

Enquiry for Manufacture of Pipe Clamps-SA387 Grade-91 material
on Conversion Basis with BHEL Material
Enquiry No : 4601600002E dt 18.07.2016 due on 10.08.2016

To,

All eligible Vendors.

OPEN TENDER

Dear Sirs,

Sub: Manufacture of Pipe Clamps – SA387 Grade 91 material on conversion basis with BHEL Material on an Annual Rate Contract basis.

BHEL – Piping Centre, T.Nagar, Chennai – 600017, hereby invites offers for the manufacture of Pipe Clamps – made out of SA 387 Grade 91 plates with BHEL material , as per enclosed / attached details and request to submit your offers by 14:00 Hrs on or before 10.08.2016 in Three Parts as below.

Pre Qualification Requirement (PQR) will be opened on **14:30 Hrs on 10.08.2016 for evaluation purpose.**
The approx Annual requirement is 1000 MTS.

Part I: Pre Qualification Requirement (PQR) evaluation.

Part II: Techno Commercial part accepting technical requirements and commercial conditions **“without filling the Price portion“**
“MONEY VALUE SHOULD NOT BE INDICATED IN THIS PART”.

Part III: Price bid with filled up values called for as per format enclosed.

The following are enclosed for information:

1. A. General Requirements, B. Terms and Conditions of Work, C. General Conditions, D. Special Terms and Conditions.

2. Format :

- ❖ PQR - format.
- ❖ New vendor Registration format of 17 pages / Supplier registration form (SRF).
- ❖ Annexure- A – Techno Commercial offer
- ❖ Annexure- B – Price Bid Format
- ❖ Annexure- C – Indicative Clamp details
- ❖ Annexure- D – Indemnity Bond format
- ❖ Annexure- E – Integrity Pact format
- ❖ Annexure- F – Packing procedure
- ❖ Annexure- G – Bank Guarantee format
- ❖ Annexure-H – Clamp Manufacturing process
- ❖ Quality Plan: QPG 076 Rev 03
- ❖ Indicative clamp drawings.

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Vendor's specific attention is drawn to the following:

1. The requirement of this specification in all parts **A. General Requirements, B. Terms and Conditions of work, C. General Conditions, D. Special Terms and Conditions** which will form part of the contract arrived through this enquiry, are thoroughly read and understood before offering the rates. A confirmation to this effect and that all the Tender Conditions are being accepted is to be enclosed to the offer by a signed Letter.
2. **F.O.R DESTINATION RATE TO ANY BHEL PROJECT SITE IN INDIA OR TO BHEL SHIPPING (TRICHY or THIRUMAYAM)** shall be Quoted inclusive of manufacturing as per drawings and GMS and Quality requirements, Packing (as per Annexure F) and forwarding to the Various Project sites in India/ BHEL Shipping (Trichy or Thirumayam) with transit insurance charges, inclusive of Transportation rates, in **Rupees per KG** weight of Finished items and any other applicable taxes with details.

Quotation shall be furnished strictly as per **Price Bid Format** Annexure "B" in a SEPARATE SEALED COVER along with the main PQR and **Techno Commercial Offers** Annexure "A", with all details as called for. Any values not indicated in the Price Format even if covered in any form in the techno commercial offer will not be considered for evaluation.

First PQR evaluation will be done by the Tender committee, vendors whose PQR credential will match as per BHEL PQR will be eligible for Technical and commercial bid. Techno commercial Bid will be opened for PQR qualified vendors only and a detailed technical discussion to confirm the acceptance of Technical and commercial conditions clearly, and specification requirements are fully understood and complied with. Only after acceptance of the Techno Commercial Bids, Price bid will be opened or reverse auction will be conducted. Prices quoted shall be kept Valid for a period of 90 days from the date of opening of the Price Bid/Reverse Auction for finalizing the rate-contract.

The Vendors shall submit Rate per KG of Net cash outflow (Basic Rate + Paint Rate + Packing Rate +Freight rate) per KG on F.O.R destination basis (to any Project Site in India or to BHEL, Shipping(Trichy or Thirumayam)) as per the price format for items in **Annexure- B**.

3. Tender committee shall evaluate the bids and finalize the tender either through by Price Bid opening or Reverse Auction.

Incase of Price Bid Opening

All the techno-commercially qualified vendors shall be intimated on the date and time of Price bid opening. The sealed price bid shall be opened on the intimated date in the presence of the Vendors who may like to be present. Rates are to be quoted as per Price Bid Format Annexure "B". Overall rates Quoted by vendors for Item No. 1, 2, 3, 4, & 5 alone shall be considered for further processing.

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Incase of Reverse Auction

Reverse Auction shall be conducted for individual line items in **Annexure-B**.

- i. All the techno-commercially qualified Vendors shall submit their **ONLINE DYNAMIC SEALED BID** during the Start of **REVERSE AUCTION** for item 1 to 5.
- ii. The online Start Price and decrement shall be provided by Tender Committee.
- iii. Subsequent reverse bidding price(s) (in decrements) as applicable shall be provided by the vendors.
- iv. At the end of Reverse auction, vendors are again ranked by the Item No. 1, 2, 3, 4 & 5 of **Annexure-B**.

