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4.1.5 If required by Purchaser, the Seller / Contractor will provide a certificate stating that CENVAT benefit has been availed of on the inputs and the same has been passed on to the Purchaser.

4.1.6 Excise duty shall be paid at actuals against documentary evidence but restricted to the amount and percentage indicated in the Order/Contract.

4.2 SALES TAX/VALUE ADDED TAX (VAT) for Indigenous purchase

4.2.1 Central Sales Tax / Value Added Tax shall be reimbursed only if the same is paid by the Seller / Contractor to the respective Govt. authorities on direct sales by the Seller/ Contractor to the Purchaser, meeting all statutory requirements and availing all exemptions/concessions under the respective Central Sales Tax / Value Added Tax Acts. The offer should clearly indicate CST/VAT percentage and the total amount along with concessional form(s), if any.

4.2.2 Purchaser is registered in Bangalore, Karnataka vide following Registration Numbers:


Central Sales Tax Registration No. : 00850070 w.e.f. 06-03-1999.

Karnataka TIN. : 29470052861

4.2.3 Central Sales Tax/Value Added Tax shall be reimbursed, as per tariff applicable, but restricted to the percentage and amount shown in the Order/Contract. If it is shown as included in the quoted price/ not applicable, it will not be reimbursed by the Purchaser.

4.2.4 For the purchase re-sold items, purchaser proposes to make sale-in-transit under section 6 (2) (b) of Central Sales Tax Act where goods movement is inter-state. Form-C shall be issued and exchanged against Form-E1/E2 based on quarterly transactions. Seller/Contractor is required to submit his request in the format enclosed at Annexure-VI within 30 days from end of the Quarter, giving State-wise invoice details. In compliance with the notification No. CCW/CR-44-2013-14 dt. 29/04/2014 issued by Commercial Tax Dept., Govt. of Karnataka, vendors shall submit all the requisite documents within 10 days of dispatch for the purpose of issuance of 'C' forms. Timely issuance of 'C' form will depend on the compliance of this condition.

Note: In case of non-receipt of E1/E2 forms amount of differential tax payable by BHEL shall be to vendors' account. Submission of E1/E2 forms shall be ensured by Vendor within the time specified in sales tax act.

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4.2.5 For the purchase re-sold items, VAT invoices, in format prescribed by the respective State Sales Tax Act, have to be submitted in the name of Nodal Agency, if specified in Special Conditions of Contract.

4.3 SERVICE TAX for Indigenous purchase

4.3.1 Service Tax and Cess leviable on taxable services for the time being in force paid by the Service Provider /contractor to the Government authorities directly shall only be paid at actuals against documentary evidence of Service tax payment (Service Tax remittance challan) made to concerned Service tax authorities corresponding to the tax claimed in the previous invoice / RAB, but restricted to the rate and amount mentioned in the order/contract. The offer should clearly indicate the percentage and the total amount of service tax as well cess. Cess to be indicated as separate line item in invoice.


4.3.2 Service provider/Contractor to ensure their registration for “Intended Service” to be provided, before claiming Service tax under the “intended category”. Decision of BHEL shall be final w.r.t. the “Intended category” in which the service will be falling.

4.3.3 If required by the Purchaser, the Service Provider/Contractor will provide a certificate stating that “CENVAT Benefit has been availed of on the input and the same has been passed on to the purchaser” or “CENVAT Benefit has not been availed of on the inputs”.

4.3.4 Vendor shall comply with the Point of Taxation Rules, as contemplated under the Service Tax Rules. In case, the CENVAT credit could not be availed by BHEL within the time limit (statutory), due to delay in submission of invoice(s) or for any other reason(s) attributable to vendor(s)/contractor(s), liability towards the loss of such CENVAT credit shall be to the vendor(s)/contractor(s) account. TDS shall be made for IT as per Income Tax act.

4.4 OTHER TAXES & LEVIES for Indigenous purchase

All taxes and duties other than Excise Duty, Sales Tax/ VAT, Service Tax shall be deemed to be included in the Ex-Works prices unless specified otherwise by the bidder in the price bid. No variation in other taxes and duties shall be payable by Purchaser. However, statutory variation in Octroi will be payable extra against documentary evidence. Anti-dumping duty, if any, shall be in the account of bidder and shall be included in their price. No separate payment shall be made by BHEL for the same.

