

भारत हेवी इलेक्ट्रिकल्स लिमिटेड
BHARAT HEAVY ELECTRICALS LIMITED
HEAVY POWER EQUIPMENT PLANT

RAMACHANDRAPURAM



PURCHASE DEPARTMENT-CMM

TENDER DOCUMENT FOR
INTERNET LEASED LINES AT BHEL HYDERABAD

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1. REQUIREMENT AND PROCUREMENT PROCESS

1.1 INTRODUCTION

BHEL, Ramachandrapuram, Hyderabad (A Government of India Undertaking) invites tenders for procurement of internet leased lines for a period of 3 years on lease from eligible bidders.

Signed & Sealed offers with relevant enclosures / supporting documents / catalogue, if any shall be enclosed to the technical offer.

This is the General Conditions of Contract Document.

2. PRE-QUALIFYING CRITERIA

The pre-qualification criteria for the vendors will be as follows:

Sl. No.	Qualifying Requirement	Documents to be submitted in support of proof
a.	The bidder (Internet Service Provider) should have a valid ' Category A ' ISP license from Govt. of India at the time of submission of bid	1. Copy of license
b.	The average annual financial turnover of the bidder during the last 3 Financial years ending 31 st March 2016 should be at least Rs. 49 Lakhs	1. Copies of audited balance sheet/profit & loss account for the last three years. 2. Copy of Provisional Profit and loss account and Balance sheet for 2015-16. 3. Copy of certificate of incorporation 4. Copy of PAN Card 5. Copy of Income tax returns for last three years. Details to be clearly filled in Annexure A
c.	EXPERIENCE of having successfully executed similar works during last 7 years ending 31 st March 2016 should be either of the following Must have executed at least 3(three) similar works in the last 7 years for minimum Rs 19.6 lakhs in each order. (Or) Must have executed at least 2 (two) similar	1. Copies of purchase orders executed Details to be clearly filled in Annexure A

	<p>works in the last 7 years for minimum Rs 24.5 lakhs in each order (Or) Must have executed at least one similar works in the last 7 years for minimum Rs 39.2 lakhs</p> <p>Note: Similar work means Installation, Termination and Commissioning of Internet Leased Line.</p>	
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3. AMENDMENT OF BIDDING DOCUMENTS

- 3.1.1 BHEL may at its sole discretion amend the Bidding Documents at any time prior to the deadline for submission of bids. However in case of such amendment, the bid submission date may be extended at the discretion of BHEL.
- 3.1.2 Amendments made prior to submission of bid will be provided in the form of Addenda/ Corrigendum to the Bidding Documents and will be posted on the BHEL website only (<http://www.bhel.com>).

4. BID SUBMISSION PROCESS

The Bidders shall submit the offer in **TWO INNER ENVELOPES** as indicated below which shall be sealed in one outer envelope.

Envelope I: This sealed envelope should contain all the copies of technical bid together with un-priced commercial bid. This should also contain EMD in the form of DD/ Pay order for an amount of **INR 1,50,000** (INR One Lakh Fifty Thousand Only) and non-refundable Tender Fee **for an amount of Rs. 500/-**. The envelope should be clearly marked "**Part I - Technical and Commercial Bid**", indicating Enquiry Number, Due Date and Address & Reference of the Bidder.

Envelope II: This sealed envelope should contain price details. This envelope should be clearly marked "**Part II - Price Bid**", indicating Enquiry Number, Due Date and Address & Reference of the Bidder.

Both the envelopes (Part I & II) shall be put in one cover, duly sealed, super scribing as Part I & Part II of Enquiry Number, Due Date of opening and the Address and Reference of the Bidder.

The above offer should reach this office on or before the due date by 11.00 hrs. (IST)

Tender should not be addressed to any Individual's name but only by designation to:

Tender Box
Vendor Complex
BHEL, Ramachandrapuram
Hyderabad – 502032

Tenders should be free from CORRECTION AND ERASURES, corrections if any must be attested. All amount shall be indicated both in words as well as in figures. Where there is difference between amount quoted in words and figures, amount quoted in words shall prevail.

Offers should be in ENGLISH and accompanied by detailed technical literature, catalogue and detailed dimensional drawings in ENGLISH. Otherwise, the offers will not be considered.

5. EARNEST MONEY DEPOSIT (EMD)

One time EMD of INR 1,50,000 (INR One Lakh Fifty Thousand Only) is to be submitted by each bidder in the form of Pay order or Demand draft in favour of 'Bharat Heavy Electricals Limited' and be payable in Hyderabad. EMD may be forfeited under following conditions:

- 1) After opening of bid, the bidder revokes his bid within the validity period or increases his earlier quoted rates.
- 2) Non-faithful performance, including but not limited to delayed and inadequate response, in the opinion of the Owner in the bidding process until order is placed.
- 3) The Bidder not abiding to accepting the issued PO within a maximum of 30 Calendar days along with the submission of Security Deposit.