Note: *Incase RA is unsuccessful due to any reason then the tender shall be processed as per BHEL RA guidelines.*

4. Finalizing the contract

From eligible vendors, Item wise L1 rate will be finalized on rate per kg basis and L1 vendor will be arrived on overall lowest rate basis. L1 rates arrived through Price bid/Reverse auction shall be counter offered to other eligible vendors and annual rate contract will be finalized valid for the Twelve Months period with L1 Vendor and other vendors who accept our counter offer rates. If the counter offer is accepted by only few vendors, then BHEL will place orders only to those vendors. In case those vendors do not execute the orders, BHEL may get the job done through other sources at the risk and cost of those vendors and the extra expenditure Involved shall be recover from those vendors from any amount due to them. BHEL may also put on hold business dealings with such vendors as per BHEL policy guidelines.

Negotiation of prices if required will be made with eligible L1 Vendor(s)(in individual enquiry items as per **Annexure-B**), both in case of price bid opening or in reverse auction process.

A rate contract will be entered with all eligible Vendors based on the lowest rates arrived by reverse auction/price bid opening, if required by negotiation, for placing of orders during a period of minimum Twelve months from the date of finalizing, with an option for extension with the concurrence of the vendor.

Quotations shall be strictly as per the price bid and should not be subjected to any correlation or indirect interpretations.

All clarifications may please be obtained to ensure the technical, quality, delivery, price requirements are understood, before submitting the offer.

5. Rates quoted shall be legible without any striking/over writing etc. in the format enclosed and as per conditions indicated.

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6. Quotations shall fulfill all the above requirements. Otherwise the offers may be summarily rejected as a whole or as part thereof. Rates are to be quoted strictly as per the format attached taking care of the requirements of various project sites, including responsibility of transportation to various sites, as indicated.

Approximate Total quantum under this rate contract will be 1000 MTs.

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 necessarily submit “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 as per extant guidelines in vogue.

Abnormally Low Bids

Abnormally low bids may be rejected if the purchase committee determines that the price quoted by the bidder is abnormally low, in relation to the subject matter of the procurement and raises concerns on the ability of the bidder to execute the order/contract.

Vendors are cautioned that, quoting abnormally low rates which are unworkable or withdrawal after price bid opening or after PO will be construed as tampering of BHEL’s Tender process, and the concerned vendor may be banned from doing business with any of the BHEL unit. Besides their pending payments shall be withheld and their BG also will be invoked against risk purchase, if any.

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7. Loading on Vendors & MSE vendors

Loading on vendors will be progressively made as and when Design Documents are released.

Ordering will be done as shown in the following table.

No. of eligible vendors (n)	Proposed ordering share in percentage (%) (working model)					
	L1	L2 or C1	L3 or C2	L4 or C3	L5 or C4)	L6 or C5)
	$2/(n+1)$	$1/(n+1)$	$1/(n+1)$	$1/(n+1)$	$1/(n+1)$	$1/(n+1)$
2	60 (Exceptional & for NTPC)	40 (Exceptional & for NTPC)	NA	NA	NA	NA
3	50	25	25	NA	NA	NA
4	40	20	20	20	NA	NA
5	33.33	16.66	16.66	16.66	16.66	NA
6	28.57	14.28	14.28	14.28	14.28	14.28

- A. The quantum shall be on decreasing mode from L-1 to counter offer accepted vendors. In case L1, L2, L3.... vendors are not approved by NTPC, maximum loading on them may not be possible depending on the quantum of NTPC projects available for loading. Tender quantity may increase / decrease during the rate contract period. BHEL does not guarantee any minimum load for any vendor.
- B. A constituted committee shall monitor the performance and loading of the vendors. In case of unsatisfactory performance by the vendors, the contract may be terminated.

SUBMISSION OF MSME EM-II CERTIFICATES (MICRO AND SMALL VENDORS)

MSME suppliers can avail the intended benefits of 20 % if they submit along with offer, Attested copies of either EM-II certificate having deemed validity (Two years from the date of issue of acknowledgement in EM-II) or valid NSIC certificate or EM II certificate along with CA certificate applicable for the year ,Certifying the quantum of investment in plant and machinery within the permissible limit as per act for relevant status (MICRO or SMALL) whether the deemed validity of EM II is over date to be reckoned for determining the deemed validity will be the last date of the bid submission. Non submission of such documents will lead to consideration of bids at par with the other bidders and MSE status of such suppliers shall be shifted to non MSME supplier till the supplier submits these documents.

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MSE VENDOR LOADING:

20% of the tendered quantity is earmarked for MSE vendors in this Tender. Out of 20 % tendered quantity reserved for MSE vendors, 4 % shall be earmarked for MSE owned by SC/ST entrepreneur.

Loading of MSE vendors shall be follows:

- In case of MSE vendors is L1, The minimum 20% of the total loading shall be given to the L1 vendor.
- If L1 is other than MSE vendor, Then all MSE vendor(s) L2,L3 , L4 (As applicable) who accept the counter offer rates shall shared minimum 20 % of total earmarked for MSE.

