

ENQUIRY FOR ANNUAL RATE CONTRACT (2015-16)
OS / PIPING CENTRE CONVERSION JOBS (LIMITED TENDER)

ENQUIRY NO: 4601500005

Dt. 30-07-2015

TENDER OPENING DUE DATE: 14-08-2015

TIME: 2.30 P.M

To,

Dear sir,

Sub : Fabrication of Piping, Hangers and Supports, Tanks and Vessels Rate contract for CONVERSION WORK (with BHEL Material) for the year 2015-16

We are pleased to send this enquiry to you for the fabrication and handing over **Fabrication of Piping, Hangers and Supports, Tanks and Vessels etc.** with BHEL raw materials.

Your specific attention is drawn on 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.
2. **Rates quoted shall be clear, legible and without any striking/over writing etc.**
3. The Units of measurement of Quantity, and scope of Work may please be clearly understood before indicating the rates. Correct values of rates for the relevant Unit of measurement, for each rate codes shall be quoted. No change or corrections in rates will be entertained after the offers are opened.
4. Quotations shall fulfill all the above requirements. Otherwise the offers may be summarily rejected as a whole or as part there of.
5. All necessary infrastructures and facilities shall be available to carry out the Total Job. However for special part operations like NDT , radiography, Heat Treatment, Galvanizing, etc. BHEL Approved Sources can be used. All major consumables like Electrodes, paints, shall be procured from BHEL approved sources. Utilization of any other sources shall be only after getting written acceptance from BHEL.

A.GENERAL REQUIREMENTS

1.SALIENT POINTS:

- a) The manufacturing and various processes should be as per various BHEL drawings, Quality Control Procedures (QCP), Contract Quality plans (CQP), Standard/General Quality Plans (SQP), Testing and Inspection procedures (TIP) etc.
- b) The rate quoted should be valid for one year from the date of finalization of rate contract for placement of orders. Representative drawing for various schedules are available at our office for reference.

- c) Collection of raw materials is to be made from Stores at BHEL Trichy / Thirumayam , inclusive of collection of fasteners .
- d) Finished items are to be deposited at Shipping at BHEL Tiruchi / Thirumayam. Wherever necessary BHEL may advise fabricators to dispatch finished goods directly to site through BHEL arranged vehicles as DTS. In such cases the cost of transportation not incurred by the vendor from their works to BHEL Trichy shipping point shall be recovered from the vendor in line with BHEL Trichy rate contract as below :
- **Deduction of DTS (0 to 100 km) – RS 230 / MT**
 - **Deduction of DTS (above 100 and up to 350 km) – RS 560 / MT**

Whenever despatch of finished goods from Your works to site is contemplated, raw materials will be issued after expunging the MODVAT on appropriate excise challan. You shall avail MODVAT on such cases and pass on the benefit to BHEL by adjusting the MODVAT with ED payable for despatch to site under Your excise invoice. You will be reimbursed only the excess excise amount over MODVAT credit and paid on dispatch of goods to site. Any unutilized MODVAT credit available with You will be recovered by way of deduction in payment from bills available. Hence sub-contractors shall take all necessary care while processing and dispatching such items directly to site. Incase such advise is revoked and despatch of such finished items to BHEL is advised, same shall be dispatched to BHEL on Your Excise invoice only, after paying appropriate ED in excess of MODVAT. BHEL may also dispatch from Your works with their Excise invoices on special arrangement with Excise Department. For these cases deduction as DTS charge from the vendor will be as per above.

- e) The jobs are to be offered to BHEL/ IBR/Third party/Customer inspection as detailed in the relevant POs. and Quality documents.
- f) Finished components shall be deposited at Tiruchy / Thirumayam Shipping /FOR nearest Rail head at your cost as per the despatch instructions given, or to be loaded on BHEL approved transporter on Freight-to-pay basis as per BHEL's instruction.
- g) The nature of work shall be clearly analyzed by reading the relevant drawings/ QCPs, CQP, SQP's, TIPs etc before submitting your offer.

The applicable List of Quality Control procedure (QCP's), testing and Inspection Procedures (TIPs), Standard Quality Plans (SQPs) are given below Which are also already available with You. The revision status as on date has been indicated here. However, as and when these procedures and plans are revised, copies of the same will be forwarded to you. You shall also note that the SQP's are only for projects where no specific contract Quality Plans are envisaged. Latest revision of these documents shall form the basis for execution of jobs as per this tender.

LIST OF APPLICABLE QCPs

1. QCP:03:Rev3 QCP for vessels – Non IBR quality
2. QCP:04:Rev2 QCP for vessels – IBR quality (class II)
3. QCP:05:Rev1 QCP for Rigid Struts
4. QCP:06:Rev6 QCP for Pipe Clamps
5. QCP:07:Rev2 QCP for surface preparation & stenciling, identification, end protection of piping components
6. QCP:09:Rev1 QCP for surface preparation and painting.
7. QCP:10:Rev0 QCP for Fabrication of Piping.