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4.5 **CUSTOMS DUTY for Indigenous purchase**

- 4.5.1 Customs Duty element for imported items as per Special Conditions of Contract shall be included in the Ex-Works prices. No variation in customs duty and exchange rate for imported items shall be payable by Purchaser.
- 4.5.2 Seller/Contractor shall arrange for his own import license, if required, since Purchaser will not provide any import license. Therefore, Seller/Contractor alone shall be responsible for any delay in getting import license or non-availability of the same or completion of other related formalities. Purchaser shall not be responsible for any financial liability, whatsoever, on this account.
- 4.5.3 Essentiality Certificate or Project Authority Certificate (PAC) as per Import Policy, if required to avail concessional customs duty, shall be clearly specified in the offer. Import content (CIF value in rupees) with list of items, quantity, foreign currency, country of origin etc., shall be submitted by the bidder as part of Price bid.

4.6 **DIRECT TAX for Indigenous purchase**


- 4.6.1 Purchaser shall not be liable towards income tax of whatever nature including variations thereof, arising out of this Order/Contract, as well as tax liability of the Seller/Contractor and his personnel.
- 4.6.2 Deductions of Tax at source at the prevailing rates shall be effected by the Purchaser before release of payment, as a statutory obligation, if applicable. TDS certificate will be issued by the Purchaser as per statutory provisions.

4.7 **FOREIGN PURCHASE - Imports**


The offered prices shall be inclusive of all the Taxes and duties as applicable in the country of bidder / country of dispatch for the quoted price as per incoterms (FOB/CFR/CIF/CPT etc.). Any variation in the same will be in sellers account.

5.0 **STATUTORY VARIATION for Indigenous purchase**

- 5.1 If the rates for taxes and duties in respect of the quoted materials and/or services assumed by the Seller/Contractor are less than the tariff prevailing at the time of tendering, Seller/Contractor will be responsible for such under quotations. However, if the rates assumed are higher than the correct rates prevailing at the time of tendering, the difference will be to the credit of the Purchaser.

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- 5.2 Statutory Variations in Excise Duty, Service Tax and Central Sales Tax/Value Added Tax only on self-manufactured items/services rendered by vendor himself on the rates prevailing at the time of delivery/ completion in comparison to the date of offer, will be to the account of the Purchaser. No other variations such as on customs duty, exchange rate, minimum wages, prices of controlled commodities, any other input etc. shall be payable by the Purchaser.
- 5.3 Notwithstanding the above, where the actual completion of the supply occurs beyond the period stipulated in the Order/Contract or any extension thereof, variations referred to above, will be limited to the rates prevailing on the dates of such agreed completion periods only. For variations after the agreed completion periods, the Seller/Contractor alone shall bear the impact for the upward revisions and for downward revisions, purchaser shall be given the benefit of reduction in taxes/duties. This will be without prejudice to the levy of penalty for delay in delivery/completion schedule.
- 5.4 Any new tax structure (like Goods & Services Tax) as and when implemented by the Government shall become applicable in addition to or in lieu of existing tax structure.
- 6.0 PRICE BASIS:**
- 6.1 For Supply:**
- 6.1.1 Indigenous purchase** - Firm, till the completion of contract (or with PVC if specified in NIT). Ex-works, inclusive of packing & forwarding charges. Taxes, duties and freight to be paid in line clause no 4 above.
- 6.1.2 Foreign purchase:** Firm, till the completion of contract (or with PVC if specified in NIT). CFR/CPT/CIF/CIP Indian (air) port basis inclusive of testing, inspection, sea worthy packing & forwarding charges to be paid in line with GCC.
- 6.2 For E&C:**
- Firm till completion of the contract (or with PVC if specified in NIT). WCT if any, to be included in price. Service tax along with cess to be indicated separately and will be reimbursed at actuals. TDS shall be made for IT as per Income Tax act.
- 6.3 Prices shall remain Firm (or with PVC if specified in NIT) for any increase or decrease in the Order/Contract value (Ex-works) upto plus or minus 30% within contract period unless specified otherwise in NIT. The Purchaser shall have the right to increase or decrease quantities and scope upto the above extent of value and

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Seller/Contractor shall be bound to accept the same at the contracted prices without any escalation.

7.0 DRAWING SUBMISSION & APPROVAL:

Drawing submission & Approvals as per technical specification is the responsibility of the vendor.

