

**MISHRA DHATU NIGAM LIMITED**

A Govt of India Enterprise

P. O Kanchanbagh, Hyderabad – 500058, Telangana, India.

Corporate Identity Number: L14292AP1973GOI001660

Phone: 040 – 24340001 (10 Lines), 24184202, Fax: 040 – 24340764

e Mail ID: [snitesh@midhani-india.in](mailto:snitesh@midhani-india.in), website: [www.midhani-india.in](http://www.midhani-india.in)

Invites

**EXPRESSION OF INTEREST**

**TO IDENTIFY SUITABLE PARTNER TO OPERATE & MAINTAIN**

**SPRING MANUFACTURING UNIT**

**FOR MANUFACTURING & MARKETING OF HOT COILED HELICAL**

**COMPRESSION SPRINGS**

**Ref: MDN/PUR/EOI/JV/SMU/19-20 Dt.**

Receipt of EOI on or before	17/05/2019 10.30 Hrs
Opening of EOI	17/05/2019 10.35 Hrs

Note:

- Detailed Invitation for Expression of Interest is attached herewith.
- All Bidders need to submit the Documents as listed in a Sealed Cover with Title as “EOI for Operating & Maintaining Spring Manufacturing Unit, Due on 17/05/2019” on or before **17/05/2019 at 10:30 Hrs** to :  
AGM (I/C PURCHASE)  
MISHRA DHATU NIGAM LIMITED  
PO: KANCHANBAGH  
HYDERABAD – 500 058  
TELANGANA
- Any Corrigendum to the EOI shall be published in MIDHANI website only.

## **Contents**

1. Introduction
2. Scope of EOI
3. Details of the Product
4. Facilities Available
5. Scope of Work for the Partner
6. MIDHANI & Partner
7. MIDHANI's Obligation
8. Time Period
9. Partner's Obligation
10. Eligibility Criteria
11. Application Form
12. Instructions to Applicants
13. Selection Criterion
14. Procedure for Selecting Suitable Partner
15. Process Flow for Spring Manufacture
16. Layout of Spring Manufacturing Unit
17. Non Disclosure Agreement
18. General Terms and Conditions
19. Last Date/ Time for Submission of EOI
20. Request for Status Update on Evaluation Process
21. Ownership of EOI Documents and Information therein
22. No Contractual Obligation
23. Disclaimer
24. Arbitration
25. Jurisdiction
26. Indemnity

## **1.0 INTRODUCTION**

Mishra Dhatu Nigam Limited (MIDHANI) is a Public Sector Enterprise under Ministry of Defence and is located in Hyderabad, Telangana, India. It has wide facilities for manufacturing armoured steel, low alloy steels, high alloy steels, special steels, stainless steels, super alloys, titanium & titanium alloys in various forms and sizes. MIDHANI is catering to the requirements of various sectors for the above indigenously developed material. For more information can be obtained from our website, [www.midhani-india.in](http://www.midhani-india.in).

MIDHANI has set up a new Spring Manufacturing Unit inside its premises at Hyderabad. This unit is equipped with most modern Hot Coiling machine, End Heating Furnace, Walking Beam Furnace and the Tempering Furnace. The unit has the capacity to produce about 60,000 Nos of Springs per year to meet the growing demands of Indian Railways and coaches of Metro Trains. Apart from these, the other industry which can be tapped is the earth moving machinery.

## **2.0 SCOPE OF E O I**

MIDHANI desires to identify suitable Business Partner for MANUFACTURE AND MARKET HELICAL, HOT COILED COMPRESSION SPRINGS. The potential partner need to have adequate experience / exposure to undertake the responsibilities of procuring the raw material, manufacture and market the springs by identifying customers and strive to expand the business.

