

**SPECIAL TERMS AND CONDITIONS FOR LONG TERM CONTRACT OF BUTT WELDED
FITTINGS – ANNEXURE A**

BHEL TERMS	VENDOR CONFIRMATION
<p>1) BID VALIDITY</p> <p>a) This is an annual Long term contract for supply of BW fittings. The quoted rates shall be valid for 15 months from the date of technical bid opening. Bids with validity less than this period will be summarily rejected.</p>	
<p>2) ORDERING QUANTITY</p> <p>a) The quantity mentioned in the enquiry is only tentative. Based on actual requirement during the Long term contract, the total ordering quantity of each item shall vary from few numbers to a maximum of 3 times the Enquiry quantity.</p>	
<p>b) BHEL will place order for the items usually in small lots as and when requirement arises during the contract period.</p>	
<p>c) Ordering will be done on competitive bids at item level only. It will NOT be done on package basis. Bids of suppliers who do not accept this tender condition will be rejected.</p>	
<p>d) Minimum order quantity (MOQ) / Minimum order Value (MOV) condition is NOT acceptable. Bids of suppliers who do not accept this tender condition will be rejected.</p>	
<p>3) TENDER PROCESSING</p> <p>a) This tender shall be processed through sealed bid opening.</p>	
<p>4) ENTERING INTO LONG TERM CONTRACT:</p> <p>a) Comparative statement will be prepared on total cash outflow basis to FOR Trichy/Any site in India considering “Nil Customs Duty” for foreign suppliers & ED / CST taxes for indigenous suppliers. Exchange rate (SBI TT Selling rate) as on Technical Bid opening date will be considered.</p> <p>b) Counter offering of accepted L1 rates will be done to all other suppliers.</p> <p>Rate schedules for long term contract will be entered with all the suppliers for all their finally agreed rates for one year period from the date of entering into contract.</p>	
<p>5) ORDERING :</p> <p><i>After entering into rate schedules</i>, as 4a – 4c above, when requirement arises, fresh Comparative statement will be prepared for every lot on total cash outflow basis to FOR Trichy/Any site in India, considering customs duty of the projects and exchange rate (SBI TT Selling rate) as on 1st of that month of the lot.</p>	

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<p>1) In case only one vendor emerges as L1, entire quantity of the respective item shall be ordered on the new L1 vendor. No splitting will be done for such cases.</p> <p>2) In case more than one vendor emerge as L1, then the quantity will be split in the ratio of 50:30:20 (if 3 vendors are L1) or 60:40 (if two vendors are L1) as the case may be, giving major preference to original L1 vendor & MSE vendor (20%) if any. Splitting shall be done only if quantity under consideration is more than 10 nos. Also splitting will be limited to three vendors only, in the order of ranking as per original CS.</p>	
<p>6) MSE PREFERENCE:</p> <p>Refer clause 19 in Annexure B (General terms and conditions for RC)</p>	
<p>7) Other considerations for ordering:</p> <p>a) In case of projects where ordering has to be done on customer approved suppliers, CS will be prepared only for Customer approved suppliers with whom we have rate schedule and the ordering will be done as per para 5 mentioned above.</p> <p>b) In case of urgent requirements, if more than one supplier becomes L1 as per condition in 5.2 above, order shall be placed on the supplier who gives the best delivery.</p> <p>c) In case of “Non China” requirement, CS shall be prepared for all non-china vendors with whom we have rate schedule, considering the impact price for non-chinese requirement (no raw materials/products/services shall be sourced from China) and the ordering will be done as per para 5 mentioned above. Refer clause 23 in Annexure B (General terms and conditions for RC)</p> <p>d) BHEL reserves the right to split the quantity or otherwise based on project requirements</p>	
<p>Entering into Long term contract does not mean that all the items indicated will be ordered. Ordering will be done only when actual requirement arises and after ascertaining L1 price for each lot of requirement.</p>	
<p>Performance and progress of the supplier will be monitored and Purchase Order will be placed based on the performance and capacity of the supplier. In case supplier fails to deliver within the delivery period BHEL reserves the right to cancel the order and place the order on next supplier with whom we have Long term contract.</p>	
<p>General terms and conditions as per Annexure B</p>	

We have read and understood all the terms and conditions on which the long term contract will be operated.

Vendor’s Seal and Signature