

## **CHAPTER -1**

### **1. GENERAL INSTRUCTION TO TENDERERS**

#### **1.1. DESPATCH INSTRUCTION**

*i) The General Conditions of Contract form part of the Tender specifications. All pages of the tender documents shall be duly signed, stamped and submitted along with the offer in token of complete acceptance thereof. The information furnished shall be complete by itself. The tenderer is required to furnish all the details and other documents as required in the following pages*

*ii) Tenderers are advised to study all the tender documents carefully. Any submission of tender by the tenderer shall be deemed to have been done after careful study and examination of the tender documents and with the full understanding of the implications thereof. Should the tenderers have any doubt about the meaning of any portion of the Tender Specification or find discrepancies or omissions in the drawings or the tender documents issued are incomplete or shall require clarification on any aspects, the scope of work etc., he shall contact the authority inviting the tender well in time (so as not to affect last date of submission) for clarification before the submission of the tender. Tenderer's request for clarifications shall be with reference to Sections and Clause numbers given in the tender documents. The tender specifications and terms and conditions shall be deemed to have been accepted by the tenderer in the offer. Pre requirements and conditions shall be liable for rejection.*

*iii) Integrity pact (IP): If NIT calls for Integrity Pact, the same shall be duly signed & stamped by the authorised signatory & submitted along with tender document.*

#### **1.2. SUBMISSION OF TENDERS**

*1.2.1 The tenderers must submit their tenders as per instructions in the NIT*

*1.2.2 BHEL takes no responsibility for delay, loss or non-receipt of tenders sent by post/courier. The tenders received after the specified time of their submission are treated as 'Late Tenders' and shall not be considered under any circumstances. Offers received by Fax/Email/Internet shall be considered as per terms of NIT.*

*1.2.3 Tenders shall be opened by authorised Officer of BHEL at his office at the time and date as specified in the NIT, in the presence of such of those tenderers or their authorised representatives who may be present*

*1.2.4 Tenderers whose bids are found techno commercially qualified shall be informed the date and time of opening of the Price Bids and such Tenderers may depute their representatives to witness the opening of the price bids. BHEL's decision in this regard shall be final and binding.*

*1.2.5 Before submission of Offer, the tenderers are advised to inspect the site of work and the environments and be well acquainted with the actual working and other prevalent conditions, facilities available, position of material and labour, means of transport and access to Site, accommodation, etc. No claim will be entertained later on the grounds of lack of knowledge of any of these conditions.*

### **1.3. LANGUAGE**

*1.3.1 The tenderer shall quote the rates in English language and international numerals. These rates shall be entered in figures as well as in words. For the purpose of the tenders, the metric system of units shall be used.*

*1.3.2 All entries in the tender shall either be typed or written legibly in ink. Erasing and over-writing is not permitted and may render such tenders liable for rejection. All cancellations and insertions shall be duly attested by the tenderer.*

### **1.4 PRICE DISCREPANCY:**

#### **1.4.1 Conventional (Manual) Price Bid opening:**

*i) If, in the price structure quoted for the required goods/services/works, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of BHEL there is obvious misplacement of decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly*

*ii) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected;*

*iii) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject of (i) and (ii) above.*

*iv) If there is such discrepancy in an offer, the same shall be conveyed to the bidder with target date up to which the bidder has to send his acceptance on the above lines and if the bidder does not agree to the decision of BHEL, the bid is liable to be ignored.*

*v) In case of lump sum price, if there is any difference between the amount in figures and in words, the amount quoted by the bidder in words shall be taken as correct.*

vi) *In case of omission in quoting any rate for one or more items, the evaluation shall be done considering the highest quoted rate obtained against the respective items by other tenderers for the subject tender. If the tenderer becomes L-1, the notional rates for the omission items shall be the lowest rates quoted for the respective items by the other tenderers against the respective omission items for the subject job and the 'Total quoted price (loaded for omissions)' shall be arrived at. However the overall price remaining the same as quoted originally, the rates for all the items in the 'Total quoted price (loaded for omissions)' shall be reduced item wise in proportion to the ratio of 'Original' total price and the 'Total quoted price (loaded for omissions)'.*