Loading shall be subject to

- i. Capacity utilization based on performance of Vendors. (At the time of Tender document submission, Vendors shall be asked to submit their capacity for completion of Tonnage/Month).
- ii. The performance of vendors determined by completion within delivery date.
- iii. Customer approved Vendors as applicable.

A. General Requirements

1. SALIENT POINTS:

- a) Finished items are to be offered for final inspection to our Quality Department /BHEL/Piping Centre / Chennai- 600 017, The cost of transportation shall be included in the price quoted.
- b) Vendors shall be conversant with relevant standards adopted by BHEL, and manufacture in accordance with standards, and relevant quality plans, drawings.
- c) Vendors shall get familiarized and understand fully all BHEL drawings, Quality Control Procedures, Quality plans.
- d) Vendors shall have established infrastructures and capability in procuring and meeting the manufacturing, design and quality requirements. Vendors shall submit a complete profile of their organization and existing facilities with full details of financial back ground with audited Balance sheets, income tax returns filed for the last three years.
- e) The quantum of work indicated is for overall appreciation of the job content and BHEL reserves the right to distribute the work to more than one vendor, or restrict ordering to limited items and limited quantity.
- f) Vendors shall have adequate capacity in procuring, handling, receipt of materials and usage etc. for carrying out the jobs in the most fitting manner to meet the expectations of Industry standards.

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- g) Rates are to be quoted strictly as per the format attached taking care of the requirements including transportation charges to our BHEL site / unit shipping as indicated.
- h) The jobs are to be offered to BHEL and Third party/customer inspection as detailed in the Relevant and Quality documents.
- i) The nature of work may be clearly analyzed by reading the relevant drawings/QCPs, SQP's, TDCs etc before submitting your offer.
- j) Finished items are to be dispatched to various Project sites / BHEL Shipping (Trichy or Thirumayam), which will be indicated in the order. Responsibility of packing (as per Annexure F), forwarding and transportation to Sites/ BHEL Shipping (Trichy or Thirumayam) will be with the supplier without any extra cost.
- k) The nature of work may be clearly analyzed by reading the relevant drawings/QCPs, CQP, SQP's and other quality documents before submitting the offer.
- l) **Packing as per Annexure F**

Contract specific QP and Painting Scheme will be handed over at the time of ordering along with P.O.

2.Scope of Work

2.1 MANUFACTURE OF CLAMPS - SA387 GR-91

1. Collection of raw materials from BHEL, Trichy stores.
2. Manufacture of CLAMPS - SA387 GR-91 out of materials issued by BHEL as per the relevant drawings and quality plan.
3. Machined surface shall be coated with Temporary rust preventive oil
4. Painting to be carried out as per applicable specifications.
5. Packing as per QP.
6. Delivery of finished goods to any project site in india / Trichy / Thirumayam unit inclusive of freight and insurance.

7. Technical Conditions

Fabrication shall strictly conform to the dimensions and tolerances indicated in the respective drawing. Changes for individual DU lengths cannot be accommodated as a matter of right except under special circumstances. Manufacturing process should be as detailed out in the Quality Control Procedures. The Quality Plans and Testing and Inspection procedures should also be adhered to. Care must be taken to strictly adhere to the notes indicated in the drawing, QCP/QP/TIP. Punching, painting and work order stenciling shall be done as per enclosed terms and conditions.

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8. Inspection

All components shall be inspected at various stages by BHEL Quality control department and offered for inspection by BHEL Inspection Department/NTPC/Customer or any other external Inspection agency (if required) at Vendor works. All equipments and instruments required for inspection shall be provided by the Vendor at free of cost. BHEL representative will have free access to Vendor works during the currency of contract.

9. Delivery Schedule and Liquidated Damages

As the components are required to meet the delivery requirements of the projects urgently, **Expected Delivery shall be made progressively from 2 Months to 5 Months from the date of material issue.** The sequential Delivery requirement will be discussed and finalized at the time of placing order. Liquidated damages at the rate of ½ % per week subject to a maximum of 10% of the full PO value will be levied.

10. Payment

Payment shall be made at 90 % of full value within 45 days of submission of

- original Invoices with packing slip
- inspection report issued by BHEL/ authorized agency
- Acknowledged Lorry Receipt and delivery challan having delivered the goods at site / BHEL Shipping in good condition after due verification.

Balance 10% shall be made only on submission of

- Final Material Accountal Statement (FMAS)
- In case of NTPC projects, original MDCCs documents
- Quality documents shall be submitted in a CD to QC/BHEL and the acknowledged copy to be submitted along with bills. Bills of a part of the system will not be accepted for payment. Payment shall be made through E payment by ECS. All successful Vendors have to furnish appropriate Bank details for the same.

Note: Acknowledgement date of LR shall be taken as zero date for payment.

11. Performance Guarantee

Successful Vendors shall execute a Performance Guarantee for Defect free manufacture of the supplied Items and Good quality of the raw material, for a period of 24 Months from the date of supply of the materials. In the event of defects or performance related problems, the Vendors shall supply and replace the items, or rework and make good of the item at their cost at the project site, to the satisfaction of the Customer.

