



HINDUSTAN SHIPYARD LIMITED, VISAKHAPATNAM

A GOVERNMENT OF INDIA ENTERPRISE

Cl. No.	<u>COMMERCIAL TERMS</u>	<u>STANDARD BUSINESS TERMS & CONDITIONS APPLICABLE</u>
1.	Mode of submission of offer	As specified in the tender document offer is to be submitted in single bid system or two bid system. In case of two bid system each offer shall be submitted in two parts, viz., part – I - Technical bid or un-priced bid with all commercial conditions and part - II - price bid. The Technical bid & price bid shall be submitted in separate sealed covers super scribing the enquiry reference number, name of the respective bid and due date and shall be submitted in triplicate. Both parts of offer shall be put in one sealed cover and addressed to Chief Manager (Purchase).
1.1		Tenderers are requested to go through the enclosed annexure carefully and submit their offers clearly in compliance with technical specification and commercial conditions in their technical part of offer and price exclusively in their price part of offer
1.2	Commercial Questionnaire – separate for Foreign & Indigenous Bidders	The commercial questionnaire shall be duly filled in and agreed to by the bidders in toto by signing on each page as a proof that the bidder has accepted all the paras without any deviation.
1.3	Time for Clarifications	If the bidders need any clarifications on techno-commercial points, they may approach HSL Immediately but before submission of their bid within the due date and ensure submission of bids as per the terms and conditions of the tender.
1.4	Modification of Bids	The bidders if they so desire may modify their bids prior to the closing date & time of the tender enquiry. In such cases, the bidders shall send modification notice / request by the fax, e-mail etc but followed by a signed confirmation copy of their request so as to reach the tendering authority not later than the deadline before submission of bids. However it shall be the responsibility of bidder to ensure that the covers containing modified bids are clearly marked as <u>“Modified or Revised Bid”</u> and deposited in the tender section before the tender closing date & time stipulated in the tender enquiry.
1.5		The prices quoted shall be mentioned both in figures and words and the amount in words shall be considered as final in the event of any variation between the figures and words
1.6	PRICE	Foreign Bidders are required to quote FOB and C&F Visakhapatnam AND Indigenous Bidders are required to quote F.O.R HSL Stores Visakhapatnam
1.7		In case where part - I (Un-Priced) Tenders are opened in the first instance as notified in the tender schedule, a separate date will be fixed for the opening of Part - II Price Tenders And the tenderers concerned will be intimated separately.
1.8		Insurance: Goods supplied on F.O.R. Visakhapatnam or C.I.F. Visakhapatnam basis will be at supplier’s risk. However in case of goods offered on F.O.R. or F.O.B. dispatching / forwarding station necessary dispatch details of goods shall be furnished to the purchaser well in advance along with required documents for arranging transit insurance by the purchaser. Any loss or damage occurred as a result of the failure to carry out the above shall be charged to the suppliers.



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2	Opening Of Tenders:	Tenders will be opened on the SAME day of the due date at 15.000 hrs. or as specified in the tender schedule on week days from Monday to Friday. Therefore, submit the quotation strictly before the said due date and time
3	Technical Specifications	As specified in the tender schedule / as per enclosed technical documents to the tender offers are liable for Rejection failing to comply with the above.
4	Commercial Questionnaire	The Commercial Questionnaire as at Annexure -I or Annexure-II as applicable shall be duly filled in and signed and is to be submitted by the supplier with specific reference to their offer along with technical offer
5	Performance Bank Guarantee Format	As per the format placed in HSL web site at Annexure - III
6.	Advance - Bank Guarantee Format	As per the format placed in HSL web site at Annexure – IV
7.	Track Record And Financial Worthiness Of The Bidder	Bidder shall invariably enclose their track record in supplying similar materials while clearly mentioning the manufacturing and manpower facilities available. Also bidder is required to enclose copy of their latest balance sheet to their techno-commercial bid to assess - their financial worthiness
8	Earnest Money Deposit(EMD) If Applicable As Per Tender	<p>8.1. DD in foreign currency /in Rupee Equivalent / in Rupee Equivalent Bid Bond in the form of Bank Guarantee from any scheduled Bank in India as per the format placed in the HSL Web Site for the specified amount as per the Tender document towards EMD drawn in favour of Hindustan Shipyard Limited should be submitted in separate cover same to be attached to the Techno-Commercial Offer. Refer to Annexure V placed in web site for the Bid Bond Format.</p> <p>8.2. The EMD amount of the unsuccessful bidders will be refunded after the finalization of the order for the subject materials.</p> <p>8.3. Please note that offers received without EMD will be summarily rejected.</p> <p>8.4. <u>EMD Exemption:</u></p> <p>8.4.1 Tenders of the value up to Rs.10.00 lakhs except for civil works.</p> <p>8.4.2 State & Central Government of India - Departments & Public Sector Undertakings.</p> <p>8.4.3 Firms registered with HSL (exemption will apply only to items & value up to which bidders are registered with HSL). To qualify for EMD exemption, firms should necessarily submit VALID copy of the Registration Certificate along with the list of items / services for which they are registered, as issued by HSL, in Part – I Technical bid / offer. <u>Firms in the process of obtaining HSL registration will not be considered for EMD exemption.</u></p> <p>8.4.4 Firms registered with NSIC/ SSI (exemption will apply only to items & value up to which bidders are registered with NSIC/ SSI). To qualify for EMD exemption, firms should necessarily submit VALID copy of the Registration Certificate along with the list of items / services for which they are registered, as issued by NSIC/ SSI in Part – I Technical bid / offer. <u>Firms in the process of obtaining registration will not be considered for EMD exemption.</u></p> <p>8.4.5 Vendors nominated by Customer for specific ordering Instructions (Owner's Choice).</p>