8. QCP:12:Rev0 QCP for Local Heat Treatment.
9. QCP:13:Rev0 QCP for Mitre Bends, Tees etc.

LIST OF APPLICABLE TIPS

1. BHE:NDT:PB:PT:01 Rev.13
Procedure for Liquid Penetrant examination
2. BHE:NDT:PB:MT:01 Rev.11
Procedure for magnetic particle examination of materials, welds in boiler components, pressure vessels heat exchangers and structural.
3. BHE:NDT:PB:RT:01 Rev.13
Procedure for Radiographic examination of welds.
4. BHE:NDT:PB:UT:01 Rev.08
Procedure for Ultrasonic examination of welds.
5. TIP:05 Rev.01
Hydraulic test procedure for Pressure parts.
6. TIP:07 Rev.0
Inspection Procedure for Packing.
7. TIP:08 Rev.0
Inspection Procedure for storage and preservation of components.
8. TIP:09 Rev.0
Procedure for visual inspection and blending of base metal surface at welds.
9. TIP:10 Rev.0
Inspection procedure for welded tees.
10. TIP:11 Rev.01
Procedure for storage ,drying and issue of welding consumables at subcontractor's works.
11. TIP:12 Rev.0
Test requirements for the use of subcontractor's material.
12. TIP:13 Rev.0:
Inspection Procedure for storage and preservation of raw materials.

LIST OF APPLICABLE SQPs

1. QPG:01:Rev00 Standard Quality Plan for piping fabrication – IBR
2. QPG:02:Rev02 Standard Quality Plan for piping fabrication – NIBR
3. QPG:03:Rev01 Standard Quality Plan for Rubber Lining
4. QPG:04:Rev00 Standard Quality Plan for Hangers and Supports
5. QPG:05:Rev01 Standard Quality Plan for Vessels
6. QPG:06:Rev01 Standard Quality Plan for De-aerator.
7. SPS:01:Rev04 Standard Quality Plan for Painting Scheme(applicable for piping, fittings and vessels)
8. SIP:PP:22 Rev 05: Quality plan for surface preparation and painting.

9. QPG:17:Rev:01 Flow Nozzle assy & weld in orifice plate assy.
10. QPG: 33 Rev:0 Non Critical piping fabrication.
11. QPG:37:Rev:01 Alloy Steel Plate Formed pipes (IBR).

2. SCOPE OF WORK & TERMS AND CONDITIONS:

AS PER DETAILS GIVEN IN ANNEXURE- I & II ENCLOSED.

3.0 RATES:

- 3.1 The rates shall be quoted as per the details given in the enclosed Rate codes. Rates shall be inclusive of transportation, power, fuel, cleaning, handling, etc.

4.0 TECHNICAL CONDITIONS:

Fabrication shall strictly conform to the dimensions and tolerances indicated in the respective drawing. 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, Transfer of attestation, painting and work order stenciling shall be done as per enclosed terms and conditions.

5.0 INSPECTION:

All components shall be inspected at various stages by Your Quality control department and offered for Inspection by BHEL Inspection Department/IBR/NTPC or any other external Inspection agency(if required) at Your works. Inspection fee of statutory body (IBR) if any will be reimbursed by BHEL. All equipments and instruments required for inspection shall be provided by You at your cost. BHEL representative will have free access to Your works during the currency of contract. Form III-A duly stamped by Director of Boilers shall be submitted within thirty days from the date of completion of last DU in a work order. You are responsible for prompt submission of Form III-A within the stipulated time and repeated occurrence of inordinate delay in submission of Form-III-A due to reasons attributable to You , will entitle BHEL the right to terminate the contract forthwith or to impose a temporary suspension on further loading at the discretion of BHEL.

6.0 DELIVERY SCHEDULE:

Delivery of components should be made within 45 days from the last date of receipt of materials.

7.0 DEPOSITION OF FINISHED COMPONENTS:

Finished components are to be deposited at BHEL/Tiruchy Stores/Shipping or Thirumayam Shipping or FOR Nearest BG Rail head AS PER OUR DESPATCH INSTRUCTIONS ONLY AT YOUR COST.

