

GENERAL CONDITIONS OF CONTRACT (GCC)

Revision No. R0 (For supply and services) ABBREVIATIONS

Issued on 01.04.2017

ABBREVIATIONS

| AWB | Airway Bill |
|-------------------------|-----------------------------------------------|
| BL | Bill of Lading |
| BOQ | Bill of Quantity |
| CAD | Cash Against Documents |
| CENVAT | Central Value Added Tax |
| CFR | Cost & Freight |
| CIF | Cost, Insurance and Freight |
| CIP | Carriage & Insurance Paid (up to destination) |
| СРТ | Cost Freight Paid |
| CQ | Corporate Quality |
| CVD | Countervailing Duty |
| DMS | Document Management System |
| EMD | Earnest Money Deposit |
| E&C | Erection and Commissioning |
| FOB | Free on Board |
| GR | Goods Receipt |
| GRN | Goods Receipt Number |
| H <mark>1</mark> bidder | Bidder quoting highest landed cost to BHEL |
| IP | Integrity Pact |
| IEM | Independent External Monitor |
| L1 Bidder | Bidder quoting lowest landed cost to BHEL |
| LC | Letter of Credit |
| LOI | Letter of Intent |
| LOA | Letter of Award |



ELECTRO-PORCELAINS DIVISION

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| LR | Lorry Receipt |
|-------|------------------------------------------------|
| MDCC | Material Despatch Clearance Certificate |
| MRC | Material Receipt Certificate |
| MSMED | Micro Small and Medium Enterprises Development |
| NUT | Natica Inviting Tandar |

NIT Notice Inviting Tender

O&M Operation & Maintenance

PBG Performance Bank Guarantee

P&ID Process & Instrumentation Diagram

PO Purchase order

- PQR Pre-Qualification Requirement
- PVC Price Variation Clause/compensation
- QS Quality Surveillance

RA Reverse Auction

- RAB Running Account Bill
- RBI Reserve Bank of India
- RFQ Request for Quotation
- RR Railway Receipt
- SAD Special Additional Duty
- SCC Special Conditions of Contract



ELECTRO-PORCELAINS DIVISION

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INSTRUCTIONS TO BIDDERS

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GENERAL

These general terms & conditions shall apply to all enquiries, notice inviting tenders, request for quotations concerning the supply of goods and / or rendering of services to Bharat Heavy Electricals Ltd., - Electroporcelains Division (hereinafter referred to as BHEL or the Purchaser) or its Projects / Customers.

1.0 <u>GENERAL INSTRUCTIONS</u>

1.1 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 full understanding of the implications thereof. The specifications and terms & conditions shall be deemed to have been accepted unless otherwise specifically commented upon in 'Deviation sheets by the tenderer in his offer. Noncompliance with any of the requirements and instructions in the Tender Enquiry may result in rejection of the tender.

Integrity Pact (IP) will be applicable for all tenders/ contracts valuing more than a specific value or if specified in NIT/ RFQ. Integrity Pact document shall be issued as part of tender and shall be returned by bidders along with their technocommercial bids, duly signed by authorized signatories. Only those vendors/ bidders who enter into Integrity Pact with BHEL would be qualified to participate in the bidding process.

- 1.2 All commercial terms and conditions, except prices, should be submitted as part of techno-commercial offer (Part-I) along with unpriced copy of Annexure-II, which may be opened first. The price part (Part-II) along with price copy of Annexure-II is to be submitted in a separate sealed cover (or to be uploaded in website in case of e-procurement) along with techno-commercial offer. Purchaser reserves the right to open both the Parts at the same time.
- 1.3 A declaration as per Annexure-III must be sent before opening of Price Bids.

2.0 PROCEDURE FOR SUBMISSION & OPENING OF TENDERS

2.1 Tenders shall be submitted in **Two parts** on or before the Due Date and time indicated in the NIT/ RFQ.

PART – I : Techno-Commercial Bid

comprising of Technical Offer, Annexure-I, Commercial Terms & Conditions, Unpriced copy of Price Bid& Annexure II, PQR documents (if applicable) in two



(2) sets.

