



GLOBAL EXPRESSION OF INTEREST (EOI)

FOR

**STRATEGIC PRE-BID TIE-UP FOR ACVFD RIG EQUIPMENT
FOR ONSHORE DRILLING OIL RIGS**

Issued by:

**Bharat Heavy Electricals Limited, RC Puram Hyderabad, India having registered office at
BHEL House, Siri Fort New Delhi-110049 and
also office at
Industry Sector, 6th floor, Integrated Office Complex, Lodhi Road,
NEW DELHI-110 003 (hereinafter referred to as 'BHEL')
INDIA**



**Expression of Interest (EOI) for Strategic
Pre-bid Tie-up for AC VFD Onshore Rig Equipment**

Ref No: Oil Rigs/ACVFD/001

DISCLAIMER

All information contained in this EOI provided / clarified are in good interest and faith. The information contained in this Expression of Interest document or subsequently provided to Applicant(s), whether verbally or in documentary or any other form, by or on behalf of BHEL, is provided on the terms and conditions set out in this EOI and such other terms and conditions subject to which such information is provided.

The purpose of this EOI is to provide interested parties with information that may be useful to them in the formulation of their application for qualification and subsequent selection pursuant to this EOI. This EOI is not an offer by BHEL to the prospective Applicant(s) or any other person. This EOI is neither intended nor shall it be construed as creating or requiring any ongoing or continuing relationship or commitment with any party or person. This is not an offer or invitation to enter into an agreement of any kind with any party.

Though adequate care has been taken in the preparation of this EOI document, the interested firms shall satisfy itself that the document is complete in all respects. The information is not intended to be exhaustive. Interested Agencies are required to make their own enquiries and assumptions wherever required. Intimation of discrepancy, if any, should be given to the specified office immediately. If no intimation is received by this office by the date mentioned in the document, it shall be deemed that the EOI document is complete in all respects and firms submitting their interest are satisfied with the EOI Document in all respects.

The issue of this EOI does not imply that BHEL is bound to select and shortlist Applicant(s) for next stage or to enter into any agreement(s) with any Applicant(s). BHEL reserves all right to reject any applications submitted in response to this EOI document at any stage without assigning any reasons thereof. BHEL also reserves the right to withhold or withdraw the process at any stage. Neither BHEL nor its employees and associates will have any liability any loss, expense or damage which may arise from or be incurred or suffered in connection with anything contained in this EOI document or any matter deemed to form part of this EOI document, the information and any other information supplied by or on behalf of BHEL. BHEL accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance/use of any statements/information contained in this EOI by the Applicant. BHEL is not making any representation or warranty, express or implied, as to the accuracy or completeness of any information/statements made in this EOI.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its Application including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by BHEL or any other costs incurred in connection with or relating to its Application. All such costs and expenses will remain with the Applicant and BHEL shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Application, regardless of the conduct or outcome of the EOI.



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1.0 ABOUT BHEL

Bharat Heavy Electricals Limited (BHEL) is a Central Public Sector Enterprise, wherein Government of India is holding 63.06% of its equity. It is an integrated power plant equipment manufacturer and one of the largest engineering and manufacturing companies of its kind in India having a turnover of about USD 5 billion. The company is engaged in the design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy, viz. Power, Transmission, Industry, Transportation, Renewable Energy, Oil & Gas and Defence with over 180 product offerings to meet the needs of these sectors.

Since its inception in 1964, BHEL has been the solid bedrock of evolution of India's Heavy Electrical Equipment industry. BHEL has a mammoth 20,000 MW per annum capability for manufacturing of power generation equipment. A widespread network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centres, 1 subsidiary, 4 overseas offices, 6 joint ventures, 15 regional marketing centres and current project execution at more than 150 project sites across India and abroad corroborates the humongous scale and size of its operations. BHEL has extensive steel and aluminium fabrication facilities.

With key focus on project execution, the worldwide installed base of power generating equipment supplied by BHEL has exceeded 178 GW. BHEL's 54% share in India's total installed capacity and 58% share in the country's total generation from thermal utility sets (coal based) as of March 31, 2017 stand a testimony to its valuable contribution towards nation building. BHEL's global competitiveness has established its footprint in all the inhabited continents with references in 82 countries.

The high level of quality & reliability of BHEL products is a testimony to its adherence to international standards by acquiring and adapting some of the best technologies from leading companies in the world including General Electric, Siemens AG, Mitsubishi Heavy Industries Ltd. etc., together with technologies developed in its own R&D centres. BHEL invests more than 2.5% of turnover on R&D and innovation.

Experience of BHEL in Rigs Business :

At present, Oil rig equipment are being manufactured at two manufacturing facilities of BHEL situated at Hyderabad & Bhopal wherein mechanical equipment & fabrication work is carried out by Hyderabad and electrical equipment including motors & generators are manufactured at Bhopal. Complete assembly and testing of Oil Rig is carried out at Rig-up yard facility at BHEL Hyderabad.