8.0 TRANSPORTATION CHARGES: As per clause 5.5 of annexure-II of this enquiry.

9.0 PAYMENT:

- a) Invoice shall be raised for DU weights as per the Purchase Order (PO)/Latest GMS Annexure.
- b) However owing to substitution, if the material weight changes over(+) or (-) 5% to the total weight of a particular work order / split in each addendum, the fabrication cost for the difference in the changed net weight shall be paid / recovered after raising necessary PO amendment and to be claimed along with 100% Invoice.
- c) For Non IBR PGMAS 100% payment shall be made against invoices(to be submitted in DUPLICATE) supported by IR from BHEL inspector/authorized agency and DC acknowledged by BHEL designated Receipt Wards of Shipping/stores. For IBR categories 85 % payment shall be made against invoices with IR&DC acknowledged by BHEL. Balance 15% shall be made as final invoice against submission of IBR Certificates / Form 3(A) duly stamped by Chief Inspector of Boilers. Payment will be made in about 45 days from the receipt of valid invoices in accordance with the above points and supported by full set of necessary documents at Outsourcing / Piping Centre.
- d) The Purchase Order will be treated as closed once the Final Material Accounting Statement (FMAS) is prepared. Recovery as per the FMAS will be done from any of the running bills. No request for refund of penalty /recovery, will be entertained after recovery is effected.
- e) IBR fees paid may be claimed through 100% invoices supported by documents i,e, copy of treasury challan and Provisional IBR Certificate.
- f) The Contractor shall ensure that all the claims or extra charges are made and P.O. amended against the particular Po sl no. / DU material code, before deposition and acknowledgement of the goods by shipping / stores. P.O. amendment will not be possible after acknowledgment by shipping. Amount due to BHEL, if any, will be recovered from the running bills.
- g) No Supplementary bills will be entertained.
- h) All subcontractors shall furnish their Bank account Number (Public Sector Banks) with branch details for 'E' Payment.

10.0 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 workingout 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.

- 10.1 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 10.2. Failure to return the prime/off-cut material will entail recovery as per BHEL norms.
- 10.2 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 the PMAS date. If MAS of any one the P.Os is pending on 37th day from the PMAS date, the system will block the bill registration for the subcontractor.
- 10.3 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.
- 10.4 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.
- 10.5 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.

11.0 GENERAL:

You may forward your most competitive offer in a sealed envelope addressed to the DGM / Outsourcing of this office to **reach us on or before 2.00 P.M. on 14-08-2015** duly super scribing our tender reference and date of opening on the envelope. Quotations received late will not be entertained. BHEL is not responsible for any delay in receipt of the tenders. It may be ensured that your offer is strictly as per our conditions.

The rates have to be filled against the respective columns of the enclosed Tables and forwarded to us duly signed by the authorized person of your firm with Rubber Stamp, IN DUPLICATE. **Offers with rates in any other format will be rejected.** BHEL reserve the right to reject any or all the offers either in full or part thereof at their discretion without assigning any reason thereof. We invite Your most competitive rates as per the annexed sheets for quoting rates.

We request You to please go through the specifications thoroughly before offering the rates.

In addition to the "A.General Requirements vide Points 1.0 to 11.0 of this enquiry as above, our "B.Terms and Conditions of Work" , "C.General conditions" ,"D.Special Terms & Conditions" as below shall also be applicable to this enquiry , as a part of the total requirements.

B. TERMS AND CONDITIONS .

1.0 RATE QUOTED SHALL INCLUDE THE FOLLOWING::

- 1) Collection of Raw material from BHEL / Trichy / Thirumayam stores and delivery of finished goods at BHEL Trichy / Thirumayam.
- 2) Fabrication Charges.
- 3) Trial Assembly charges as called for in the drawing or by the Inspecting Authority.
- 4) Cost of machining wherever involved as per the scope of work.
- 2) Cost of all Washers, split pins and other packing materials like copper ring etc., and consumables.
- 3) Charges for Destructive and Non destructive testing the components.
- 4) Transfer of attestation for all IBR items.
- 5) Packing ,and forwarding charges with End covers, as per clause 2.18 of A.GENERAL Requirements of the enquiry, to protect the pipe ends as below:
 - i) Plastic end caps for tubes/pipes up to and including 73.0 mm.
 - ii) Metallic end caps will be provided for pipes and fittings.
 - iii) Dosing with Vapour phase corrosion inhibitor as Specified in QCP inside all pipes just before end capping.
- 6) Delivery of finished components to Tiruchy / Thirumayam Shipping (or) FOR nearest B.G. Rail- Head / Carriers Godown at vendor cost.
- 7) Cost of cleaning, (power tool cleaning) wherever applicable, painting and applying rust preventive oil on threaded portions, stenciling and punching of work order number, DU No. etc. as per QCP.
- 8) In case of CS of IS specification JPC steel of IS specification involving sheets, Plates, angles, beams channels etc. up to 10 Kgs, sub-contractors to use their own material the same will be observed as scrap.
- 9) Return of any balance material after completion of fabrication to our stores at Tiruchy / Thirumayam.
- 10) The rates will be FIRM and not subject to any variation / escalation on any account during the validity period. The rates are operative up to one year for placement of Purchase

Orders from the date of releasing the Rate contract. Annual rate contract is to be entered between BHEL and the Subcontractor. The total available load will be distributed to those Subcontractors with whom contract is entered into and the Purchase Orders shall be placed in a phased manner subject to the availability of potential and also depending upon the performance such as, "Collection of raw materials in time, manufacture according to our plans / requirements, meeting quality requirements and sequential and timely dispatch of components from Subcontractor's works, and also as per the minimum required facilities available at the Subcontractor's works to meet the job requirement and any other reasons like logistical advantage, proximity, criticality of the job and its requirements, subcontractors response and interaction and any other reason at the discretion of BHEL". BHEL has the right to decide diversion of any jobs loaded from one Subcontractor to other Subcontractor if the progress of the job and response of the Subcontractor is not meeting the requirements of quality, delivery, project schedule or any other reasons, at the cost of the Subcontractor on whom the job was originally loaded. The Subcontractor shall extend fullest cooperation in this regard.