**1.4.2 Reverse Auction:** *In case of Reverse Auction, the successful bidder shall undertake to execute the work as per overall price offered by him during the Reverse Auction process. In case of omission of rates, the procedure shall be as per 'Guidelines for Reverse Auction' enclosed.*

i) *Offers from tenderers who are under suspension (banned) by any Unit/Region/Division of BHEL shall not be considered.*

ii) *Offers from tenderers who do not comply with the latest guidelines of Ministry/Commissions of Govt of India shall not be considered.*

### **1.5. EVALUATION OF BIDS**

i) *Technical Bids submitted by the tenderer will be opened first and evaluated for fulfilling the Pre-Qualification criteria and other conditions in NIT/Tender documents, based on documentary evidences submitted along with the offer, BHEL reserves the right to ask for proofs/documents, clarification in relation to Technical/commercial data during tender evaluation*

ii) *Price Bids of shortlisted bidders shall only be opened either through the conventional price bid opening or through electronic Reverse Auction, at the discretion of BHEL*

iii) *Price Bids of unqualified bidders shall not be opened. Reasons for rejection shall be intimated to the vendor before the opening of Price bid.*

### **1.6. DATA TO BE ENCLOSED**

*The following information in full shall be furnished by the tenderer. Non-submission of this information may lead to rejection of the offer.*

i) *INCOME TAX PERMANENT ACCOUNT NUMBER, GSTIN, SAC, HSN Certified copies of PAN, GSTIN shall be furnished along with tender. The names, addresses and contact information of the Directors/Partners shall be furnished along with the offer.*

ii) *An attested copy of the Power of Attorney, in case the tender is signed by an individual other than the sole proprietor.*

*iii) IN CASE OF INDIVIDUAL TENDERER:*

*His / her full name, address, PAN, GSTIN and place & nature of business to be furnished.*

*iv) IN CASE OF PARTNERSHIP FIRM*

*The names of all the partners and their addresses, a copy of the partnership deed/instrument of partnership shall be enclosed.*

*v) IN CASE OF COMPANIES:*

*Date and place of registration including date of commencement certificate in case of Public Companies (certified copies of Memorandum and articles of Association are also to be furnished). Nature of business carried on by the Company and the provisions of the Memorandum relating thereof.*

**1.7. AUTHORISATION AND ATTESTATION**

*Tenders shall be signed by a person duly authorised/empowered to do so. An attested copy of the Power of Attorney, in case the tender is signed by an individual other than the sole proprietor shall be submitted along with the tenders*

**1.8. EARNEST MONEY DEPOSIT**

*1.8.1 Every tender must be accompanied by the prescribed amount of Earnest Money Deposit (EMD) in the manner described herein.*

*The EMD may be accepted only in the following forms:*

- (i) Electronic Fund Transfer credited in BHEL account (before tender opening)*
- (ii) Banker's cheque/ Pay order/ Demand draft, in favor of BHEL (along with offer) In case total EMD amount is more than Rs 20 Lakh, the amount in excess of Rs 20 lakh maybe accepted in the form of Bank Guarantee from scheduled bank. The Bank Guarantee in such cases shall be valid for at-least six months.*
- (iii) Through SBI collect (before tender opening)*
- (iv) No other form of EMD remittance shall be acceptable to BHEL*

*1.8.2 EMD by the bidder will be forfeited as per Tender Documents if*

- i) After opening the tender and within the offer validity period, the tenderer revokes his/her tender or makes any modification in his tender which is not acceptable to BHEL.*
- ii) The Contractor fails to deposit the required Security deposit or commence the work within the period as per LOI/ Contract.*
- iii) EMD by the tenderer shall be withheld in case any action on the tenderer is envisaged in derailing the tender process by unlawful means*

*1.8.3 EMD shall not carry any interest.*

*1.8.4 In the case of unsuccessful bidders, the Earnest Money will be refunded to them within a reasonable time after acceptance of award by successful tenderer.*

*1.8.5 EMD of successful tenderer will be converted as part of Security Deposit*

### **1.9. SECURITY DEPOSIT**

*The total amount of Security Deposit will be 5% of the contract value (including all applicable taxes) EMD of the successful tenderer shall be converted and adjusted towards the required amount of Security Deposit.*