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12. General

Vendors may furnish the most competitive offer after thoroughly understanding the PQR & technical requirements and confirming to meet the same. Any detailed PQR, technical and commercial clarification may please be obtained before submission of the offer and Price Bid. PQR, Techno commercial Bid and Price Bid each sealed in a separate cover, clearly mentioning

“PQR”,

“Techno Commercial Bid”,

“Price Bid” on the envelop

In cover – 1 (Duly Filled PQR along with supporting documents and Duly Filled 17 page vendor registration format/Supplier Registration form (SRF) along with supporting documents)

Note: Vendor registration credential need not be submitted by BHEL /PC PMD enlisted vendors and Trial order placed vendors but they have to qualify our PQR by submitting their credential in cover -1.

In cover -2 (Techno commercial Bid –Duly Filled Annexure –A along with supporting documents if required and duly signed Integrity pact.

Note: Techno commercial bid will be opened for PQR qualified vendors only.

In cover – 3 (Price bid – Duly filled Annexure –B)

Note: Only Numerical value will be acceptable. Price bid will be opened for techno commercial bid qualified vendors only.

New vendors qualified in the open tender should be registered through SRF before price bid opening or else their bid will be rejected.

Above shall be put in a **main sealed outer cover** indicating Enquiry No. and Date, with offer due date and to be, addressed and sent to the

**Additional General Manager, Outsourcing department,
BHEL Piping Centre,
No. 80 (Old No.93), G.N.Road, T.Nagar, Chennai, 600 017.**

In addition to the “**A. General Requirements**” of the enquiry as above, “**B. Terms and Conditions of Work**” , “**C. General conditions**” , “**D. Special Terms & Conditions**” as enclosed shall also forms part of this enquiry conditions which may be understood clearly.

NOTE: If trial order placed vendors becomes L1 or accept the counter offer, loading of PO on them will be done only after successful completion of trial order.

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Overall Remarks:

- ❖ Vendors to collect material from BHEL / Trichy /Thirumayam stores at their cost, manufacture as per BHEL drawing, after inspection and acceptance by BHEL / Approved inspection agencies, pack and deliver the finished goods as DTS to site/ BHEL / Trichy /Thirumayam shipping at their cost.
- ❖ Quality plan QPG: 076 Rev.03 to be followed.
- ❖ In case of damage/defect during transit / handling/manufacturing by the vendor, the cost of the material as per BHEL prevailing rates inclusive of taxes & duties (as per norms) will be recovered from the vendor.
- ❖ Applicable TDS etc. will be deducted. Taxes applicable if any will be reimbursed at actual on submission of necessary tax invoice mentioning the TIN / registration number and proof of payment to the statutory authorities
- ❖ Material Accounting: As per standard norms of BHEL. Cutting plans to be submitted by the vendor for BHEL approval. Offcuts to be returned to BHEL Trichy stores by the vendor at his cost.
- ❖ Price will be finalized through price bid opening/ online reverse auction. Delivery terms will be FOR any site in India / Stores-BHEL Trichy or Thirumayam.
- ❖ Offer Prices shall be kept valid for a period of 3 months from the date of price bid opening / on line reverse auction.
- ❖ Delivery period will be 5 months after the issue of complete materials.
- ❖ Payment terms: 90% against proof of delivery of material at site and balance 10% after completion of material accounting.
- ❖ LD: applicable at 0.5% per week subject to a maximum of 10% of the full PO value.
- ❖ Weight indicated in the GMS only will be considered for determining the weight of each clamp for payment purpose.
- ❖ Raw materials will be issued free of cost with cutting / machining allowance as per BHEL standard practice.
- ❖ BHEL excise invoice will be issued for despatch of finished components directly from vendor's works to site.
- ❖ On receipt of material at vendors works, raw material verification (PMI) will be carried out by BHEL, PC/Quality.
- ❖ Load pin washer & split pin are in vendor's scope.

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- ❖ Vendors shall use electrodes from BHEL approved vendors only.
- ❖ Incorporation of “BHEL FRAUD PREVENTION POLICY” available in website www.bhel.in.
- ❖ BHEL will place purchase orders for the items usually in small lots as and when requirement arises during the contract period.
- ❖ Late tenders are liable to be rejected.
- ❖ No revision of prices will be entertained after tenders are opened

B. Terms and Conditions of Work

1. Rate Quoted shall include the Following

- a. Manufacturing cost including painting charges, cost of transportation for material collection , return of excess material through RSV to BHEL stores, delivery of finished goods to respective sites/units
- b. Trial Assembly charges as called for in the drawing or by the Inspecting Authority.
- c. Cost of machining wherever involved.
- d. Charges for testing the components Eg. Hydraulic Testing, Mechanical testing of test plates etc.,
- e. Packing charges as per Annexure F
- f. Cost of cleaning, (power tool cleaning, Blast cleaning etc) wherever applicable, painting and applying rust preventive oil on threaded portions, stenciling and punching of work order number, DU No. etc. as per QCP.
- g. Charges for Heat Treatment and Non-destructive Testing (LPI, MPI, Radiography & UT etc.),photo micrographs 500 X min.

Note: No extra cost will be paid for

- Multiple collection of material
- Machining of higher size substituted material, if required raw material size/ Spec is not available in BHEL , Trichy store then higher size of material can be substituted by the BHEL and vendor has to machined as per BHEL drawing requirement.