BHEL has established itself as an Original Equipment Manufacturer who designs, manufactures and services various types of AC SCR onshore Oil drilling rigs, mobile rigs and work over rigs. Over 3 decades, BHEL has supplied over 90 Oil rigs and has carried out refurbishment and up gradation of more than 40 rigs so far. Key offerings of BHEL include Onshore deep drilling rigs up to a depth of 9000 meters, Mobile rigs up to a depth of 3000 meters, Work-over rigs up to a well – depth of 6100 meters, Onshore drilling rig equipment like draw-works, rotary-table, travelling blocks, swivel, mast & Substructure, mud-systems and Rig electrics (SCR house, MCC house, Cable Interconnection package, DG Sets etc).

More details about the entire range of BHEL's products and operations can be obtained by visiting our web site www.bhel.com.



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2.0 PURPOSE

- 2.1 This EOI is issued specifically to address the AC Rig requirement from ONGCL. It is expected that there will be requirement of approximately 25 Nos Onshore drilling rigs of various capacities and configuration by ONGC.
- 2.2 BHEL intends to offer complete AC rig package to ONGCL, with a Pre-bid tie-up.
- 2.3 The intent of this Expression of Interest hereinafter referred to as the "EOI" is to invite applications from interested organizations/ companies who are willing to work with BHEL as per the broad scope indicated in Annexure-1 for the AC rigs.
- 2.4 BHEL shall shortlist the party(s) who meet the PQR as per clause 4.0 for the intended Pre-bid tie-up.
- 2.5 After shortlisting of the party(s), BHEL shall issue detailed Technical specifications with scope of supply and Commercial terms & conditions to the shortlisted party(s) for submission of Techno-commercial bids.
- 2.5 BHEL shall enter into MoU / agreement valid for a period of 5 (five) years with the finally selected party. MoU / agreement shall be limited to specific tender from ONGCL for which this EOI is being issued. Validity of MoU may be extended beyond 5 (five) years till the completion of ONGCL Contract with BHEL.
- 2.6 In order to remain competitive during bidding for ONGCL tender, BHEL intends to manufacture some of the equipment as listed in Annexure-1 based on mutually agreed phased manufacturing schedule.

3.0 INSTRUCTION TO APPLICANTS:

- 3.1 Reputed business entities may submit their application as per Annexure -2 (along with supporting documents for PQR and evaluation Criteria) by Post/Email so as to reach us on or before **19th April 2018** at the following address:

The Sr Dy General Manager, (Oil Rig),

Annexe – 07, 2nd Floor

Bharat Heavy Electricals Limited

R C Puram,

HYDERABAD (Telangana State)

Pincode – 502032

India.

Email: scjha@bhel.in, ranjank@bhel.in, sahirwar@bhel.in

Phone: +91 40 23185341 (office), +91 9490746975 (mobile)

- 3.2 The details submitted by the Applicant(s) shall be complete in all respects and BHEL may seek clarifications/additional information as considered necessary. Such clarifications / additional information must be provided within 5 days of BHEL request.
- 3.3 The EOI process involves seeking willingness of interested parties and selecting party(s) amongst all who make an application in response to this EOI.



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- 3.4 Any request for further information or clarification on the EOI document may be submitted to within 5 days from date of issue of EOI.
- 3.5 Responses to EOI are to be submitted in English only. Supporting documents, as required, should also be in English language. In case of some documents being available in languages other than English, the Applicant shall necessarily provide duly authenticated translated version of the same in English.
- 3.6 Duly authorized representative of the Applicant(s) shall sign on each page of the document. Response to EOI should be prepared in such a way so as to provide a straight forward, concise description of Applicant's capabilities.
- 3.7 Notwithstanding anything contained in this EOI, BHEL reserves the right to accept or reject any Application and to annul the EOI Process in whole or part, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.
- 3.8 BHEL reserves the right to verify all statements, information and documents submitted by the Applicant in response to the EOI. Any such verification or lack of such verification by BHEL shall not relieve the Applicant of his obligations or liabilities hereunder nor will it affect any rights of BHEL.
- 3.9 The EOI process shall be governed by, and construed in accordance with, the laws of India and the Courts at New Delhi shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the EOI process.
- 3.10 All costs incurred for participation in the EOI shall be borne by the respective Applicant.
- 3.11 MoU shall have back-to-back arrangements / commitments with prospective Pre-bid partner to meet BHEL-Customer Contractual conditions.
- 3.12 MoU shall be framed with a condition that in the event of price reduction during negotiations by BHEL with Customer, corresponding reduction to be passed on by Pre-bid partner for their scope of supply/services.
- 3.13 Within 30 days of signing of MoU with pre-bid partner, 1% of the value of MoU shall be taken from the Pre-bid partner as bid bond in the form of Bank Guarantee or security deposit etc.
- 3.14 BHEL shall place purchase orders based on MoU and agreed prices (after final negotiations with Customer) in favor of Pre-bid partner upon receipt of contract from customer.

