

HEEP-HARIDWAR, UTTARAKHAND (249403)

General Instructions and Standard Terms & Conditions for bidding against Tender Enquiry (GISTC) For Indian Bidders (Version April-2016)

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- 1. GENERAL.

These general terms & conditions shall apply to all the Tender Enquiries, notice inviting tenders, request for quotations concerning the supply of goods and / or rendering of services to Bharat Heavy Electricals Ltd., HEEP, Haridwar (hereinafter referred to as BHEL or the Purchaser).

2. ORIGIN OF QUOTATION.

- a) The quotation should preferably be from the principal bidder. However tender specific authorized registered dealer/agent can also submit the bid on their behalf, failing which the quotation is liable to be ignored. BHEL prefers to deal directly with the principal manufacturers.
- b) An agent cannot quote on behalf of more than one principal in the same Tender Enquiry.

3. SUBMISSION OF TENDER.

 a) Bid/Quotation must be enclosed in sealed cover on which tender enquiry number and the due date MUST BE written and be invariably sent under REGISTERED POST / SPEED POST / COURIER/Dropped in the Tender Box: addressed as follows:-

| Quotation | Against | Enquiry | No |
|-----------|---------|---------|----|
| Dated: | | | |
| Due on: | | | |

Τo,

THE HEAD OF MATERIAL MANAGEMENT, Heavy Electrical Equipment Plant, Bharat Heavy Electricals Limited, HARIDWAR-249403 (Uttarakhand), INDIA.

- b) In case of Three/Two Part Bid, technical bid containing technical offer, duly signed; and un-priced copy of the Price Bid should be kept in one envelope. Price Bid containing only the price should be kept in a separate envelope. All envelopes indicating Part-1 or Part-2 or Part-3 as the case may be to be put in a bigger envelope. Please note that un-priced bid should be the exact replica of price bid but without prices.
- c) The bid/quotation must be posted before due date, keeping allowance for postal transit time. Alternatively, the tenders duly sealed and super-scribed as above may be deposited in the Tender Box. Quotations sent by any mode but not received in time will be ignored. Tender received through authorized E-mail is also acceptable. However, in time submission of tender in tender box shall be the responsibility of the bidder, sent through any mode. Documents submitted with the offer/bid shall be signed and stamped in each page by authorized representative of the bidder.
- Any additional documents submitted by supplier/bidder, during processing of registration application / tender or after placement of order shall not be accepted unless it is submitted with forwarding letter and duly signed and stamped as mentioned above in clause c.



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- e) The bids of the bidders who are on the banned list and also the bids of the bidders, who engage the services of the banned firms, shall be rejected. The cutting/overwriting in the bid/offer must be duly attested by the signatories to the bid. The list of firms banned by BHEL is available on BHEL web site <u>www.bhel.com</u>.
- f) Being PMD vendor, if you are not quoting against this tender enquiry, please send your regret letter positively for our reference with valid reasons for not participating in the tender enquiry. Repeated lack of response on the part of bidder may lead to deletion such PMD vendor from BHEL's approved vendor list.
- g) The bidders will submit Integrity Pact, duly signed by its authorized signatory, along with their bids wherever estimated tender value is Rs. 5 Crore or more.
- h) In case of open tender, the unregistered bidder shall submit inter alia duly filled-in Supplier Registration Form (SRF) along with the bid. Bidders can download the SRF from <u>www.bhel.com</u>
- BHEL reserves the right to award tendered quantities among more than one bidder (after acceptance of L1 price by the other bidders). BHEL can also consider awarding of part of the tendered quantity to other than L-1 bidder at L1 counter offered rates, if the quantity offered by the L-1 bidder is less than the quantity tendered for.

4. TENDER OPENING.

Tender opening is scheduled to start in the Tender Room at 2:00 PM, on the due date. Therefore bid/quotations must reach this office / tender Box latest by 1:45 PM on due date. Only participating bidders are allowed to attend tender opening. <u>TENDERS RECEIVED AFTER THE SPECIFIED</u> <u>TIME OF THEIR 'SUBMISSION' WILL BE TREATED AS LATE</u> <u>TENDERS AND SHALL NOT BE CONSIDERED UNDER ANY</u> <u>CIRCUMSTANCES.</u> The bidders or their authorized representatives may be allowed to attend tender opening if duly authorized by their principals, through a tender specific letter, for price bid opening on that particular day. General authorization letter is not acceptable.

