

Butterfly Valve for Kopili Hydro Electric Project (4 x 50MW)

Reply to Commercial Pre- Bid Query of Prospective bidder against LNIB No.349 dtd: 24/02/2020

Sl.No	Bid Stipulations	Prospective bidder's queries	NEEPCO's clarification
1	<p>Section IIIA / GCC / Cl. 13 Insurance and Indemnity:</p> <p>13.1</p> <p>The Contractor shall, at his own cost, arrange, secure and maintain Insurance as may be pertinent to the works and obligatory in terms of law to protect his interests and the interest of the Purchaser against all possible risks, without in any manner limiting its obligations and responsibilities, in the joint names of the Purchaser and the Contractor, any and all insurances so as to cover any damage or loss to the equipment during handling, transporting to site, storage, preservation and conservation of equipments at the site and any other intermediate locations during transportation and against all risks which are insurable for their replacement value, for which the Contractor shall be responsible according to the Contract. In respect of risks such as war, invasion etc. for which insurance cover is normally not available, the Contractor shall take insurance against such risks, as and when insurance cover becomes available, in accordance with Clause 15.0 below.</p>	<p>As per Corrigendum-2, the tender's scope is limited "Design, Engineering, Manufacture, Testing at Manufacturer's Works before Dispatch, Supply, Transportation, Transit Insurance, Delivery at Project Site & Unloading of 2 (Two) Nos. Butterfly Valve with all accessories/ fittings and spare parts" only. Therefore, Contractor is not eligible for taking the EAR Insurance and this Insurance has to be taken by Purchaser only. Hence, please delete the Cl. 13.1 and last line of Cl. 13.6 i.e. "The insurance shall be in the joint name of NEEPCO & the Contractor".</p>	<p>Scope of the contract has already been clarified under Corrigendum No. 2. Bidder may please note that since erection, testing and commissioning of the BF Valves is not included in the scope under this contract, insurance during storage at site, and during erection, testing and commissioning stand excluded from the scope of this contract. However, erection, testing and commissioning of the BF Valves shall be carried out under supervision of the successful bidder under this contract, for which Project Authority of Kopili HE Plant will subsequently take up the matter.</p> <p>In view of the explanations made above, deletion of Clause No. 13.1 shall not be necessary.</p> <p>The request for deletion of last line of cl.no13.6 is not agreed.</p>
2	<p>Section IIIA / GCC / Cl. 15 Force Majeure</p>	<p>In line with our comment above under Sl. No. 1, related to "Cl. 13 Insurance & Indemnity" we again request you to delete the clause 15(ii) second para, as under: "If however, the Force Majeure events causing such damage are insurable (as per Clause 13 hereof), reconstruction/ repair shall also be done by the contractor upon receiving instructions from the Engineer-in-</p>	<p>Bidder may please note that Force Majeure shall be applicable during the period of performance under this contract. Accordingly, Bid Stipulation shall prevail.</p>

		Charge at owner's cost and the claim proceeds received from the Insurer against such damage shall be passed on to the Owner."	
3	<p>Section IIIA / GCC / Cl. 30 Guarantee / Warranty.</p> <p>Cl.No.30.1: For a period of 12(twelve) calendar months from the date of putting the equipment in service after erection, testing & commissioning or 18 (Eighteen) calendar months from the date of last shipment whichever is earlier (called the Warranty Period), the Contractor shall remain liable to replace any defect and/or rectify any damage/deficiency that may develop or remained undetected in the equipment/works of his own or those of his sub-Contractors. Such defects and / or damage shall be repaired or replaced as per the decision of the Engineer-in-charge and solely at the cost of the Contractor. The replaced defective parts will be returned to the Contractor at his own expense, unless otherwise arranged. No repairs or replacement shall normally be carried out by the Engineer-in-charge when the equipment is under the erection / supervision of the Contractor's engineers. If, during the period of warranty, any portion of the goods supplied is found defective and is rectified/replaced, the provision of this clause shall apply to the portion of the equipment so replaced/rectified until expiry of 12(twelve) months from the date of such replacement / rectification or 36 (thirty six) months from the date of first commercial operation whichever is earlier. The rectification / replacement / repairs shall be done at the shortest possible time to minimize the loss of the Purchaser and as mutually agreed to. If any defects are not remedied within a reasonable period of time, the</p>	<p>We propose following changes in sub-clause 30.1 which is standard practices being followed for Guarantee / Warranty by all PSU/State Govt. Utilities etc: "36(Thirty-Six) months" to "24(Twenty-Four) months" and "Commercial operation" to "date of shipment".</p> <p>Kindly add the below lines at last of sub-clause 30.1: "Guarantee/Warranty/Defect Liability shall exclude any normal wear and tear of parts and improper operation or maintenance of the plant by Purchaser or third parties (not employed by Contractor) and all implied and/or statutory warranty are excluded from the warranty."</p> <p>Please modify in sub-Clause 30.7: "Liability for defects inherently lying (Latent Defects) within the material shall be limited to a period of one (1) year from the end of Warranty period."</p>	<p>Bid Stipulation Shall prevail.</p> <p>Request for additions to clause 30.1 is not agreed. Bid stipulation shall prevail.</p> <p>Request for modification to clause 30.7 is not agreed. Bid stipulation shall prevail.</p>

	<p>Purchaser may proceed to do the work through any other Agency at the Contractor's risk and expenses, but without prejudice to any other rights which the Purchaser may have against the Contractor.</p> <p>Cl.30.7 :The provision of latent defects shall be applicable up to the end of 6 (six) years from the date of successful commissioning of the unit.</p>		
4	<p>Section IIIB / GTC / Cl. 12 Final Acceptance:</p> <p>Upon successful erection, testing and commissioning of the plant/equipment by the Purchaser under supervision of the Contractor/supplier of the plant/equipment and performance of plant/equipment without any abnormal operation and with all parameters of the plant/equipment within acceptable limits, the Engineer-in-Charge will issue the Final Acceptance Certificate. However, issue of such certificate will not absolve the contractor/supplier from any of his obligations which otherwise survive by the terms and conditions of the contract after issuance of such certificate.</p>	<p>Since as per Corrigendum-2, the tender's scope is limited "Design, Engineering, Manufacture, Testing at Manufacturer's Works before Dispatch, Supply, Transportation, Transit Insurance, Delivery at Project Site & Unloading of 2 (Two) Nos. Butterfly Valve with all accessories/ fittings and spare parts" only. Therefore, kindly modify this clause as below: "Upon successful transportation & unloading of plant/equipment at site, the Engineer-in-Charge will issue the Final Acceptance Certificate. However, issue of such certificate will not absolve the contractor/supplier from any of his obligations which otherwise survive by the terms and conditions of the contract after issuance of such certificate"</p>	<p>As clarified in SI.No 1 above, Erection, Testing and Commissioning of the BF Valves shall be carried out under supervision of the successful bidder under this contract, for which Project Authority of Kopili HE Plant will subsequently take up the matter.</p> <p>Thus, although responsibility of the Contractor under this contract is upto unloading and delivery of the BF Valves at site, the Contractor shall also be responsible for successful Supervision of Erection, Testing and Commissioning of the Valves. The bidder may also refer Clause No.36.3 a(iv) Sec-III A (Terms of Payment) of the bid document, where its states that Balance 10 %(Ten Percent) of the total Ex-Works Price shall be paid after "Final Acceptance" of the entire plant/equipment after erection testing & commission.</p> <p>Accordingly, the bid stipulation shall prevail.</p>