If required the total work may be distributed depending on the delivery requirement and the capacity available from various Vendors. BHEL has the right to decide diversion of any jobs loaded from one Vendor to other Vendor if the progress of the job and response of the Vendor is not meeting the requirements of quality, delivery, project schedule or any other reasons, at the cost of the Vendor on whom the job was originally loaded. The Vendor shall extend fullest cooperation in this regard.

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2. Taxes and Excise Duty

This being a conversion job, no ED, Sales Tax, VAT, service tax is payable. Income tax shall be deducted at source as applicable.

3. Documents

- a) Vendors shall furnish the Inspection reports, CHP, MDCC and COC Clearance as applicable along with Invoice CHP/COC Clearance etc as applicable along with Invoice, Delivery Challan & acknowledged LR.
- b) All inspection documents (PO wise) like IR's, History Cards, In process reports/charts, COC, CHP, MDCC, Lloyds/Third Party IR's etc to be submitted as soft file in a CD to Quality Department

4. Technical Requirements

- a) Fabrication shall strictly confirm to the dimension and tolerances indicated in the drawings. Care must be taken to strictly adhere the NOTES given in the drawing and QCP. Vendor must ensure that correct dimensions and deviations, if any, are recorded properly in the Dimensional Report books and the same shall be made available to BHEL officials or their authorized agencies.
- b) All Fabrication, machining, heat treatment and non destructive testing and other testing should confirm to drawings / QCP / CQP /SQP/TIP.
- c) Packing as per Annexure F shall be made by the Vendor to avoid transit damages.
Any other work done outside the requirements of drawings, CQP/TIP/QCP shall have the prior written approval of the competent Authority of Outsourcing Department.
- c) Adequate facilities like welding equipments, baking oven, handling facilities and measuring instruments (calibrated by BHEL or approved NABL) as called for must be available with the Vendor for the manufacture of Piping components. All the above basic fabrication requirements must be under working condition and the same shall be made available for verification by BHEL officials or their authorized representatives whenever they are called for.
- d) Procurement of Welding electrodes, consumables like paints, VCI pallets. Etc. calibration of instruments and gauges, heat treatment, non-destructive testing, laboratory services should be done only from BHEL approved sources.

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5. Inspection

All fabrication components shall be offered for BHEL Inspectors/BHEL authorized agencies. Apart from the above inspections, there may be third party inspection like Lloyds/ NTPC/Customer etc. as nominated by BHEL /customer as a specific customer requirement, which will be arranged by BHEL. Vendors shall complete the inspection documentation as a part of this basic scope. All facilities, equipments and instruments required for inspection shall be provided by the Vendor free of cost. BHEL's Representatives will have free access to Vendor's works during the currency of the contract. History cards shall be maintained for all the items (DU wise) duly signed by BHEL Inspector. One copy of the History card shall be handed over to QA&C/ Piping Centre, BHEL, Chennai.

6. Packing

Packing shall be strictly as per Annexure F (enclosed)

7. Bank Guarantee:

A Revolving Bank guarantee on any Nationalized bank for a value of Rs 25 lakhs will be required to be executed for release of orders for the work to be awarded on the Vendor.

As per the CVC Guideline vide No:02-07-01-CTE-30, "The Original Bank Guarantee should be sent to the beneficiary directly by the issuing Bank under the registered Post(A.D)"

In addition to bank guarantee, Corporate indemnity bond signed by CEO / Proprietor /MD of the company covering a value of rupees one crore as per Annexure-D will be required valid till completion of all the orders in all aspects.

8. Billing / Invoicing and Payment

Payment as per clause A.General Requirements will be made on fulfillment of the following:
Invoices shall be raised for the DU weights only.

All the invoices shall be addressed to

**Additional General Manager, Outsourcing,
BHEL Piping Centre,
No. 80 (Old No.93), G.N.Road,
T.Nagar,
Chennai, 600 017**

Separate invoices shall be raised for each work order.

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9. Subletting

The Vendor will not sublet or assign this contract or any part thereof to any one without the written permission of the BHEL. In the event of the Vendor subletting or assigning this contract or any part thereof without such permission, the BHEL shall be entitled to cancel the contract and to execute the fabrication work elsewhere at the risk and account of the Vendor and the Vendor shall be liable for payment for any loss or damage which the BHEL may sustain in consequence of or arising out of such fabrication elsewhere.

10. Delayed Execution, Failure & Termination of Contract

a. Action and Compensation in case of Bad Workmanship:

If any work has been executed with unsound, imperfect or bad workmanship or with materials of inferior quality, the Vendor shall on demand in writing from BHEL specifying the work, materials/ articles complained of notwithstanding that the same may have been passed, certified and paid for, forthwith, rectify the work so specified in whole or in part as the case may require, at their own cost and in the event of his failure to do within reasonable period, BHEL will rectify or remove and re-execute the work at the risk and expense of the Vendor.

b. Compensation against damage of Plant & Machinery / Tools/ and Gauges

BHEL reserves the right to claim adequate compensation from the Vendor on account of any damage caused to the plant and equipment / tools and gauges handed over to them for execution of work, due to careless handling or negligence on the part of the Vendor.