EMD will be converted into Security Deposit for the successful bidder and balance security deposit shall be deposited by successful bidder before commencement of work.

EMD given by all unsuccessful bidders shall be refunded within 15 days of acceptance of award of work by the successful bidder on production of Original Cash receipt along with claim.

EMD shall not carry any interest. In case of any delay in refund due to any reason, BHEL shall not pay any interest on delayed refund.

6. OPENING OF TENDERS

- 6.1.1 The Part I – Technical & Commercial bid would be opened on the Tender opening date.
- 6.1.2 The Part II – Price bid of Technically & Commercially suitable Bidders alone would be opened. The Technically & Commercially suitable Bidders would be informed about the tender opening date.
- 6.1.3 Clarifications if any required by BHEL for Technical evaluation would be sought from Bidders before opening of Part II – Price bid.

BHEL reserves the right to go for a Reverse Auction (RA) instead of Opening the submitted sealed price bid, which will be decided after techno-commercial evaluation. Information and general terms and conditions governing RA are indicated at **Annexure–R**.

7. DOCUMENTS TO BE SUBMITTED ALONG WITH THE BID

Following documents shall be submitted in the bid. The Bidder shall bear all costs associated with the preparation and submission of their bid and BHEL will in no case be responsible or liable for those costs.

The bid, all correspondence and documents related to the bid shall be in English. It is a two part bid system (i) Techno-Commercial bid and (ii) Price bid

- 7.1.1 Documents to be submitted for Technical and Commercial bid
 - 7.1.1.1 Unpriced bid along with terms and conditions, necessary enclosures/supporting documents/EMD's.

7.1.1.2 Price format copy with prices masked or without prices (PI note that % figures shall be indicated. Only the values shall be masked).

7.1.1.3 Brochures/literature for the equipment offered

7.1.2 Document to be submitted for the Price Bid

7.1.2.1 Price in the Price Format as per **Annexure – P**

8. LATE BIDS

Any bid received by BHEL after the deadline for submission of bids will be summarily rejected and returned unopened to the bidder.

9. EVALUATION OF BIDS

BHEL will evaluate the bids as follows;

Stage-I: Evaluation of Technical and Commercial Bid

The tender would be opened on the tender opening date.

Eligibility criteria are mandatory requirements to be met by the Bidder. Only those Bidders who meet all the requirements as per **Eligibility Criteria for Bidders (Pre-Qualification Criteria)** will be considered for further evaluation.

BHEL's Technical Committee will evaluate the Technical bid submitted by the Bidders. During the Technical Evaluation of the bid, BHEL may ask for additional information / resources to validate the bid. These may include technical documents / supporting papers from third party, references, demonstration of a proof of concept or solution, visit to labs or their clients reference site, etc.

Failure to furnish all information as required or to submit a bid not substantially responsive to the bidding documents may result in rejection of the bid. If there are any deviations in the technical solution offered, without affecting the functional requirement/ commercial conditions they shall be filled-in the Deviation format (Deviations to the NIT document) as per **Annexure B** issued with the tender document and submitted along with the bid. In case of no deviations, "No Deviation Certificate" as per **Annexure C** shall be submitted.

Commercial conditions sought in the tender also will be evaluated by the BHEL's committee.

BHEL reserves the right to accept or reject any deviation.

Bids meeting BHEL's technical and commercial requirements only will be considered for Stage-II price evaluation.

Stage –II: Evaluation of the Price Bid

Bidders clearing the Technical and Commercial evaluation will have their Price Bids opened.

This NIT is for procurement of 2 Internet Leased lines of bandwidth 40 Mbps from two different Internet Service Providers (ISPs). Though two line items are indicated in the requirement, one service provider shall be given order for one internet lease line only.

The Lowest price (L1) in the price bid (lowest in both the items) will be offered the Internet Leased line item against which the bidder has become L1. The other internet Leased line will not

be given to the same vendor even if the price is found L1 for the other item also. In such scenario, the L2 bidder for that item shall be offered to accept the L1 price for that item. If the L2 vendor doesn't accept it, the same shall be offered to L3 vendor and so on. If any of the vendor's doesn't accept the offered L1 price, BHEL, at its discretion, may call for a snap bid or take suitable action to be decided by BHEL or may not place order for the item at all. However, if a different bidder becomes L1 for the other item, order will be given to the L1 vendor only.

Note: BHEL reserves the right to negotiate with the thus finalised L1 vendor(s) for both the items depending up on the price received for the items. And order shall be given subject to acceptance by BHEL only.

