



**Annexure – I (page 1 of 2)**

**COMMERCIAL TERMS & CONDITIONS**

1. The rate contract shall be valid for ordering of one year from the date of finalization and supply up to 3 months thereafter.
2. The rates quoted shall be on FOR BHEL Jhansi basis on per sheet basis only. Freight from supplier's works to BHEL Jhansi works shall be in the scope of the bidder. Offers with Ex-works delivery will be by passed.
3. The validity of the quotation shall be for a period of 120 days from the opening date of tender.
4. **Payment Terms:**  
100% payment after 60 days of receipt and acceptance of material at BHEL works. The suppliers who are availing SIDBI & MSMED facility (payment by BHEL in 45 days from the date of receipt. If there is no objection with us will continue to get this facility. This facility can be extended to other eligible suppliers also. For other suppliers standard payment terms shall be applicable for deciding tender. Both payment terms will be treated at par. The offer received with any other terms of payment will not be accepted.
5. The bidders are requested to indicate their production capacity in No. of sheets per month which will be available for BHEL during this contract validity period. Imposition of LD due to late delivery and risk & cost purchase will be done on suppliers failing to meet delivery commitment since BHEL will be committing large quantity based on your capacity declaration.
6. **Reverse auction:**  
BHEL reserves the right to go for Reverse Auction (RA) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. All bidders to give their acceptance for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA.  
In case BHEL decides to go for Reverse Auction, only those bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. Those bidders who have given their acceptance to participate in Reverse Auction will have to their necessary submitted 'online sealed bid' in the Reverse Auction. Non submission of 'online sealed bid' by the bidder will be considered as tampering of the tender process and will invite action by BHEL.  
Information and General Terms and conditions governing RA are mentioned in Annexure-III. Copy of same is enclosed.
7. **Manner of Splitting of rate contract quantity** : The rate contract may be finalized more than one vendor. However, allocation of rate contract quantity will be in decreasing order (max quantity to the lowest bidder L1, then to L2, & L3 considering their capacity & delivery / production requirement of BHEL. The rate contract will be established with in n suppliers (n being variable depending on response of counter offer of L1 landed rate but limited to 3.)

*Jan*

The distribution of rate contract quantity shall be as follows:

Rank*	Weightage	% Share
1 (vendor with lowest rate in R.A)	N	n/Z X 100
2	n-1	n-1/ Z X 100
3	n-2	n-2 / Z X 100
4	n-3	n-3 / Z X 100
n ( Vendor who has accepted counter offer & has bid highest rate in R.A among 1 to 'n')	1	1 / Z X 100

$$\text{Total Z} = \frac{n(n+1)}{2}$$

L1 and those vendors who accept counter offer have to accept distribution of quantity as above.

**\*Rank of Suppliers among L1 and those who have accepted counter offer (from lowest rate to highest rate in reverse auction)**

8. The L1 rate will be counter offered in sequence to L2 L3 & L4 etc. (Low to high ).....for acceptance till a total of required vendors are available for finalization of rate contract at L1 negotiated rate.
9. BHEL reserves the right to enter rate contract for full or part quantity without assigning any reasons.
10. Blank price bid/ copy of price bid after erasing price must be submitted along with techno-commercial bid.
11. Duly signed copy of mandatory sheet regarding instruction to bidders for compliance shall be submitted along with techno-commercial bid. Sheet is enclosed herewith.
12. In case of distribution of quantity with more than one supplier, percentage ordering may vary depending on performance & delivery rate of vendor and also the customer approval of vendors for specific projects.
13. Offer received with any conditions not mentioned in our tender e.g. minimum ordered quantity, with non std. Terms of payment, slab wise rate etc. may be by passed.
14. Quantity of Individual item given in enquiry is indicative only. It may vary in  $\pm 30\%$ . This quantity and  $\pm 30\%$  variation is for evaluation of value of R/C. During execution of R/C awarded to a vendor, quantity of individual item may vary in any ratio but is limited to total value calculated on the basis of quantity of individual item awarded to vendor limited to  $\pm 30\%$  of the value of R/C.



Signature: .....  
Name.....  
Designation.....