- 10) **EXTRA CHARGES AS PER APPLICABLE RATE CODES WILL BE PAID: FOR DETAIL PLEASE REFER CLAUSE 5.6 OF ANNEXURE-II OF THIS ENQUIRY.**

3.0 TAXES: As per clause 20.0 of annexure-II of this enquiry.

3.1 EXCISE DUTY: As per clause 21.0 of annexure-II of this enquiry.

4.0 DOCUMENTS:

- 4.1 Two sets of drawings and one copy of Group manufacturing specification (GMS), one copy of issue of materials list (IOM), One copy of Director of Boilers approved drawing for IBR PGMA's and Test Certificates/Group certificates for attested raw materials will be supplied by BHEL.
- 4.2 The 'Issue of Material List' gives::
- a) The summary of raw materials/components required for the scope of work (DUS) against the work order indicated.
 - b) The raw-material requirement is arranged category-wise.
 - c) Where items are to be machined, necessary machining allowance has been included.
- 4.3 The bill of material shall be worked out on the above basis independently by the contractor and compared with. Any variations, shall be brought to the notice of BHEL immediately for taking further action.
- 4.4 This 'Issue of Material List' contains six columns, viz.,
- a) Description and specification of Material.
 - b) Subcontracting material Issue Voucher (SMIV) Number.
 - c) Net weight.
 - d) Demanded weight (Includes the standard process and cutting allowances)
- 4.5 Substitution advice shall be given whenever the materials are substituted. Material substitution shall be noted carefully against each item in the "Issue of Material" list and proper care taken during fabrication. The net weight will be altered only for the purpose of accounting of material wherever the substituted materials are used as they are without further machining. Additional materials if required over and above the standard allowance, will be arranged on request supported by cutting plans duly approved by BHEL authorities.

4.6 The Contractor shall ensure that receipt of materials from BHEL is closely followed up and systematically compared with the 'Issue of Material' list so that material supply position for any particular work order will be clear and up to date at any point of time. This in turn will assist in

- a) Determining the matched material position for any Work Order.
- b) Formulation of the production schedule and
- c) Correct release of materials to shop floor in time.

4.7 On completion of the work the total issue of material for the work order has to be accounted for and the scrap / cut bits material determined on the basis of the Issue of Material List is updated.

5.0 ISSUE AND ACCOUNTING OF RAW MATERIALS:

5.1 Scope of material supply::

- a) For the fabrication, raw material with necessary allowances will be issued from BHEL/STORES/TIRUCHY.
- b) An invisible wastage up to 2% of the design wt depending upon the category of raw material will be allowed and the balance off cut bits/scrap against each category shall be properly accounted by the sub-contractors and same shall be deposited at BHEL at his cost.
- c) The cutting plan is to be submitted within 10 days from the date of issue of material.

5.2 If material is transferred from one work order to another work order within the contractor's works to make use of off-cuts or due to critical conditions as instructed by BHEL Piping Centre and material transferred from one contractor to another should be regularized within fifteen days by preparing IAMTV and getting it duly attested by BHEL authorities, failing which no credit will be given to the transferred material and necessary recoveries will be made. The material transfer emanating from the Outsourcing, Piping Centre, Chennai is to be honored within 15 days or otherwise, recovery will be made at the Prime material cost. Any difficulty for effecting such transfer shall be brought to the knowledge of Outsourcing immediately.

5.3 MANNER OF MATERIAL UTILISATION

- a) The raw materials are supplied with the original Mill Melt number and specification punched in the case of full size material and in the case of smaller sizes the above details along with IB/BHEL Inspection stamp will be transferred and attested. The raw material before removal from stores should have the attestation transferred.
- b) When the material is to be cut into smaller lengths the above details are to be transferred on to the pieces and the local IB/BHEL Inspection stamp obtained before cutting. As far as possible the portion of the material having the original stamping is to be retained till the end and shall be returned to the contractee (BHEL).

5.4. DEFINITION OF OFFCUT / CUT – BITS, SCRAP:

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 ETC.	BELOW 1000 LENGTH	1000 & ABOVE LENGTH
03	SS SHEETS & PLATES	BELOW 500 X 250	500 X 250 & ABOVE
04	SS STRUCTURALS, SS RODS, SS TUBES, SS PIPES	BELOW 250 LENGTH	250 & ABOVE LENGTH
05	NON-FERROUS : SHEETS & PLATE	BELOW 500 X 250	500 X 250 & ABOVE
06	NON-FERROUS : RODS & TUBES	BELOW 250 LENGTH	250 & ABOVE LENGTH
07	BIG SIZE SCRAP	(2500 & ABOVE) X (150 – 249)	N.A.
08	PIPES, TUBES OTHER THAN P91,P92,T23 AND SS	BELOW 500 LENGTH	500 & ABOVE LENGTH
09	PIPES,TUBES – P91,P92 AND T23	BELOW 250 LENGTH	250 & ABOVE LENGTH