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9	Tender fee (if applicable as per Tender)	DD in foreign currency/in Rupee equivalent for the specified amount as per tender document towards non-Refundable tender fee drawn in favour of Hindustan Shipyard Ltd., should be submitted in a separate sealed cover and the same to be attached to the Techno-Commercial Bid. Offers are liable for rejection failing to submit the above
10	Right Of Reservation	The tenderers are required to note that HSL reserves the right to ignore incomplete offers and offers submitted not in compliance with the tender requirement.
10.1		Each item of enquiry shall be treated as a separate enquiry by itself and Hindustan Shipyard Limited Visakhapatnam (herein after referred to as Purchasers) reserve their right to order for one item of the enquiry at their option. Each bidder is allowed to submit only one offer.
10.2		HSL reserves the right to accept or reject any one or all the offers, in part or in full and/or to divide the order among the tenderers, without assigning any reason.
10.3		Incomplete tenders and tenders submitted without complying the procedure prescribed are liable to be rejected without further reference. Quotation by e-mail/ fax received on or before the stipulated date may be considered at the sole discretion of the Hindustan Shipyard Limited
11	Deputation Of Authorized Representatives For Tender Opening	Only authorized representatives of the Tenderers, who have submitted their tenders are eligible to be present with necessary authorization letter at the time of opening of Tenders and may, if they so desire, note down the particulars of the other tenderers in the manner directed by the officer presiding over the said tender opening.
12	Supplementary Bids / Revised Bids During The Currency Of Original Bids	In exceptional cases at the sole discretion of HSL supplementary bids to bring all bidders on par may be permitted. Further in case it is inevitable we may obtain the revised price bids from only those techno-commercially acceptable bidders which would be in all fairness and equity. The exercise of short-listing of techno-commercially acceptable bidders would be completed prior to calling of the revised / supplementary price bids.
13	Participation In The Tender	If you are unable to participate in the tender for any reason, please send a regret letter per return by email / Fax (Fax no. 0891-577502) to the attention of DGM (Purchase & Materials) for our records.
14	Warranty	The suppliers shall warrant that materials supplied shall be free from all defects and faults in workmanship and manufacture and shall be of the highest grade and consistent with established and generally accepted standard and shall be in full Conformity with the specifications drawings or samples if any approved by purchasers. A certificate to this effect for the mutually agreed guarantee period shall be submitted along with other required documents.
15	Time Of Delivery	Tenderers shall quote the earliest Possible delivery time as required in the tender schedule. The time for and the date(s) specified in the tender schedule shall be deemed to be the essence of the contract and delivery must be completed not later than that the date(s) as specified therein. Offers not complying with the required tender delivery schedule are liable for rejection