#### **1.9.1 Modes of Security deposit:**

*The balance amount to make up the required Security Deposit of 5% of the contract value may be accepted in the following forms:*

- i) Cash (as permissible under the extant Income Tax Act)*
- ii) Local cheques of Scheduled Banks (subject to realization)/ Pay Order/ Demand Draft/ Electronic Fund Transfer in favour of BHEL*
- iii) Bank Guarantee from Scheduled Banks/ Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL*
- iv) Fixed Deposit Receipt issued by Scheduled Banks/ Public Financial Institutions as defined in the Companies Act (FDR should be in the name of the Contractor, a/c BHEL)*
- v) Securities available from Indian Post offices such as National Savings Certificates, Kisan Vikas Patras etc. (held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favour of BHEL) (Note: 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 therewith)*
- vi) 50% of the required Security Deposit, including the EMD, should be paid before start of the work. Balance of the Security Deposit can be collected by deducting 10% of the gross amount progressively from each of the running bills of the Contractor till the total amount of the required Security Deposit is collected. If the value of work done at any time exceeds the contract value, the amount of Security Deposit shall be correspondingly enhanced and the additional Security Deposit shall be immediately deposited by the Contractor or recovered from payment/s due to the Contractor. Security Deposit shall be released to the Contractor upon fulfilment of contractual obligations as per terms of the contract.*

*1.9.2 The Security Deposit shall not carry any interest.*

*1.9.3 The validity of Bank Guarantees towards Security Deposit shall be initially up to the completion period as stipulated in the Letter of Intent/Award ( plus maintenance period if applicable), and 03 months claim period. The same shall be kept valid by proper renewal till the acceptance of Final Bills of the Contractor, by BHEL*

*1.9.4 BHEL reserves the right of forfeiture of Security Deposit in addition to other claims and penalties in the event of the Contractor's failure to fulfill any of the contractual obligations or in the event of termination of contract as per terms and conditions of contract. BHEL reserves the right to set off the Security Deposit against any claims of other contracts with BHEL.*

### **1.10. REFUND OF SECURITY DEPOSIT**

*50% of the security deposit may be refunded on completion of the work after payment of the final bill and the balance 50% of the security deposit is refunded only after the expiry of the maintenance period from date of completion of work as stipulated in the contract concerned.*

#### **1.10.1 DEFECTS LIABILITY PERIOD:**

*The contractor shall be responsible to make good and remedy at his own expenses within such period as may be stipulated by the Engineer-in-charge, any defect which may develop or may be noticed before the expiry of the maintenance period of six months or as stipulated in NIT hereto from the certified date of completion and intimation of which has been sent to the contractor within seven days of the expiry of the said period by a letter sent by hand delivery or by registered post or Email. If contractor fails to attend to the above, defect will be rectified at contractor's risk & cost and same will be deducted from the security deposit/payable amounts available with BHEL.*

### **1.11. BANK GUARANTEES**

*Where ever Bank Guarantees are to be furnished/submitted by the contractor, the following shall be complied with*

- i) Bank Guarantees shall be from Scheduled Banks / Public Financial Institutions as defined in the Companies Act.*
- ii) The Bank Guarantees shall be as per prescribed BHEL formats.*
- iii) It is the responsibility of the bidder to get the Bank Guarantees revalidated/extended for the required period (subject to a minimum period of six months), as per the advice of BHEL. BHEL shall not be liable for issue of any reminders regarding expiry of the Bank Guarantees.*
- iv) In case extension/further extensions of any Bank Guarantees are not required, the bidders shall ensure that the same is explicitly endorsed by BHEL*
- v) In case the Bank Guarantees are not extended before the expiry date, BHEL reserves the right to invoke the same by informing the concerned Bank in writing, without any advance notice/communication to the concerned bidder.*
- vi) Bidders to note that any corrections to Bank Guarantees shall be done by the issuing Bank, only through an amendment in an appropriate non judicial stamp paper.*
- vii) The Original Bank Guarantee shall be sent directly by the Bank to BHEL under Registered Post (Acknowledgement Due).*

### **1.12. VALIDITY OF OFFER**

*The rates in the Tender shall be kept open for acceptance for a minimum period of Ninety (90) DAYS from latest due date of offer submission (including extension, if any). In case BHEL calls for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the tenderers.*