- A) THE OFFCUTS / CUT-BITS ARE TREATED AS EQUIVALENT TO PRIME MATERIALS.
 B) SCRAP RECOVERY RATES WILL BE IN LINE WITH OUTSOURCING, BHEL, TRICHY RATES.
 C) THOUGH PIPE SCARP RATE IS OBTAINED IN THE PRICE FORMAT, PIPE SCARP RATE WILL BE DECIDED BY BHEL BASED ON THE HIGHEST RATE OBTAINED IN THE ENQUIRY AND AS DECIDED BY THE APPROPRIATE COMMITTEE
 E) IN THE EVENT OF NON-RETURN OF PRIME MATERIALS / OFFCUTS, VALUE AS PER BHEL'S PREVAILING BOOK VALUE + 25% / 50% FOR INDIGENOUS / IMPORT MATERIALS WILL BE RECOVERED FROM THE VENDOR WITH SALES TAX AND EXCISE DUTY AS APPLICABLE.

5.5 The Contractor shall transfer the attestation as available in the prime length in all the cut-bits before actual work is taken to cut the prime length. If the cut-bits do not contain the attestations, proportionate cost (as decided by BHEL) of the material for the cut-bits will be recovered from the contractor.

6.0 RISK OF LOSS OR DAMAGE TO BHEL'S PROPERTY:

Materials under your Custody shall be treated in line with provisions of clause 10.4 and 10.5 as per A.GENERAL REQUIREMENTS of this Specification.

7.0 INSURANCE:

Insurance cover for transit of raw materials taken from the BHEL stores and for depositing the finished products at BHEL Tiruchy / Thirumayam Shipping (or) FOR nearest Rail Head shall be arranged by the Subcontractor. If as a result of a contract, BHEL agrees to deliver the raw materials at the contractor's works then in such case only the transit insurance for such portion shall be arranged by the BHEL.

- 7.1 To enable the BHEL to take out the transit insurance policy for the fabricated materials dispatched directly to site the contractor shall intimate by email about the dispatch of materials from his works within 24 hours of dispatch as per the delivery instructions of the BHEL. The email shall indicate work order number, DU number, weight LWB No / RR and the carriers Name / Wagon number. In addition to this, the contractor shall forward 2 photo copies of the LWB / RR by the next email to the BHEL.
- 7.2 If the contractor fails either to send the email intimation and or failing to send a copy of the LWB/RR as mentioned in 7.1 above, the entire insurance responsibility shall rest on the contractor and any loss / damage occurred during transit shall be recovered from the contractor. This shall include not only the fabrication charges but also the cost of raw materials. The amount for recovery as computed by the BHEL shall be final.
- 7.3 Without prejudice to the above right, BHEL is at liberty to deduct an amount not exceeding 2 percent of the contract value for the failure of the Subcontractor in furnishing the above fax / and / or copies of LWB / RRs.

8.0 PROGRESS REPORT:

- 8.1. The contractor shall from time to time render such reports concerning the progress of the contract as may be required by BHEL. The submission, receipt and acceptance of such reports shall not prejudice the rights of the contractee (BHEL) under the contract, nor shall operate as an estoppels against the contractee (BHEL) merely by reason of the fact that he has not taken notice of or objected to any information contained in such reports. Action as deemed fit will be taken if the progress of work is not satisfactory.
- 8.1.1 The contractor shall furnish a monthly report (status at the end of every calender month) regarding the availability of free issue of materials at their end as per the requirements of Outsourcing, Piping Centre, BHEL, Chennai as per standard format to be furnished by Piping Centre, Chennai.

9.0 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. They 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) Bulk manufacture shall be taken up only after the approval of the first sample by our Inspection.
- d) In case of hot bending of pipes/tubes, shot blasting or acid pickling shall be done to remove scale etc.

- e) Extra joints shall be avoided as far as possible. Wherever it could not be avoided, the extra joint may be provided with the prior permission of BHEL. Extra joints should be incorporated in the inspection report and duly attested by our Inspection Engineer.
- f) Normal packing shall be made by the Contactor to avoid transit damages.
- g) Any other work done outside the requirements of drawings, CQP/TIP/QCP shall have the prior written approval of the competent Authority of Outsourcing.
- h) Only the right kind of matching electrodes shall be used as called for in the drawings.
- i) Adequate facilities like welding equipments, baking oven, handling facilities and measuring instruments (calibrated by BHEL or their authorized agencies) as called for must be available with the contractor for the manufacture of Piping components. All the above basic fabrication requirements must be under working condition and the same be made available for verification by BHEL officials or their authorized representatives whenever they are called for.
- j) 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.