8.0 DELIVERY TERMS

8.1 Indigenous Purchase

Goods shall be delivered on 'FOR Destination' basis to the named destination unless otherwise called for in the enquiry.

8.2 Foreign Purchase - Imports

8.2.1. Goods shall be dispatched by sea, unless stated otherwise in the enquiry or purchase order.


8.2.2. The goods shall be delivered on CFR basis to the ICD-BANGALORE unless specified otherwise in enquiry or Purchase order.

8.2.3 The quote should be inclusive of all charges, including testing, packing, inspection etc. Additionally ocean freight (LILO basis) for CFR, ICD BANGALORE shall also be quoted separately as per price format.

8.2.4. Goods shall be handled for ocean freight / air freight by BHEL's freight forwarder only, under FOB contracts and OBL / HAWB issued by BHEL appointed forwarder or his authorized agent(s) shall only be accepted for negotiation.

8.2.5 For CFR terms, shipped in Break Bulk/ Container, supplier shall quote the freight charges on LILO (LINER IN LINER OUT) basis. Alternately shipment by container is also acceptable and In such cases B/L should bear the endorsement that "14 free days for Container Detention is applicable" and it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis including extra charges, if any, like Container Imbalance Charges, Trade Imbalance charges, Port congestion charges or any other charges payable to the Liner. No other charges other than the quoted Freight rate will be paid by BHEL excepting applicable Terminal Handling Charges, Container cleaning Charges, DO charges to Shipping Liner at Discharge Port.

8.2.6 In the event there is a delay by the Supplier in negotiating / submitting the document, any demurrage / wharfage arising out of the same shall be to the account of the Supplier and shall be deducted from the final payment. Also, in such cases, the Supplier shall authorize the Steamer / Shipping agent / transporter to freely release the consignment to BHEL by providing a "Surrender Bill of Lading". Over-seas Suppliers have to give a No-Objection Certificate to BHEL,

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authorizing BHEL to get the Delivery Order from the Steamer Agent without producing the Original Bill of Lading. This is required to ensure avoidance of incidence of demurrage that may arise in case of delayed presentation of documents by the Seller.

8.3 Delivery shall be staggered in the manner as indicated in the tender for each item. Vendors shall submit their offer accordingly.

9.0 TERMS OF PAYMENT

9.1 SUPPLY PACKAGES (Main Supply and Mandatory Spares)

9.1.1 For indigenous purchase

Hundred percent (100%) of basic price of materials supplied, as per PO, along with 100% taxes and duties (as applicable) & freight charges, shall be paid on pro-rata basis after 45 days from the date of receipt of goods & receipt of complete documents as per order/ contract subject to acceptance of materials.

9.1.2 For Foreign Purchase – Imports

Hundred percent (100%) payment on CAD basis after 45 days from the date of receipt of documents specified in PO at BHEL BANK. Respective bank charges to respective account.


9.1.3 PG TEST, INSTALLATION CHECK, SUPERVISION OF ERECTION / COMMISSIONING CHARGES

100% payment shall be released after successful completion of the activity.

Vendors shall submit documents for payment directly to BHEL. Payment will be released within 45 days after receipt of complete documents as per order/ contract.

Note:

- 1) For indigenous suppliers, if the documents are routed through Bank, then all bank charges will be to vendor's account.
- 2) Foreign bidders can opt for payment (less agency commission, if applicable) through irrevocable and unconfirmed letter of credit. In that case for evaluation purpose, prices of foreign bidders will be loaded on account of payment through LC, equal to loading specified against 'Payment through Bank' in Annexure-VIII. No loading will be done if foreign vendors agree for 75 days issuance LC or submit the documents on collection basis for payment within 75 days of submission of complete documents.

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- 3) LC opening/ negotiation/ confirmation charges will be to vendor's account.
- 4) Any negative PVC, if not adjusted in earlier payments, will be adjusted at the time of subsequent payment.