### **1.13 EXECUTION OF CONTRACT AGREEMENT**

*The successful tenderer's responsibility under this contract commences from the date of issue of the Letter of Intent by BHEL. The Tenderer shall submit an unqualified acceptance to the Letter of Intent/Award within the period stipulated therein.*

*The successful tenderer shall be required to execute an agreement in the prescribed form, with BHEL, within fifteen days (15 days) after the acceptance of the Letter of Intent/Award, and in any case before releasing the first running bill. The contract agreement shall be signed by a person duly authorized/empowered by the tenderer. The expenses for preparation of agreement document shall be borne by Tenderer.*

### **1.14. REJECTION OF TENDER AND OTHER CONDITIONS**

*1.14.1 The acceptance of tender will rest with BHEL which does not bind itself to accept the lowest tender or any tender and reserves to itself full rights for the following without assigning any reasons whatsoever:-*

- a. To reject any or all of the tenders.*
- b. To split up the work amongst two or more tenderers as per NIT*
- c. To award the work in part if specified in NIT*
- d. In case of either of the contingencies stated in (b) and (c) above, the time for completion as stipulated in the tender shall be applicable.*

*1.14.2 Conditional tenders, unsolicited tenders, tenders which are incomplete or not in the form specified or defective or have been materially altered or not in accordance with the tender conditions, specifications etc., are liable to be rejected.*

*1.14.3 Tenders are liable to be rejected in case of unsatisfactory performance of the tenderer with BHEL, or tenderer under suspension (hold/banning /delisted ) by any unit / region / division of BHEL or tenderers who do not comply with the latest guidelines of Ministry/Commissions of Govt of India. BHEL reserves the right to reject a bidder in case it is observed that they are overloaded and may not be in a position to execute this job. The decision of BHEL will be final in this regard.*

1.14.4 If a tenderer who is a proprietor expires after the submission of his tender or after the acceptance of his tender, BHEL may at their discretion, cancel such tender. If a partner of a firm expires after the submission of tender or after the acceptance of the tender, BHEL may then cancel such tender at their discretion, unless the firm retains its character.

1.14.5 BHEL will not be bound by any Power of Attorney granted by changes in the composition of the firm made subsequent to the execution of the contract. They may, however, recognize such power of Attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the contractor concerned.

1.14.6 If the tenderer deliberately gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract if awarded and forfeit the Earnest Money/Security Deposit/any other money due.

1.14.7 Canvassing in any form in connection with the tenders submitted by the Tenderer shall make his offer liable to rejection.

1.14.8 In case the Proprietor, Partner or Director of the Company/Firm submitting the Tender, has any relative or relation employed in BHEL, the authority inviting the Tender shall be informed, along with the Offer. Failing to do so, BHEL may, at its sole discretion, reject the tender or cancel the contract and forfeit the Earnest Money/Security Deposit.

1.14.9 The successful tenderer should not sub-contract part or complete work detailed in the tender specification undertaken by him without written permission of BHEL's Construction Manager/Site Incharge. The tenderer is solely responsible to BHEL for the work awarded to him.

1.14.10 The Tender submitted by a techno commercially qualified tenderer shall become the property of BHEL who shall be under no obligation to return the same to the bidder. However unopened price bids and late tenders shall be returned to the bidders after finalization of contract.

1.14.11 Unsolicited discount received after the due date and time of Bid Submission shall not be considered for evaluation. However, if the party who has submitted the unsolicited discount/rebate becomes the L-I party, then the awarded price i.e contract value shall be worked out after considering the discount so offered.

1.14.12 BHEL shall not be liable for any expenses incurred by the bidder in the preparation of the tender irrespective of whether the tender is accepted or not.