PART – II: Price Bid

Containing Prices, cost of withdrawal of deviation as per Annexure-II, to be submitted in original, strictly, as per Price Schedule of BHEL for complete scope of Tender Enquiry.

NOTE: Offers are liable to be rejected for changes made by vendors in the Price Schedule, except those specified in the unpriced bid and accepted by Purchaser.

- 2.1.1 PART-I (Techno-Commercial bid) may be opened on Due Date and time specified in the NIT/ RFQ, or extension thereof, in presence of tenderers who may like to attend. Incomplete offers are liable to be rejected. Purchaser reserves the right to open both Part-I and Part-II together.
- 2.1.2 PART-II containing prices shall be submitted along with Part-I but in a separate sealed cover. Corrections/amendments shall be properly authenticated, else the offer is liable to be rejected.
- 2.1.3 Any discount/revised offer submitted by a bidder on its own shall be accepted provided it is received on or before the due date and time of offer submission. The discount shall be applied on pro-rata basis to all items unless specified otherwise by the bidder.

Unsolicited discounts/revised offers given after due date and time of offer submission shall not be accepted.

In case there is no change in the technical scope and/or specifications and/or commercial terms & conditions, the bidder/s shall not be allowed to change his/their price bids after the due date, within the validity period.

In case of changes in scope and/or technical specification and/or commercial terms & conditions, having price implications, techno-commercially acceptable bidders shall be asked by BHEL (after freezing the scope, technical specifications and commercial terms & conditions) to submit the impact of such changes on their price bid. A cut-off date and time shall be given to all the techno-commercially acceptable bidders to submit the impact on their price bids.

In the event of any bidder, after finalizing the technical specification & scope of supply, opting to revise and submit their latest price bid instead of submitting impact on their price bid asked by BHEL, then their original price (i.e. the previous bid) shall also be opened.



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Price Impact/ Discount/ Revised Price Bid shall be duly superscribed as:

"Price Impact / Discount/ Revised Price Bid (Part-II) (delete whichever is not applicable), Revision No. _____ against Tender Enquiry No. ______ dated ____"

- 2.2 After technical & commercial examination of the offers received and clarifications obtained (if required), Part-II (Revised Price Bid/ Original Price Bid along with Price Impact and Discount, if any) shall be opened, for which the date and time shall be intimated to technically and commercially acceptable bidders in case of public opening. BHEL may opt to finalise the prices through Reverse Auction amongst technically and commercially acceptable bidders. BHEL reserves the right to open the earlier price bids, if any, submitted by the bidder(s), if required.
- 2.3 No correspondence shall be entertained from the tenderers after opening of Part-II (Price bid), except clarifications (if any) asked by BHEL in writing.

2.4 **Instructions regarding centralised tender room and tender opening:**

- a) Vendors are advised to submit the tenders in the tender box, containing Part-I & II offers in separate covers, preferably cloth lined envelopes should be used, properly marked before due date and time.
- BHEL-EPD shall not accept any tender in torn condition and return the same to the courier immediately with the Stamping "Returned to Sender-Package Damaged".
 Offers in damaged condition will not be considered and no request for extension on this account will be considered.
- c) Bidder's representative shall deposit the offer in tender box only.
- d) Bidders shall be allowed in the tender room in area identified for bidders and only one/two authorized representative(s) from each bidder shall be allowed.
- e) Bidder shall not be allowed to carry mobile/camera /laptop in the tender room. The same shall have to be deposited at security in advance and taken back after tender opening.
- f) In case of two part bid system, bidder's representative(s), witnessing the tender opening shall have to sign on all the envelopes containing the price bids. Thereafter, all the price bid envelopes shall be put in a bigger envelope / box and the same shall be properly sealed. The sealed envelope / box shall have to be

signed by the tender opening official(s) / committee of Purchaser and bidder's representatives.



- g) Details of offers shall be read out to bidders and in no case the offers shall be handed over to any of the bidders for noting down.
- h) Please ensure tender submission, minimum 1 hour before scheduled tender opening time.

Late tenders shall not be accepted.