10.0 INSPECTION: As per clause 12.0 of annexure-II of this enquiry.

11.0 REJECTIONS: As per clause 14.0 of annexure-II of this enquiry.

12.0 CLEANING AND PAINTING and IDENTIFICATION :

The finished components shall be cleaned by power operated wire brush (in case of THERMALLY WORKED PIPES cleaning shall be by means of SHOT BLASTING) prior to application of primer. Normally primer coat with red oxide primer (alkyd base) conforming to IS 12744 and finish coat of synthetic enamel long oil Alkyd to IS 2932 of colour shade Smoke Grey as per QCP:09:0/Surface Preparation and Painting Procedures is to be applied. However, in the case of special requirement of surface preparation and painting depending on project/component, rates as mutually agreed will be applicable and same is to be adopted.

The following details are to be stenciled:

The work order number (13 digits) , DU number (3 digits) No off , weight, colour code and flow direction. The following details are to be hard-stamped : the work order number (13 digits), Du number, specification, melt number, firm code, quantity etc. as may be indicated. For pipes/tubes of thickness less than 4.5 mm material specification shall be engraved/ punched with suitable punch. This shall be covered with an over coat of transparent varnish. Machined surfaces shall be given one coat of rust preventive oil (Bonito compound). The inside surfaces of all pipes and bends is to be thoroughly cleaned before dispatch. The conditions indicated in the relevant QCP/QP shall also be complied.

13.0 PACKING:

All pipe ends are covered by end caps as per specification already made. Stiffener should be provided for pipes beyond NB 900 or as indicated in the drawings. VCI pellets should be placed inside pipes before capping.

- 13.1 Normal packing shall be made by the contractor to avoid transit damages.
- 13.2 Loose fittings and other loose items should be properly bound together so that they do not get lost during transit.

14.0 BANK GUARANTEE:

- 14.1 A Bank guarantee for a value of rupees 10 lakhs (rupees ten lakh only) for the safe custody of the materials issued by BHEL as free issue is to be executed by any one of the Nationalized banks/SBI group Banks on behalf of the contractor and the same is to be kept valid for a period of twelve months and claim period of three months thereafter. Also the above bank guarantee shall be executed on a non-judicial stamp paper of value of Rs.100/- as per our standard guarantee clauses. The bank guarantee should cover the recoveries to be made by BHEL towards scrap / faulty workmanship etc. and also for material accounting not made within the stipulated time.
- 14.2 The release of raw materials by BHEL will be after the Bank Guarantee is furnished by contractor for the above value.
- 14.2.1 The contractor shall warrant that the fabrication comply fully with the drawings and other Technical conditions. If the fabrications are found to be defective due to faulty workmanship / Incomplete work/ defective raw materials within a period of 18 months from the date of dispatch from the contractor's works to the extent provided by the contractor, the contractor shall replace the same free of cost. Alternatively, the work / replacement charges will be recovered from the contractor.

15.0 BILLING / INVOICING AND PAYMENT :

- 15.1 Payment as per clause **9.0 of A.GENERAL** Requirements will be made on fulfillment of the following documents:
- 15.2 Invoices shall be raised for the latest DU weights only.
- 15.3 All the invoices shall be addressed to Head of the Department of Outsourcing, Piping Centre, BHEL, Chennai.
- 15.4 Separate invoices shall be raised for each work order .
- 15.5 Retirement of documents through bank is not acceptable.

15.6 FABRICATION AND MACHINING DUS:

15.6.1 IBR PGMA DUS:

85% payment will be made on receipt of the following documents:

- a) Invoice in Duplicate.
- b) Inspection Report (IR) duly signed by both the contractor and also BHEL Inspector / authorized Inspection agency (in Duplicate).
- c) Acknowledged delivery challan containing DU Nos. of the materials dispatched.
- d) Photostat copy of LWB/RR, wherever applicable.

Balance 15% payment shall be made with the submission of the following documents:

- a) Invoice in Duplicate.
- b) Details of 85% claims made (this shall contain IR no. and date, DU no., material code , drawing no.

- c) Certificate from the sub-contractor for having submitted the Form III A (Form III A duly approved by Director of Boilers) to Quality Assurance & Control / commercial department for the Dus involved. (in duplicate).
- d)
 - 1) Copy of IR
 - 2) Copy of DC
 - 3) Copy of FMAS
 - 4) Acknowledgement for the receipt of IBR documents by QA & C / Commercial department.

15.6.2. NON IBR PGMAS:

100% payment will be made on receipt of the following documents:

- a) Invoice in Duplicate.
- b) Inspection Report (IR) duly signed by both the contractor and also BHEL Inspector/ authorized Inspection agency (in Duplicate)
- c) Acknowledged delivery challan containing DU Nos. of the materials dispatched.
- d) Photostat copy of LWB/RR, wherever applicable.

15.7 PAINTING DUS:

IBR AND NON-IBR PGMA

100% Payment against submission of the following documents:

- a) Invoice in Duplicate.
- b) Inspection Report (IR) duly signed by both the contractor and also BHEL.
- c) Acknowledged delivery challan containing DU Nos. of the materials dispatched.
- d) Photostat copy of LWB/RR wherever applicable.
- e) Copy of issued SMIV for the proof of having received the material in correct qty.
- f) Certificate from the sub-contractor for having submitted the History cards, Test Certificates and other quality oriented records to QA&C department for the Dus involved (in duplicate).