9.2 DOCUMENTS TO BE SUBMITTED BY VENDOR

9.2.1 For Recognition of Dispatch

Copy of the following documents by e-mail/ fax immediately on despatch:

- a. Invoice
- b. LR /BL/AWB
- c. Packing List
- d. Insurance Intimation
- e. Dispatch Clearance


9.2.2 For Claiming Payments (under clause 9.1.1, 9.2.1, 9.3.1): (under clause 9.1.1)

- a. Original Excise Invoice & Duplicate for transporter - original+3 copies
- b. Consignee Copy of LR
- c. Packing List - clearly showing number of packages, gross weight and net weight. - original+3 copies
- d. MDCC from BHEL/Customer - as per SCC - 4 copies
- e. Guarantee Certificate - Original + 3 copies
- f. Insurance Intimation - 4 copies
- g. PVC Calculation and copy of all applicable indices, if PVC applicable. - 4 copies
- h. Duty drawback documents (original excise invoice, original disclaimer certificate, original certificate from excise authority for payment of excise duty), if applicable. - original + 3 copies

It is the responsibility of the vendor to submit invoices along with documents required for effecting payment within the stipulated period mentioned in the applicable statute for this tender. Non-submission of invoices due to delay/reasons attributable to vendor resulting in / leading to loss of tax credit for BHEL will be into vendor's account.

(Under clause 9.1.2)

- a. Commercial Invoice - original+3 copies
- b. Original clean on board Bill of Lading or clean copy of OBL in case of Telex.
- c. Packing List - clearly showing number of packages, gross weight and net weight container wise also. - original+3 copies
- d. Delivery/ship/airplane schedule mentioning the estimated date of Arrival (ETA) at port & destination in case of CFR/CPT.

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- e. MDCC from BHEL/Customer – as per SCC – 4 copies
- f. Guarantee Certificate – Original + 3 copies
- g. Insurance Intimation - 4 copies
- h. PVC Calculation and copy of all applicable indices, if PVC applicable. – 4 copies
- i. Original Certificate of country of Origin issued by chamber of commerce.
- j. One set of original test certificates & O&M manual where called for.
- k. Fumigation certificate wherever cargo is packed in wooden packing or packing of plant origin material is used wherever called for.
- l. TUV/UL certificates where ever called for.

In case the Seller decides to negotiate all 3 originals of BL through negotiating Bank, non-negotiable documents (NND) consisting of copy of BL / HAWB & all originals at sl.no. 9.2.2 (Except OBL) will be couriered to Purchaser. Soft Copy of same documents at sl. 9.2.2 will also be sent by e-mail to the Purchaser at his e-mail address given in the PO with one copy to be mailed at ketan@bhelepd.com & rb@bhelepd.com. Other documents, as required, will be separately indicated in the Purchase Order.


Additional expenditure, if any, incurred by the Purchaser by way of detention / demurrage, resulting out of delay attributable to the Seller in providing negotiable documents, will be recovered from the Seller.

Note for 9.2.2 Additionally, vendor may furnish mfg clearance/drg/docs approval date etc. for the purpose of determining contractual delivery for expeditious processing of Invoices.

9.2.3 For Claiming Payment for Services involving Service Tax

- a. Invoice as per rule 4A of Service Tax Act – Original + 1 copy
- b. Copy of Service Tax registration certificate
- c. Copy of challan for Service Tax payment corresponding to service tax claimed in the previous invoice
- d. Certification for having carried out the work as applicable.

9.2.4 All your invoices against our order shall reach BHEL –EPD addressed to:
 HEAD OF DEPARTMENT/MATERIAL MANAGEMENT,
 BHEL – ELECTROPORCELAINS DIVISION,
 Opp. IISc, PROF. C N R RAO CIRCLE,
 MALLESWARAM, BANGALORE - 560 012

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- a. The envelope shall be super-scribed with P.O No. / W.O No., and the Bill / Invoice numbers & Contact person.
- b. Bills / invoices which are brought personally by vendors to EPD are to be dropped in the "BHEL-EPD vendor bills Box" kept near Tender Box at the Reception Office.
- c. Any additional tax implication to BHEL due to delay in submission of bills by Vendor beyond one month shall be to vendor's account.

9.8 **LOADING DETAILS IN CASE OF DEVIATIONS:-**

Loading details in respect to deviations in Payment Terms, LD, PVC indicated in Annexure – VIII.

9.9 **BHEL'S BANKERS**

List of the consortium bankers of BHEL-EPD is as per Annexure-X.

9.10 **MODE OF PAYMENT**

Payments shall be made directly to the Seller/Contractor by E-transfer. Seller/Contractor to provide necessary information for the same as per Annexure-VII.


- 9.11 No interest shall be payable by the Purchaser on the security amount, bank guarantee amount or balance payment or any money which may become due owing to difference or misunderstanding or any dispute between the Purchaser and the Contractor, or any delay on the part of Purchaser in making periodical or final payment or any other aspects incidental thereto.