- 2.1 The business partner shall have experience in manufacture of the helical compression springs OR shall be a manufacturer of the hot rolled bars used in the manufacture of compression springs.
- 2.2 Work with MIDHANI to explore the National as well as International Markets and interact with the customers for manufacture and supply of springs and also maintain good customer relations.
- 2.3 Work with MIDHANI to explore the market and various applications of springs, develop new materials for the manufacture of Springs

The Spring manufacturing facilities set up by MIDHANI are mainly aimed to meet the requirements of Indian Railways. The facilities set up enable manufacture of Springs suitable right from CASNUB bogies of railway wagons upto springs for FIAT bogies of LHB coaches. Apart from these, the production facilities would be capable of manufacturing springs to various other customers manufacturing suspension systems for Road and Rail bound vehicles. The scope of market can extend to international markets also.

Hence applications are invited through this EOI, from reputed parties who are interested in working with MIDHANI.

## **3.0 DETAILS OF THE PRODUCT**

3.1 Input details for the present approved grades are given below for application in Railway wagons and coaches. However springs can also be manufactured by using rods made of different grades.

Grade	Condition	Diameter	Length
60 Si7	Hot Rolled & Straightened	15 mm to 70 mm	1500 mm to 9000 mm
52 Cr4 Mo2V			

### 3.2 Product Mix:

Helical Compression springs in various Coil diameters and free height to suit to the requirements of Customers, mainly the Railway Wagon and Coach manufacturers. The Free height can vary from 150 mm to 750 mm.

Annual Production capacity of the facilities      60,000 Nos of springs  
Average Coiling      30 Springs per hour.

### 3.3 Specifications of a few Compression Springs

Spring Rod Diameters (in mm)	26	34	38	40	50	56
O D of Spring (in mm)	164	280	257	259	418	429
Free Height of the Coil (in mm)	325	663	325	337	707	708

### 4.0 **MAJOR FACILITIES AVAILABLE:**

- |      |   |  |  |
|------|---|--|--|
| 4.1  | End Heating Furnace   | Working Temp.<br>Inner Dimensions<br>Charge Load | 960 deg C<br>4200 L x 750 H x 1500 W<br>10 mm dia to 70 mm dia<br>1.5 mtr to 10 mtr length |
| 4.2  | Taper Rolling Machine   |  |  |
| 4.3  | Walking Beam Furnace  | Working Temp.<br>Capacity                        | 960 deg C<br>6 Tons ( Ref 60 rods of 40 Dia)   |
| 4.4  | Hot Coiling Machine   | Capacity<br>Coil free length                     | 10 mm dia rod to 70 mm dia<br>150 mm to 750 mm   |
| 4.5  | Quenching Unit  |  |  |
| 4.6  | Tempering Furnace   | Working Temp.<br>Capacity<br>Charge Load         | 400 to 500 deg C<br>24 Nos per batch (500 OD x 750 L)<br>4 Tons                            |
| 4.7  | Scragging Machine   |  |  |
| 4.8  | End Grinding Machine  |  |  |
| 4.9  | Testing Machine   |  |  |
| 4.10 | EOT cranes (3T and 5T)  |  |  |
| 4.11 | <b>Any other facility / equipment considered necessary by the partner shall be arranged by the partner at his cost and shall be free to take back the facility / equipment at the end of the Contract period.</b> |  |  |

## COMMON FACILITIES:

- 4.12 Shot Blasting machine is available in Hot Rolling Mills area, which can be used for Springs on chargeable basis..
- 4.13 Fuel (LPG) pipelines shall be provided and shall be charged at actual basis.
- 4.14 Electrical system including substation & Power distribution network and illumination.
- 4.15 Water Supply
- 4.16 Compressed Air