4.0 Pre-Qualifying Criteria (PQR):

The prospective pre-bid partner must meet **all** the following pre-qualification requirement (PQR) supported with relevant documents/ credentials/ certificates for further consideration on the submission date of EOI:

Financial :

- 4.1 Applicant must meet following financial parameters:
 - 4.1.1 Having net positive worth (Paid up share capital + Reserves) based on latest audited accounts for financial year 2016-17 .
 - 4.1.2 Positive Net profit in one out of last three financial years (2014-15,2015-16,2016-17).

Applicant's Response (meeting the above criteria): Yes/ No.

Supporting document attached: Yes/ No



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Technical :

- 4.2 The Prospective Pre-bid partner should have authorization from API for Monogramming their products for API 4F and ,8C continuously for a min period of 10 (Ten) years as on the date of EOI without any break (To be substantiated by documentary evidence with copies of API).

Applicant's Response (meeting the above criteria): Yes/ No.

Supporting document attached: Yes/ No

- 4.3 Prospective Pre-bid partner should have at least 10 (Ten) years of manufacturing experience of 10 Nos Onshore Drilling Oil rigs of capacity 1500HP and above (To be substantiated by documentary evidence such as Notarized list of rigs / rig equipment or copies of customer contract, with dates of supply).

Applicant's Response (meeting the above criteria): Yes/ No.

Supporting document attached: Yes/ No

- 4.4 Prospective Pre-bid partner should be an Original Equipment Manufacturer (OEM) for at least 5 (five) years for AC Draw works, AC Mud Pumps, AC Top Drive system, AC-VFD drives & HMI driller Controls, Rig Instrumentation, Mast and substructure with hydraulic raising and lowering mechanism for Drilling Oil rigs of capacity 1500 HP and above and should have supplied at least 5 (Five) Nos of such equipment in last 5 (five) years. (To be substantiated by documentary evidence such as Notarized list of rigs / rig equipment or copies of customer contract, with dates of supply).

Applicant's Response (meeting the above criteria): Yes/ No.

Supporting document attached: Yes/ No

- 4.5 Prospective Pre-bid partner should also be an Original Equipment Manufacturer (OEM) or a System Integrator of third party equipment like, Independent rotary, Automatic pipe handling system (Pipe racker), Hydraulic Cat Heads etc. and should have experience of doing such systems at least 5 (Five) Nos in last 5 (five) years. (To be substantiated by documentary evidence such as Notarized list of rigs / rig equipment or customer contract copies, with dates of supply).

Applicant's Response (meeting the above criteria): Yes/ No.

Supporting document attached: Yes/ No

Note : Period(s) for qualification experience as mentioned in above clauses shall be reckoned from the date of opening of this EOI.



Annexure 1

BHEL's and Partners' broad scope

Broad Scope of Supply & services Expected to be Provided by Prospective Pre-bid Partner :

- i) 1500HP & 2000 HP AC Draw works complete with drive motors and gear box and other accessories.
- ii) AC Motor driven Top Drive system with on-board Hydraulics.
- iii) AC Motor driven 1600/1700 HP Mud Pumps suitable for 7500 PSI pressure.
- iv) Hydraulically raised/lowered Mast and sub structure.
- v) Iron Rough Neck
- vi) AC VFD Drives & Controls for 1500HP & 2000HP for driving 1500HP/2000HP AC Drawworks, 1600 HP/1700 HP mud pumps, Independent Rotary, AC Top Drive.
- vii) Driller Control Cabin with HMI and Joy stick controls.
- viii) Rig instrumentation system
- ix) Integration of above equipment and commissioning support.
- x) Training of BHEL/ONGCL Engineers.
- xi) Documentation support to BHEL for phased manufacturing of following equipment by BHEL with support of Pre-bid partner on mutually agreed basis:
 - a) Hydraulic Mast & Sub structure.
 - b) AC-Draw works.
 - c) AC VFD House & Driller Cabin.
 - d) Rig Instrumentation.
 - e) Mud pump and
 - f) Any other equipment.



Annexure 2

Information to be submitted by Applicant

1. Name of the Company:
2. Legal status of the Company:
3. Brief description of the Company including details of its business groups/subsidiaries/affiliates:
4. Date of Incorporation:
5. Date of Commencement of Business:
6. Full address including Telephone nos. / Fax nos.:
Registered Office:
Head Office:
Address for communication:
Contact Details:
Office Address in India, if any:
7. Documents to be enclosed:
 - a) Technical Credentials – Relevant Product/System catalogues, Experience /Reference List, Copies of Customer Certificates, Engineering strengths, quality accreditations, etc & mandatory documents as listed in Clause 4.0 (PQR).
 - b) Financial Credentials – Copies of Audited Financial statements (Annual Reports) for last 3 years, Credit Rating & mandatory documents as listed in Clause 4.0 (PQR)
 - c) Other documents considered relevant to meet PQR and support evaluation criteria.

(Sign & Company Seal)

Authorized signatory