2.5 Purchaser may negotiate the tender with L1 bidder after RA/ price bid opening.

2.6 MARKING ON ENVELOPES

- 2.6.1 Following shall be superscribed on the envelopes which shall be addressed by name and designation to the official inviting tender:
 - PART-I: 1. TENDER ENQUIRY No. AND ITEM DESCRIPTION
 - 2. DUE DATE FOR OPENING
 - 3. "TECHNO-COMMERCIAL BID".
 - PART-II: 1. TENDER ENQUIRY NO AND ITEM DESCRIPTION
 - 2. DUE DATE FOR OPENING
 - 3. "PRICE BID".
- 2.6.2 Both Parts I & II shall be submitted in separate sealed covers duly superscribed as indicated above and shall be enclosed further in a main cover duly sealed and superscribed as:

"TENDER FOR _____AGAINST TENDER ENQUIRY NO. _____ DUE ON_____ CONTAINING PART-I & PART-II BIDS"

2.6.3 Envelope not marked with tender enquiry number is liable to be ignored and may not be opened.

2.7 **BID SUBMISSION**

2.7.1 Tenders shall be addressed to BHEL officials by name & designation and sent to the following address:

Tender Box at the reception of EPD, Bharat Heavy Electricals Ltd. ELECTROPORCELAINS DIVISION Opp. IISc, PROF. C N R RAO CIRCLE , MALLESWARAM , BANGALORE - 560 012 Attention: 1) Mr.



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- 2) Mr.
- 2.7.2 Tenders can either be deposited in tender room in person or sent by Courier/Registered or Speed Post to the above mentioned address. It shall be bidders' responsibility to ensure that tenders are delivered latest by 14:00 hours (IST) of the enquiry due date.
- 2.7.3 Bidder can also submit offer through email, if called for in the enquiry, at the email address indicated in the enquiry. Such email offers shall be sent only on designated email-id to reach before 14.00 hrs of the tender due date. BHEL will not be responsible for incomplete offers and the ones delivered late through e-mail.
- 2.8 Tenders received after the Due Date and Time of submission as mentioned at 2.7.2 shall be rejected.
- 2.9 Name of vendor's dealing person with Contact No(s), Email ID and Address of correspondence shall be provided in the bid as per ANNEXURE **XVIII**.
- 2.10 Unsolicited tenders will not be entertained.

2.11 OFFER SUBMISSION IN E-PROCUREMNT

Tenders shall be submitted in Two parts on or before the Due Date and time indicated on the portal as per the following instructions:

PART – I : Technical & Commercial bid

Comprising of following:

- 1. PQ qualification documents (Mandatory, if shown on portal)
- 2. Annexure-I to GCC (Mandatory)
- 3. General conditions of contract, GCC (Mandatory)
- 4. Special conditions of contract, SCC (Mandatory)
- 5. Technical offer, comprising of technical specification and other documents as asked in technical specifications e.g. drawings, test report etc. (Mandatory)
- 6. Annexure-III to GCC (Declaration about completeness of price) (Mandatory)
- 7. Annexure-XII to GCC (Optional)
- "NO DEVIATION CERTIFICATE" FOR COMMERCIAL TERMS AND

CONDITIONS as per General Conditions of Contracts (GCC, Rev.01), Special Conditions of Contracts and RFQ in case of no deviations

- 8. Integrity Pact Agreement (Mandatory if shown on portal, not applicable otherwise)
- 9. Unpriced copy of Annexure-II, cost of withdrawal of deviation (Mandatory)

10. Supplier details as per detail annexure.

Any deviation not mentioned in un-priced copy of this format, but mentioned in the priced copy, shall not at all be accepted.

Bidder to note all the points mentioned in "Notes" of Annexure-II to GCC Rev.01.

Cost of withdrawal for the deviations, for which, the "Cost of withdrawal" is not specified, shall be taken as NIL.

The vendors shall be forced by the system to upload the above documents which are marked mandatory. The Annexure mentioned at Sl no 2, 6 & 7 (if applicable), above should be duly filled by the bidder and should be printed on their letter head before uploading.