## **5.0 SCOPE OF WORK FOR THE PARTNER**

- 5.1 MIDHANI intends to provide the facilities “Spring Manufacturing Unit” for a period of 5 years. The scope of the work of the partner shall include the complete operation & maintenance of the Facilities, manufacture and marketing of the compression springs.
- 5.2 The partner shall be required to operate and maintain the Facilities in accordance with Standard Operating Practices, within the Specifications and Battery Limits, as per the Quality Assurance Plan.
- 5.3 The partner shall engage its own personnel / employees for operating and maintaining the Facilities. The personnel / employees or workers engaged by the partner for operating and maintaining the Facilities shall in no way be construed as an employee of MIDHANI.
- 5.4 If any plant or equipment of the Facilities is damaged or rendered unserviceable due to the reasons directly attributable to the partner, the total cost incurred on repair/ restoration of the same shall be borne by the Partner. All the equipments of the Spring Manufacturing Unit will be handed over to the partner in good running condition which shall be handed over back to MIDHANI in good running condition at the end of the agreement period
- 5.5 Comprehensive insurance of the facilities to cover all risk & losses will be done by the partner with beneficiary being MIDHANI.
- 5.6 The premises can be used only for the production of Hot Coiled Compression springs.
- 5.7 The partner has to operate the plant within the technical and environmental parameters and Standard Operating Procedures.
- 5.8 The partner will be responsible for procurement of input material i.e. Hot Rolled and straightened bars, Quenching Oil, consumables, Cartons for Packing, Tools and Tackles and spare parts etc. required for the smooth operation of the plant and the cost of the above will be borne by the Partner.
- 5.9 The partner shall carry out necessary maintenance jobs including preventive Maintenance to ensure maximum availability of the equipment. The cost of the spares incurred during maintenance of the equipment shall be borne by the partner.
- 5.10 The partner will be responsible for the sale of all finished products along with the process scrap generated from the facilities.
- 5.11 Partner is not allowed to sublet the facilities to any other firm / organization.

## 6.0 **MIDHANI and PARTNER shall**

- 6.1 Jointly participate in submitting bids against the Tenders.
- 6.2 Market survey for requirement of Hot coiled springs to increase the market share
- 6.3 Raw material shall be procured by the partner in consultation with MIDHANI. The procurement costs shall be borne by the partner. For all the supplies to be made to Indian Railways, the input material shall be procured from RDSO approved sources only.
- 6.4 In the event that MIDHANI will bag orders for manufacture and supply of compression springs, the modalities of pricing the raw materials (input hot rolled and straightened bars) and price of finished material shall be worked out on mutually agreeable basis. The final quality control checks and issue of Test Certificates, Delivery Challan and Invoicing shall be by MIDHANI.

## 7.0 **MIDHANI's OBLIGATION**

- 7.1 After commissioning of the Facilities, MIDHANI shall hand over the Site along with the Facilities to the partner for its operation and maintenance.
- 7.2 The weighing system for weightment of input and output materials is provided within the plant premises.
- 7.3 Power, LPG, cooling water and compressed air for operation of the Facilities shall be provided by MIDHANI on chargeable basis.
- 7.4 Charges on account of Power shall be determined on the basis of meters installed at the Site.
- 7.5 A set of engineering drawings necessary for operation and maintenance of the Facilities shall be maintained by MIDHANI at its plant office which shall be referred to by the partner during operation & maintenance as & when required.
- 7.6 MIDHANI shall co-ordinate for common facilities and shall have un-hindered right to visit / inspect the premises.
- 7.7 The Partner shall inform MIDHANI about the production plan so as to plan the utilities.

## 8.0 **TIME PERIOD**

**Minimum period of the contract / agreement will be for 5 years subject to satisfactory performance of the partner.**

## 9.0 **PARTNER'S OBLIGATION**

- 9.1 Partner shall comply, at his own cost and expense, with all the existing laws or laws hereafter enacted, including but not limited to all environmental laws and ordinances; with all rules and requirements pertaining to health, fire and safety; operation and cleanliness of the Premises provided. Partner shall not use the Premises for any purpose that is unlawful or that tends to injure or depreciate the Premises. Partner shall not allow any nuisance to exist on the Premises, and will abate any nuisance promptly without expense to MIDHANI

9.2 Quality Control checks and issue of relevant test certificates shall be under the scope of the partner for all orders booked and executed by the partner (except for cases as in Point 6.4, where in MIDHANI shall issue Test Certificates, Delivery Challan & Invoice).