The acceptance of the above is mandatory failing which the bidder shall be outrightly rejected.

The total cost of the bid will be calculated as under:

- 1) Bidder shall quote the total annual charges (Internet Leased Line Service - 40 Mbps - Annual Charges) as per the Price Bid Format. The prices shall include charges for all CPE, Ethernet cable, one time installation cost etc required to provide ILL services. Applicable Taxes to be quoted extra.
- 2) The AMC charges of the equipment for the 4th and 5th year (after the lease period of three years) shall be quoted by all the bidders and it shall be percentage on the total price quoted in the price bid. If BHEL proposes AMC with the vendor after lease period, then separate order will be placed on yearly basis to the vendor. The percentage of AMC charge quoted will not be considered for tender evaluation i.e evaluation of L1 offer either through RA or opening of conventional price bid. However, BHEL reserves the right to negotiate with L1 vendor for AMC charges.

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. Successful bidder after RA has to furnish break up of RA closing price between all the line items tendered for and arrive at cash outflow and cost to company in line with multiplication factor communicated before RA.

In case BHEL decides to go for RA only those bidders who have given their acceptance to participate in RA will be allowed to participate in the RA. Those bidders who have given their acceptance to participate in RA will have to necessarily submit 'Online sealed bid' in the RA. 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 guide lines in vogue.

Terms and conditions of RA are contained in **Annexure-R**.

9.1 BHEL'S RIGHT TO ACCEPT OR REJECT ANY OR ALL BIDS

BHEL reserves the full right to accept or reject any bid or to annul the bidding process and reject all bids at any time prior to Contract award, without thereby incurring any liability to the Bidders.

Offers with following conditions are liable for rejection.

- a) Demanding advance payment
- b) Demanding exemption of EMD

- c) With offer validity less than 4 months
- d) Non-Acceptance for participating in Reverse Auction

10. SCOPE, TECHNICAL CRITERIA, MAINTENANCE, PAYMENT

Terms Used:

Bidder – Vendor participating in the tender as per the qualification criteria

Vendor – Successful Bidder executing the contract after tender process

PO – Purchase Order

CPE – Customer Premise Equipment (Supplied by vendor)

ILL – Internet Leased Line

Introduction

Presently, BHEL is having two Internet leased lines from M/s BSNL of bandwidth 40 Mbps. One internet leased line is terminated in DC and other internet leased line is terminated in DRC.

10.1 REQUIREMENT

Bharat Heavy Electricals Limited, R.C Puram (herein after referred to as 'BHEL') requires two Internet Leased Lines of Bandwidth each 40 Mbps from two different Internet Service Providers. One line will be terminated in Data Centre (DC) and another line will be terminated in Disaster Recovery Centre (DRC). The distance between DC and DRC is approx. 1 KM. The latitude and longitude details of DC and DRC locations are shown below.

DC - 17.491306, 78.289998

DRC - 17.494581, 78.287284

10.2 SCOPE

The scope of internet leased line service consists of:

1. Provisioning of uncompressed (1:1) Internet bandwidth of 40 Mbps .The bandwidth must be exclusively dedicated for BHEL.
2. Supply, Installation and configuration of WAN end equipment (CPE) like switches, modems, connectors etc. Necessary power and communication cables for complete Hardware installation including interfacing cables required for inter-connection of different equipment supplied by Bidder are in the scope of Bidder and shall be supplied at no extra cost
3. Provisioning of Last Mile from BHEL location to the Service Provider's nearest POP(Point of presence). Last mile connectivity should be on fiber. BHEL will provide Ethernet Port on its router for termination / connection of CPE equipment.
4. Termination, Configuration & Commissioning of the link shall be done by the service provider
5. All skilled & unskilled labour, materials, equipment, instruments, hardware, tools, consumables, fasteners, accessories etc. whether specifically mentioned or not in the specification but required for complete installation and testing in all respects will be in the scope of the Bidder and no extra cost shall be paid for the same.
6. The Service Provider shall carry out total installation work as per the requirements to complete the project

7. The Service Provider shall maintain the link, CPE (switch, modems, etc) & any other hardware & software supplied under this contract during the entire contract period as per Service Level Agreement (SLA).
8. Service Provider shall allocate to BHEL one User-id & Password for web access to monitor in real time all network statistics like Link downtime / Uptime report, Bandwidth utilization report of all the links, Average latency report of all the links, Packet Loss per link, Network availability reports as per SLA parameters.
9. Service provider shall regularly monitor bandwidth utilization of the link & resource utilization (CPU, memory, etc) of the end devices supplied by the service provider
10. Service Provider shall provide the rack to house the Fiber and all indoor equipment, if required. Bidder has to do site visit in advance and check for the space suitability for housing the rack. Rack may have to be shipped in knocked down format and assembled again in Switch/Server room.