PART – II: Price bid

Containing

- 1. Prices as per price format,
- 2. Cost of withdrawal of deviation as per Annexure-II, to be uploaded strictly as per Price Schedule of BHEL for complete scope of Tender Enquiry.

NOTE: Offers are liable to be rejected for changes made by vendors in the Price Schedule, except those specified in the unpriced bid and accepted by Purchaser.

The clause nos 2.6 & 2.7 above of this GCC shall not be applicable in case of eprocurement

3.0 In case of TURNKEY PACKAGES total **erection & commissioning charges** including service tax should be minimum 15% (or as specified in NIT) of the total quoted package price (excluding mandatory spares but including all taxes and freight), failing which the break-up of prices shall be adjusted accordingly for ordering.



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4.0 Authority of the person signing the tender on behalf of the tenderer:

A person signing the tender or any other document in respect of Order/Contract on behalf of the tenderer, without disclosing his authority to do so shall be deemed to warrant that he has the authority to bind the tenderer. If it is discovered at any time that the person so signing had no authority to do so, the Purchaser may, without prejudice to any other right or remedy, cancel the Order/Contract and make or authorize the purchase of the stores at the risk and cost of such tenderer and hold such tenderer liable to Purchaser for all costs and damages arising from cancellation of the Order/Contract including any loss which Purchaser may sustain on account of such purchase.

Notes:

- a) Bids of Indian supplier shall be in Indian Rupee only.
- b) Bids of foreign suppliers shall preferably be in currency of the country of origin and on CPT/ CFR basis. In case of supplies from Indian origin, it shall be in INR on F.O.R BHEL EPD BANGALORE 12.
- c) An authorized representative/ agent can represent only one bidder for the given package.

5.0 <u>CLARIFICATIONS REQUIRED BY BIDDERS</u>

Technical and commercial clarifications required before submission of the tender should be addressed to the official(s) inviting the tender. The bidders are requested to submit all their queries/clarifications by the date specified in the NIT after which it will be presumed that there are no queries/clarifications and BHEL will be under no obligation to reply queries/clarifications raised after the date.

6.0 <u>DEVIATIONS - LISTING</u>

- 6.1 Tenders shall be submitted strictly in accordance with the requirements of tender documents. In case of deviations from NIT, the tenderer shall give cost of withdrawal of such deviation in Sealed Cover as per Annexure-II.
- 6.2 If bidder insists for price variation clause (PVC) where NIT specifies Firm price, the offer should contain:
 - a) PVC Formula
 - b) Ceiling for PVC
 - c) Base date and applicable indices for the base date.



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Open ended PVC formula is not acceptable. Indices shall be based on Government of India/ RBI publications/ IEEMA/ LME etc. However, BHEL reserves the right to accept/ reject the offer with PVC.

7.0 VALIDITY OF OFFER

Vendors' offers shall be submitted with the following validity periods:

- i) Original offer shall be valid for 90 days from Part-I opening.
- ii) If revised price bid/ price impact is asked by BHEL, the validity of the same shall be 60 days from the date of revised price bid/ price impact or 120 days from Part-I opening, whichever is later.
- iii) Prices of Recommended Spares, O&M Spares and Mandatory Spares (wherever these are Optional items) shall be valid till two years from the date of PO.
- iv) Unit prices for scope addition/deletion shall be valid till two years from the date of PO.
- v) Prices of optional items shall be valid till the contract period for placement of order.
- vi) Offers with shorter validity are liable to be rejected.

8.0 LANGUAGE & CORRECTIONS

- a) Tenderer shall quote the rates in Hindi/English language and international numerals only. Total Price shall be entered in figures as well as in words. For the purpose of tender, metric system of units shall be used.
- b) All entries in the tender shall either be typed or written legibly in ink. Cancellations, corrections, insertions, erasements, over-writing (if unavoidable) shall be authenticated with signature and seal by the bidder.

9.0 PRICE DISCREPANCY

Following shall be considered for evaluation and ordering for non-conformities/ errors/ discrepancies in price bid:

(a) 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 the Purchaser there is an



obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.