#### 10.0 **ELIGIBILITY CRITERIA:**

Only those organizations that meet the following criteria are eligible to participate:-

<b>SI No.</b>	<b>Criteria</b>	<b>Documents for Confirmation</b>
a	Should have an average Annual turnover of INR 50 Crores or equivalent foreign currency for the last three financial years (i.e. FY 2015-16, 2016-17 & 2017-18).	Copies of Audited Annual Reports to be submitted.
b	Should have positive net worth in each of the previous three financial years (i.e. FY 2015-16, 2016-17 & 2017-18). OR Should submit solvency certificate for INR 10 Crores issued not earlier than 6 months from the date of this Tender.	Copies of Audited Annual Reports to be submitted.  In case of Indian parties, the solvency certificate should be issued by any Nationalised or scheduled bank from India  In case of Foreign parties, it should be issued by nationalized or scheduled bank from India having a branch in foreign land or countersigned by nationalized of scheduled bank of India.
c	Should be Registered Indian Company and should have been established and operating as Helical Spring manufacturer OR A Registered Indian Company established in operation and supply of Hot Rolled bars used for manufacture of springs	Certificate of Incorporation issued by the Registrar of Companies clearly stating the year of establishment. OR Certificate of Registration of firms OR GST registration in case of proprietary firms  Certificate of Incorporation issued by the appropriate statutory authorities.  Copies of Purchase Orders received and execution date for manufacture of Helical Springs / rods should be enclosed.
d	It is preferable that the Tenderer is an approved vendor of Indian Railways for supply of Helical Springs /for supply of Hot rolled bars used for manufacture of Springs.	A copy of the approval letter from Indian Railways / RDSO / other production Units of IR may be enclosed with the bid.
e	Indian Registered Companies should have PAN, TAN and TIN & GST	Details & copies of PAN, TAN, TIN & GST to be submitted.
f	Should not be a trading company.	Self-certified document to be submitted.
g	Unconditional acceptance of all commercial terms & conditions	Self- certified document to be submitted.

## 11.0 **APPLICATION FORM**

(To be filled by the Party and submitted along with EOI)

SI No.	Description	Response from Party
a	Name of the firm	
b	Address of the firm with website	
c	Details of contact person (a) Name : (b) Email : (c) Tel : (d) Mob: (e) FAX :	
d	Please enclose a brief about the history of company, capabilities & facilities, collaborators, manpower, marketing distributors, financial standing etc. Attach literatures/documents to support your statements wherever necessary	
e	Please enclose the catalogue / technical literatures / brochure	
f	Is the company registered under the statutory requirements applicable locally? Please enclose a copy of the relevant documents, GST, PF, ESI, all licences under labour laws	
g	Nature of the company : PSU / Limited / Listed Company / Private Enterprise	
h	Please provide the company sales turnover and PBT for the last five years :	
i	<b>Please respond to attached Questionnaire and details (Annexure 1 &amp; Annexure 2)</b>	
j	Any other points, that may wish to add	