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16	Rejection Criteria for the Bids	<p>16.1. Bidders shall submit their offer covering the total technical scope of requirement as per tender schedule failing which their offers are liable for rejection.</p> <p>16.2 Offers not complying with tender requirements in respect of certain commercial terms viz. tender fee, time of delivery i.e. schedule requirement of subject material in HSL- Visakhapatnam as per tender, validity of offer are liable for rejection.</p> <p>16.3 The bids received after tender closing date and time.</p> <p>16.4 Bids received without EMD (other than those who are exempt from payment of EMD), as specified in the tender.</p> <p>16.5 Bidders not agreeing to furnish required PBG towards proper performance of the order / contract and to cover guarantee period of the equipment / material supplied where it is specified in the document.</p> <p>16.6 Bidder's failure to submit sufficient or complete details for evaluation of the bids even after reasonable time.</p> <p>16.7 Incomplete / misleading / ambiguous bids in the considered opinion of Technical Negotiation Committee / Purchase Committee.</p> <p>16.8 Bids with technical requirements and or terms not acceptable to HSL.</p> <p>16.9 Bids received without pre-qualification documents where required as per the tender.</p> <p>16.10 Bidders not agreeing to supply spares (onboard spares) / Post sale product support.</p> <p>16.11 Validity period indicated by bidders is shorter than that specified in the tender enquiry.</p> <p>16.12 Items for which prices are administered by the Government / Govt. of India Enterprises, items for which longer validity period cannot be given by the vendors due to price fluctuation in the market are however exempted.</p>
17	Confidentiality	<p>The tenderers /suppliers shall keep confidential all materials concerning this enquiry / contract, and also comply with responsible security requirements all drawing and specifications supplied by the purchasers and all copies thereof shall be returned to the purchasers after their use is terminated. If the purchasers so desire in no event the suppliers shall permit publicity concerning this enquiry contract without the purchasers prior consent.</p>
18	Validity of offer.	<p>The offers should be kept firm and valid For 60 days from the date of opening of tender and same needs to be extended if required failing which offers are liable for rejection</p>
19	LIQUIDATED DAMAGES	<p><u>Levy of LD Charges:</u> In the case of bulk materials like pipes, fasteners, insulation materials, A.C. & Ventilation materials, S.S. items etc., <u>whose delivery in parts</u> does not affect the progress of project schedule, since these items are independent in nature, liquidated damages will be levied on the undelivered portion of the contract price.</p> <p>However in respect of machinery items like main engines, propulsion package, D.G. sets etc., which are <u>to be delivered as a package</u>, liquidated damages will be levied on the total contract price.</p>



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19.1	Loading of LD in Price Bid	<p><u>Loading For Deviations to LD Specified in the Tender :</u></p> <p>Deviations sought in respect of rate per week and / or maximum ceiling in respect of liquidated damages shall be loaded to the quoted price.</p> <p>For Example, if the maximum ceiling towards Liquidated Damages stipulated in the tender is 5% and the bidder seeks to limit it to say, 3.5%, then the price quoted will be loaded by 1.5%.</p> <p>If the rate of LD per week is 0.5% per week or part thereof as per tender and the bidder seeks it as, say, 0.4% per week or part thereof, the maximum ceiling on LD as per tender will first be equated to delivery period (10 weeks in this case) and the rate proposed by the bidder i.e 0.40% will be multiplied by the so equated maximum delivery period (which works out to 4%) and the quoted price will be loaded accordingly by 1% being the difference between LD as per tender and LD as offered</p>
20	OTHER LOADING CRITERIA	The following Loading Criteria will be applied: in regard to variations in payment and other commercial terms, etc for ranking bids, to be adjudged as L1:
20.1	PRICING:	<p>a) PRICING: Prices shall be firm and fixed up to time of delivery at HSL Stores or FOB Port of Dispatch / FOR Destination</p> <p>b) Foreign Bidders must quote both F.O.B. Dispatch Port and also CIF Vi-sakhapatnam Port</p> <p>c) Indigenous Bidders must quote F.O.R. Delivery at HSL stores</p>
20.2	PAYMENT TERMS	<p>Varied payment terms quoted by the bidders as compared to the terms stated in the tender document like advance payment, shall be normalized by adopting the Prime Lending interest rate of 15% per annum for the delivery period offered by the bidder.</p> <p>Stage payments if proposed in exceptional cases at the discretion of HSL, with reference to achieving the stipulated milestones / physical progress against the certification by nominated Inspection Agencies / Production departments, shall not be treated as interest free advance and hence are interest bearing.</p> <p>The amounts paid will have to be covered by Bank Guarantee / Indemnity Bond, as the case may be, till receipt of deliverables / job completion.</p> <p>Interest bearing advance will carry interest till it is adjusted either against the installments or stage payments or the amount payable when supplies are received, in accordance with the terms of Order / Contract.</p>
20.3	OCTROI DUTY	<p>If payable, at applicable rate (as would have been specified in the tender document) will be reckoned on the aggregate amount of price quoted and added to quoted price.</p>