5. SPECIFICATION, DRAWINGS & STANDARD.

- a) Bidders must give their detailed specification in the quotation along with relevant technical literature/catalogue etc. against the tender enquiry.
- b) The Bid should be accompanied with relevant copies of catalogues, drawings or specification as per tender enquiry. If these documents are not furnished, the offer is liable to be rejected.
- c) Wherever national/international (N/IN) standards are referred, the latest N/IN standards are to be followed. Mention year & date of standard revision that shall be followed for the supply.
- d) All Drawings and Standards are proprietary of BHEL. It must not be used in anyway detrimental to the interest of the company.

6. PRICE SCHEDULE.

- a) Kindly quote your prices in figures and words both. In case of any discrepancy in value, the prices quoted in words shall be considered for evaluation and establishing L1 status.
- b) Prices quoted should not be more than the prices quoted to any other BHEL units/offices/divisions. Vendor to submit copy of latest Purchase Order placed by any unit of BHEL for similar items in the technical bid. In case no order has been placed on such items, specific confirmation that no order has been placed on such items should be provided.
- c) Prices should be quoted on F.O.R. Destination basis. Transit insurance shall be arranged by BHEL and not to be included in the prices. The offers quoted on other than F.O.R destination basis may result in non consideration of such bids.
- d) In case BHEL accepts the EX-Works prices such offers will be loaded by 1.5% of EX-Works value towards freight or with actual freight charges as per BHEL freight rate contract whichever is higher.



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e) In case of Indigenous items covered by DGS & D Rate **DELIVERY TERMS.** 8. Contract, the bidders should submit latest valid copy of a) Goods shall be delivered on 'FOR Destination' basis to the rate contract along with bid / quotation the named destination unless otherwise called for in the tender enquiry. f) Applicable Sales Tax, Excise Duty and any other statutory levy should be indicated separately and clearly in the b) Loading on account of 3rd party inspection charges in case of Indian bidders shall be 0.20%. bid/quotation. **PENALTY FOR LATE DELIVERY.** Bidders can despatch goods through any Indian Bank 9. g) Association approved transporters having their branch at HARIDWAR/destination. If material is despatched through a) Date of delivery will be considered as per the delivery other than Indian Bank Association approved transporter, terms mentioned in the Purchase Order. Penalty will be material to be delivered on door delivery BHEL Stores applicable on total order value @0.5% per week or part basis. thereof subject to maximum of 10% of the PO value h) In case of despatch of material through any other unless otherwise specified in Special Conditions of unapproved transporter, payment shall be made only after tender enquiry. Acceptance / Non Acceptance of this receipt of material and any additional charges payable to CONDITION must be specifically mentioned in your the transporter shall be to the bidder's account. quotation. Any deviation from this will be loaded accordingly i.e. BHEL shall load maximum penalty under No demurrage / godown rent will be payable to the penalty for late delivery Clause, to the extent the same i) vendor / vendor's transporter for any delay in payments is not agreed by the bidder, for the purpose of attributable to the vendor. evaluation. 7. REVERSE AUCTION. b) Bidders are requested to quote the best delivery meeting the delivery requirements. BHEL reserves the a) BHEL reserves the right to go for Reverse Auction (RA) right to reject the offers not meeting BHEL's delivery instead of opening the sealed envelope price bid, requirement. submitted by the bidder. This will be decided after Techno-Commercial Evaluation. All bidders to give their c) Commencement of delivery period shall be reckoned acceptance for participation in RA. Non-acceptance to from the date of PO / LOI or any other agreed participate in RA may result in non-consideration of their milestone. bids, in case BHEL decides for RA. Detailed guidelines available at our site <u>www.bhel.com</u> d) Bidder shall deliver the goods in the manner and schedule agreed under the terms and conditions of b) In case BHEL decides to go for Reverse Auction, only those Purchase order. bidders who have given their acceptance to participate in RA will be allowed to participate in the Reverse Auction. **DELIVERY IN CASE OF REJECTION:** In case the material e) Those bidders who have given their acceptance to is rejected, then date of replacement will be considered participate in Reverse Auction will have to necessarily as the actual date of delivery. submit 'online sealed bid' in the Reverse Auction. Non-DELIVERY AGAINST BANK DOCUMENTS: In case Submission of 'online sealed bid' by the bidder will be f) considered as tempering of the tender process and will payment terms quoted by bidder are documents invite action by BHEL as per extant guidelines in vogue. through bank, and the delivery terms being "FOR Haridwar/FOR Transporter Godown", then date of delivery will be date of intimation by transporter/bidder of delivery of material at Haridwar for the penalty purpose.