**1.15 BHEL Fraud Prevention Policy :**

*The bidder along with its associate/ collaborators/sub-contractors/ Sub-Vendors/ Consultants/service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice. Fraud prevention policy and list of Nodal officers shall be hosted on BHEL website, vendor portals of Units/Regions Internet.*

**CHAPTER-2**

*2.1 DEFINITION: The following terms shall have the meaning hereby assigned to them except where the context otherwise requires*

*i) BHEL shall mean Bharat Heavy Electricals Limited, a company registered under Companies Act 1956, with its Registered Office at BHEL HOUSE, SIRI FORT, NEW DELHI – 110 049, or its Authorised Officers or its Site Engineers or other employees authorised to deal with any matters with which these persons are concerned on its behalf.*

*ii) “EXECUTIVE DIRECTOR” or ‘GROUP GENERAL MANAGER’ or “GENERAL MANAGER (Incharge)” or “GENERAL MANAGER” shall mean the Officer in Electronics Division, Mysore road, Bengaluru-560026*

*iii) “COMPETENT AUTHORITY” shall mean Executive Director or Group General Manager or General Manager (In-charge) or General Manager or BHEL Officers who are empowered to act on behalf of the Executive Director or General Manager (In-charge) or General Manager of BHEL.*

*iv) “ENGINEER” or “ENGINEER IN CHARGE” shall mean an Officer of BHEL as may be duly appointed and authorized by BHEL to act as “Engineer” on his behalf for the purpose of the Contract, to perform the duty set forth in this General Conditions of Contract and other Contract documents. The term also includes ‘CONSTRUCTION MANAGER’ or ‘SITE INCHARGE’ as well as Officers*

*v) “SITE” shall mean the places or place at which the plants/equipment are to be erected and services are to be performed as per the specification of this Tender.*

*vi) “CLIENT OF BHEL” or “CUSTOMER” shall mean the project authorities with whom BHEL has entered into a contract for supply of equipment or provision of services.*

*vii) “CONTRACTOR” shall mean the successful Bidder/Tenderer who is awarded the Contract and shall include the Contractor’s successors, heirs, executors, administrators and permitted assigns.*

viii) *“CONTRACT” or “CONTRACT DOCUMENT” shall mean and include the Work Order, Contract Agreement, the accepted appendices of Rates, Schedules, Quantities if any, General Conditions of Contract, Special Conditions of Contract, Instructions to the Tenderers, Drawings, Technical Specifications, the Special Specifications if any, the Tender documents, subsequent amendments mutually agreed upon and the Letter of Intent/Acceptance issued by BHEL. Any conditions or terms stipulated by the contractor in the tender documents or subsequent letters shall not form part of the contract unless, specifically accepted in writing by BHEL in the Letter of Intent/Award and incorporated in the agreement.*

ix) *“GENERAL CONDITIONS OF CONTRACT” shall mean the ‘Instructions to Tenderers’ and ‘General Conditions of Contract’ pertaining to the work for which above tenders have been called for.*

x) *“TENDER SPECIFICATION” or “TENDER” or “TENDER DOCUMENTS” shall mean General Conditions, Common Conditions, Special Conditions, Price Bid, Rate Schedule, Technical Specifications, Appendices, Annexures, Corrigendum’s, Amendments, Forms, procedures, Site information, etc and drawings/documents pertaining to the work for which the tenderers are required to submit their offers. Individual specification number will be assigned to each Tender Specification.*

xi) *“LETTER OF INTENT” shall mean the intimation by a Post/Fax/email to the tenderer that the tender has been accepted in accordance with provisions contained in the letter. The responsibility of the contractor commences from the date of issue of this letter and all terms and conditions of the contract are applicable from this date.*

xii) *“COMPLETION TIME” shall mean the period by ‘date/month’ specified in the ‘Letter of Intent/Award’ or date mutually agreed upon for handing over of the intended scope of work, the erected equipment/plant which are found acceptable by the Engineer, being of required standard and conforming to the specifications of the Contract.*

xiii) *“PLANT” shall mean and connote the entire assembly of the plant and equipment’s covered by the contract.*

xiv) *“EQUIPMENT” shall mean equipment, machineries, materials, structural, electrical and other components of the plant covered by the contract.*

xv) *“TESTS” shall mean and include such test or tests to be carried out on the part of the contractor as are prescribed in the contract or considered necessary by BHEL, in order to ascertain the quality, workmanship, performance and efficiency of the contractor or part thereof.*

xvi) *“APPROVED”, “DIRECTED” or “INSTRUCTED” shall mean approved, directed or instructed by BHEL.*