## 12. **INSTRUCTIONS TO APPLICANTS:**

The applicant should submit the following information / documents:-

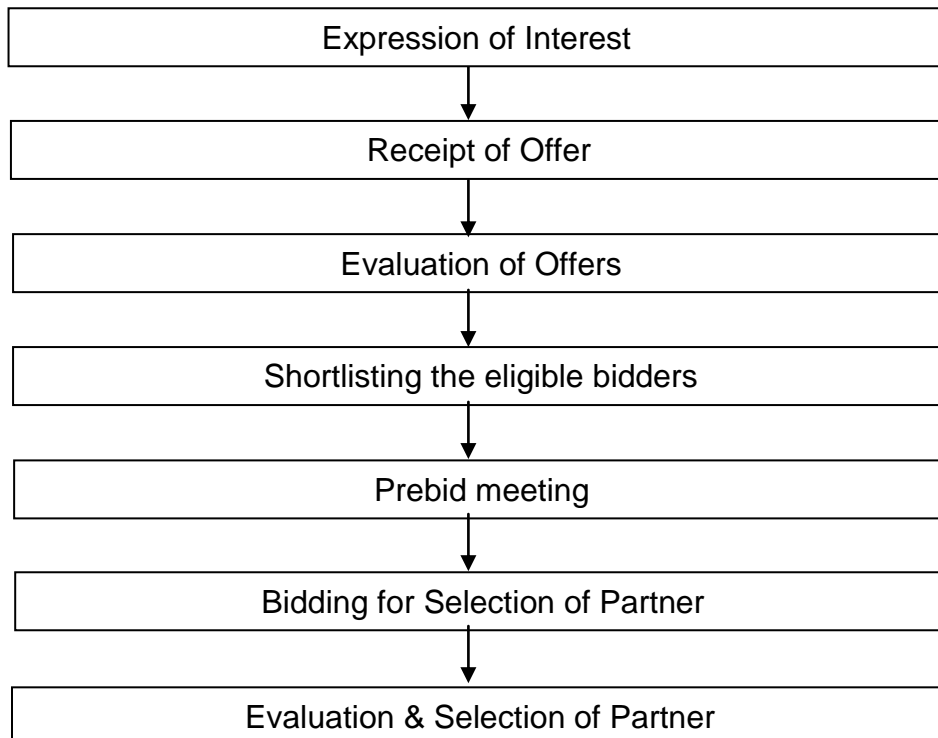
- 12.1 Application format duly filled in, signed and stamped, as per clause No: 9 of this EOI.
- 12.2 Expression of Interest documents in original / downloaded form, duly signed and stamped at each page as token of acceptance of all terms and conditions with e-mail, phone and fax nos.
- 12.3 Following additional documents:
  - Company Brochure
  - Registration Certificate with various tax authorities or Government Departments, etc.