10.0 **RECOVERY OF OUTSTANDING AMOUNT**

In event of any amount of money being outstanding at any point of time against the Seller/Contractor due to excess payment or any other reason whatsoever, in the present order/contract or any other order/contract from any BHEL Unit, the outstanding amount shall be recovered from the payments due to the Seller/Contractor or at any other appropriate time and manner/mode as deemed fit by the Purchaser at its sole discretion.

11.0 **CONTRACT PERFORMANCE BANK GUARANTEE**

- 11.1 No Bank Guarantee is required where original Order/ Contract value is up to Rs. 25 Lakhs (excluding taxes, duties and freight).
- 11.2 For original order / contract values above Rs. 25 Lakhs (excluding taxes, duties and freight), only if specified in SCC, the vendor shall submit Contract Performance


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Bank Guarantee within 10 days from the date of LOI/LOA (as per Annexure-IV) for 10% of Order/ Contract value (excluding taxes, duties & freight) to cover the due performance of Order/ Contract and to fulfill the guarantee conditions stipulated in the Order/ Contract. However, BG value can be proportionality reduced after completion of Guarantee period Unit-wise/ Lot-wise/ Set-wise, as applicable.

- 11.3 In case the order is to be placed in foreign currency, the BG must also be in foreign currency, so specified by the Purchaser. Foreign vendors seeking payment through Letter of Credit (LC) should submit the Bank Guarantee before LC opening.
- 11.4 Value of the Bank Guarantee (at the time of submission) shall remain unchanged for any subsequent variations in order/ contract value up to 20%. Beyond this, the Seller/ Contractor shall arrange to enhance or reduce the value of the Bank Guarantee accordingly.
- 11.5 Validity of the Bank Guarantee shall be for the entire Guarantee period + 3 months claim period. Initially, it should be at least 18 months + 3 months claim period, later extended to cover the entire guarantee period, two months before its expiry.
- 11.6 Purchaser reserves the right to encash the bank guarantee and forfeit the amount in the event of any default, failure or neglect on part of the Seller/ Contractor in fulfillment of performance of the Order/ Contract.
- 11.7 Equivalent amount shall be recovered from payment due to the Seller/ Contractor, before releasing any payment, in absence of a valid bank guarantee.
- 11.8 Bank Guarantees shall be from Consortium Bank as per Annexure-X. Bank guarantees from cooperative banks/ non-scheduled banks are not acceptable.
- 11.9 In case of private sector banks, a clause to be incorporated in the text of bank guarantee that it can be enforced by being presented at any branch of the bank located in Bangalore.
- 11.10 Two witness signatures from bank officials, other than the bank official who has already signed is a must. BG is to be submitted directly by the issuing bank to concerned purchase officer, under registered post (A/D).
- 11.11 The Bank Guarantee to be provided in the hard and not in the SFMS format". Our bank details are as follows:

Name of Site/division: BHEL EPD

Name of Bank: IDBI BANK, SPECIALIZED CORPORATE BRANCH

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Branch Address: 102, SHAKTHI COMFORT TOWER,
KH ROAD, BANGALORE- 560027
PH NO 67121025
KIND ATTN: Mr. MANMOHAN SOMA
ALT: Mrs. VP SHIVA SHAKTI
PH NO 67121059.
Branch IFSC Code: IBKL0000377
Account No: 008103000003605

11.12 Wherever the contract is for supply of Goods processed on labour basis from BHEL supplied materials, the materials shall be issued against a suitable Bank guarantee as specified in the Enquiry.

12.0 GUARANTEE FOR PLANT/EQUIPMENT/ STORES

12.1 Seller/ Contractor shall warrant that the stores supplied shall be free from all defects and faults in design & engineering, material, workmanship & manufacture and shall be of the highest grade and consistent with the established and generally accepted standards and in full conformity with the Order/ Contract specifications, drawing or samples, if any.


12.2 Guarantee period for **Supply** shall be eighteen (18) months from the date of last dispatch or as per SCC whichever is later.

12.3 All replacements and repairs during the guarantee period shall be delivered and completed promptly and satisfactorily within a period of one months from the time of reporting the defect/ loss/ rejection etc or any mutually agreed period without prejudice to purchaser's other legal rights. If the Seller/ Contractor so desires and the Purchaser agrees, subject to import control regulations, the replaced parts can be taken over by Seller/ Contractor or his representative or can be dispatched at Seller/ Contractor's cost. No claim, whatsoever shall be entertained by Purchaser on account of such replaced parts.