10.3 TECHNICAL CRITERIA, MAINTENANCE/SUPPORT

- a. Bidder shall provide 1:1, symmetric, uncompressed and unshared 40 Mbps ILL service.
- b. Vendor shall do Installation, commissioning, configuring of the links with required hardware and providing Ethernet termination at BHEL server room.
- c. The network should be fully IPv6 compliant. It should be possible to run both IPv4 & IPv6 concurrently on the network i.e. Dual Stack. The Service Provider shall provide BHEL with 64 nos. globally valid IPv4 Addresses and /64 globally valid IPv6 Addresses from its pool.
- d. Throughput Guarantee: Should ensure 99% throughput of the minimum committed bandwidth from BHEL Router to its ISP’s Gateway.
- e. The vendor shall maintain the equipment installed at BHEL premises for the entire contract period. Any damage due to natural calamities/accidents shall be borne by the vendor. BHEL shall provide power source.

10.4 SERVICE LEVEL AGREEMENT (SLA):

The service provider shall ensure that the following SLA parameters are met.

Network Availability and Performance

Service provider shall monitor the state of the link and network equipment on a 24x7 basis to ensure that the Internet Link is up and running. The minimum performance acceptable to BHEL is given in the following table.

S.No.	Service Level Parameter	Minimum BHEL Requirement per Month
1	Uptime for Internet Link	99.5%
2	Maximum Packet Loss per link	1%
3	Maximum Latency (Round Trip Time) from the BHEL RC Puram Hyderabad to ISP’s tier 1 peering point.	80 ms

4	Proactive Notification through email or SMS in case of service outage	Within 15 minutes
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Note: Service Provider shall ensure that, under no circumstances, service shall be down for:

More than **4 hours** at a stretch in a day.

For each such instance where downtime is more than the above limits at a stretch, the downtime minutes will be doubled while calculating the total uptime for the period

Computation of Availability:

Availability of service shall be assessed by the following formula:

$$\text{Uptime} = 100 \times \frac{(1 - \text{Total Outage in Minutes})}{\text{Maximum Available Time in Minutes}}$$

Maximum Available Time = No. of days in month * 24 * 60 – (Scheduled Maintenance Time + BHEL introduced Outage + Downtime Due to Force Majeure)

Note: *Scheduled Maintenance Time should not be more than one hour per month per link and BHEL should be informed at least 48 hours in advance and subsequent approval / acceptance should be taken from BHEL*

The “Uptime” includes both link uptime as well as the end equipments (CPE) uptime.

The downtime/outage is the period of unavailable time which begins when one of the following situations arises:

10.5.1. THE LINK IS DOWN AT THE PHYSICAL LAYER ITSELF:

The downtime will start from the moment event is recorded by the NOC or after BHEL logs a complaint at vendor’s Helpdesk, whichever is earlier. Complaints can be closed after getting concurrence from BHEL.

10.5.2. THE CPE (INCLUDING SWITCH, MODEM, MUX/DLC ETC) HARDWARE LEVEL FAILURE:

The Service provider’s NOC should automatically get the alert. The downtime will start from the moment alert was recorded by the NOC or after BHEL logs a complaint at vendor’s Helpdesk, whichever is earlier. Time will be recorded from that point onwards till the point complaint is resolved. This duration will be treated as outage.

10.5.3. DEGRADATION IN SERVICE DUE TO HIGH LATENCY OR PACKET LOSS:

If latency of the link is more than or equal to 80ms continuously for more than two hours, then the link

will be considered as down. The link will be considered up only when the link gives a latency of less than 80 ms continuously for more than 60 minutes. Latency will be measured by ping response from the CPE located in BHEL to the CPE located in Service Provider’s premises

However, if the higher latency is due to congestion (over-utilisation, i.e., more than 75% utilization of last mile), then the link will not be considered down and no penalties will be levied. The Service Provider shall substantiate the over-utilisation of the last mile with relevant reports.

If the packet loss of a link is more than or equal to 1% continuously for more than an hour, the link will be considered down for the amount of time for which packet loss is more than 1%. The link will be considered up only when the link gives a packet drop of less than 1% continuously for more than 60 minutes.

10.6 PENALTY FOR SLA NON-CONFORMANCE

Network Availability (SLA Compliance) will be calculated on monthly basis at the end of each quarter and penalties for non-compliance will be deducted from the quarterly rental charges. The penalty will be calculated per link basis as per the following formula:

$$\text{Penalty} = F \times (R \times D)$$

Where F = Multiplication Factor as per table given below.

R = Rental Charges Per Minute

(i.e. Quarterly Rental Charges / Total number of minutes in the Quarter)

D = Downtime in Minutes.