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20.4	VAT / CST	<p>The value on which VAT/ CST is reckoned is the aggregate amount of price quoted. HSL is registered under APVAT and CST and is entitled to avail concessions available under both.</p> <p>For the purpose of normalization, the rates applicable based on the issue of required 'C' Form / 'D' Form shall be adopted in case of procurements from outside Andhra Pradesh.</p> <p>In respect of procurement of items from within the state of Andhra Pradesh, the estimated VAT input tax credit, if any, expected to accrue out of VAT paid on purchases and supported by vendor's Tax invoice shall be excluded for the purpose of ranking of bids.</p>									
20.5	EXCISE DUTY	<ol style="list-style-type: none"> 1. Excise Duty to be paid will have to be clearly specified as a percentage. Payment of Excise Duty will be subject to submission of EXCISE COPY Of INVOICE. Any upward revision of rate of Excise Duty will not be accepted at a later stage <ol style="list-style-type: none"> 1.1 In case bidders quote with 'Fixed Rate' of ED or Specify ED as NIL "the offer shall be evaluated accordingly and payment shall be restricted accordingly". 2. In case of bidder stipulates Excise Duty as applicable at the time of despatch & specifies the present rate of Excise duty (a numeric percentage or nil), in such case, the offer shall be evaluated considering the maximum rate of ED applicable for the product as per Exercise Tariff of Govt. of India or as evident from other bids received in the tender. <ol style="list-style-type: none"> 2.1 However, the liability of HSL shall be as per actual ED applicable at the time of dispatch, subject to production of Excise Invoice. 2.2 The rate of ED shall be restricted to as applicable within the contractual delivery period only. 2.3 Increase in ED rate, if any due to delay in supply beyond the contractual delivery period shall not be payable by HSL. However, the benefit of any decrease in ED shall be passed on to HSL. 									
20.6	FREIGHT	<p>Delivery of the goods at HSL premises is the responsibility of the vendor. However, for unavoidable reasons, if bids are exclusive of transport and / or insurance, the same will be loaded at the cost to be incurred by HSL.</p> <p>In case they are not quantified in the bids they shall be loaded as under:</p> <table border="1" data-bbox="528 1637 1514 1881"> <thead> <tr> <th data-bbox="528 1637 1066 1671"><u>Indigenous Bids:</u></th> <th data-bbox="1066 1637 1514 1671"><u>Foreign Bids:</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1671 1066 1742">Packing & Forwarding - 2% or higher as offered by other bidders in the fray</td> <td data-bbox="1066 1671 1514 1742">On Ex-Works Basis and not F.O. B. – 2% or higher as offered by other bidders in the fray</td> </tr> <tr> <td data-bbox="528 1742 1066 1776">Freight - 5%</td> <td data-bbox="1066 1742 1514 1776">Freight (irrespective of Country of supply) - 10%</td> </tr> <tr> <td data-bbox="528 1776 1066 1809">Insurance - 1%</td> <td data-bbox="1066 1776 1514 1809">Insurance - 1%</td> </tr> </tbody> </table>		<u>Indigenous Bids:</u>	<u>Foreign Bids:</u>	Packing & Forwarding - 2% or higher as offered by other bidders in the fray	On Ex-Works Basis and not F.O. B. – 2% or higher as offered by other bidders in the fray	Freight - 5%	Freight (irrespective of Country of supply) - 10%	Insurance - 1%	Insurance - 1%
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20.7	INCOME TAX	<p>When Services of Technical Engineers are required Bids should normally be inclusive of Income Tax.</p> <p>Where the bids are silent or they limit to a certain quantum then the actual tax to be incurred by the company will be loaded.</p>
20.8	PERFORMANCE BANK GUARANTEE (PBG)	<p>1. Normally the PBG shall be 10% of the order value or as specified in the Tender</p> <p>2. PBG shall cover the guarantee period + 30 days thereafter or as specified in the Tender and normally no deviation will be accepted</p> <p>3. <u>Loading in case of Deviation from Tender stipulation – VALUE:</u></p> <p>3.1 No loading is done where the deviation from the tender document is stipulated as Bid rejection criteria in the Tender</p> <p>3.2 Where the Bidder does not confirm submission of PBG the basic price will be loaded with 5%</p> <p>3.3 Where the bidder offers less than the stipulated value of PBG the basic price will be loaded on prorata basis</p> <p>4. <u>Loading in case of Deviation from Tender stipulation reg.– WARRANTY PERIOD:</u></p> <p>4.1 No loading is done where the deviation from warranty as stipulated as Bid rejection criteria in the Tender</p> <p>4.2 In exceptional cases where deviation is accepted then the basic price will be loaded by adding the product of PBG value (10% of Basic Price) and the deficient warranty period taken as a fraction of the total warranty period</p> <p>Eg :</p> <p>Required warranty – 30 months</p> <p>Offered Warranty - 20 months</p> <p>Deficient Warranty Period - 10 "</p> <p>Loading : $PBG \text{ Value} \times \frac{10}{30}$</p>
20.8.1	LOADING FOR DEVIATIONS IN PBG	
21	LAWS APPLICABLE	The contract (order) placed for supply of equipment / machinery covered by the tender shall be governed by the laws of Government Of India for the time being in force.