12.4 All the replaced and replenished stores shall also be guaranteed as per above clauses.

12.5 Decision of Purchaser with regard to Seller/ Contractor's liability and the amount involved, if any, payable by Seller/ Contractor under the guarantee shall be final, conclusive and binding. However, vendor's maximum liability will be limited to the total contract value including taxes, duties and freight.

13.0 DELIVERY / COMPLETION SCHEDULE

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- 13.1 Supply of plant/equipment/stores shall not be considered complete until they have been inspected and accepted at the place and destination specified for delivery by the time stipulated under the terms & conditions of the Order/Contract. Mere payment by itself shall not constitute acceptance of the goods or materials in any manner, whatsoever.
- 13.2 Vendor shall strictly adhere to delivery schedule. In case of non compliance to agreed schedules / milestones, then it would be presumed that vendor / contractor is not fulfilling contractual obligations. BHEL reserves the right to take suitable action like operating "Risk & cost clause".


14.0 INSPECTION AND TESTING AT CONTRACTOR'S PREMISES

- 14.1 Purchaser's nominated Inspection Agency shall have at all reasonable times access to Seller/ Contractor's premises or works and shall have the power at all reasonable times to inspect drawings of any portion of the work or examine the materials and workmanship of the stores during their manufacture, and if part of the stores is manufactured at other premises, the Seller/Contractor shall arrange for inspection, examination and testing by the Inspection Agency as if the store is manufactured on the Seller/Contractor's premises.

Inspection calls should be given adequate notice of one week or as mutually agreed period in advance in writing to the purchaser about the date & place where goods will be ready for inspection & testing, as provided for in the contract.

Such inspection, examination and testing by itself shall not relieve the Seller/Contractor from any obligation under the Order/Contract.

- 14.2 Seller/Contractor shall give Inspection Agency reasonable notice of any material being ready for testing and the Inspection Agency shall (unless the inspection of tests is voluntarily waived) attend at the Seller/Contractor's premises within fifteen (15) days of the date on which the material is notified as being ready. All standard shop tests, physical and chemical tests required by the standards or as may be prescribed or approved as per Order/ Contract shall be conducted by the Seller/Contractor. Purchaser/Inspection Agency reserves the right to waive any of the above tests requirements and to prescribe new tests, if found necessary, to complete the work so as to conform to the best practices. Seller/Contractor shall forthwith forward to the Inspection Agency, duly certified copies of the test certificates in quadruplicate, for approval. Further copies of the shop test certificates shall be bound with the instruction manuals referred to in "Seller/Contractor's documents, drawings and instruction manuals".

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14.3 Where the Order/Contract provides for tests/inspections at the premises or works of the Seller/Contractor or any sub-contractor, the Seller/Contractor, except specified otherwise, shall provide free of charge such assistance, labour, materials, electricity, fuel, water, stores, apparatus, measuring instruments and test equipment including any other facilities as may be reasonably required to carry out such tests efficiently. In case of inspection by BHEL or BHEL CUSTOMER, the cost of to & fro passage and boarding & lodging shall be borne by purchaser/customer, unless otherwise specifically agreed. In case of foreign vendors the cost of third party inspection, where called for shall be deemed to be included in the quoted price.

14.4 Inspection calls shall be addressed to BHEL-EPD Purchase Department irrespective of inspection categories.

14.5 INSPECTION MEASURING AND TEST EQUIPMENTS


14.5.1 Inspection Measuring and Test Equipments (IMTE) whether used by the Seller/Contractor or sub-contractor shall be calibrated, maintained and controlled. Calibration shall be valid and IMTE maintained in sound condition during usage.

14.5.2 In addition to above, Seller/ Contractor shall ensure the following :

- a) Measurement uncertainty is known and consistent with required measurement capability of the IMTE.
- b) Selection of IMTEs is compatible with the necessary accuracy and precision of required measurement.
- c) IMTEs are calibrated at the required intervals against certified equipments having known valid relationship to nationally recognized standards, at recognized calibration labs.
- d) Calibration records are available and traceable to the particular IMTE.
- e) In case, during recalibration, the IMTE is found out of calibration, report on action taken to validate the previous results along with both calibration records of the IMTE to be furnished to Inspection Agency.
- f) IMTEs are stored, handled and preserved such that accuracy and fitness are maintained and safeguarded from adjustments.