Multiplication Factor Table

S.No.	Uptime %	Multiplication Factor (F)
1	>= 99.50	0.00
2	99.00 – 99.49	1.00
3	98.00 – 98.99	3.00
4	97.00 – 97.99	5.00
5	96.00 – 96.99	7.00
6	< 96.00	10.00

Vendor shall provide tools to live monitoring of bandwidth utilization, log complaint online and provide onsite support if required.

10.7 MONITORING

24x7 proactive support system shall be available for monitoring and fault resolution. The following features shall be available to the monitoring system:

- a. Link downtime / Uptime report.
- b. Bandwidth utilization report of both the links.
- c. Average latency report of both the links.
- d. Packet Loss reports per link
- e. Link availability reports as per SLA parameters.

10.8 The service provider shall maintain and provide on-site support for the entire contract period on any hardware/software(s) provided for the delivery of the services under this contract if required. 24x7 online support shall be provided.

10.9 The service provider should have a fully functional Customer Service Centre(s) in Hyderabad

10.10 HELP DESK: The ISP shall provide Help Desk facility to BHEL to ensure fault reporting service. Help Desk should be available on 24x7 basis. An escalation matrix in this regard with various levels for support along with their details of contact etc should be submitted.

10.11 DELIVERY PERIOD: Installation and commissioning of the link shall be completed within a period of 30 days from the date of Purchase Order.

10.12 ILL Service charges quoted shall not increase during the contract period.

Fall clause: The vendor has to pass the benefit of reduced rates to BHEL RCPuram Hyderabad whenever rates are slashed otherwise review the bandwidth tariff for reduction on annual basis whichever earlier. If at any time during the period the bidder reduces the sale price, sells or offers to sell such stores bandwidth and services to other organization including BHEL RCPuram Hyderabad or any department of State or Central Govt. or statutory undertaking of the Central or State Govt. as the case may be at a price lower than the price chargeable under the Contract, he shall forthwith notify such reduction of sale or offer to sell to BHEL RCPuram Hyderabad and the price payable under the contract for the bandwidth and services supplied after the date of coming into force of such reduction or sale or offer to sell shall stand correspondingly reduced.

10.13 ILL Service charges will commence from the date of acceptance by BHEL.

Acceptance Test includes:

1. Demonstration of 40 Mbps Link.
2. Demonstration of monitoring system/ Tools.

ACCEPTANCE TEST PROCEDURE (ATP):

- a. ATP shall be conducted by the Service Provider to establish that the connectivity and all hardware and software has been supplied by the Bidder strictly as per the specifications and is in perfect working condition.
- b. Once the system is fully installed (as per technical & functional requirement) and is made operational, its operation and performance would be observed for duration of two continuous

working days. The ATP would start on a mutually agreed date and time after the preliminary observation of two days.

- c. At least one representative of the Service Provider shall be present during the entire ATP, if required. Bidder's representative should be capable of performing all tests, interpret the meaning of each diagnostic and satisfy BHEL representative(s) with satisfactory answers.
- d. Following procedure would be followed during the ATP:
 - i) The complete system with all its hardware and software would be operated continuously for two continuous working days on 24 hours per day basis. Requisite requirements of IP numbers, DNS services, reverse DNS entry etc. shall be tested
 - ii) An overall availability of 99.5 % would be ensured by the Bidder during ATP for the leased line and the interface equipment. If any equipment or the leased line is not available for more than eight (8) hours or if it is found at the end of ATP that its availability is less than 99 %, BHEL would not accept that particular equipment or the leased line and its ATP would restart (from zero) after making necessary rectifications/replacements. If any equipment or the leased line is not operating to its full specifications, it shall be treated as down for the purpose of computation of its availability. However, downtime shall not be counted for problems because of the equipment (Hardware & Software) from sources other than the Bidder
 - iii) During the physical verification, it would be established that all hardware and software have been supplied as per BHEL technical specifications.
 - iv) All problems/deficiencies as pointed out by BHEL shall be immediately attended to by the Bidder.

BHEL shall issue an ATP certificate on successful completion of ATP, provided that an overall availability of 99.5% has been achieved and no hardware or software problem/ deficiency reported during the ATP is pending and no major hardware/software problem/deficiency is indicated for the supplied hardware/software.

10.14 PAYMENT TERMS:

ILL Service charges will be paid on quarterly basis, on successful completion of each quarter with guaranteed uptime and on certification by BHEL.

Vendor shall submit following documents for processing the bills:

- a) Original Invoice in triplicate.
- b) SLA reports for the quarter (certified by BHEL)
- c) Service tax payment proof
- d) Swachh Bharat Cess Payment proof etc.