BHEL shall have general supervision and direction over the work. BHEL has the authority to stop the work, whenever such stoppage may be necessary to ensure the proper execution of the contract. BHEL shall also have the authority to reject all the work which do not conform to the specification.

BHEL reserves the right to suspend the work or part thereof at any time and no claim whatsoever on this account will be entertained.

Any change in the constitution of the Vendor's unit will have to be made only after getting the specific approval from Outsourcing Department (PC), BHEL, Chennai. Any deviation found later will be dealt with as deemed fit including cancellation of registration.

Partnership firm should have the Form A (Rule 5) Declaration issued by the Registrar of Firms and copy of the same shall be produced at the time of signing the contract.

All the statutory obligations such as ESI, PF, Labour Acts, Factory Act etc., will have to be taken care of by the Vendor. BHEL will have no liability on them. Notwithstanding the above, if any demand notice is served

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by the concerned statutory authorities for recovery of any of their dues on BHEL, the same would be paid without notice to the Vendor and recovered as a due from any pending / future bills.

All safety precautions and use of safety equipments are to be followed while carrying out the fabrication and dispatch of the same. The Vendor must have proper tools and handling equipments. There should always be a responsible persons available to oversee the operation and compliance of safety regulation etc.

All documents of BHEL made available to the Vendor should be kept in strict confidence and under no circumstance be made available to others or allow others to make use of them. The secrecy of clause is binding on the employees of the Vendors also. Any contravention will be viewed seriously. Such documents should not be disposed of / destroyed without the prior approval of Outsourcing Department (PC), BHEL, Chennai.

11 MANNER OF MATERIAL UTILISATION

Checking of material compatibility:

On receipt of other than carbon steel materials (AS,SS specification) at vendor works, the same shall be intimated to BHEL / PC/ Quality to ascertain the correctness of the material collected using PMI and certify accordingly in the vendor's history cards.

12 DEFINITION OF OFFCUT / SCRAP NORMS :

SL NO	DESCRIPTION	SCRAP SIZE IN MM	OFFCUT SIZE IN MM
01	CS / AS SHEETS AND PLATES	BELOW 500 X 250	500 X 250 & ABOVE
02	ROLLED SECTIONS – INCLUDING RODS ANGLES ETC.	BELOW 1000 LENGTH	1000 & ABOVE LENGTH
03	PIPES, TUBES OTHER THAN P91,P92,T23 AND SS	BELOW 500 LENGTH	500 & ABOVE LENGTH
04	PIPES,TUBES – P91,P92 AND T23	BELOW 250 LENGTH	250 & ABOVE LENGTH

The off cuts are treated as equivalent to prime materials.

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12.1 SCRAP RATES:

BHEL / out sourcing / Tiruchy rate contract rates are applicable and the same will be intimated later.

In the event of non- returning of scrap by contractors the above charges will be deducted along with the sales tax and excise duty as applicable.

- 12.2 In the event of non - return of prime material / off cuts, value as per BHEL's prevailing book value + 25% / 50% for indigenous / import materials will be deducted along with sales tax and excise duty as applicable.

13.0 Material Accounting:

The material supplied by BHEL shall be properly utilized as per the Quality documents in order to meet the design and quality requirements of the product. Hence economic cutting plans are to be submitted for our approval within 3 days of material collection in any of the following cases:

- a) Wherever the issued quantity is insufficient owing to shape or size.
- b) All stainless steel items.
- c) Excess issue against demanded quantity wherein the excess issue quantum is more than off-cut norms.

However in working out such economic cutting plans, it is to be ensured that the Details prescribed by quality documents is adhered to. After the approval of the cutting plans any off-cuts available from the issues made either in original or in supplementary shall be returned to BHEL at Your cost at the earliest. The cutting plans as approved by OS/PC shall be kept at Your works and to be made available whenever required by BHEL. Moreover, for the other cases also cutting plans to be made available as and when demanded by BHEL. It should also be ensured that the jobs shall be as per the approved cutting plans. Whenever fabrications are done without proper approved cutting plans, the process allowance will be taken as indicated in the enquiry, and for any loss due to wastage of material arising out of non- approved cutting plans, recovery of the cost of prime material plus departmental / administrative charges fixed from time to time will be made. Currently, the departmental / administrative charges are 25 % for indigenous material and 50 % for imported material. In addition, statutory taxes, duties and levies etc. applicable will also be recovered.

13.1 BHEL insists for return of prime off-cut material. You shall return the prime, off-cut material in good condition as called for in cutting plan approval letter/PMAS, to BHEL Stores within the time period stipulated in clause 13.2.Failure to return the prime/off-cut material will entail recovery as per BHEL norms.

13.2 For the purpose of material accounting and reconciliation, System will generate Provisional Material accountal statement (PMAS) automatically on completion of the last DU of the P.O. PMAS thus generated will be available in B2B the next day for Subcontractor to view and take further actions to complete Material accounting . Returnable offcuts shall either be returned to stores through RSV or Transferred to other P.Os through IAMTV within 15 days from the PMAS date. Subcontractors shall interact with MAS group so that all activities are completed within the stipulated time and P.O s closed within 30 days from

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the PMAS date. If MAS of any one the P.Os is pending on 37thday from the PMAS date, the system will block the bill registration for the subcontractor.