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 g) Where the payments are through bank, the documents g) may be presented for negotiation to BHEL authorized/nominated bank.

10. PAYMENT TERMS.

- a) BHEL's standard payment term is Payment After Receipt and Acceptance of Material/Item at HEEP, BHEL-Store or at desired destination unless otherwise specified in Special Terms attached to the tender enquiry.
- b) BHEL reserves the right to accept or reject the offer of the bidder who quotes the payment term other than BHEL's standard payment term.
- c) Loading on account of deviation in payment terms shall be done as per extant rules of BHEL-Haridwar.

11. TAXES & DUTIES.

- a) If PAN (Permanent Account Number) of the recipient is not available, tax is deductible either at the normal rate or at the rate of 20 percent, whichever is higher. As per Section 206AA of Indian Income Tax Act 1961.
- b) The bidder shall clearly indicate extent of taxes as applicable in his technical bid.
- c) All forms as required by Law to avail concessional tax benefits are to be submitted within the stipulated time. BHEL reserves the right to withhold the payment due to the bidder or deduct the payment equivalent to additional tax and other liability on BHEL due to non/late submission of above forms.
- d) Bidder to quote place from where supply of goods is expected, to evaluate us applicable Value Added Tax input credit. Any subsequent changes in this may affect availability of input credit to BHEL; the same will be on bidder's account.
- e) In case of intra-state sale, bidder to ensure quoting TIN Number of BHEL applicable in the state of transaction and same should be asked by bidder in time.
- f) Rate of Excise Duty, CST/VAT and Service Tax must be indicated in offer even if it is inclusive.

Taxes & duties as applicable at the time of supply shall be payable.

h) IMPORTED GOODS OFFERED BY INDIAN BIDDERS AGAINST DEALER INVOICE: Wherever the material being offered is imported, bidder must quote the prices inclusive of CVD. The rate & value of CVD as included in the price must be indicated separately. In case quantum of CVD is not mentioned by the bidder the same will not be considered for evaluation. However bidder will have to pass on the benefit of CVD to BHEL at the time of actual supply.

12. BANK GUARANTEE.

In case the bank guarantees are required to be deposited towards security deposit/performance guarantee or for any other purpose as per the terms of this tender enquiry, such bank guarantees of the requisite value in the denominated currency of the purchase order should be from one of the Indian branch of BHEL consortium banks and the bank guarantee should be in the proforma as prescribed by BHEL. The proforma of bank guarantee and the list of consortium banks are displayed at BHEL website www.bhelhwr.co.in. However, in case the bank guarantee is not from BHEL consortium banks, then the bidder has to get the bank guarantee confirmed from one of the Indian branch of BHEL consortium banks and the bank charges for such confirmation will be borne by the bidder.

13. GUARANTEE / WARRANTY AND CORRESPONDING REPAIRS / REPLACEMENT OF GOODS.

a) Goods shall comply with the specifications for material, workmanship and performance. Unless otherwise specified, the warranty shall be for a period of 12 months from the date of receipt. If the delivery is found non-compliant during the warranty period, leading to rejection, the Seller shall arrange free replacement / repair of goods, within one month from the date of intimation or any mutually agreed period. The rejected goods shall be taken away by the Seller at his cost and replaced on Delivered Duty Paid (DDP) (FOR - BHEL Stores / designated destination basis) (Contd.--)



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(-- Contd.) within such period. In the event of the Seller's failure to comply, Purchaser may take action as appropriate, including Repair / Replenish rejected goods & disposal of rejections, at the risk & cost of the Seller. In case the defects attributable to Seller are detected during processing of the goods at BHEL or our subcontractor's works, the Seller shall be responsible for free replacement / repair of the goods as required by BHEL.

b) <u>RETURN OF REJECTED MATERIAL FOR REPLACEMENT:</u> The bidder shall have to pay 5% incidental charges while taking back supplied material if it is found rejected on receipt. The rejected material shall be sent back only after receipt of replacement /submission of BG/refund of amount paid.

14. QUALITY REQUIREMENT.

Your bid/quotation should have specific confirmation regarding meeting all our quality requirements such as. (i) Test Certificate (TC), (ii) Guarantee Certificate (GC) / Warranty Certificate (WC), (iii) Quality Plan (QP) (if applicable); and (iv) Pre-Dispatch Inspection at your works (if applicable).

15. VALIDITY.

The quotation should be valid for a minimum period of 90 days effective from the date of opening of tender, unless otherwise specified in the tender enquiry.

