

## **Annexure – II**

### **Annexure – YY**

To our Enq Ref no: HY/SC/TC/B9/16/3DS\_Moving\_Blades/OT. DT: 06.07.2016.

#### **Business Rules for Reverse Auction**

This has reference to tender no { HY/SC/TC/B9/16/3DS\_Moving\_Blades/OT. DT: 06.07.2016}. BHEL shall finalise the Rates for the supply of {For finish machining of Moving and Lock Blades (3DS Twisted Profiles)} through Reverse Auction mode. BHEL has made arrangement with { M/s. C1 India Ltd }, who shall be BHEL's authorized M/s. C1 India Ltd for the same. Bidders should please go through the guidelines given below and submit acceptance of the same. The technical & commercial terms are as per

- (a) BHEL Tender Enq. No. { HY/SC/TC/B9/16/3DS\_Moving\_Blades/OT. DT: 06.07.2016 (b) Bidders" technical & commercial bid (in case of two part bid) and
- (c) Subsequent correspondences between BHEL and the bidders, if any.

**1. Schedule for reverse auction:** The Reverse Auction is tentatively scheduled on {date}: 06.06.2016.

- **Online Sealed Bid:-**

- {Start Time:14.00 hrs.
- Close Time: 14.20 hrs.}

- **Online Reverse Auction:-**

- {Start Time:14.50 hrs.
- Close Time: .15.30 hrs.}

**2. Auction extension time:** If a bidder places a bid in the last {5 minutes of closing of the Reverse Auction and if that bid gets accepted, then the auctions duration shall get extended automatically for another {5} minutes, for the entire auction (i.e. for all the items in the auction), from the time that bid comes in. Please note that the auto-extension will take place only if a bid comes in those last {5} minutes and if that bid gets accepted as the lowest bid. If the bid does not get accepted as the lowest bid, the auto-extension will not take place even if that bid might have come in the last {5} minutes. In case, there is no bid in the last {5} minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.

The above process will continue till completion of Reverse Auction. Complaints / grievances, if any, regarding denial of service or any related issue should be given in writing thru e-mail/ fax to { M/s. C1 India Ltd } with a copy to BHEL within 15 minutes from the initial closing time of Online Reverse Auction.

**3. Bid price:** The Bidder has to quote the F.O.R. destination Price inclusive of Packing & Forwarding charges, all the routine & type tests as per tender scope, ED + cess, CST against C-form, Freight (bidder to provide original Freight paid receipt), insurance charges, etc. including loading (if indicated by BHEL due to deviations in commercial terms) for the Items specification.

Note: For the consideration of L1 bidder, the bid value shall be reduced by Loading amount, if applicable.

**4. Bidding currency and unit of measurement:** Bidding will be conducted in {*Indian Rupees per Piece*} of the material as per the specifications {*Rs. /piece*} In case of foreign currency bids, exchange rate (TT selling rate of State Bank of India) as on scheduled date of tender opening (Part-I bid in case of two part bid) shall be considered for conversion in Indian Rupees.

**5. Validity of bids:** Price shall be valid for {*90days*} from the date of reverse auction. These shall not be subjected to any change whatsoever.

**6. Lowest bid of a bidder:** In case the bidder submits more than one bid, the lowest bid at the end of Online Reverse Auction will be considered as the bidder's final offer to execute the work.

**7. Post auction procedure:** BHEL will proceed with the Lowest Bid in the Reverse Auction for further processing.

## **8. Procedure of Reverse Auctioning**

- i. **Online Sealed Bid:** This duration of online sealed bid will be {*20*} minutes. All bidders to submit their online sealed bids during this period.
- ii. **Online Reverse Auction:** The „opening price“ i.e. start price for RA and bid decrement“ will be decided by BHEL.
- iii. If BHEL decides the lowest online sealed bid as the starting price, then the lowest bidder in online sealed bid shall be shown as current L1 automatically by the system and no acceptance of that price is required. System shall have the provision to indicate this bid as current L1.
- iv. Bidders by offering a minimum bid decrement or the multiples thereof can displace a standing lowest bid and become “L1” and this continues as an iterative process.
- v. After the completion of the online reverse auction, the Closing Price (CP) shall be available for further processing.

