

ANNEXURE - 1

Commercial terms and conditions

Name of the Bidder :
Enquiry No.& Date : **77/09/6296/AK dt. 18.02.10**

Project : Inplant Coal Handling System near Chennai

Scope of Work : Design, engineering, manufacture and Supply of Ring Granulator for CHP Mechanical package

SL No	Clause	BHEL Requirement	Suppliers Acceptance / Remarks
1.0	Price basis for Supply	Firm till completion of the project, FOR –Site basis, inclusive of packing , forwarding and Freight. MCE insurance by BHEL. Any new taxes / duties imposed by Government after placement of PO shall be reimbursed as per actuals on documentary evidence. CIF value of import content is to be declared by the vendor only in the price bid. Vendor will furnish documentary evidence for CD paid for imported components and same will be reimbursed. In case vendor does not indicate CIF value in the price bid, then it is presumed that no imported item is envisaged / no custom duty is to be reimbursed.	
2.0	Sales Tax	Govt. of India has advised the State Governments to exempt supplies made to Mega Power Projects from Sales Tax and Local Levies. In case the State Governments do not provide the exemptions then BHEL shall re-imburse CST against form "C" or Local sales tax limited to ceiling value indicated in price bid. No other form other than 'C' form can be issued by BHEL. Hence, vendor shall consider full sales tax / VAT in case of dispatches within Tamil Nadu. Documentary proof required in case of VAT payment. E1 form to be issued by supplier to BHEL for availing C form	
3.0	Excise Duty	ED exempted against Mega Power Project Certificate to be issued by GOI for this project. In case the same is not available then ED is payable against original buyer's copy of EDGP/INVOICE cum EDGP limited to ceiling limit indicated in price bid. Transporter's copy of EDGP/EDGP cum INVOICE must be sent along with consignment. ED gate pass to be submitted for the ED claimed (even for sub-vendor's bills).	

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4.0	Payment terms for Supply	<ol style="list-style-type: none"> 1. 10% of the Supply (Ex-works) value to be paid as advance against submission of BG of equivalent value valid till last date of dispatch, initially upto last contractual dispatch date and also BG for security deposit cum PBG should have been submitted prior to this advance invoice. 2. 5% of supply (ex-works) value against approval of GA drgs, data sheets and calculation sheets of all the equipments as per the list of drawings indicated in the specifications and against submission of Bank Guarantee for equivalent amount valid till last date of dispatch, initially up to last contractual dispatch date. 3. 60% of supply value on prorata basis against dispatch document as per approved billing schedule with 100% taxes, duties. 4. 15% of supply value on prorata basis against receipt of equipment at site as per approved billing schedule. BHEL site will acknowledge the receipt of materials at site by issuing Material Receipt Certificate (MRC). 5. 5% of supply value against Trial run of the system. In case of delay in Trial Run, this amount can be paid after six months from the last date of supply on submission of BG of equivalent amount valid initially for 12 months and then till completion of Trial run. 6. 5% of supply value against Final Acceptance Certificate from the customer. 	
5.0	Payment Terms for Mandatory Spares	<ol style="list-style-type: none"> (i) 75% of For-Site price component of the mandatory spares against dispatch to site and against invoices and shipping documents along with MDCC issued by NTPC/BHEL. (ii) 25% of For-Site price component of the mandatory spares on receipt and storage at site and on physical verification by BHEL. 	

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6.0	Payment Terms for E&C site supervision	1. 90 % against certification by BHEL Engineer. 2. 5 % against trial run of the system duly certified by BHEL Engineer 3. 5% against FAC.	
7.0	LIQUIDATED DAMAGES	<p>7.1 LD for Delay in Completion of the project</p> <p>a. If contractor fails to complete Testing and Commissioning and readiness of Coal feeding System at loading point and up to Unit#1 Bunkers within 18 Months from the date of LOI then LD @ 0.5% per week or part thereof subject to a maximum of 3.5 % on contract Price shall be levied .</p> <p>b. If contractor fails to complete Testing and Commissioning and readiness of Coal feeding System at loading point and up to Unit#2 Bunkers within 24 Months from the date of LOI then LD @ 0.5% per week or part thereof subject to a maximum of 4 % on contract Price shall be levied (Including LD at (a) above).</p> <p>c. If contractor fails to complete Testing and Commissioning and readiness of Coal feeding System at loading point and up to Unit#3 Bunkers within 30 Months from the date of LOI then LD @0.5% per week or part thereof subject to a maximum of 4.5% on contract Price shall be levied (Including LD at (a) and (b) above).</p> <p>d. If contractor fails to complete all the facilities of entire Coal Handling Plant system package within 32 Months from the date of LOI then LD @ 5 % maximum on contract Price shall be levied (Including LD at (a) (b) & (c) above).</p> <p>7.2 LD for Short fall in Capacity</p> <p>LD for shortfall in Crusher capacity for deficiency of 1% or part thereof in Guaranteed Capacity shall be US \$ 4174</p> <p>LD shall be assessed on the basis of conveyor stream flow path/equipment having the poorest performance. The LD for only one of the two paths having poorest</p>	