Penalty resulting from failure from guaranteed uptime will be deducted from the quarterly charges.

10.15 PERIOD OF THE CONTRACT:

The contract period shall be THREE years from the date of installation/commissioning and acceptance by BHEL.

BHEL reserves the right to terminate the contract with a notice of ONE month after the initial period of TWO Years.

10.16 ANNUAL MAINTENANCE CONTRACT (AMC):

BHEL reserves the right to extend the contract for another two years after initial completion of 3 years period. The Service provider may be called for negotiation for price reduction if there is any downward trend of internet bandwidth charges in the market. The Service Provider has to quote the AMC Charges for 4th and 5th year in the price bid format as given in **Annexure –P**.

10.17 TERMINATION:

BHEL reserves the right to terminate the contract, if the vendor fails to maintain guaranteed uptime of 99.5% continuously for more than three months.

11. GENERAL INSTRUCTIONS

11.1 GENERAL

11.1.1 There can be only 1(one) bid from each Bidder.

11.1.2 Relevant portions, in the documents submitted in pursuance of eligibility criterion shall be highlighted. If the offer is not accompanied by all the documents, the same would be rejected.

11.1.3 Undertaking for subsequent submission of any of the documents, will not be entertained under any circumstances.

11.1.4 Must have registered office in India. Documentary proof shall be submitted.

11.1.5 BHEL reserves the right to verify/ confirm all original documentary evidence submitted by vendors in support of the eligibility criteria. Upon verification, evaluation/ assessment, if any information furnished by the bidder is found to be false/ incorrect, their total bid will be rejected and no correspondence on the same shall be entertained.

11.2 NOTIFICATION OF AWARD

BHEL will notify the successful Bidder in writing by e-mail/ Letter/ Fax.

11.3 SIGNING OF CONTRACT/ LEASE AGREEMENT

After the notification of award, BHEL will issue Purchase Order / Service Order (PO). Within 15 (fifteen) Days from the date of issuance of PO, the Bidder shall submit:

- a) Bidder Signed copy of BHEL Order as an acceptance of the PO.
- b) Security Deposit (SD).

Thereafter, BHEL shall issue the draft contract/ lease agreement within 30 days of acceptance of Order along with submission of SD by the Bidder. The Contract/ Lease agreement between BHEL & Bidder shall be signed in the next 15 days from the date of issue of the Contract. Separate contract/ lease agreement shall be executed for each PO.

Bidder shall furnish the details regarding Address, Tax details, Bank details etc. for placement of Order.

Bill to party is BHEL Hyderabad. Bidder billing from within the State can quote with VAT (TIN) and those billing from outside the State can quote with CST.

Input credit is available for VAT.

11.4 SECURITY DEPOSIT (SD)

Security deposit amount of INR 4,00,000 (INR Four Lakhs only) plus 5% of the amount by which the order value exceeds INR 50 Lakhs shall be submitted by the successful bidder before start of the work. Non-submission in time of SD for value stated herein shall lead to forfeiture of EMD and cancellation of Order.

Security deposit shall be furnished in any of the following forms:

- i. Pay order in favour of BHEL.
- ii. Demand draft in favour of BHEL.
- iii. Local cheques of scheduled banks, subject to its realization.
- iv. Bank Guarantee shall be from Nationalised Banks / Scheduled Bank / Public Financial Institutions as per the BHEL's Bank Guarantee Format.
- v. Original Fixed deposit receipt (FDR) issued by scheduled banks / public financial institutions as defined in the Companies Act. The FDR should be in the name of successful bidder, A/c BHEL, duly discharged on the back

Acceptance of security deposit against point *iv* and *v* above, will be subject to hypothecation or endorsement on the documents in favour of BHEL. However, BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected there with. Security deposit shall not be refunded to the Successful bidder except in accordance with the terms of the Contract i.e. upon successful completion of the Contract.

EMD of the successful bidder may be converted and adjusted against the Security Deposit.

The Security Deposit shall not carry any interest.

The bidder shall forfeit the Security Deposit In the event bidder fails to execute the work as per terms and conditions of the contract.

11.5 FORCE MAJEURE

Bidder shall not be responsible for delay in delivery resulting from acts/events beyond his control, provided notice of the happening of any such act/event is given by the Bidder to the Purchaser/Lessee within 15 days from the date of its occurrence. Such acts/events shall include

but not be limited to acts of God, war, floods, earthquakes, strikes, lockouts, epidemics, riots, fire or Governmental regulations superimposed after the date of order/contract.

