P.O.or L/C and submission of Pre Dispatch Inspection Report of BHEL. This L/C will be valid for a period extending 21 days beyond the shipment date for negotiation of documents.		

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
(ii)	<p>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.</p> <p>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.</p>		
(iii)	<p>The second irrevocable & unconfirmed letter of credit for 20% & Installation Charges will be opened 15 days prior to the scheduled and confirmed arraival of the technicians of supplier with their names The validity of this L/C would be sufficient to cover the period required for the completion of Installation + 21 days as negotiation period. This L.C can be negotiated i)after completion of the Installation of the equipment in BHEL. This is subject to the submission of Performance Bank Guarantee for 10% of contract value valid for 30 days beyond 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. PBG confirmation charges shall be borne by vendor.</p>		
4	<p>Warranty / Guarantee Period: Equipments shall be guaranteed against workmanship, materials used, design and performance should be for a period of 12 months from the date of commissioning of equipment, unless otherwise stipulated in the specification.</p> <p>Loading Factor for non-acceptance of Guarantee Period: Less than 12 months from commissioning will attract loading of AMC charges for difference of quote with warranty / guarantee period. Example : If a Supplier provides 6 months guarantee period, in place of 12 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.</p>		
5	<p>Penalty for Delay in "Supply" & "Installation":</p> <p style="text-align: right;">For the purpose of penalty for delay in</p> <p>"Installation" of the equipment, the duration will be reckoned from the date of intimation by BHEL to vendor for readiness of site.</p> <p>Penalty for Delay in "Supply" and / or "Installation" will be applicable for the delays attributable to vendor. Penalty will be considered separately for "Supply" & "Installation".</p> <p>Rate of penalty for delayed supply shall be at the rate 0.5% per week of delay of total PO value (supply + Installation) in supply subject to max. of 10% of total PO value (supply + Installation).</p> <p>The Rate of penalty for delayed Installation shall be at the rate 0.5% per week of delay of total PO value (supply + Installation) in Installation subject to max. of 10% of total PO value (supply + Installation).</p> <p>Max. penalty for delay in "Supply" & "Installation" together shall be limited to 15% of total PO value (supply + Installation).</p> <p>In case PO includes more than one machine, the penalty shall be at the rate 0.5% per week of delay on total PO value (supply + Installation) for the delayed machine.</p> <p>Loading on account of non acceptance of penalty for delayed supply and / or Installation shall be as under:</p> <p>In case any bidder is not accepting the above penalty for delayed supply and / or Installation, the offer the bidder shall be loaded to the extent to which it is not agreed by the bidder.</p>		
	<p>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.</p>		
6	<p>Performance Bank Guarantee (PBG): The Supplier shall submit a PBG for 10% of the contract value valid for 30 days beyond Warranty / Guarantee period. Please refer clause: H of Instructions.</p>		
	<p>Offers with non-acceptance of Performance Bank Guarantee caluse are liable to be rejected.Offers with less acceptance of PBG than the speciifed period and or value shall be loaded proportionately, during evaluation of the lowest bidder.</p>		
7	<p>Erection & Commissioning (Installation) Schedule: Supplier to specify clearly the time period for erection & commissioning of the equipment starting with date of intimation by BHEL regarding site readiness. The bidders should quote their earliest schedule against the schedule indicated in the NIT(Tender Schedule)</p>		
8	<p>Erection & Commissioning (Installation) Charges: Erection & Commissioning value will include services to be rendered at BHEL like Erection, Commissioning, Job proving, perfomance testing, training to opertors etc. Installation value should be quoted separately by bidders. Only in case where quoted value is less than the value (in %) specified in the NIT or separate Installation values are not mentioned in the offer, value for Installation portion shall be deemed to be considered as the value indicated in NIT and accordingly supply value will be adjusted from that quoted value and balance will be released as Installation payment.</p>		

S/N	BHEL Standard Terms	Supplier Confirmation	Deviation
9	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	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>		
12	Reverse Auction: BHEL intends to Finalize the Tender through Reverse Auction. Please furnish the details as requested below along with the confirmation to RA. BHEL reserves the right to decide the tender through Reverse Auction (RA) route. BHEL will decide (after technical bid opening), at its discretion, to process the tender through Reverse Auction or by opening price bids. Vendors are advised not to quote higher prices in price bid, presuming that there will be an opportunity to reduce the same during Reverse Auction. In case BHEL decides to process the tender by opening the price bids instead of Reverse Auction, there is no provision for revising the quoted prices and vendors may lose the opportunity in view of the higher prices, if any, quoted by them. <u>BHEL reserves right to reject the offers not accepting for RA.</u>		
12.1	Name of the Representative participating in the RA:		
12.2	Address of the Company:		
12.3	Landline No.:		
12.4	Fax No.:		
12.5	Mobile No.:		
12.6	E-Mail Id		
13	DECLARATION: VENDORS SHALL GIVE A DECLARATION THAT PARTICULAR COLUMNS GIVEN IN THE NIT DOCUMENTS HAVE NOT BEEN ALTERED BY THEM		
14	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.		
15	Bidder can also submit offer through email at his own risk. The offer to be submitted in two parts. <u>Technical offers to be submitted to technicalbid@bhelhyd.co.in, and price bid to be submitted to pricebid@bhelhyd.co.in .</u> Interchanging the information in the mails may lead to rejection of the offer. Supplier shall have no claim on e-mail offers sent on any other e-mail ID. BHEL is no way responsible for non receipt of offers sent thru email due to server break down / Internet failure / transmission error etc. In case of e-mail offers, the mail subject should contain Enquiry No., Due date and Supplier name. Supplier address including contact details shall be mentioned in the content of the mail. Without these details offer may be liable for rejection.		
16	Taxes & Duties: (For Foreign Bidders, standard taxes applicable for importing will be applicable)		
	Excise Duty @		
	VAT / CST @		
	Service Tax		
17	Evaluation of Offers: Purchase Orders will be placed to Overal L1 for SL. no 1 & SL.no 2		
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			