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		<p>performance shall be payable.</p> <p>Contractors aggregate liability to pay LD for failure to attain the functional guarantee shall not exceed 25% of the Contract Price and such amount shall be recoverable by operating the PBG of the contractor or deduction from the contract price</p> <p>7.3 LD for Increase in Guaranteed Power consumption</p> <p>The contractor shall guarantee the total power consumption of Crusher drive motors (when plant is operating at Guaranteed Capacity) at the switchgear terminals. The drive motors to be considered for levying LD shall be path wise as per Technical Bid. However, independent & Path wise Guaranteed power shall not exceed the following :</p> <ul style="list-style-type: none"> a. Crusher drive motor for crusher 1: 725 KW b. Crusher drive motor for crusher 2: 725 KW c. Path wise in stacking path 1A when Both crushers working together : 1450 KW. <p>If the total power consumption of Drive Motors exceed the Guaranteed power consumption then LD @ US \$ 1350 per KW shall be deducted from the contract price.</p> <p>7.4 Maximum Deduction for LD</p> <p>The Total amount of LD for Delay in completion of the package shall be Maximum of 5% of the total Contract Price.</p> <p>7.5 LD for Mandatory Spares</p> <p>Half Percent (0.5%) of Contract price of the delayed Mandatory Spares per week or part thereof of delay , subject to maximum of 5 % of the Total contract price of Mandatory Spares covered under this package.</p> <p>7.6 LD for Delay in submission of Drawings</p> <p>In case of any Delay in submission of Drawings against Sl. No.1.0 of Time Schedule , LD @ of Rs. 5.0 Lakhs per week of Delay shall be levied if delay is attributable to contractor . However this LD amount deducted shall be refunded in full if the contractor completes the project as per the Time schedule.</p>	

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8.0	Security Deposit Cum PBG	<p>10% of the total contract value (Supply + E&C) to be submitted <u>within 10 days from the date of LOA</u>, valid till the Guarantee Period + 3 months claim period.</p> <p>Initially this BG shall be with validity of 24 months from the date of LOA + 3 months claim period and the same shall be extended as required later to suit guarantee period.</p> <p>This BG shall be strictly as per the prescribed format of BHEL enclosed.</p> <p>BGs of PSU Banks in addition to consortium banks are only acceptable (List of consortium banks enclosed) .</p> <p>In case of BGs issued by non consortium PSU banks, the same are to be enforceable in Bangalore.</p> <p>BGs to be submitted directly by the issuing bank to DGM/MM/BG-1A, under registered post (A/D).</p>	
9.0	Advance BG	Advance BG value can be reduced from time to time depending on pending supplies. BHEL shall give letter addressed to bankers to this effect.	
10.0	Contract schedule for Supply	As per the Time Schedule enclosed with Tender Specification.	
11.0	Guarantee	18 Months from the date of Completion of Facility or 12 Months from the date of Operational Acceptance whichever is earlier.	
12.0	Drawing submission & approval	Drawing submission as per L2 network. Obtaining drawing approval from customer is the responsibility of the vendor. BHEL shall however help the vendor in getting the approvals.	
13.0	Transit Insurance	The project is covered by MCE Insurance by BHEL. Any procedure / documentation required for claims in case of damage / theft / loss etc is to be taken care by vendor.	
14.0	Validity of the offer	90 Days from the date of the opening of the tender. In case revised price bids are sought due to revision in BOM / scope during technical evaluation, then the revised price bids shall also be valid for another 60 days from the revised due date.	
15.0	Split Order	BHEL reserves the right to place the order on total package basis or split the order on individual package basis including the E&C.	

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16.0	Inspection	At manufacturer's works prior to dispatch by BHEL/Customer/Consultant. Inspection call with internal TC's to be given 15 days in advance. Penalty for items not ready after inspection call : The expenses incurred by Customer / BHEL for travel, stay etc. shall be recovered from the vendor's bills.	
17.0	Arbitration	Subject to Bangalore jurisdiction only based on Indian Arbitration Act 1996.	
18.0	Risk Purchase	In case of default/ late delivery, purchaser reserves the right to make alternate arrangement/ procurement at supplier's risk and cost.	
19.0	Income Tax Deductions	As per the prevailing rules.	
20.0	Pre-qualification Criteria (Technical)	As per the Tender specification Enclosed	
21.0	Pre-qualification Criteria (Financial)	Average Annual Financial Turnover during the last 3 years ending 31 st March of the previous financial year , should be atleast Rs. 20 Crores.	
22.0	Proposed organization chart for the above referred package	To be furnished by the bidder along with the Techno-commercial Bid	
23.0	Income tax clearance certificate for the previous 3 years	To be furnished by the bidder along with the Techno-commercial Bid	
24.0	Bankers solvency certificate issued from the bank	To be furnished by the bidder along with the Techno-commercial Bid.	
25.0	Audited balance sheets for 2005-06, 2006-07 & 2007-08	To be furnished by the bidder along with the Techno-commercial Bid.	
26.0	Approval of sub-vendors	The supplier shall furnish the list of sub-vendors for approval, along with the Techno-commercial Bid.	

27.0	Other Terms	<p>Part-1: Technical Bid: Please enclose this BHEL Commercial terms & Conditions accepting all the clauses along with your technical offer in a separate sealed envelop and superscribe as technical bid. Unpriced bid shall also be submitted along with the technical bid.</p> <p>Part-2: PRICE BID: Please mention the price and enclose in a separate sealed envelop. Price bid shall strictly be submitted in " PRICE SCHEDULE FORMAT" enclosed along with specification.</p> <p>a) Last day and time for submission of the tender : 08.03.2010, 11.00AM b) Time of collection of tenders from the tender box by MM / Finance Team : 2:30 PM c) Time of tender opening : 3 PM d) Venue of tender opening : Committee room.</p> <p>Please superscribe the cover with the Enquiry Number & date and the due date.</p>	
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Note:

1. **Deviations will not be accepted by BHEL. Bids with deviations will be rejected.**
2. No prices to be filled in this format. All prices are to be filled up in the enclosed price bid Formats.
3. Un priced price bid to be enclosed with the techno - commercial bid.

Signature of the bidder with seal & Date