IBR-PGMA PAINTING DUS

For items coming under the purview of IBR involving painting only, the procedures as followed for fabrication of IBR piping is to be followed. This involves using IBR approved drawing, obtaining RIR, payment of IBR inspection fees, FIR and Form III(A)/III(C) submission. IBR certificates are to be submitted to BHEL.

15.8 For easy processing, the above documents shall be compiled in the following order in two sets:

Slno	Account set	OS Set
1	Original Invoice	Copy of Invoice
2	Inspection Report	Inspection Report
3	Acknowledged Delivery challan original	Acknowledged Delivery challan one copy
4	RR/ LR copy (wherever applicable)	RR/ LR copy. (wherever applicable)
5	Certificate for submission of Form III A (wherever applicable)	Certificate for submission of form III A (wherever applicable).
6	Certification for submission of History card (wherever applicable).	Certification for submission of History card (wherever applicable).

Following points are to be noted before raising the 85% / 100% invoices.

- 1) Any change in DU length, weight, description with respect to Purchase order should be referred to BHEL. Bill should be raised only after obtaining necessary amendments.
- 2) No Invoice should be raised before receipt of detailed Purchase Order. Otherwise bill will be returned.
- 3) Inspection Report should not contain any correction. Correction if any, should be attested by the concerned Inspection Engineer.
- 4) The IR should also contain the number of items inspected and cleared in words duly signed by the Inspection Engineer.
- 5) While submitting for 85% / 100% bill, the number of items in IR and DC should tally, failing which the bill will not be entertained.
- 6) No Photostat copies of IR / DC will be entertained. Original copies of IR should be enclosed for invoicing.
- 7) Any false information on submission of Form III A and History cards etc., will be viewed seriously resulting in recovery of amount paid and also resulting in other actions like suspension on further loading, de-listing etc.

15.9 The Contractor shall submit material accountal statement along with the last 15% bill of a particular work order or PO failing which cost of balance material if any, will be recovered from any of the subsequent dues payable to the contractor of any other order.

15.10 Original Challan (and a photo copy) for fees paid to Boiler Inspectorate accompanied by a statement showing Drg no. and DU Nos. for which fees have been paid shall be attached to the invoice in which reimbursement of fees is claimed.

15.11 Payment to the sub-contractor shall be made within 45 days from the date of acceptance of the invoice. BHEL is contemplating 'E' payment . ALL Subcontractors shall furnish their Bank Account No for the same.

16.0 SUBLETTING:

16.1 The contractor shall not sublet or assign this contract or any part thereof without the written permission of the contractee (BHEL). In the event of the contractor subletting or assigning this contract or any part thereof without such permission, the contractee (BHEL) shall be entitled to cancel the contract and to execute the fabrication work elsewhere at the risk and account of the contractor and the contractor shall be liable for any loss or damage which the contractee (BHEL) may sustain in consequence of or arising out of such fabrication elsewhere. The contractor may assign for completing jobs like, Heat Treatment, Galvanizing, Radiography and other NDT tests, Acid pickling, Blast Cleaning, Rubber lining and other special painting requirements through BHEL approved sources. The documentary evidences will be kept at contractor works for BHEL verification.

17.0 DELAYED EXECUTION, FAILURE & TERMINATION OF CONTRACT:

- 17.1 The time for the date of delivery of fabricated items shall be normally 45 days from the date of collection of the last raw material for any particular DU. This delivery time shall be deemed to be the essence of the contract.
- 17.2 If the contractor fails to deliver the fabricated materials or installment thereof within the period fixed for such delivery or at any time repudiate the contract before the expiry of the period, the contractee (BHEL) may recover damages for breach of contract as under,
- a) Recover from the contractor as per agreed liquidated damages a sum equivalent to ½% of the value of the assemblies (fabrication cost) delayed for each week or part thereof but not exceeding 10% of the total value for each work order where delivery is accepted after the expiry of the delivery period.
 - b) Fabricate elsewhere without notice to the contractor on account and at the risk of contractor, the fabrications not so delivered without canceling the contract in respect of installments of fabrications not yet due for delivery.
 - c) Cancel the contract or the portion thereof and if so desired fabricate elsewhere at the risk and cost of the contractor.

17.3 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 contractor 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 contractor.

17.4 COMPENSATION AGAINST DAMAGE OF PLANT & MACHINERY / TOOLS/ AND GAUGES.

BHEL reserves the right to claim adequate compensation from the contractor 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 contractor.

17.5 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.

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

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

19.0 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.

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

any of their dues on BHEL, the same would be paid without notice to the contractor and recovered as a due from any pending / future bills.