16. RIGHT OF ACCEPTANCE.

- a) **BHARAT HEAVY ELECTRICALS LIMITED HARIDWAR** reserves the right to reject any or all the bids/quotations without assigning any reason thereof. BHEL also reserves the right to increase or decrease the tendered quantities. Bidders should be prepared to accept order for reduced quantity without any extra charges.
- b) Any discount/revised offer/bids submitted by a bidder on its own shall be considered, provided it is received on or before the due date and time of offer/bid submission (Part-1). Conditional discounts shall not be considered for evaluation of tenders.

- c) Unsolicited discounts/revised offers/bids given after Part-1 bid opening shall not be accepted. No change in price will be permitted within the validity period asked for in the tender enquiry.
- d) In case of changes in scope and/or technical specification and/or commercial terms & conditions having price implication, techno-commercially acceptable bidders shall be asked by BHEL to submit the impact of such changes on their price bids. In case a bidder opts to submit revised price bid instead of impact called for, then latest price bid shall prevail. However in both situations, original price bid will be necessarily opened.
- e) The bidder whose bid is technically not accepted will be informed & EMD wherever submitted shall be returned after finalization of contract. EMD shall be forfeited in the event of bidder opting out after tender opening.
- f) BHEL reserves the right to short close the existing Purchase Order / Rate Contract / Work Order or any extension thereof at any stage.

17. TRANSIT INSURANCE.

- a) Transit Insurance will be covered by BHEL under its open Marine Insurance Policy. Seller shall inform dispatch particulars (Purchase Order, RR/GR/BL/AWB, Invoice value etc.) to "Finance department (Store bill Section), BHEL Ranipur Haridwar (Uttarakhand -India) with value of consignment to the Purchaser within 07 days of dispatch for BHEL to arrange insurance coverage in its policy. Failure on the part of seller to inform dispatch particulars will make him liable to pay for any transit damages / losses suffered by the Purchaser.
- b) If Quoted Prices are inclusive of transit insurance, no weightage shall be given while evaluating the bids for Cost of Insurance, being in BHEL Scope.



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18. RISK PURCHASE.

In case of abnormal delays (beyond the maximum late delivery period as per Penalty clause) in supplies / defective supplies or non-fulfillment of any other terms and conditions given in Purchase Order, BHEL may cancel the Purchase Order in full or part thereof, and may also make the purchase of such material from elsewhere / alternative source at the risk and cost of the supplier. BHEL will take all reasonable steps to get the material from alternate source at optimum cost. If bidder does not agree to the above Risk Purchase Clause, BHEL reserves the right to reject the offer. In case for compelling reasons BHEL accepts the offer without acceptance of this clause by the bidder and in the eventuality of Risk Purchase, appropriate action will be taken as per BHEL extant rules. This will be without prejudice to any other right of BHEL under the contract.

19. FORCE MAJEURE CLAUSE.

- a) Either party shall be entitled to suspend/cancel performance of his obligations under the contract without any cost to the other party, to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: fire, war, flood, riots, earthquake, any other act of God, change in Government Policies, terrorist attack etc. or any other circumstances beyond the control of either party which inter alia include cancellation, suspension of order by end customer due to Force Majeure conditions.
- b) The party claiming to be affected by force majeure shall notify the other party in writing immediately without delay on the intervention and on the cessation of such circumstances.
- c) Regardless of what might otherwise follow from these general conditions, either party shall be entitled to terminate the contract by notice in writing to the other party if performance of the contract remains suspended under Clause Force Majeure for more than six months.

20. NON-DISCLOSURE AGREEMENT.

All Drawing and Technical Documents relating to the product or it's manufacture submitted by one party to the other, prior or subsequent to the formation of contract, shall remain property of the submitting party. Drawing, technical documents or other technical information received by one party, shall not without the consent of the other party, be used for any other purpose than that, for which they were provided. Such technical information shall not without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party. Patterns supplied by BHEL will remain BHEL's property which shall be returned by the bidder on demand to BHEL. Bidder shall in no way share or use such intellectual property of BHEL to promote his own business with others. BHEL reserves the right to claim damages from the bidder, or take appropriate penal action as deemed fit against the bidder, for any infringement of the provisions contained herein.

21. SETTLEMENT OF DISPUTES/ARBITRATION.

In all cases of dispute the mater shall be referred for ARBITRATION by sole arbitrator to be appointed by the Unit Head of Bharat Heavy Electricals Ltd., at HARIDWAR. The award of the Arbitrator shall be final and binding on both the parties. The place of Arbitration shall be Haridwar.