11.6 RISK PURCHASE

Purchaser shall reserve the right to terminate the order/contract and purchase from elsewhere at the risk and cost of the Bidder, either the whole or part of the Systems/goods, which the Bidder has failed to deliver within the stipulated delivery period or if the same were not available, the best and the nearest available substitute(s) thereof which is not technically inferior to the undelivered System/Goods . The Bidder would be liable to compensate the Purchaser for any loss, which the Purchaser/Lessee may sustain by reason of such purchase. This clause will be operated only after completion of delivery period including extended period with penalty, if any.

11.7 LIMITATION OF LIABILITY

The Bidder's liability will be limited to the value of this contract only.

11.8 ARBITRATION

In all cases of disputes emanating from and in reference to this contract, the matter shall be referred to the arbitration. All disputes or differences between the parties will be resolved through arbitration governed by "The Arbitration and Conciliation Act, 1996" as amended from time to time. The venue of arbitration shall be in Hyderabad.

Confirm compliance for all clauses of - "**Commercial Terms and Conditions**"

Date: _____

Bidder's Signature with Seal

ANNEXURE 'A'

TENDER ENQUIRY NO:

Rs. Lacs

I	TURNOVER OF THE BIDDER	2015-16 (Provisional) Rs.	2014-15 (Audited) Rs.	2013-14 (Audited) Rs.
	Copies of audited balance sheets	Enclosed/ Not Enclosed	Enclosed/ Not Enclosed	Enclosed/ Not Enclosed
	Copies of Income tax returns & profit and loss statement	Enclosed/ Not Enclosed	Enclosed/ Not Enclosed	Enclosed/ Not Enclosed
	Copy of PAN CARD	Enclosed/ Not Enclosed		
	Copy of Certificate of Incorporation	Enclosed/ Not Enclosed		

II	SUPPLY OF SIMILAR ORDERS (Minimum 3) IN THE LAST 3 YEARS	Details of orders Executed successfully	Value	Customer's Name

III

IV

PAN CARD NO.	
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VAT REGISTRATION NO.	
----------------------	--

Signature with seal of the firm

DEVIATIONS TO THE NIT DOCUMENT

Table No.	Sl. No	Item or Parameter	Requirement as per BHEL	Deviation	Alternate solution/Bidder's quote (offer)

Date: _____

Bidder's Signature with Seal

No DEVIATION CERTIFICATE

(To be given in bidder's letter head)

Ref: BHEL's Enquiry No. _____ Dated _____

It is Certified that the offered solution vide Enquiry No. _____

Dated _____ in response to BHEL's enquiry mentioned under reference has no deviation from the requirement of BHEL, Ramachandrapuram given vide the RFP document.

Date: _____

Bidder's Signature with Seal

Terms & Conditions of Reverse Auction

Against this enquiry for the subject item/ system with detailed scope of supply as per enquiry specifications, BHEL may resort to "REVERSE AUCTION PROCEDURE" i.e., ON LINE BIDDING (THROUGH A SERVICE PROVIDER). The philosophy followed for reverse auction shall be English Reverse (No ties).

1. For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.
2. Those bidders who have given their acceptance for Reverse Auction (quoted against this tender enquiry) will have to necessarily submit 'online sealed bid' in the Reverse Auction. Non-submission of 'online sealed bid' by the bidder for any of the eligible items for which techno- commercially qualified, will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines in vogue.
3. BHEL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line bidding on internet.
4. In case of reverse auction, BHEL will inform the bidders the details of Service Provider to enable them to contact & get trained.
5. Business rules like event date, time, bid decrement, extension etc. also will be communicated through service provider for compliance.
6. Bidders have to fax the Compliance form (**Annexure IV**) before start of Reverse auction. Without this, the bidder will not be eligible to participate in the event.
7. In line with the NIT terms, BHEL will provide the calculation sheet (e.g., EXCEL sheet) which will help to arrive at "Total Cost to BHEL" like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service Tax for Services and loading factors (for non-compliance to BHEL standard Commercial terms & conditions) for each of the bidder to enable them to fill-in the price and keep it ready for keying in during the Auction.
8. Reverse auction will be conducted on scheduled date & time.
9. At the end of Reverse Auction event, the lowest bidder value will be known on auction portal.

10. The lowest bidder has to fax/e-mail the duly signed and filled-in prescribed format for price breakup including that of line items, if required, (**Annexure VII**) as provided on case-to-case basis to Service provider within two working days of Auction without fail.
11. In case BHEL decides not to go for Reverse Auction procedure for this tender enquiry, the Price bids and price impacts, if any, already submitted and available with BHEL shall be opened as per BHEL's standard practice.
12. Bidders shall be required to read the "Terms and Conditions" section of the auctions site of Service provider, using the Login IDs and passwords given to them by the service provider before reverse auction event. Bidders should acquaint themselves of the 'Business Rules of Reverse Auction', which will be communicated before the Reverse Auction.
13. If the Bidder or any of his representatives are found to be involved in Price manipulation/ cartel formation of any kind, directly or indirectly by communicating with other bidders, action *as per extant BHEL guidelines*, shall be initiated by BHEL and the results of the RA scrapped/ aborted.
14. The Bidder shall not divulge either his Bids or any other exclusive details of BHEL to any other party.
15. In case BHEL decides to go for reverse auction, the H1 bidder(s) (whose quote is highest in online sealed bid) may not be allowed to participate in further RA process.