- 21.0 All safety precautions and use of safety equipments are to be followed while carrying out the fabrication and dispatch of the same. The contractor 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.,
- 22.0 All documents of BHEL made available to the contractor 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 contractors also. Any contravention will be viewed seriously. Such documents should not be disposed of / destroyed without the prior approval of Outsourcing (PC), BHEL, Chennai.
- 23.0 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.

24.0 GENERAL:

24.1 ABBREVIATIONS USED IN THIS ENQUIRY:

AS	Alloy Steel
CS	Carbon Steel
DC	Delivery Challan
ED	Excise Duty
EP	Edge preparation
FIR	Final Inspection Report.
FMAS	Final Material Accountal System.
FOR	Free On Rail/Road
GMS	Group Manufacturing Specification
IBR	Indian Boiler Regulation
IR	Inspection Report
LOI	Letter of Intent
LPI/LPT	Liquid Penetrant Test
LR	Lorry Receipt.
MPI	Magnetic Particle inspection
NDT	Non-Destructive Test
NTPC	National Thermal Power corporation Ltd.
PF	Plate formed Pipe
PMAS	Provisional Material Accountal Statement
PO	Purchase Order
PSL	Priced Stores Ledger
QC	Quality Control
QCP	Quality Control Procedure
RIR	Raw Material Inspection Report
RSV	Return Stores Voucher
RT	Radiography Test
SS	Stainless Steel
UOM	Unit Of Measurement

C. GENERAL CONDITIONS

I. DEFINITION :

Throughout these conditions and in the specifications, the terms:

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

II. EXECUTION:

The whole contract is to be executed in the most approved substantial and workman like manner to the entire satisfaction of the contractee (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 contractee (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 contractor and accepted by the contractee (BHEL). Should the contractor proceed to fabricate and without obtaining the consent of the contractee (BHEL) in writing to an amended cost of fabrication/machining charges , the contractor shall be deemed to have agreed to execute fabrication at such charges as may be considered reasonable by the contractee (BHEL).

III. FORCE MAJEURE:

If at anytime 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 contractee (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 Contractor to the contractee(BHEL) subject to prompt notification by the contractor to the contractee(BHEL) of the particulars of the events and supply to the contractee (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.

IV 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 contractor is unable to keep the delivery schedule of contractee (BHEL) the extension of time may be granted by the contractee (BHEL) to the extent considered necessary. Should there be delay in supply beyond the extended date of delivery, it shall be open to the contractee (BHEL) to terminate the contract in part or full and make other arrangements for executing fabrication elsewhere at the cost and risk of the contractor.

V INTERPRETATION:

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

VI BOOK EXAMINATION CLAUSE:

01. The contractor shall, whenever required, shall produce for examination by any officer of the contractee (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 contractee(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 contractor.
02. The contractor shall, if the authorized officer of the contractee(BHEL) so required (whether before or after the prices have been finally fixed), extend facilities to the officer of contractee(BHEL) concerned to visit the contractor'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 contractor or any sub-contractor or any subsidiary or an allied firm or Company, the authorized officer of the contractee(BHEL) shall have power to secure the books of such Contractor or sub-contractor or any subsidiary or allied firm or company and the same shall be open for inspection.

VII SET OF CLAUSES:

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

VIII LAWS GOVERNING THE CONTRACT:

1. The contract shall be governed by the Laws of the Government of India in force.
2. 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.

IX 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.

X THE GLOBAL COMPACT

The Global Compact is a signature initiative of United Nations Secretary General 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 contractee (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.

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

D. SPECIAL TERMS AND CONDITIONS:

1. 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..
2. 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.
3. 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.
4. BHEL reserves the right to negotiate the L1 rate.

5. BHEL may order on more than one vendor at the lowest acceptable price to BHEL.
6. Items involving painting in IBR PGMAs are to be processed as per the statutory requirements. Necessary rate codes are added in the enquiry.
7. Material Accounting has to be completed necessarily within 30 days from the date of Completion of the last DU of the P.O. If this is not done, BHEL, at their discretion will take steps to recover the cost of unreturned material as per Material Accounting by BHEL.
8. All subcontractors shall maintain quality system and organization as per BHEL requirement . This will be periodically audited by BHEL.
9. All welding process shall be approved. Approval for new process should necessarily be obtained before initiating regular production.
10. List of annexure / Documents attached with this enquiry.
 - Annexure-A: Vendors communication details.
 - Annexure-B: Rate code list.
 - Annexure-C: Affidavit.
 - Annexure-D: Declaration by the vendors.
 - Annexure-E: Checklist
 - Annexure-F: MSME validity certificates
 - Annexure-I: Scope of work
 - Annexure-II Terms and conditions.
 - BG format.
 - Integrity pact
 - MSME vendor details
11. BHEL has developed an OS WEB site, Subcontractor shall establish compatible system to interact with BHEL and download the online data through the website <http://vis.bheltry.co.in>
12. All subcontractors shall submit the offers .The soft copy of Enquiry and Rate codes are sent by e- mail also.

Yours faithfully,
For Bharat Heavy Electricals Ltd

ENGINEER / OS