JURIDICTION: The courts of Haridwar, India, shall have exclusive jurisdiction.

22. WHARFAGE / DEMURRAGE RESPONSIBILITY.

In the event of delay in receipt of documents by Manager (Stores-Shipping) BHEL-Haridwar and in case where dispatches are made through Unapproved Transporter the sole responsibility for wharfage /demurrage for such delay shall be that of supplier.



- 23. CONDITIONS FOR AVAILING MICRO & SMALL ENTERPRISES (MSE'S) BENEFITS.
- a) "MSE Suppliers can avail the intended benefits only if they submit along with the offer, attested copies of either EM II certificate having deemed validity (five years from the date of issue of acknowledgement in EM II) or valid NSIC certificate or EM II certificate along with attested copy of a CA certificate (Format enclosed at annexure-1 where deemed validity of EM II certificate of five years has expired) applicable for the relevant financial year (latest audited). Date to be reckoned for determining the deemed validity will be the date of bid opening (Part 1 in case of two part bid). Non submission of such documents will lead to consideration of their bid at par with other bidders. No benefit shall be applicable for this enquiry if any deficiency in the above required documents is found or the requisite documents are not submitted before price bid opening. If the tender is to be submitted through eprocurement portal, then the above require document are to be uploaded on the portal. Documents should be notarized or attested by a Gazetted officer."
- Any new supplier will be eligible for registration with BHEL as MSE supplier provided at least any one of the following documents are submitted along with application for registration :-
- c) Valid NSIC Certificate or
- d) Entrepreneurs Memorandum part II (EM II) certificate (valid based on deemed validity of 5 years) or
- e) EM II certificate along with attested copy of CA Certificate (as per prescribed format at annexure-A) applicable for the relevant financial year (latest audited), where the deemed validity of EM II is over.
- f) However, credentials of all MSE suppliers will be verified before advancing the intended benefits.
- g) MSE bidders claiming SC/ST status will have to submit SC/ST certificate of the Proprietor from competent authority. Attested (notarized or attested by Gazetted officer) copy to be submitted along with the offer.

- h) In case techno-commercial accepted bidders include MSE source and their prices (based on landed cost – considering quoted prices) are within the price band of 15% w.r.t. L-1 bidder, then BHEL can offer 20% of quantity of respective item (rounded off to nearest number) to MSE bidders at L-1 price and in case, more than one MSE bidder is in 15 % band and the same is accepted by more than one MSE bidders then 20% quantities of respective items will be considered for ordering on proportionate basis amongst MSE bidders.
- While distributing the 20% quantity amongst MSE bidders the decimal points in quantity shall be ignored for all the bidders except the L-1 amongst MSE bidders. Balance quantity after allocating the quantity to other MSE bidders ignoring the quantities in decimal, shall be given to L-1 (amongst MSE) bidder. However if there are more than one MSE bidder at the same price level than preference for additional quantities due to ignoring off the decimal (as mentioned above) shall be given to the bidder offering favorable terms to BHEL and if the conditions offered are also same then preference will be given to the bidder having high SPR rating.
- j) In case there are more than one MSE bidders (with different landed cost to BHEL) within 15% price band of lowest bidder and quantity to be offered is 1 no. only, then preference shall be given to the MSE bidder with lowest landed cost.
- k) In case there are more than one MSE bidders (with same landed cost to BHEL) within 15% price band of lowest bidder and quantity to be offered is 1 no. only, then preference shall be given first, based on the favorable terms in the bid and in case terms are also same, the bidder with high SPR rating shall be given preference.
- If L1 bidder is MSE bidder, entire quantity will be given to such MSE bidder only.



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24. INFORMATION TO THE BIDDERS.

- a) Purchase related information is available at our Businessto-Business (B2B) Portal available on our website www.bhelhwr.co.in The user ID & password can be obtained by sending a request to concerned purchase executives.
- b) Intimate your change in mail address or communication address or changes, if any, by email to ppx_idx@bhelhwr.co.in giving your bidder Code.
- Please resolve your rejections and unexecuted overdue purchase order immediately which are posted at our B2B Portal, which can be visited through our site www.bhelhwr.co.in
- d) Copy of this Tender Enquiry is being sent through the post.

25. NOTE.

a) Special conditions of enquiry, if enclosed, will supersede the standard/general terms of enquiry.

Any other Standard terms and Conditions of the bidder attached/referred against the tender enquiry will be treated as null and void ab initio.