**9.** If no bid is received in the auction system/ website within the specified time duration of the online RA, then BHEL will scrap the online reverse auction process and proceed with the conventional mode of tendering (opening of the envelope sealed bids earlier submitted by the bidders).

In cases where no bidder accepts the start price, the RA may be treated as failed and sealed envelope price bids of all the techno-commercially qualified bidders shall be opened and the tender processed accordingly.

Wherever the techno-commercially acceptable bidder(s) had agreed to participate in the RA and had failed to submit the online sealed bid, the envelope sealed bids of such bidder(s) shall not be entertained.

Wherever, the evaluation is done for individual items of the package, and no bid is received for some of the item(s), RA will be considered as failed for these item(s), re-reverse auction/ retendering will be conducted for these items.

10. Only those bidders who have submitted the,online sealed bid" within the Scheduled time shall be eligible to participate further in RA process. However, the H1 bidder(s) (whose quote is highest in online sealed bid) may not be allowed to participate in further RA process.

11. Any commercial/ technical loading shall be intimated to bidders prior to RA. The excel sheet provided in this regard shall cover all these aspects. Commercial/ technical loading if any, shall be added by the respective bidder in its price during online sealed bid & Online Reverse Auction.

Modalities of loading & de-loading shall be separately intimated to the bidders.

12. Computerized reverse auction shall be conducted by BHEL (through **M/s. C1 India Ltd** }, on pre-specified date, while the bidders shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by bidders themselves. During the RA if a bidder is not able to bid and requests for extension of time by fax/ e-mail/ phone then time extension of additional 15 minutes will be given by the **M/s. C1 India Ltd** provided such requests come before 5 minutes of auction closing time. However, only one such request per bidder can be entertained. Despite this extension if bidder fails to upload his prices due to extreme case of failure of Internet connectivity, (due to any reason whatsoever may be) it is the bidders" responsibility/ decision to send fax communication immediately to { **M/s. C1 India Ltd** }, furnishing the price the bidder wants to bid online with a request to the **M/s. C1 India Ltd** to upload the faxed price on line so that the **M/s. C1 India Ltd** will up load that price on line on behalf of the Bidder. It shall be noted clearly that the concerned bidder communicating this price to **M/s. C1 India Ltd** has to solely ensure that the fax message is received by the **M/s. C1 India Ltd** in a readable/ legible form and also the Bidder should simultaneously check up with **M/s. C1 India Ltd** about the clear receipt of the price faxed. It shall also be clearly understood that the bidder shall be at liberty to send such fax communications of prices to be up loaded by the **M/s. C1 India Ltd** only within the closure of Bid time and under no circumstance it shall be allowed beyond the closure of Bid time /reverse auction. It shall also be noted that the **M/s. C1 India Ltd** should be given a reasonable required time by the bidders, to upload such prices online and if such required time is not available at the disposal of the **M/s. C1 India Ltd** at the time of receipt of the fax message from the bidders, the **M/s. C1 India Ltd**. will not be uploading the prices and either BHEL or the **M/s. C1 India Ltd**. are not responsible for this unforeseen circumstances. In order to ward-off such contingent situation bidders are requested to make all the necessary arrangements/ alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the reverse auction successfully. Failure of power or loss of connectivity at the premises of bidders during the Reverse auction cannot be the cause for not participating in the reverse auction. On account of this, the time for the auction cannot be extended and neither BHEL nor { **M/s. C1 India Ltd.**} is responsible for such eventualities.

13. Proxy bids: Proxy bidding feature is a pro-bidder feature to safe guard the bidder's interest of any internet failure or to avoid last minute rush. The proxy feature allows bidders to place an automated bid in the system directly in an auction and bid without having to enter a new amount each time a competing bidder submits a new offer. The bid amount that a bidder enters is the minimum that the bidder is willing to offer. Here the software bids on behalf of the bidder. This obviates the need for the bidder participating in the bidding process until the proxy bid amount is decrementally reached by other bidders. When proxy bid amount is reached, the

bidder (who has submitted the proxy bid) has an option to start participating in the bidding process.