13.3 The raw material issued to you as free issue in connection with the fabrication contract shall remain the property of BHEL. You shall use the above materials only for the execution of BHEL contracts / P.O.s/addendum and for no other purpose whatsoever. You shall be responsible for the value there of as assessed by BHEL, whose decision shall be binding on You. You shall be liable for the loss or damage to such property from whatever cause happening while such property is in the possession or under the control of You, Your employees, workmen or agents or any other person connected with you. All the materials of BHEL under any circumstance shall not be hypothecated/encumbered to any bank or to any lending institution or to any party whomsoever.

13.4 You shall produce the materials supplied as free issue by BHEL in the form of raw material, semi finished boiler components to BHEL officials visiting your premises for verification purposes. If you fails to produce or properly account the materials issued, BHEL will take further action as deemed fit including recovery of the value of materials from the running bills.

13.5 Whenever availability of materials becomes critical for certain work orders, BHEL will transfer material available either in full/part with you including the scrap sizes for which purchase order is not closed, from one contractor to other. For this, necessary credit will be given during material accounting. The material transfer from BHEL's advise is to be honored by you, otherwise, recovery will be made at the prime material cost.

In addition to the above terms and conditions, the enclosed General Conditions of Contract will also apply in as they are not repugnant to the terms and conditions, specifically brought out above in this contract.

C. General Conditions

a. Definition

Throughout these conditions and in the specifications, the terms:

- a. a) 'THE CONTRACTEE' / 'BHEL' means the Bharat Heavy Electricals Ltd, acting through Additional General Manager, Outsourcing, Piping Centre, Chennai, unless the contract otherwise provides.
- b. 'THE VENDOR' / 'FABRICATOR' / 'SUB VENDOR' means the person, firm, or company with whom the order for fabrication is placed and shall be deemed to include the Vendor's successor (as approved by the contractee), representatives, heirs, executors and administrators as the case may be unless excluded by the term of contract.
- c. 'DRAWINGS' means the drawings exhibited or issued for the guidance of the Vendor.

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b. Execution

The whole contract is to be executed in the most approved substantial and workman like manner to the entire satisfaction of the BHEL or the Inspecting Officer, who shall have power to reject any of the fabrication of which he may disapprove and his decision thereon and on any question as to the true intent and meaning of the specifications of drawing or of the work necessary for the proper completion of the contract shall be final and conclusive. The BHEL may require alterations if any to be made during the progress of fabrication/machining and should these alterations be such that either party to the contract considers an alteration in the charges is justified, such alterations shall not be carried out until amended cost of fabrication /machining charges have been submitted by the Vendor and accepted by the BHEL. Should the Vendor proceed to fabricate and without obtaining the consent of the BHEL in writing to an amended cost of fabrication/machining charges, the Vendor shall be deemed to have agreed to execute fabrication at such charges as may be considered reasonable by the BHEL.

c. Force Majeure

If at any time during the continuance of this contract the performance in whole or part by either party of any obligation under this contract shall be prevented or delayed by reason of war, hostilities, acts of public enemy, civil commotions, sabotage, fire, flood, explosion, epidemic, quarantine restrictions or acts of God(here in referred to as events), then provided the notice of the happenings of any such event is given by either party to other party within 21(twenty one)days from the date of occurrence thereof, either party shall reason of such event, not be entitled to terminate this contract nor shall either party have any claim for damages against other in respect of such non-performance and delay in performance and delivery under the contract shall be resumed soon as practicable after such event has come to an end or ceased to exist and the decision of the BHEL as to whether the deliveries, have been so resumed or not shall be final and conclusive. If the performance in whole or part of any obligation under the contract is for extension of time shall be granted for periods, considered reasonable by the Vendor to the BHEL subject to prompt notification by the Vendor to the BHEL of the particulars of the events and supply to the BHEL if required of any supporting evidence. Any waiver of time in respect of particular part and thereof shall not be deemed to be a waiver of time in respect of remaining deliveries.

d. Termination of Contract

If as a result of difficulty in procurement of raw materials or due to force majeure reasons or any other reasons whatsoever the Vendor is unable to keep the delivery schedule of BHEL the extension of time may be granted by the BHEL to the extent considered necessary. Should there be delay in supply beyond the extended date of delivery, it shall be open to the BHEL to terminate the contract in part or full and make other arrangements for executing fabrication elsewhere at the cost and risk of the Vendor.

e. Interpretation

Any dispute or difference of opinion in respect of interpretation, effect of application of this particular condition of the Vendor of the amount recoverable hereunder from the Vendor shall be decided by the BHEL and decision shall be final conclusive.

