

Section XI – PVC CLAUSE

Tender Ref: BHEL TRY OS: 2017: CG-UP & NCH Dt. 23.05.2017

The rates finalized shall be with PVC to compensate for any variations in steel prices as detailed below:

1. BHEL Steel Rates published on the date of tender opening date will be taken as the basis.
2. H Beams, Beams and other major raw materials (for which BHEL steel rates are not available) – Similar price trend of raw material finalised in steel tender/Latest PO Rates shall be considered.

The increase / decrease in the Rate for each Packages would be governed by the following formula:

PVC FORMULA FOR EACH PACKAGE

$$P_1 = P_0 + (S_1 - S_0)$$

Where

P1- Escalated / de-escalated price for Package

P0- Contracted price for Package

S1- The Steel Rates of BHEL for Sheets, Plates & Structural and similar price trend of raw material finalised in steel tender for H Beams, Beams & other raw material two months prior to Dispatch Date (LR Date). This shall be calculated TWO months prior to the LR date or the scheduled delivery date (indicated in the PO), whichever is earlier based on the quarterly Steel Bulk Tender price list.

S0- The Steel Rates of BHEL for Sheets, Plates & Structural and similar price trend of raw material finalised in steel tender Rates for H Beams, Beams & raw material as applicable on the tender opening date.

Based on the respective dispatches, the applicable PVC rates will be indicated in the invoices raised by individual vendors and the same are proposed for further processing.

In case the PO delivery date is extended by BHEL for any reason, the PVC shall be allowed only up to the original PO delivery date.