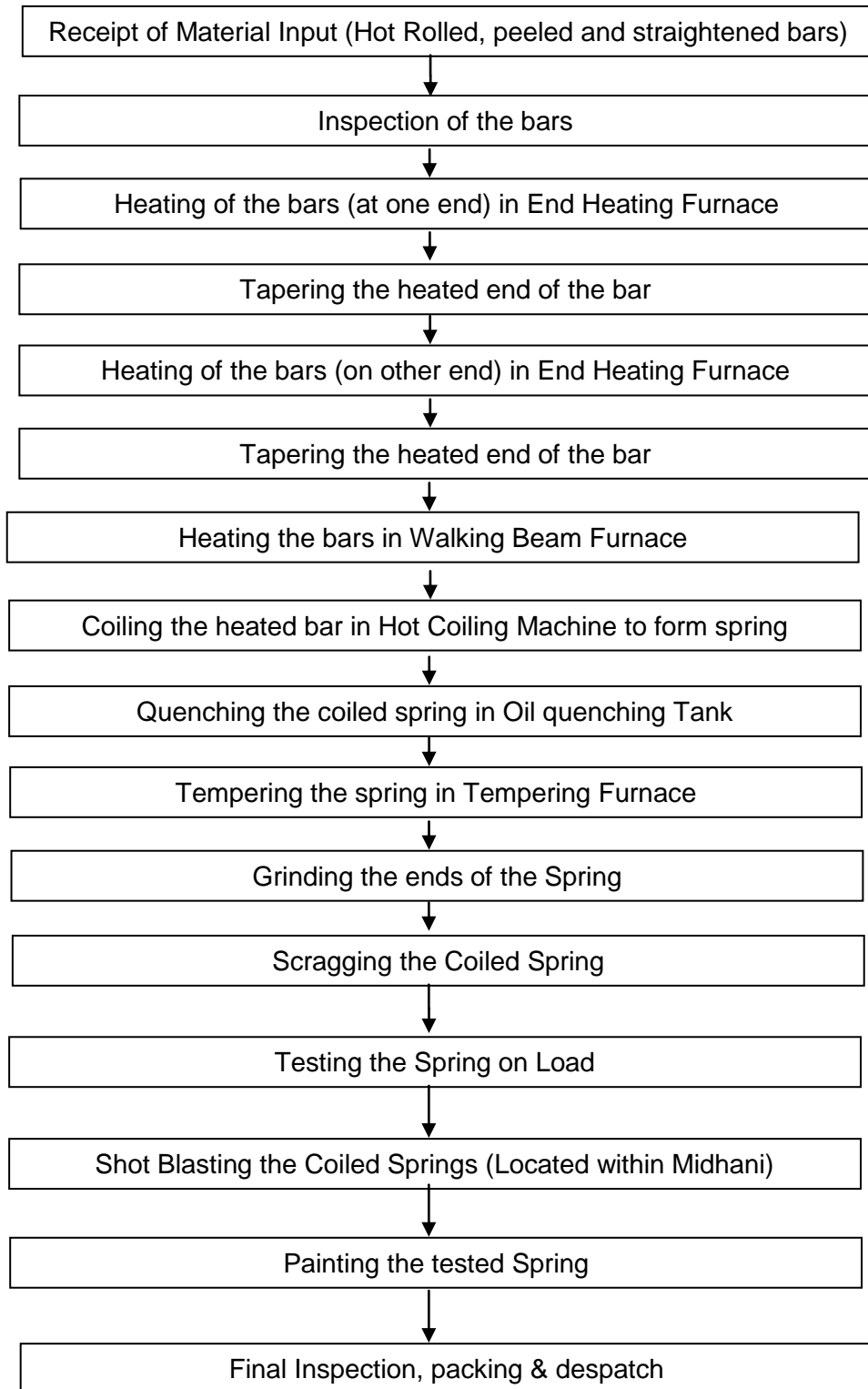
### 13 SELECTION CRITERION

- 13.1 RFQ will be issued to all eligible prospective partners. **H1 bidder** will be selected as partner.
- 13.2 Apart from the common sharing and support facilities that are to be reimbursed by the partner through a separate agreement / contract, the partner shall pay Rs 3.0 Crore per annum or a percentage share of revenue earned, whichever is higher as rental for use of facilities. Percentage share of revenue shall be specified by the partner.
- 13.3 Maintenance and upkeep of Midhani's facilities as listed in section 4.0 needs to be maintained by the partner.
- 13.4 To evaluate the upkeep of equipments, experts from MIDHANI and Partner will carry out periodic audit of the facility and submit their report.
- 13.5 Any damage of the machine will be recovered from the partner to the extent of damage.
- 13.6 The parties interested to quote may visit MIDHANI for having a better understanding, before submission of their offers.

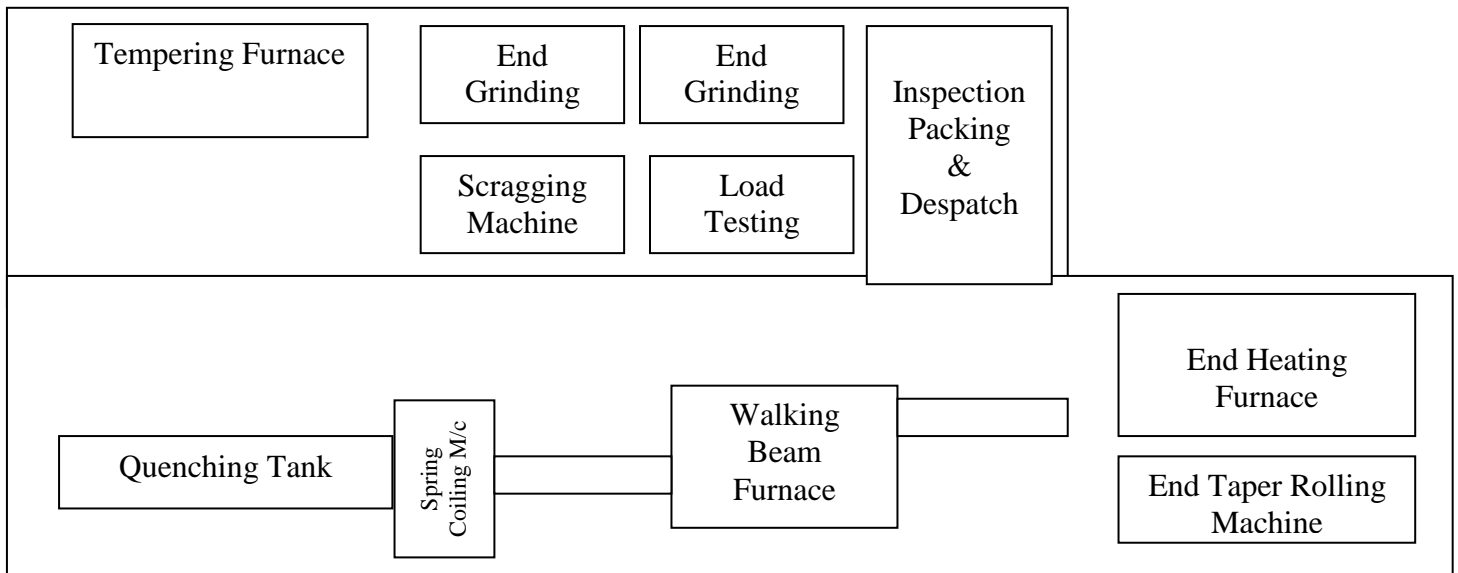
### 14 PROCEDURE FOR SELECTING SUITABLE PARTNER:



15 **PROCESS FLOW FOR SPRING MANUFACTURE** (Sequence of Operations )



16 **LAYOUT OF SPRING MANUFACTURING UNIT**



17 **NON DISCLOSURE AGREEMENT:**

A Non Disclosure Agreement shall be signed and submitted along with the RFQ.

18 **GENERAL TERMS & CONDITIONS:**

- 18.1 MIDHANI reserves the right to accept or reject any offer of Expression of Interest without assigning any reasons what so ever.
- 18.2 Final selection of suitable applicant from the EOIs received will be done by MIDHANI at its sole discretion and the decision of MIDHANI shall be final.
- 18.3 The selected applicant shall ensure compliance of all the Government regulations/ laws / conventions / policies / guidelines / orders etc. In force related to any or all of the above activities as amended from time to time. Applicant shall undertake to abide by the statutory requirements of the Indian Government from time to time.
- 18.4 Eligible parties to study carefully all documents referred to herein before accepting the same.

19 **LAST DATE FOR SUBMISSION OF EXPRESSION OF INTEREST:**

The due date and time for submission of the Expression of Interest is 10:30 Hrs of **17/05/2019**.

20 **REQUEST FOR STATUS UPDATE ON EVALUATION PROCESS:**

MIDHANI will not accept or respond to Proponents requests for information on the status and progress of the EOI evaluation process. Additional information regarding the EOI process may be posted on MIDHANI website [www.midhani-india.in](http://www.midhani-india.in)

21 **OWNERSHIP OF E O I DOCUMENTS & INFORMATION THEREIN:**

All Expression of Interest documents will become the property of MIDHANI upon submission. Where the applicant believes that information provided in response to this EOI is, or should be kept confidential, or disclosure of this information would unreasonably affect applicants business affairs, notice is to be given at the time of delivery of the information or document by clearly marking such information 'confidential'. In so far as is practicable MIDHANI will give effect to the applicant stated wishes, and requested for access to such information will be determined under the RTI Act.

22 **NO CONTRACTUAL OBLIGATION:**

MIDHANI is not bound contractually or in any other way to any applicant to this Expression of Interest. MIDHANI is not liable for any costs of compensation in relation to the consideration of this Expression of Interest.

23 **DISCLAIMER:**

The issue of this document does not in any way commit or otherwise obliges MIDHANI to proceed with all or any part of an EOI process. The EOI request is not the subject of any process contract or any contractual obligations between MIDHANI and applicant. MIDHANI may, at its absolute discretion, elect to abandon any part or whole of the process without giving prior notice to the prospective suppliers.

24 **ARBITRATION**

Any differences among the parties, in relation to this EOI, shall be resolved amicably through negotiation. Failing which, the issues / in case the differences remain unresolved, the same shall be referred for arbitration for resolution. This EOI shall be governed by laws of India, venue shall be Hyderabad and language shall be English.

25 **JURISDICTION**

The courts at Hyderabad shall have exclusive jurisdiction over all the matters of this EOI.

26 **INDEMNITY**

The successful applicant shall keep MIDHANI indemnified from any and all third party claims including statutory authorities and make good any damage / loss to MIDHANI facilities.