The proxy amount is the minimum amount that the bidder is willing to offer. During the course of bidding, the bidder cannot delete or change the amount of a proxy bid. Bids are submitted in decrements (decreasing bid amounts). The application automates proxy bidding by processing proxy bids automatically, according to the decrement that the auction originator originally established when creating the auction, submitting offers to the next bid decrement each time a competing bidder bids, regardless of the fact whether the competing bids are submitted as proxy or standard bids.

However, it may please be noted that if a manual bid and proxy bid are submitted at the same instant manual bid will be recognized as the L1 at that instant.

In case of more than one proxy bid, the system shall bid till it crosses the threshold value of „each lowest proxy bid“ and thereafter allow the competition to decide the final L1 price. Proxy bids are fed into the system directly by the respective bidders. As such this information is privy only to the respective bidder(s).

**14.** Bidders are advised to get fully trained and clear all their doubts such as Refreshing of Screen, quantity being auctioned, tender value being auctioned etc.

**15.** { **M/s. C1 India Ltd.**}, shall arrange to demonstrate/ train the bidder or bidder's nominated person(s), without any cost to bidders. { **M/s. C1 India Ltd.**}, shall also explain the bidders, all the rules related to the Reverse Auction/ Business Rules Document to be adopted along with bid manual. Bidders are required to give their compliance on it before start of bid process.

**16.** Successful bidder shall be required to submit the final prices, quoted during the Online Reverse Auction in *Annexure - VII* after the completion of auction to **M/s. C1 India Ltd.** besides BHEL, duly signed and stamped as token of acceptance without any new condition other than those already agreed to before start of auction.

**17.** Any variation between the final bid value and that in the confirmatory signed price breakup document will be considered as tampering the tender process and will invite action by BHEL as per extant guidelines in vogue.

**18.** Bidders' bid will be taken as an offer to execute the work/ supplies the item as per enquiry no. { **HY/SC/TC/B9/16/3DS\_Moving\_Blades/OT. DT: 06.07.2016**} Bids once made by the bidder, cannot be cancelled/ withdrawn and bidder shall be bound to execute the work as mentioned above at bidder's final bid price. Should bidder back out and not execute the contract as per the rates quoted, BHEL shall take action as per extant guidelines in vogue.

**19.** Bidders shall be assigned a **Unique User Name & Password** by BHEL or { **M/s. C1 India Ltd.**}. Bidders are advised to change the Password and edit the information in the Registration Page after the receipt of initial Password from BHEL/ { **M/s. C1 India Ltd.**} to ensure confidentiality. All bids made from the Login ID given to the bidders will be deemed to have been made by the bidders/ Bidders' Company.

**20.** Bidders shall be able to view the following on their screen along with the necessary fields during Online Reverse Auction:

a. Leading (Running Lowest) Bid in the Auction (only total price of package)

- b. Bid Placed by the bidder
- c. Start Price
- d. Decrement value

**21.** After receipt of the system report from the **M/s. C1 India Ltd.** after completion of the Online Reverse Auction, BHEL will decide upon the winner. BHEL's decision on award of contract shall be final and binding on all the Bidders.

**22.** BHEL reserves the right to cancel the Reverse Auction process/ tender at any time, before ordering, without assigning any reason.

**23.** BHEL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause. In such cases, the decision of BHEL shall be binding on the bidders.

**24.** Other terms and conditions shall be as per bidder's techno-commercial offers and other correspondences, if any, till date.

**25.** Bidders are required to submit their acceptance to the terms/ conditions/ modalities before participating in the Reverse Auction in the process compliance Form as per *Annexure-IV*.

**26.** BHEL can decide to extend, reschedule or cancel any Auction with prior intimation to all bidders.

**27.** If there is any clash between this business document and the FAQ available, if any, in the web site of { **M/s. C1 India Ltd.**} the terms& conditions given in this business document will super cede the information contained in the FAQs. Any changes made by BHEL/ **M/s. C1 India Ltd.** (due to unforeseen contingencies) after the first posting shall be deemed to have been accepted if the bidder continues to access the portal after that time.