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f. Book Examination Clause:

- a. The Vendor shall, whenever required, shall produce for examination by any officer of the BHEL authorized in that behalf, any cost or other account book, account voucher, receipt letter memorandum, paper or writ or any copy of extract from any such document, and also furnish information and returns verified, in such a manner as may be required in any way relating to the execution of the contract (the decision of such officer of the BHEL on this question and relevancy of any documents, information or return, being final and binding on the parties). The obligation imposed by this clause is without prejudice to the obligation of the contract/ Purchase orders or any orders binding the Vendor.
- b. The Vendor shall, if the authorized officer of the BHEL so required (whether before or after the prices have been finally fixed), extend facilities to the officer of BHEL concerned to visit the Vendor's work for the purpose of the examining the process of manufacture and estimate or ascertaining the cost of production of the articles. If any portion of the work be carried out by the Vendor or any sub-Vendor or any subsidiary or an allied firm or Company, the authorized officer of the BHEL shall have power to secure the books of such Vendor or sub-Vendor or any subsidiary or allied firm or company and the same shall be open for inspection.

g. Set of Clauses

Payment shall be subject to the deduction of any amount for which the Vendor is liable under this contract, or any contract in respect of which Bharat Heavy Electricals Limited, Piping centre, Chennai the BHEL.

h. Laws Governing the Contract:

- a. The contract shall be governed by the Laws of the Government of India in force.
- b. Irrespective of the place of execution of the contract, place of delivery, place of payment under the contract, the contract shall be deemed to have been made at the place at which the Acceptance of the tender has been issued.

i. Jurisdiction of the Court

The Courts of the place from where the acceptance of the tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

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j. The Global Compact

The Global Compact is a signature initiative of then United Nations Ex-Secretary General Mr. Kofi Annan and Four United Nation Agencies.

- *Office of the High Commissioner for Human Rights.
- *International Labour Organization.
- *United nations Environment Programme.
- *United Nations Development Programme.

This is a broad based initiative and engages:

Individual Companies

Business Associations

International Labour

Human Rights, Environment and Development Organizations

Academic & Public Policy Institutions and United Nations.

The BHEL is a member of this Global Compact.

As a participating company,

- We have the obligation to Support and respect Human Rights within our spheres of influence.
- Make sure We are not complicit in Human Rights abuses.
- Make sure We are not employing forced or compulsory labour.
- Refrain from employing Child labour.
- Eliminate discrimination in our hiring and firing policies.
- Support a precautionary approach to environmental challenges.
- Undertake initiatives to promote greater environmental responsibility.
- Encourage development and diffusion of environmentally friendly technologies.

Vendor shall also ensure to fall in line with the above principles.

D. Special Terms and Conditions

- a) BHEL reserves the right to increase or decrease the tendered quantity and split the tendered quantity among more than one tenderer and place orders accordingly in any proportion, based on commitment, requirement and supplier's capability in terms of delivery and quality, or any other reason like contract priorities, logistics etc.
- b) Lowest prices received against BHEL tenders need not be the technically acceptable one and in that case BHEL reserves the right not to consider the same.
- c) Price Format Excel has a formula inbuilt in it. Hence vendors shall enter the rates as applicable in the Excel and print of that may be submitted. DO NOT CHANGE THE FORMULA IN THE PRICE FORMAT. BHEL shall not be

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responsible for wrong value due to the vendor's mistakes during handling the Excel. Net cash outflow formula is given in the bottom of the Price Format excel.

- d) BHEL reserves the right to negotiate or re float the tender opened if L1 price is not the lowest acceptable price to them inter-alia other reasons.
- e) BHEL reserves the right to negotiate the L1 rate/finalise the tender thro' reverse auction/price bid opening.
- f) BHEL may order on more than one vendor at the lowest acceptable price to BHEL.
- g) All Vendors shall maintain quality system and organization as per BHEL requirement. This will be periodically audited by BHEL.
- h) All welding process shall be approved. Approval for new process should necessarily be obtained before initiating regular production.
- i) BHEL has developed a Vendor Information System site, Vendor shall establish compatible system to interact with BHEL and download the online data through the Internet.
- j) All inspection documents like IRs, History Cards, in process reports/charts, COC, MDCC, Lloyds / Third party IRs etc to be submitted as soft file in a CD to Quality Department.
- k) The representative of the Bidder, who desires to witness the Tender opening, may have to produce the Authorization Letter, as before opening of the Tender. The representatives without Authorization Letter will not be allowed to participate in the Tender. Only one representative from each Bidder will be allowed to participate in the Tender opening.

An independent external monitor shall monitor this tender whose contact details are as given below.

MRS. PRAVIN TRIPATHI, IA & AS (Retd)

D-243, Anupam Gardens, Lane IB, Neb Sarai,

Sainik Farms, New Delhi – 110 068

Ph : +91 11 29533206 / 29531715. EMAIL : pravin.tripathi@gmail.com

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List of enclosures:

PQR - format.

New vendor Registration format of 17 pages/Supplier registration form (SRF).

Annexure- A – techno Commercial offer

Annexure- B – Price Bid Format

Annexure- C – Indicative Clamp details

Annexure- D – Indemnity Bond format

Annexure- E – Integrity Pact format

Annexure- F – Packing procedure

Annexure- G – Bank Guarantee format

Annexure-H – Clamp Manufacturing process

Quality Plan: QPG 076 Rev 03

Indicative clamp drawings

Yours Faithfully,

For Bharat Heavy Electricals Limited