NOTE: Purchaser's decision on acceptability of the product in such cases shall be binding.

14.5.3 Responsibility of usage of valid and calibrated IMTEs by his sub-contractor(s) shall be of the Seller/ Contractor.

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14.5.4 In case, calibration records are required by purchaser, copies of the same shall be furnished.

14.6 Seller/Contractor shall be fully responsible for the Quality of products supplied by sub-contractors.

15.0 MATERIAL DESPATCH CLEARANCE CERTIFICATE (MDCC)

15.1 When the tests have been satisfactorily completed at Seller/Contractor's works, the Inspection Agency shall issue a certificate to that effect within fifteen (15) days after completion of the tests, but if the tests were not witnessed by the Inspection Agency or his representative, the certificate would be issued within fifteen (15) days after receipt of the test certificates by the Purchaser.

15.2 Purchaser/Owner will issue MDCC to the Seller/Contractor based on inspection report/ test certificates.

15.3 No item / equipments shall be dispatched without obtaining Material Dispatch clearance certificate from BHEL-EPD Purchase Department irrespective of inspection categories.


15.4 Satisfactory completion of tests or issue of MDCC shall not bind the Purchaser/Owner to accept the supply/ equipment should it, on further tests after erection, be found not to comply with the contract provisions.

16.0 DELIVERY FAILURE AND TERMINATION/LIQUIDATED DAMAGES

16.1 Timely dispatch/delivery and completion of other schedules as stipulated in Order/Contract shall be the essence of Order/Contract. If the Seller/Contractor fails to complete the dispatch/delivery and other schedules within the time period stipulated in Order/Contract, or within any extension of time granted by Purchaser, it shall be lawful for Purchaser to recover damages for breach of Order/Contract without prejudice to any other rights and/or remedies provided for, in the Order/Contract and hereunder. For any delay not attributable to the Seller/Contractor, the Seller/Contractor must report the same to Purchaser immediately.

16.2 DELAYED DELIVERY

16.2.1 Purchaser reserves the right to recover from the Seller/Contractor, as agreed liquidated damages and not by way of penalty, a sum equivalent to half (½) percent of the total contract price per week or part thereof, subject to a maximum of ten (10) percent of the total contract price excluding elements of taxes, duties and freight, if

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the Seller/ Contractor fails to deliver ordered stores within the period stipulated in the Order/Contract.

However, In case of staggered delivery schedule, the LD shall be half (1/2) percent of the undelivered portion per week or part thereof, subject to a maximum of ten (10) percent of the contract price **excluding** elements of taxes, duties and freight, if the Seller/ Contractor fails to deliver any part of the ordered stores within the period stipulated in the Order/Contract.

NOTE:

1. LR/ RR date for indigenous supplies and AWB/ BL date for FOB/CIF/CIP/CFR/CPT contracts shall be treated as the date of dispatch for levying LD as per Clause 16.
2. In case of any amendment/revision, LD shall be linked to the amended/ revised contract value and delivery date(s).
3. If Order/ Contract involves two or more Units/ Sets/ Lots, then Liquidated Damages shall be for order/ contract value of the delayed Unit/ Set/ Lot, provided delivery stipulated in the Order/ Contract is Unit/ Set/ Lot wise, however total LD amount shall be limited to 10% of total order value. (excluding taxes, duties and freight)

16.2.2 Purchaser reserves the right to purchase from elsewhere on account of and at the risk and cost of Seller/Contractor, with notice to Seller/Contractor, the stores due for delivery but not so delivered, or their equivalent without cancelling the Order/Contract in respect of stores not yet due for delivery. The manner and method of such purchase shall be at the discretion of the Purchaser. The actual excess cost incurred for such purchases will be recovered from the bidder.

16.2.3 Purchaser reserves the right to cancel the Order/Contract or a portion thereof for the stores not so delivered at the risk and cost of the Seller/Contractor and the Seller/Contractor shall be liable to the Purchaser for any excess cost thereof. The actual excess cost incurred for such purchases will be recovered from the bidder.

16.2.4 Seller/Contractor shall continue performance of the Order/Contract, under all circumstances, to the extent not cancelled.

17.0 INSURANCE

17.1 Insurance shall be arranged by BHEL.