(b) 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.

(c) 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 (a) and (b) above.

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

(e) Taxes and duties if not specified clearly as extra shall be considered as included in the basic price and, therefore, shall not be reimbursed.

10.0 TENDERER TO INFORM HIMSELF FULLY

- 10.1 Tenderer shall closely peruse all clauses, specifications & drawings etc. indicated in tender documents before quoting. In case of any doubt about meaning of any portion of tender specifications or discrepancies or omissions in drawings/tender document or clarifications regarding scope of work etc., tenderer shall contact the official(s) inviting the tender for clarifications, before submitting the offer.
- 10.2 Tenderer shall make independent enquiries as to conditions and circumstances affecting cost estimates, and possibility of executing supplies/works as described. Tenderer shall be deemed to have inspected and examined the site and its surroundings and to have satisfied himself as to the form and nature of the site, the quantities and materials necessary for completion of the work and means of transport and access to the site, the accommodation required, general labour position at site and to have quoted prices taking into consideration the risks, contingencies and other circumstances which may influence or affect execution of the Order/Contract.
- 10.3 It is the responsibility of tenderer to keep himself informed about all taxes &duties applicable on materials/services as prevailing at the time of tendering. If the rates assumed by tenderer are less than the tariff rates prevailing at the time of tendering, the tenderer will be himself responsible for such under quotations.



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11.0 ETHICS IN BUSINESS DEALINGS & FRAUD PREVENTION POLICY

11.1 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."

- 11.2 Integrity commitment, performance of the contract and punitive action thereof:
- 11.2.1 Commitment by BHEL:

BHEL commits to take all measures necessary to prevent corruption in connection with the tender process and execution of the contract. BHEL will during the tender process treat all Bidder(s) in a transparent and fair manner, and with equity.

11.2.2 Commitment by Bidder/ Supplier/ Contractor:

(a) The bidder/ supplier/ contractor commit to take all measures to prevent corruption and will not directly or indirectly influence any decision or benefit which he is not legally entitled to nor will act or omit in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India.

(b) The bidder/ supplier/ contractor will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and shall adhere to relevant guidelines issued from time to time by Govt. of India/ BHEL.

© The bidder/ supplier/ contractor will perform/ execute the contract as per the contract terms & conditions and will not default without any reasonable cause, which causes loss of business/ money/ reputation, to BHEL.

If any bidder/ supplier/ contractor during pre-tendering/ tendering/ post tendering/ award/ execution/ post-execution stage indulges in mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, then, action may be taken against such bidder/ supplier/ contractor as per extant guidelines of the company available on www. bhel.com and/or under applicable legal provisions".



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12.0 INTEGRITY PACT

Vendors shall have to enter into Integrity Pact with BHEL if specified in NIT/ RFQ, failing which vendor's offer will be rejected (Refer Annexure-IX).

13.0 <u>REVERSE AUCTION</u>

BHEL reserves the right to go for Reverse Auction (RA) (Guidelines as available on www.bhel.com) instead of opening the sealed envelope price bid (priced format submitted along with the offer in case of e-procurement), submitted by the bidder. This will be decided after techno-commercial evaluation. Bidders to give their acceptance with the offer 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.

Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'Process compliance form' (to the designated service provider) as well as 'Online sealed bid' in the Reverse Auction. Nonsubmission of 'Process compliance form' or 'Online sealed bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com).

The bidders have to necessarily submit online sealed bid less than or equal to their envelope sealed price bid (priced format submitted along with the offer in case of e-procurement) already submitted to BHEL along with the offer. The envelope sealed price bid of successful L1 bidder in RA, if conducted, shall also be opened after RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed price) thus obtained. The bidder having submitted this offer specifically agrees to this condition and undertakes to execute the contract on thus awarded rates.

If it is found that L1 bidder has quoted higher in online sealed bid in comparison to envelope sealed bid (priced format submitted along with the offer in case of eprocurement) for any item(s), the bidder will be issued a warning letter to this effect. However, if the same bidder again defaults on this count in any subsequent tender in the unit, it will be considered as fraud and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com)."