Business Rules for Reverse Auction

This has reference to tender no {*tender number*.....*date*.....} BHEL shall finalise the Rates for the supply of {*item name*} through Reverse Auction mode. BHEL has made arrangement with M/s. {*Service provider*}, who shall be BHEL's authorized service provider 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. {...}, dated {...}, (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*}:

- **Online Sealed Bid:-**

- {*Start Time*:
- Close Time*: }

- **Online Reverse Auction:-**

- {*Start Time*:
- Close Time*:}

2. Auction extension time: If a bidder places a bid in the last {...} minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for another {...} 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 {...} 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 {...} minutes. In case, there is no bid in the last {...} 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. {Service provider} 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 specified. Details are as shown in Excel Sheet for calculation of Landed cost.

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 Unit*} of the material as per the specifications {...}

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 {... *days*} 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 {...} 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 {Service Provider}), 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 service provider 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 bidders' responsibility/ decision to send fax communication immediately to M/s. {Service provider}, furnishing the price the bidder wants to bid online with a request to the service provider to upload the

faxed price on line so that the service provider 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 service provider has to solely ensure that the fax message is received by the service provider in a readable/ legible form and also the Bidder should simultaneously check up with service provider 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 service provider 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 service provider 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 Service provider at the time of receipt of the fax message from the bidders, the service provider will not be uploading the prices and either BHEL or the service provider 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. {Service provider} 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. {Service provider}, shall arrange to demonstrate/ train the bidder or bidder's nominated person(s), without any cost to bidders. M/s. {Service provider}, 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. Service provider 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. Bidder's bid will be taken as an offer to execute the work/ supplies the item as per enquiry no. {...} dt. {...}. 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. {Service provider}. 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. {Service provider} 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 Service Provider 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. {Service provider} the terms& conditions given in this business document will supercede the information contained in the FAQs. Any changes made by BHEL/ service provider (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.

Process Compliance Form

(The bidders are required to print this on their company's letterhead and sign, stamp before faxing)

To

- M/s. {Service provider}
- Postal address}

Sub: Agreement to the Process related Terms and Conditions

Dear Sir,

This has reference to the Terms & Conditions for the Reverse Auction mentioned in the RFQ document for {Items} against BHEL enquiry/ RFQ no. {.....} dt. {.....}

This letter is to confirm that:

- 1) The undersigned is authorized official/ representative of the company to participate in RA and to sign the related documents.
- 2) We have studied the Reverse Auction Terms & Conditions and the Business rules governing the Reverse Auction as mentioned in your letter and confirm our agreement to them.
- 3) We also confirm that we have taken the training on the auction tool and have understood the functionality of the same thoroughly.
- 4) We also confirm that, in case we become L1 bidder, we will email/ fax the price confirmation & break up of our quoted price (including that of line items) as per (Annexure VII) within **two** working days (of BHEL) after completion of RA event, besides sending the same by registered post/ courier both to M/s. BHEL and M/s. {Service provider.}

We, hereby confirm that we will honor the Bids placed by us during the auction process.

With regards

Signature with company seal

Name –

Company / Organization

Designation within Company / Organization

Address of Company / Organization

- Sign this document and Fax it to M/s {Service provider} at {.....} prior to start of the Event.
- Attach a signed copy of the RFQ document along with the Agreement Form/ Process Compliance form and send to M/s. {Service provider}

RA price confirmation and breakup

To

- **M/s. Service provider**
- *Postal address*

CC: M/s BHEL
 *{Unit-
 Address-}*

Sub: **Final price quoted during Reverse Auction and price breakup**

Dear Sir,

We confirm that we have quoted.

Rs. {_____} for item covered under tender enquiry No. {. . .} dt. {. . .}

Total price of the items covered under above cited enquiries is inclusive of *{Packing & forwarding, E.D., C.S.T., freight and insurance charges upto { } District, { } State and Type Test Charges etc., (exclusive of service tax), other as per NIT}*

as our final landed prices as quoted during the Reverse Auction conducted today *{date}* which will be valid for a period of *{_}* days.

The price break-up including that of line items is as given below.

Total _____ - =====
Rs. =====

Thanking you and looking forward to the valuable order from BHEL.

Yours sincerely,

For _____

Name: Company:

Date:

Seal: