

MISHRA DHATU NIGAM LIMITED



**MANUAL ON
PROCUREMENT
OF GOODS
&
MATERIAL**

SUB-CONTRACTING 2023

(UPDATED TILL MARCH-2023)

डॉ. एस. के. झा
अध्यक्ष एवं प्रबंध निदेशक



Dr. S. K. Jha
Chairman and Managing Director



FOREWARD

In Mishra Dhatu Nigam Limited (MIDHANI), Purchase Procedures & Policy was formulated in 2004, wherein an uniform system for Purchase and Award of Contracts was detailed to serve as step-by-step guide for procurement of Goods and Services.

Subsequently Purchase Policy has been amended in the years 2014, 2017, 2020 with changing market dynamics, considering the latest CVC instructions in the areas of Procurement, amendments to Purchase Policy have been approved from time to time.

CVC vide Circular No. 14/07/22 dated 11.07.2022 instructed all CPSUs to update the existing Goods Manual inline with Manual on Procurement of Goods released by Department of Expenditure.

Accordingly, MIDHANI Purchase Policy has been renamed as “**MANUAL FOR PROCUREMENT OF GOODS & MATERIAL SUBCONTRACTING – 2023**” and revised incorporating new chapters like GeM procurement, Government guidelines on Banning of firms, MSME procurement, iDEX procurement etc. Some of the areas/ chapters have been redefined and more clarity has been brought out viz., Terms of Payment, Extension of Delivery, Repeat Order, Emergency Purchase etc.,

This Manual is intended to serve as Guide to all MIDHANI employees in taking right decisions and ensuring that the interests of the company are taken care.

I request all MIDHANI employees to go through the Manual and use it as a reference in day-to-day work.

I take this opportunity to express my gratitude to Dr. Upender Vennam, IPoS, CVO who has contributed in bringing up this Manual by way of suggestions and Systemic Improvements and also congratulate those officials who contributed in bringing up this Manual.

Hyderabad,
Date: 04-11-2023


Dr. Sanjay Kumar Jha
Chairman & Managing Director

मिश्र धातु निगम लिमिटेड MISHRA DHATU NIGAM LIMITED

भारत सरकार का उद्यम (A Govt. of India Enterprise)

पंजीकृत कार्यालय: पी.ओ. कंचनबाग, हैदराबाद, तेलंगाना-500058. Registered Office: P.O. Kanchanbagh, Hyderabad, Telangana-500058.

फोन Telephone: 040-29568501, फैक्स Fax: 040-29568502, ई-मेल email : cmd@midhani-india.in

निगमित पहचान सं. CIN: L14292TG1973GOI001660

वेबसाइट Website: www.midhani-india.in

CA एन गौरी शंकर राव

निदेशक (वित्त)

CA N Gowri Sankara Rao

Director (Finance)

मिश्र धातु निगम लिमिटेड

MISHRA DHATU NIGAM LIMITED

(भारत सरकार का उपक्रम) (A Govt. of India Enterprise)

रक्षा मंत्रालय Ministry of Defence



MESSAGE

I am pleased that MIDHANI has brought out the revised “**MANUAL FOR PROCUREMENT OF GOODS & MATERIAL SUBCONTRACTING – 2023**” inline with CVC Circular No. 14/07/22 dated 11.07.2022 and Government of India guidelines issued by MoD, CVC from time to time.

This will provide the essential information, procedures and will bring greater transparency and efficiency in Procurement activities. This written document makes it easier for implementation, efficiency and ease of doing business in Procurement process.

I hope this revised Manual will facilitate MIDHANI in taking right decisions and ensuring that the Commercial and Financial interests of the company are taken care.

I request all MIDHANI officers to go through this Manual and use it as a reference in day-to-day work.

Gowri Sankara Rao N.

Director (Finance)



डाकघर : कंचनबाग, हैदराबाद - 500 058, भारत. P.O. Kanchanbagh, Hyderabad - 500 058, INDIA.

फोन : +91-40 29568508, सेल : +91 9989499231, ई-मेल : gsrao.nsetti@midhani-india.in

वेबसाइट /Website : www.midhani-india.in



MESSAGE

I am happy that MIDHANI Purchase Manual – 2020 has been revised comprehensively incorporating all the necessary changes, the relevant CVC guidelines and instructions.

The written down Manual will make it easier for implementation and bring in efficiency and transparency in the processes.

I am sure that the revised “**MANUAL FOR PROCUREMENT OF GOODS & MATERIAL SUBCONTRACTING – 2023**” will help in further improving and strengthening the working in Commercial area and helps to achieve more transparency and effectiveness in the best interests of our company.

I take this opportunity to congratulate all those who contributed in bringing out this exhaustive manual.



Thulasiraman Muthukumar
Director (Production & Marketing)



**MANUAL FOR
PROCUREMENT OF GOODS
&
MATERIAL SUBCONTRACTING
–2023**

(updated till March, 2023)

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SECTION I: INTRODUCTON

INTRODUCTON

Purchase Policy and Procedures (PPP) duly approved by the Board of Directors of MIDHANI in March 2004 was brought into force with effect from 01.04.2004, reviewed and revised subsequently in 2014, 2017, 2020. Revisions/ Additions to the existing Purchase Policy and Procedure are made keeping the Systemic Improvement suggestions given by Vigilance department, latest Government guidelines and to avoid the scope for subjectivity and improving transparency & efficiency in all kinds of procurements by laying out clear guidelines in tune with the latest DPE, CVC, Gol guidelines besides past experiences in procurement.

1.0 AIM, OBJECTIVES AND GOALS

1.1 Basic Aims of Procurement – the Five R’s of Procurement in every procurement, public or private, the basic aim is to achieve just the right balance between costs and requirements concerning the following five parameters called the Five R’s of procurement. The entire process of procurement (from the time the need for an item, facility or services is identified till the need is satisfied) is designed to achieve such a right balance. The word ‘right’ is used in the sense of ‘optimal balance’.

Five R’s are;

- Right Quality.**
- Right Quantity.**
- Right Price.**
- Right Time and Place.**
- Right Source.**

1.2 In order to fulfill its functions, MIDHANI is required to purchase a vast variety of Raw materials, Stores (Consumables, Spares, Hand tools, Gauges & Instruments), Equipment and to sub-contract different types of services. In all these transactions, primary objective and goal may be stated as follows.

1.2.1 To identify and develop reliable indigenous sources of supply so as to minimize dependency on imports and promote self-reliance.

1.2.1.1 To verify in advance the financial status and technical competence of the tenderer and his capacity to execute contract commensurate with its value and to qualify the tenderer for participation in tenders.

1.2.1.2 To resort to bulk purchase, having regard to defined inventory levels wherever it is economical and conclude long term contracts with a provision of standard break clause for items required in quantities at frequent intervals.

1.2.1.3 To promote Small Scale Industries (SSI) taking into account the statutory provisions of Micro, Small Enterprises (MSE) Act.

1.2.2 Endeavor to effect standardization of raw materials, stores and equipment.

- 1.2.3 To conduct these transactions in accordance with sound business principles and practices in a transparent manner.**
- 1.2.3.1 To ensure that the terms of contract are precise, definite & free from ambiguity or from scope of misconception/misinterpretation.**
- 1.2.4 To ensure transparency, competition, fairness and elimination of arbitrariness.**
- 1.2.5 To develop and establish appropriate information system to monitor and ensure Contract management and timely deliveries.**
- 1.3 To implement the instructions related to purchases issued by Central Vigilance Commission department from time to time making the process of purchase transparent and accountable in nature.**
- 1.4 To adopt the policy and procedure to facilitate E-Commerce.**
- 1.5 The procedure to be followed in procurement must conform to the following yardsticks:-**
- i. The specifications in terms of quality, type etc., as also quantity of goods to be procured, shall be clearly spelt out keeping in view the specific needs. The specifications so worked out shall meet the basic needs without including superfluous and non-essential features, which may result in unwarranted expenditure. Care shall also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;**
 - ii. Offers shall be invited following a fair, transparent and reasonable procedure;**
 - iii. The authority shall be satisfied that the selected offer adequately meets the requirement in all respects;**
 - iv. The authority shall satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;**
 - v. At each stage of procurement the concerned authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.**
- 1.6 Any deviation to the procedures mentioned herein, in exceptional cases, shall be with the approval of Chairman & Managing Director, after recording valid reasons/justification and shall be put up to the Board for information on quarterly basis.**
- 1.7 The interface between the supplier / off-loading contractor and MIDHANI will be the Purchase department only.**

**SECTION II: PURCHASE REQUISITION
(INDENT)**

2.0 TYPES OF PURCHASE REQUISITION

2.1 The material procurement is categorized as follows for the purpose of initiating requisitions by indenting departments for procurement action.

A. CAPITAL GOODS

a. Capital Equipment

B. REVENUE GOODS

a. Raw materials

b. Special / Production Consumables

c. General Consumables including Medicines & Stationery

d. Hand tools, Gauges and Instruments

e. Proprietary spares / Specific Spares

f. General Spares

C. MATERIAL SUB-CONTRACTING / OFF-LADING

D. SPECIAL PROCUREMENTS

a. Spot Purchase & Emergency Purchase.

b. All Welfare items like Production gifts/sweets etc.,

E. REPEAT ORDER, OPTION CLAUSE & RATE CONTRACT / LONG TERM AGREEMENTS.

3.0 SCRUTINY OF REQUISITIONS

3.1 Purchase department will initiate purchase action against purchase requisitions received in the pro-forma prescribed at

3.1.1 Appendix-1 for Capital items (CPAR – Capital Procurement cum Appropriation Requisition) and

3.1.2 Appendix-2 for Revenue items (MPR – Material Purchase Requisition) (B, C, D, E above).

3.2 Before initiating the Purchase action MPRs/ CPARs should be scrutinized to ensure that it is complete in all respects and necessary specifications and drawings are provided.

3.3 Further, MPRs received from various departments / shops for similar items should be clubbed for procurement to enable company to get competitive rates.

3.4 Purchase department will ensure that no commitment is made on a MPR / CPAR unless approved by Competent Authority in accordance with Delegation of Powers.

3.5 Routing of Requisitions:

3.5.1 All MPRs for procurement of Raw materials shall be routed through

3.5.1.1 Stores/endorsed with Stock Availability.

- 3.5.1.2 should be duly endorsed by the respective HODs.
- 3.5.1.3 Shall be cleared by the Production Planning (PPM) department.
- 3.5.2 All MPRs for procurement of Consumables, Spares, Hand tools, Gauges & Instruments shall be routed through Stores department/shall be endorsed with Stock Availability.
- 3.5.3 All CPARs shall be routed through Finance department to ensure Budget provision.
- 3.5.4 All material off-loading MPRs shall be routed through Production Planning (PPM).
- 3.5.5 All MPRs exceeding the threshold limits as detailed below shall be routed through Finance department for vetting of Estimate, which shall be as per Appendix 27 of the policy:

| Indent Type | Threshold Limit for vetting by Finance |
|--|--|
| Raw Materials | Above Rs. 4 lakh |
| All other MPRs (Proprietary items) | Above Rs. 1 lakh |
| All other MPRs (Non-Proprietary items) | Above Rs. 2 lakh |
| Material Subcontracting / Offloading | Above Rs. 4 lakh |

- 3.6 All MPR's indicating the total quantity available in Main Stores, Sub Stores, Shop floor & pipe-line quantities shall be forwarded by Indentor at the time of approval.
- 3.7 Where materials are desired to be procured on a proprietary basis from a single source, the purchase requisition shall be accompanied by a Proprietary Article Certificate, as per Proforma given in Appendix-3.
- 3.8 The MPRs/ CPARs shall be prepared by the Indenting department and approved in e-Office by the competent authority in accordance with the Delegation of Powers. The MPRs/ CPARs shall be prepared completely filled in all respects.
- 3.9 The value of the CPAR/ MPR for purpose of sanction as per Delegation of Powers will be the Landed Cost Net of Set off (LCNS) duly updated with actual taxes, duties & transportation etc.

BASIS FOR CALCULATION OF INDENT ESTIMATED VALUE:

The estimated cost in the Indent is a vital element in the procurement process, approvals and establishing reasonableness of prices at the time of evaluation of the bids. Therefore, it should be worked out in a realistic and objective manner. It will be

the prime responsibility of Indentor to prepare judicious estimate of the Indent value. Basis of Indent estimate shall be invariably recorded in Indent.

Following shall be the guidelines for preparation of Indent estimates:

a. **For frequently purchased items (i.e., items purchased atleast once during last two years):** The estimate shall be based on the LPP (Last Purchase Price).

b. **For infrequently purchased items (i.e., items not purchased in last two years) / First Time Procurement:** The estimate shall be made based on Market Index /GeM/Budgetary Quotation (BQ).

In case of BQ, ideally 3 BQs from reputed sources to be taken and 85% of the Lowest BQ shall be considered for calculating estimate. In case of less than 3 BQs, reasons to be recorded in the Indent approval. In case of Market Index /GeM, 100% of Lowest price shall be considered for estimate.

c. For procurements of assembly/machine above 10 Crore Indents of which the item is a part or vice versa, estimate could be prepared through rough estimate from price of the item and through internal or external expert costing agencies.

- 3.10 Where it is proposed to split on item-wise L1 basis, the estimate also shall be prepared item-wise.**
- 3.11 In case, the actual value of procurement for MPRs (LCNS Value) exceeds the estimated value, same will be dealt as per Delegation of Powers.**
- 3.12 For CPARs, in case the actual value of procurement exceeds the estimated value then budget re-appropriation with financial concurrence is required.**
- 3.13 Wherever required, a quantity tolerance of maximum up to +/- 10% shall be incorporated.**
Indentor has to ensure all items/fields are covered in MPR/CPAR, as per Appendix – 24 as applicable.
- 3.14 On receipt of MPR/ CPAR, Purchase Department shall check the same as per Checkpoints incorporated at Appendix – 21.**
- 3.15 Any change/ modification to approved MPR/ CPAR shall be with the approval of same authority that approved the MPR/ CPAR originally.**
- 3.16 Splitting of requisitions to bring them within the powers of lower authority shall not be resorted to.**
- 3.17 If splitting of the proposed quantity is required due to criticality or production urgency, the same shall be incorporated in requisition stage itself and shall be clearly indicated in the tender document as per below Guidelines (applicable to all procurements) :-**
- (a) In case the order is to be placed on more than one tenderer as specified in the Indent / Tender Document and the L-1 price is within the approved**

limits of estimate, then the distribution of order shall be as per Indent / Tender Document ratio at L-1 rate.

(b) For splitting the order quantity / scope of work among more than one tenderer, the basis will be their original rankings as per the comparative statement. The allocation will be as informed by the Indentor in the MPR or otherwise in the descending order with L-1 getting the highest share. The distribution pattern for splitting the order into 2 / 3 / 4 parties will be broadly as indicated below:-

- In case of distribution for Ratio for Original Ranking L-1, L-2, L-3, L-4
Two parties 70:30
Three parties 60:25:15
Four parties 50:25:15:10
- In case more than one party has the same rank, then their share will be added and equally distributed. For example, if distribution is to be made among four parties and two parties have the same ranking of L-2 i.e., the original rankings are L-1, L-2, L-2, L-3 then from the above table, the distribution shall be;
L-1 50%
L-2 20% } i.e., (25+15)/2 = 20%
L-2 20% } i.e., (25+15)/2 = 20%
L-3 10%
- However, in case of tie among the same ranking parties i.e. in a situation where ranking is L-1, L-1, L-2, L-3, L-3, L-3, L-4, and only four parties are to be considered for placement of order, the distribution shall be
L-1 37.5%
L-1 37.5%
L-2 15%
L-3 10%
and only one party among the three L-3 parties to be selected through draw of lot in the presence of their representatives.

SECTION III: MODES OF PROCUREMENT

4.0 MODES OF PROCUREMENT

The recommended modes of tendering for placement of orders are as under:

- (i) Open Tender Enquiry (OTE) & Global Tender Enquiry (GTE)
- (ii) Limited Tender Enquiry (LTE)
- (iii) Single Tender Enquiry (STE)
- (iv) Proprietary Tender Enquiry (PTE)
- (v) Procurement through GEM

In order to facilitating timely availability of Goods and Services and to meet the Emergency requirements, Order placement may also be considered on the basis of the following modes:

- (vi) Spot & Emergency Purchase
- (vii) Repeat Order & Option Clause
- (viii) Rate Contract / Long Term Agreements

NOTE:

i. In case of Imports, GTE guidelines issued by Ministry from time to time are to be followed strictly.

ii. Purchase department shall verify every Indent for its Product availability in GeM and shall download the Product Availability Report from GeM, before proceeding for the tendering activity.

4.1.1 Open & Global Tender Enquiry

4.1.1.1 Open Tender Enquiry (OTE):

- a. Open tender enquiries are to be considered under the following circumstances:
 - i) When reliable manufacturers/ suppliers/ traders/ contractors as well as latest Technologies are not clearly known.
 - ii) When it is felt that advertising may elicit better response.
 - iii) When the estimated value of Raw material, Stores and Sub-contracting exceeds Rs. 25 Lakhs and registered suppliers are not available or where it is decided by Competent Authority to broad base vendors.
 - iv) When the estimated value of the Equipment and other items Included in the Capital budget exceeds Rs. 25 Lakhs and registered suppliers are not available or where it is decided by Competent Authority to broad base vendors.
 - v) The Open Tendering system should be the preferred mode for procurement of common use items of generic or commercial specifications which are readily available off-the-shelf in the market from a wide range of sources/ vendors.
 - vi) For all common items available over Government e-Market Place (GeM), procurement shall be done through GeM only as per provisions, terms and conditions of GeM portal (Included considering mandatory procurement through GeM portal).

- b. Wherever open tenders are resorted to, the enlisted suppliers/sub-Contractors/off loading contractors, should also be made aware of the same via mail/ post to get Competitive offers. Hence, the list of suggested sources shall be enclosed along with the Indent.
- c. **Manual Open tenders should be given wide publicity in MIDHANI website as well as in CPPP Portal. (OTE published in e-Procurement portal of NIC and in GEM portal are being redirected to CPPP portal)**

4.1.1.2 Global Tender Enquiry (GTE):

- a. GTE may be viable only in following situations:
 - i) Where Goods of required specifications/quality are not available within the country and alternatives available in the country are not suitable for the purpose;
 - ii) Non-existence of a local branch of the global principal of the manufacturer/vendors/ contractors;
 - iii) Requirement for compliance to specific international standards in technical specifications;
 - iv) Absence of a sufficient number of competent domestic bidders likely to comply with the required technical specifications, and in case of suspected cartel formation among indigenous bidders.
- b. In the case of Equipment of complex nature, publicity may be given through Indian Trade Journal (ITJ) and an intimation regarding the tender to Embassies of major trading countries as well as the foreign embassies in India. The selection of embassies would depend on the possibility of availability of the required goods/services in such countries.
- c. **All GTE should be given wide publicity in MIDHANI website as well as in CPPP Portal.**

4.1.1.3 IMPORTANT REQUISITES FOR OPEN TENDER OTE & GTE:

- i) Standard formats which form part of this policy and procedure shall be issued against tender.
- ii) **A minimum of 28 Days period should be allowed for submission of the tenders from the date of advertisement. This period should be increased suitably in cases involving purchase of major items with the approval of HOD (Purchase). In exceptionally urgent and simple cases, the period of submission of tenders may be reduced to 10 Days with the prior approval of HOD (Purchase). In cases where tenders to be floated with less than 10 days time, approval of Chairman & Managing Director shall be obtained with proper justification. This provision shall not be used for procurement of day-to-day requirements.**
- iii) Tender forms shall normally be issued on MIDHANI website free of cost.
- iv) All offers shall be received together with Earnest money deposit (EMD) as per table mentioned in **clause No. 13** of Purchase Policy.

4.1.2 LIMITED TENDER ENQUIRY (LTE):

In limited tender, the most likely and reliable sources are to be addressed directly. Limited tendering shall be resorted to in the following cases:

4.1.2.1 Items available from the list of approved suppliers and based on operational or technical requirements.

4.1.2.2 Purchase of Raw Materials & Stores and Sub-contracting, where established/ registered sources are available Limited Tender shall be resorted to up to value of Rs. 25 Lakhs.

4.1.2.3

i) Purchase of Raw materials & Stores and Sub-contracting, upto Rs. 10 Lakhs in each case which are not available from the list of registered suppliers. The suggested sources/ suppliers shall be considered for sending enquiries as given by the Indentor.

ii) Purchase of Equipment upto Rs. 10 Lakhs in each case which is not available from the list of registered suppliers. The suggested sources/suppliers shall be considered for sending enquiries as given by the Indentor.

4.1.2.4 When MIDHANI's customer has specified the specific item/ service to be purchased from the specific source.

4.1.2.5 When MIDHANI on its own wants to go for Limited Tender because of the nature and / or secrecy involved.

4.1.2.6 The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.

4.1.2.7 Government policy designates procurement from specific agencies.

4.1.2.8 **Time allowed for receiving quotations against limited tenders will be minimum 21 Days. However, this time can be further reduced in case of urgent requirement with approval of HOD (Purchase). However, Tender notice period shall not be less than 10 days. In cases where tenders to be floated with less than 10 days, approval of Chairman & Managing Director shall be obtained with proper justification. In cases where no offers or single offer is received on due date, HOD (Purchase) will decide in consultation with Indenting Department whether due date needs to be extended for generating fair competition, accordingly such tenders/quotations will be obtained on extended due date.**

In case any registered supplier/established supplier/supplier of repute requests for extension of due date, requests received atleast before 3 days of due date shall only be considered in consultation with Indenting Department.

In case response is received from all the parties to whom Tender notice has been sent, the bids may be processed further without waiting for the time period specified in the Tender to lapse after intimating to all the bidders.

NOTE: In all cases of **Limited Tenders (LTE)**, intimation to be given to all the suggested sources through e-mail with 'Delivery Confirmation'. All proofs regarding e-mails sent to be kept in the case file. In case of enquiry sent through Airmail/Courier, tracking numbers shall be placed in the case file.

4.1.2.9 To ensure adequate competition and price advantage, limited tenders should be addressed to as many sources as possible, but not less than 5. Where the number of available sources of supply is less than 5, the suppliers to be addressed may be reduced with the approval of D (P&M).

4.1.2.10 For all Limited Tender Indents upto Rs. 5,00,000/- in each case refer clause no. 4.1.5 for procedure to be followed in GeM.

4.1.3 SINGLE TENDER ENQUIRY (STE):

4.1.3.1 Procurement from a single source may be resorted to in the following circumstances: -

- i. In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- ii. For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.
- iii. When MIDHANI's customer has specified the specific item/ service to be purchased/ obtained from the specific source.
- iv. For developmental orders placed on new sources.
- v. When it is necessary due to specific technical reasons or operational urgency. Reasons to be recorded in writing.

4.1.3.2 In single tender method, the sources of supply should be reviewed periodically so as to get the best price advantage.

4.1.4 PROPRIETARY PURCHASE:

Procurement from a single source on proprietary basis may be resorted to in the following circumstances: -

4.1.4.1 In case only a particular firm is the manufacturer of the required goods.

4.1.4.2 Certificate that the case is proprietary in nature, is to be recorded on the MPR by the competent authority (As per **Appendix -3**).

Proprietary Article Certificate (PAC) as per format at Appendix – 3, shall be enclosed to Indent.

- 4.1.4.3 Proprietary items shall be purchased only from a nominated Manufacturer or its authorized dealer as recorded in the PAC certificate.
- 4.1.4.4 In cases of Proprietary items, Enquiry to be sent either to Manufacturer (or) Authorized Stockiest / Distributor (or) to both as mentioned in PAC. However, in case if offers received from both, offer received from Manufacturer shall only be considered. This condition needs to be stipulated in Tender document.

Note: All Manual Limited Tenders, Single Tenders, Proprietary Tenders except those that are strategic / confidential in nature and above Rs. 5 lakhs value, shall be published at MIDHANI website and CPPP. (LTE/STE/PTE published in e-Procurement portal of NIC are being redirected to CPPP portal)

4.1.5 PROCUREMENT THROUGH GEM (excluding for Spot Purchase and Emergency Purchase):

- 4.1.5.1 The Procurement of Goods and services by Ministries or Departments is mandatory for Goods and services available on GeM as per Rule 149 of GFR, 2017.
- 4.1.5.2 Procurement of any Goods on GeM portal shall be as per MIDHANI Procedure for Procurement of Goods and as per the extant guidelines issued by the Govt of India from time to time.
- 4.1.5.3 The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under inline with Dept of Expenditure OM No's. F.1/26/2018-PPD dated 02.04.2019 & F.1/26/2018-PPD dated 09.08.2021 and subsequent guidelines issued from time to time:-
 - i) **Up to Rs.25,000/-** through any of the available suppliers on the GeM, meeting the requisite quality, specification, and delivery period (in case of procurement of Automobiles only the ceiling of direct purchase will be Rs.30 lakh instead of Rs. 25,000);
 - ii) **Above Rs.25,000/- and up to Rs.5,00,000/-** through the GeM Seller having lowest price amongst the available sellers (excluding Automobiles where current limit of 30 lakh will continue), of at least three different manufacturers on GeM, meeting the requisite quality, specification, and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs 5,00,000.
 - iii) **Above Rs.5,00,000/-** through the supplier having lowest price meeting the requisite quality, specification, and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding Automobiles where current limit of 30 lakh will continue).
 - iv) GeM Portal: <https://gem.gov.in>. Detailed instructions for user organization registration, supplier registration, listing of products, terms and conditions,

online bidding, reverse auction, demand aggregation, call centre, etc. are available on this portal.

NOTE: Automobiles include Motor Cycles, Cars and Utility Vehicles, Trucks, Tractors, Ambulances, Buses, Chassis for large, medium and heavy industries, Troop carrier, Water tanker.

4.1.7 Eligibility Criteria in cases of Open Tenders (including GeM Tenders) above Rs. 40 lakhs / Expression of Interest (Eoi) is placed at APPENDIX – 34.

5.0 SPOT PURCHASE AND EMERGENCY PURCHASE

5.1 SPOT PURCHASE

- i. Spot purchase from the local markets or markets in outstations in case of non-availability of stores, are to be authorized by Competent authority as below:

| Sl. No | Value of the Indent in each case | Approving Authority |
|--------|--|---------------------|
| 01 | Upto Rs. 1,00,000/- | Functional Director |
| 02 | Above Rs. 1,00,000/- upto Rs. 2,50,000/- | C & MD |

- ii. Purchase of single items up to Rs. 5,000/- may be made after making telephonic/verbal enquiries. This is called as Petty Purchase. The amount can be adjusted from the imprest amount available with Purchase Department.
- iii. **Purchase above Rs.5000/- in each case but not exceeding Rs. 2,50,000/-: Three (03) minimum quotations to be obtained. In case 3 quotations are not available, justification to be given and approval to be taken from the Indent approving authority by the Spot Purchase committee.**
- iv. **Payments exceeding Rs.10,000/- shall be through Cheque/ DD / Other electronic or Digital modes only.**
- v. The spot purchases above Rs. 5,000/- as indicated above shall be made by a team of Officers consisting of members from Purchase, Finance, Indent dept to be decided by the authority competent to sanction purchase, but not below the rank of Deputy General Manager (Purchase) / HOD (Purchase).
- vi. Purchase in all the above cases should be made taking into account price, quality, delivery requirements etc. preferably from vendors registered with the company.
- vii. A register/ separate file showing full details of such purchases should be maintained by purchase Department.
- viii. Spot Purchase should not be considered as a normal practice of procurement. Only in case of urgency and for items which cannot be procured by normal tendering process, spot purchase shall be resorted to. Proper justification shall be given for all spot Purchase indents. All Indenting divisions to restrict the spot purchase by planning the procurement in advance.

5.2 EMERGENCY PURCHASE

- i. Provisions for emergency purchase of goods and services have to be kept **to meet the emergency needs of the Plant to keep the flow of production uninterrupted.** In case of goods, such emergency normally occurs when there is no stock in the Stores. Similarly, in case of material subcontracting, such emergency occurs when internal resources are not adequate to take timely action.
- ii. Emergency Purchase shall be operated only for cases above Rs. 2,50,000/-.
- iii. All Emergency procurements to be reported to the Board at its next meeting.
- iv. Annual ceilings as defined in the DoP, subject to overall Budget provision approved by Board.
- v. Further, raising request / Indent to placement of Purchase Order & subsequent receipt entry, payments shall be routed through ERP only.
- vi. In such cases of Emergency Procurement, the following Standard Operating Procedure shall be followed in procurement of Goods/ Material Subcontracting:

A. Purchases above Rs. 2,50,000/- in each case (through tendering):

1. The competent authorities for approving Emergency Purchase Indents shall be as below:

Items to meet the Production Exigencies:

| Sl. No | Value of the Indent in each case | Approving Authority | Remarks |
|--------|---|---------------------|--|
| 01 | Above Rs. 2,50,000/- upto Rs. 5,00,000/- | Director (P & M) | Subject to overall Budget provision as per DoP |
| 02 | Above Rs. 5,00,000/- upto Rs. 10,00,000/- | C & MD | |

2. The following shall be clearly specified at Indent approval stage itself:
 - a. Nature of Emergency, Cause of Emergency Situation and its effect on Production
 - b. Clear specification / Scope of Work.
 - c. Number of sources and names to be indicated and-Justification for Single Source (In case of Single Tender)
 - d. Purchase value (Landed cost of Lowest Budgetary quote /Market rate / LPP)
 - e. Delivery Period & Price basis
 - f. Payment Terms (As far as possible payment shall be made after Delivery of the Goods / Material Subcontracting with User certification).
 - g. The mode of tendering (By email, GeM, etc.,)

Above may be adopted as per the specific requirements of the case and the time available for the placement of order and getting materials/execution of jobs. The mode of tendering shall be indicated in the Indent stage itself.

3. Stores endorsement is not required considering the nature of the procurement. However, Indentor shall certify that necessary verification has been done and there is no stock/work order available of the requisite Goods / Material Subcontracting.
4. Due to the very nature of the requirements which has to be met in the shortest possible time, single part tendering to be followed. Time and Due date for the tendering activity also needs to be indicated in the Indent based on the Emergency.
5. Post receipt of offers after specified due date and time, recommendation of the Indentor may be obtained for placement of Purchase Order. Purchase Order shall be placed only after vetting of Comparative statement by F&A.
6. In case of additional sanction, approval has to be obtained as per approval of Competent Authority defined at A.1 above Table with proper justification and financial concurrence.
7. Placement of order on Single Tender/ single offer basis may be adopted in such situations with proper justification.
8. The materials may be procured from best possible source preferably from vendors registered with the company and jobs be awarded to the reliable material sub-contractor for such emergency procurement/job contract respectively.
9. Bill shall be processed by Finance directly post approval and receipt of Goods / Material Subcontracting. Flow chart of the process is indicated below.
10. Emergency Purchase / Direct Purchase for non-Production items may be resorted to for the following items:
 - i. Welfare / Sports goods.
 - ii. Ceremonial occasions.
 - iii. Goods for Office consumption.
 - iv. Emergency requirement of any item with justification.(This list is only indicative and not exhaustive)

Note: Any deviation in this regard, shall be with the approval of C & MD only irrespective of Value.

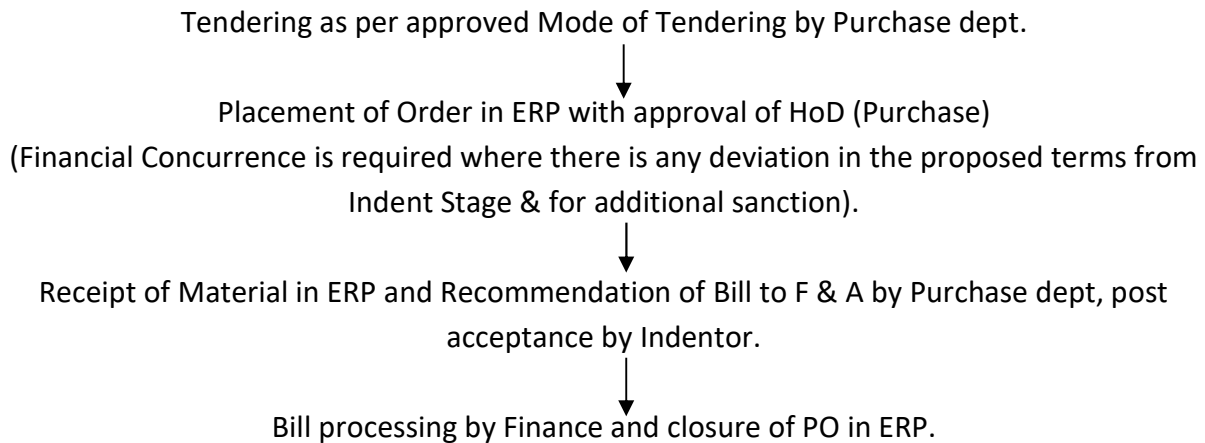
Process flow for Emergency Procurements

Indent shall be raised in ERP and to be attached along with e-Office approval note



Approval of Competent Authority as per A.1 & Financial concurrence in e-Office





- 6.0 As a substitute to frequent tendering, for facilitating timely availability of any Goods / Material Subcontracting, Order placement may also be considered on the basis of following:**
- i) REPEAT ORDER**
 - ii) OPTION CLAUSE**
 - iii) RATE CONTRACT / LONG TERM AGREEMENTS**

6.1 REPEAT ORDER (APPLICABLE FOR ALL REVENUE ITEMS & IN CASE OF CAPITAL EQUIPMENTS SHALL BE RESTRICTED TO ANCILLARY EQUIPMENTS)

Normally, as per the lead-time, prior to expiry of the running supplies / Material Subcontracting, the Indenter has to process fresh MPR. However, due to unavoidable circumstances, if either the Indent is not processed or even after processing the Indent, it is not possible to place fresh order in time, under such circumstances for the Item / Material Subcontracting for which continuity is essential, it may be necessary to place repeat order on existing party. After recording the reasons leading to placement of repeat order, the proposal for repeat order on same terms, conditions and specifications may be considered subject to satisfactory performance on the following:

- i) The original Purchase Order must have been placed in the usual course of tendering. Emergency orders shall not be considered.
- ii) Repeat Order shall permitted only once upto 100% of original Purchase Order quantity within two years from the date of Original Purchase Order and completion of original Purchase Order supplies, subject to no downward trend in prices.
- iii) The Sanctioning Authority for Repeat Order shall be the same Authority who approved the Original Purchase Order.
- iv) Only one Repeat Order is allowed.
- v) It should be ensured that there is no downward trend in prices.
- vi) Repeat Order in cases of Ancillary equipment, shall be subject to Budget provision.

The following clause needs to be incorporated in NIT/Tender document:

“The Purchaser may issue Repeat Order increasing the quantity upto 100% of original Purchase Order quantity within two years from the date of Original order and

completion of original Purchase Order supplies, subject to no downward trend in prices by giving reasonable time / notice to the Supplier.”

6.2 OPTION CLAUSE (APPLICABLE FOR ALL REVENUE ITEMS)

The Purchaser may issue amendment to increase the ordered quantity by up to 25% percent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period).

Conditions Governing Operation of Option Clause are:

- (i) It should be ensured that there is no downward trend in prices of the subject material;
- (ii) The option clause is normally exercised after receipt of 50 (fifty) per cent quantity but if the delivery period is going to expire and other conditions are fulfilled, it can be exercised even earlier;
- (iii) The option clause shall be exercised during the currency of the contract such that the contractor has reasonable time/notice for executing such an increase and can be exercised even if the original ordered quantity is completed before the original last date of delivery. If not already agreed upon, the delivery period shall be fixed for the additional quantity on the lines of the delivery period in the original order. This will satisfy the requirement of giving reasonable notice to the supplier to exercise the option clause;
- (iv) The quantum of the option clause will be excluded from the value of tenders for the purpose of determining the level of Competent Authority in the original tender;
- (v) There should be no option clause in development orders;
- (vi) This provision can also be exercised in case of PAC/single supplier OEM cases; and
- (vii) However, where parallel contracts on multiple suppliers are available, care should be taken in exercising the option clause, so that the original tender decision of splitting quantities and differential pricing is not upset or vitiated. Other things being equal, the supplier with the lower rate should first be considered for the option quantity.
- (viii) In case of decrease in the ordered quantity, it would be based on mutual consent;
- (ix) Sanction of Competent Authority for placing a Purchase Order under Option Clause shall be as per DoP considering the Total Value i.e., “Original Purchase Order value + Additional value”.
- (x) Non-agreement of Option clause by the bidder in the tender stage shall not result in disqualification of bid.

The following clause needs to be incorporated in NIT/Tender document:

“The Purchaser may issue amendment to increase the quantity up to 25% of the ordered quantity on the same price and terms and conditions with mutual consent during the

currency of the contract i.e., till Final Delivery date / extended Delivery date, by giving reasonable time / notice to the Supplier.”

6.3 RATE CONTRACT / LONG TERM AGREEMENT:

As a substitute of frequent tendering, it is recognized that it is often advantageous on commercial as well as technical grounds to finalize orders on Rate Contract basis for items / Material Subcontracting which are procured / executed either regularly or repetitively and for items of proprietary nature. The Rate Contract is finalized where the total annual requirement of such items / quantum of such jobs is large but not fixed. For entering into Rate Contracts / Long Term Agreements, the mode of tendering to be followed is to be decided based on nature of item / job, available sources etc., Thus, Rate Contract / Long Term Agreements enquiries may be either by Open / Limited / Single tender depending upon the nature of item / job as mentioned at clause no. 4.0 above.

SECTION IV: TENDERING PROCESS

7.0 METHODS FOR CALLING TENDER

The following methods shall be adopted for calling of tenders:

- i) Single Part tendering,
- ii) Two part tendering.

Standard Forms of Tenders are enclosed at Appendix 4 to Appendix 7 and Appendix 25 (Revised as per latest Policy Guidelines)

7.1 Single Part tendering:

7.1.1 **Single Bid system:** For stores available commercially off-the-shelf (COTS), where qualitative requirements and technical specifications are clear, single commercial bid system may be followed.

This system may also be followed for other procurements of non-complex nature. No sample should be called for in single bid system at the Tender stage. Single part tendering involves calling for tenders in one part: Single tender comprises Techno Commercial as well as the Price.

The bid (technical + commercial + financial /price) shall be sealed by the bidder in a single cover duly super scribed (tender reference no. and the date of opening)/submitted through E Procurement as per procedure indicated at Clause 52.0.

7.2 Two part tendering (Applicable for tenders with Estimated Value more than Rs. 10 Lakhs):

7.2.1 Two bid system: For purchasing high value plant, machinery, equipment, materials, consumables, services, spares, IT and communication systems and for turnkey projects, etc., which are of a complex and technical nature or for procurement of items which have indeterminable parameters, such as shade, tone, make-up, feel, finish and workmanship, etc., bids should normally be obtained in two parts as follows. The Request For Proposal (RFP) format is enclosed at **APPENDIX- 25:**

- a) Technical bid consisting of all technical details along with commercial terms and conditions along with EMD (if any), Integrity Pact (if any); and
- b) Financial / price bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid (technical + commercial) and the financial /price bid shall be sealed by the bidder in separate covers duly super scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed (tender reference no. and the date of opening)/submitted through E-Procurement as per prevailing procedure. The technical bids are to be opened by in the first instance and evaluated. At the second stage, financial/ price bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract/ Order.

- 7.2.2 In cases of Material Subcontracting, generally the Technical / Commercial terms need to be negotiated. Therefore, for all such job contracts, two part bid shall be invited.
- 7.2.3 Specific Requirements i.e., RFI/EOI, Pre-bid meeting etc.,:
- 7.2.3.1 RFI/ EOI: Where equipment / plant to be procured is a complex nature and full knowledge of the various Technical solutions available in the market is not known, the broad objectives, constraints etc. shall be published by calling for RFI / EOI and on receipt of EOI, Technical discussion / presentation may be held with short listed manufacturers and suppliers, who are prima facie considered technically and financially capable of supplying the material or executing the proposed work. During this Technical discussion stage, other stake holders may also be added in the discussions who could add value to the decision making on the various aspects and evaluation criteria. Based on the discussions/ presentations so held, one or more acceptable Technical solutions could be decided upon laying down detailed Technical specifications for each acceptable Technical solution, quality bench mark, warranty requirements, delivery mile stone etc., in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specification generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussion / presentations and the process of decision making shall be kept.
- 7.2.3.2 Indentor has to clearly indicate the requirement of RFI/ EOI and Pre-qualification bid (if required) in the Indent.
- 7.2.3.3 Once the Technical specification and evaluation criteria are finalized, two part tendering shall be taken up. The Tender format is enclosed at **Appendix – 25**.

8.0 INVITATION TO TENDER

- 8.1 Invitation to Tender shall be issued on obtaining the approval of Competent authority i.e., HOD (Purchase) for all Tenders.
- 8.2 Invitation to tender should be issued in the prescribed form and Invitation to tender shall be accompanied by the relevant general conditions of contract.
- 8.3 Standard forms of invitation to tender and General Condition for contract are prescribed for each of the above types of invitation to tender and these should be used as a set while calling for tenders. Changes if any in standard forms of Invitation to Tender and General Conditions of Contract should be legally vetted. These documents are appended as detailed below.

| | | |
|----------|---|-------------------|
| 1 | Invitation to Tender | Appendix-4 |
| 2 | Terms and Conditions of the Tender: General – For all Procurements | Appendix-5 |

| | | |
|----------|---|----------------------|
| 3 | Terms and Conditions for (a) Indigenous Supplies (b) Import Supplies (c) Material Subcontracting / Off-loading | Appendix-6 |
| 4 | Other Standard Annexures to Tender (a) Procedure for Submission (Manual) (b) e-Procurement Terms and Conditions (c) e-Auction terms and Conditions | Appendix-7 |
| 5 | Request for Proposal (For High Value Equipment where Contracts are to be signed) | Appendix - 25 |

8.4 All invitation to tenders shall be issued by Registered post/speed post/courier/fax/mail/ company website and whichever is applicable.

9.0 GENERAL INSTRUCTIONS FOR TENDER

The following general instructions are to be followed for all types of tenders as applicable:

- 9.1** Tender closing date and time, tender opening date and time and in case of Open tender, “opening of tenders in the presence of tenderers” should be clearly indicated.
- 9.2** All enquiries must contain clearly written specification / description / Drawings with quality / quantity and delivery schedule.
- 9.3** Conditions for levying liquidated damages, risk purchase clause as applicable should be clearly indicated.
- 9.4** A comprehensive list of standard commercial terms and condition must be annexed with the enquiry, inviting specific confirmation on each front.
- 9.5** The tender documents in all such cases include a clause that price negotiation may not be carried out with the parties and contract/Purchase Order is likely to be awarded to the lowest tenderer, if the offer is Technically acceptable and the prices are found to be reasonable.
- 9.6** Distribution of quantities due to critical or vital nature of the item shall be pre disclosed at the tendering.
- 9.7** Where quantities are to be distributed to multiple parties, the other parties L-2, L-3, L-4 need to match the L-1 price. The matching of prices, to avoid placement of order on differential price, shall not be treated as counter offer or negotiation.
- 9.8** The purchases should preferably be made directly from the manufacturers. Either the Indian Agent on behalf of the Foreign principal or the Foreign principal directly could bid in a tender but not both. Further, in cases where

an agent participates in a tender on behalf of one manufacturer, he should not be allowed to quote on behalf of another manufacturer along with the first manufacturer in a subsequent / parallel tender for the same item.

9.9 The tenderer has to specify the residential status for the purpose of Income Tax, in case of Import bids.

9.10 While floating the tender, Purchase Department shall check the enquiry/ tender in all respects as per Checkpoints at **Appendix - 22**.

9.11 In cases where less than 3 offers are received as on due date, MIDHANI reserves the right to extend the due date without any prior notice to the Vendors who have participated.

9.12 MIDHANI shall not send the tender enquiry to such firm(s) which in the opinion of MIDHANI is/are a potential competitor to MIDHANI. Further, at any point of time MIDHANI believes that the bidder/supplier would become a potential competitor, then MIDHANI reserves the right to terminate the agreement and would reserve the right of not sending tender enquiry subsequently to that firm.
SOP for dealing Strategic / Confidential procurements in MIDHANI is at **Appendix-31** to Purchase Policy & Procedures.

9.13 For Reverse Auction / Tender cum Auction, please refer clause no. 11.3 below.

10.0 INTEGRITY PACT

For all MPRs & CPARs of estimated value Rs. 40 Lakhs (approved value) and above or as directed by Competent Authority from time to time, the tenderer(s) / contractor(s) has to enter into an "Integrity Pact" with MIDHANI. A copy of the Integrity Pact duly signed by the authorized signatory on behalf of MIDHANI has to be enclosed with the tender/ bid document. All bidders shall submit the signed Integrity Pact along with Techno-Commercial bid. If the signed Integrity Pact is not found enclosed, such offers are liable for rejection. (Integrity Pact format at **Appendix – 20**).

In cases where Indent value is less than the Threshold value (currently Rs. 40 lakhs) and the L-1 price (found after price bid opening) is above the Threshold value i.e., Rs. 40 lakhs, Purchase department should obtain the signed Integrity Pact from bidders (on whom Purchase Order / Contract is being placed) before placement of Purchase Order / Contract.

11.0 E- PROCUREMENT

11.1 Introduction:

e-Procurement is to facilitate the bidders for easy submission of their bids and to bring more transparency and reduce cycle time.

11.2 Departmental User Registration:

Creation of Tenders: Tender is to be created and hosted in the e-Procurement portal by Purchase Department in the system.

Selection of Vendors: The procurement officer has to select the vendor(s) already registered in the e-procurement portal with DSC in case of Limited / Proprietary/single tenders based on list of vendors in approved MPR/CPAR and registered vendors.

Tender Inviting Authority (TIA): TIA will create Tender documents, standard templates, upload the documents, vendor selection, Tender modification and corrigendum (Purchase officer).

Tender Opening Authority (TOA): Tender Opening Authority shall have encryption key which will be used for decrypting the bids (Purchase Officer & Finance Officer).

Tender Opening Committee (TOC): Tender opening committee shall have DSC for tender opening. Opening will be done by Purchase and Finance Dept. All Technical and Financial evaluations of documents shall be as per the existing procedure.

11.3 Scope of e-Procurement

The e-Procurement & Reverse Auction shall be followed for all Tenders except for the following tenders:

a) In cases where National security and strategic consideration demands confidentiality, shall be exempted from e-Procurement with approval of Chairman & Managing Director.

b) In Procurement from Foreign sources (as per (i) and (ii) below), wherein the suppliers are not participating due to requirement of class III DSC

(i) Hybrid procurements through Limited tendering where enquiries are to be sent to both Indigenous and Foreign Suppliers.

(ii) Advertisement open tenders where possibility of participation of foreign suppliers exists.

c) Tenders floated in GeM.

For processing any other tenders in manual mode other than the cases mentioned above, approval has to be obtained with proper justification as below:

- From HOD (Purchase) for cases below Rs. 5 Lakhs,

- From D(P&M) for cases above Rs. 5 lakhs to Rs. 50 lakhs and

- From C& MD for cases above Rs. 50 Lakhs.

d) Reverse Auction is applicable for tender with estimated value more than Rs. 10 lakhs.

Note: For conducting Multi Currency bidding with Reverse Auction a separate SOP has been made and placed at Appendix - 29. Terms and Conditions for Tender cum Auction are at Appendix – 7.

12.0 PAYMENT TERMS

12.1 INDIGENOUS PAYMENT TERMS

12.1.1 In the case of Inspection at destination, the terms of payment should normally be 100% against the party's invoice within 30 days from the date of receipt of material at the site in satisfactory condition and acceptance thereof, wherein Installation/Commissioning is not involved.

In cases where Installation/Commissioning is involved, acceptance is based on successful Installation/Commissioning. subject to acceptance. In cases where Installation/Commissioning is involved, acceptance is based on successful Installation/Commissioning.

12.1.2 100% payment against Proforma Invoice in exceptional cases against collection / receipt of material and certification by Indentor.

12.1.3 For Equipment (of value above Rs. 10 lakhs and less than Rs. 2 crore):

For SUPPLY: 70% value along with 100% Taxes against receipt of equipment in MIDHANI after PDI Pre-Dispatch Inspection at supplier's works and 30% against acceptance and PBG for 10% value of the order valid till Guarantee period (if applicable). Payments shall be released on completion of total supplies as per Purchase Order and no part payment shall be released.

For Service (Erection and Commissioning, if applicable): 70% shall be against Commissioning on Indentor's certification and 30% against submission of PBG for 10% value of the order valid till Guarantee period (if applicable). Taxes shall be paid as applicable against each Invoice.

Balance 30% payment of both supply and service shall be done after acceptance of the material at our end, successful commissioning and against submission of Performance Bank Guarantee (PBG) for 10% value of the order valid till Guarantee period (if applicable). (Bank Guarantee format at **Appendix – 16a**)

Note: All payments shall be processed within 30 days from the date of receipt of necessary documents or date of receipt and acceptance of Goods/Services whichever is later.

12.2 For Major Equipment valuing more than Rs. 2.0 Crores, payment terms may be normally as follows:

MANUFACTURE & SUPPLY:

The terms of payment shall be hereunder:

- (i) Ten (10) percent of the Contract price for supplies (excluding taxes and duties) on
 - a. Signing of Contract,
 - b. Furnishing of Security Deposit as per Contract,
 - c. Submission of invoice in triplicate and Submission of Bank guarantee of similar amount from a Nationalized Bank/ Scheduled Commercial Bank

encashable at Hyderabad, INDIA in the prescribed proforma for advance payment along with 14% interest per annum valid till FOR supply of last consignment.

(Bank Guarantee Format at **Appendix – 17**)

- (ii) Ten (10) percent of the Contract price for supplies (excluding taxes & duties) on
 - a. Submission of invoice in triplicate
 - b. Submission of Bank guarantee of similar amount from a Nationalized Bank/ Scheduled Commercial Bank encashable at Hyderabad, INDIA in the prescribed proforma for advance payment along with 14% interest per annum valid till FOR Supply of last consignment by the supplier.
 - c. Furnishing of the following specified documents and drawings.

(Bank Guarantee Format at **Appendix – 18**)

- (iii) Fifty (50) percent of the Contract price for supplies with 100% Taxes & Duties of each and every part dispatch of equipment in lots by supplier payable against presentation of necessary documents as mentioned in Contract against FOR Purchaser's Site dispatch.

In case of multiple lots, number of lots to be jointly decided. Payment of each installment against each lot shall be made against submission of Bank Guarantee (Bank Guarantee Format at **Appendix – 19**) of equal amount, valid till last FOR Purchaser's Site Supply.

- (iv) Twenty (20) percent of the Contract price for supplies (excluding taxes and duties) after completion of erection and commissioning & issue of Provisional Acceptance Certificate (PAC) by Purchaser on submission of invoice in triplicate and certificate issued by Purchaser on "Site cleaning.
- (v) The last Ten per cent (10 %) of the Contract price for supplies (excluding taxes and duties) after
 - a. Submission of invoice in triplicate
 - b. Submission of Final Acceptance Certificate (FAC) issued by the Purchaseror

Submission of Bank Guarantee from a Nationalized Bank/ Scheduled Commercial Bank encashable in Hyderabad, INDIA for Ten (10) percent of Total Contract price (excluding taxes and duties) in the prescribed format given at **Appendix – 16(a)** here of valid for twelve(12) months from the date of Provisional acceptance certificate (PAC).

COMPLETE ERECTION, START-UP AND PUTTING INTO COMMISSIONING:

The terms of payment shall be hereunder:

- (i) Ten (10) percent of the Contract price for erection & commissioning shall be paid on the opening of crates and packing cases to the extent required to start erection, inspection of equipment, repair and replacement if necessary and transportation of equipment to the erection site.
- (ii) Forty (40) percent of the Contract price for erection & commissioning shall be paid on the checking of foundation, including final adjustment of foundation, pre-assembly of equipment if necessary and placing of equipment on foundation.
- (iii) Forty (40) percent of the Contract price for erection & commissioning shall be paid on final alignment, lining, leveling, grouting and connecting-up electric power supply, water and utilities
- (iv) Ten (10) percent of the Contract price for erection & commissioning shall be paid on issue of Provisional Acceptance certificate (PAC).

NOTE: GST for “Supervision, Erection, Start up and putting into commissioning” shall be paid as and when Invoice is raised.

(OR)

FOR SUPPLY: 70% value along with Taxes and Duties against receipt of equipment in MIDHANI after pre-dispatch inspection at supplier’s works.

FOR SERVICE (ERECTION AND COMMISSIONING, IF APPLICABLE): 70% value along with 100% taxes against successful commissioning on Indentor’s certification.

Balance 30% payment of both supply and service shall be done after acceptance of the material at our end, successful commissioning and against submission of Performance Bank Guarantee (PBG) for 10% value of the order valid till Guarantee period (if applicable). (Bank Guarantee format at Appendix – 16a)

Note: All payments shall be processed within 30 days from the date of receipt of necessary documents or date of receipt and acceptance of Goods/Services whichever is later.

SPARES FOR TWO YEAR OPERATIONS:

- (i) Eighty percent (80%) of the value of Spares plus 100% of Taxes & Duties against the presentation of necessary documents proving that the goods are delivered FOR Site /FOB supply a single lot.
- (ii) Twenty (20%) of the value of Spares and Special tools ordered after issue of Provisional Acceptance Certificate (PAC).

Note: All payments shall be processed within 30 days from the date of receipt of necessary documents or date of receipt and acceptance of Goods/Services whichever is later.

Note: The same payment terms may be allowed for International suppliers also.

12.3 GEM Tenders: Payment Terms in case of GEM Tenders to be as per GEM standard terms and conditions (as per Government Guidelines). However, Payment terms as per MIDHANI Procurement Manual will be incorporated at tendering stage on case-to-case basis.

12.4 ADVANCE PAYMENT

12.4.1 Advance payment should be avoided as far as possible. Where such payments are to be made in exceptional cases should be against Bank Guarantee from a Nationalized Bank/ Scheduled Commercial Bank encashable at Hyderabad, INDIA. Further, such advance payments shall be interest bearing generally with interest @ 14% per annum (Bank Guarantee format at **Appendix – 17**)

If the supply is not completed as per delivery schedule, a suitable clause for interest @ 14% per annum on the extended delivery period should be incorporated.

Any deviation in this regard shall be with the approval of C & MD.

12.4.2 Advance payment without any Bank Guarantee in case of Procurement of special / proprietary spares and consumables, etc. will be as per DOP.

12.5 PAYMENT AGAINST IMPORT SUPPLIES

Import Supplies including Import Capital Goods valuing less than Rs. 2 crore: Through Irrevocable Letter of Credit/CAD through Bank, 30% payable against shipping document as mentioned at (i) below and balance 70% payable against acceptance documents mentioned at (ii) below. Clear instruction shall be given by the supplier to the bank to forward the following documents without any delay to MIDHANI's bank as advised by Finance dept of MIDHANI.

For Service: Through Cash Against Documents (CAD) on submission of specified documents, 80% payable against successful commissioning after Indentor's certification and balance 20% after submission of Performance Bank Guarantee for 10% order value till guarantee period (if applicable).

(i) Documents required for 30% payment:

The tenderer shall be confirming that in the event of order that the following documents will be furnished for each lot / consignment for purposes for payment, **without fail:**

- Clean on Board Bill of Lading / Airway bill as defined in Incoterms 2010 – 2 negotiable and 2 non negotiable copies,
- **Signed Invoice indicating the supplier's Bank details** for the goods dispatched - 4 copies (In case supplier is unable to submit the Signed Invoice incorporating the Bank details, then supplier shall submit the Bank details on their company official letterhead and original document to be submitted along with other shipping documents to Bank & MIDHANI),
- Certificate of Origin – 2 copies,
- Packing List – 5 copies,
- Test / Manufacturer's Certificate – 4 copies,
- Fax/e-mail intimation particulars regarding shipment sent to our Insurer – 2 copies,
- Insurance Certificate (If Applicable) – 2 Copies.

(ii) Documents required for claiming balance 70% payment:

- Final acceptance certificate (FAC) issued by MIDHANI in original.
- NOC from MIDHANI for releasing balance payment after recovery if any.
- Performance Bank Guarantee for 10% Order value (including Erection & Commissioning charges) valid till Guarantee period (if applicable).

Detailed Format for arriving at Landed Cost in case of Imports is at **Appendix 28.**

In case of any acceptable commercial deviation, MIDHANI may evaluate the prices with appropriate loading at One year MCLR rate + 0.5% of SBI prevailing on the date of Technical bid opening." Supplier is to be intimated with respect to the loading.

12.6 MODE OF PAYMENT:

12.6.1 For Import Suppliers: Purchaser shall make payment through Irrevocable Letter of Credit or CAD through Bank. (Bank Charges in India to MIDHANI's account and outside India to Supplier's account.)

12.6.2 For Indigenous Suppliers: All Payments shall be made through RTGS/NEFT. In Exceptional cases, through Bank DD.

13.0 EARNEST MONEY DEPOSIT

- a. All Central PSU's & Government departments / Authorities as well as Original Raw Material Manufacturers (If OEM directly participates in the tender) may be exempt from submission of EMD in all tenders. The same is to be mentioned in the Tender documents.
- b. For all cases where the estimate is below Rs. 25 lakhs, EMD is not applicable.
- c. No EMD shall be applicable for Proprietary / Single Tender cases.
- d. In case of EMD received from a foreign bidder in foreign currency, at the time of refund, same amount in foreign currency to be refunded as was originally received. Exchange fluctuations for the intervening period shall be to MIDHANI's account. All bank charges within India shall be to MIDHANI's account.
- e. In all cases where EMD is exempted, in case of failure of the bidder to accept / execute the contract, the bidder shall not be permitted to participate in the re-tender for the same item. Suitable penal action in accordance with other provisions of the Purchase Policy shall also be applicable.
- f. Exemption of Earnest money Deposit (EMD) shall be provided to original Raw Material Manufacturer only if they participate directly.
- g. Exemption of Earnest Money Deposit (EMD) shall be provided to MSE Bidders with valid documentary proof as per Government Guidelines issued from time to time.

EMD shall be as per table in the form of Demand Draft or Bank Guarantee or payment through online with proof there of alongwith bidder's offers.

In case of Bank Guarantee submitted,

In Indian Currency - from a Scheduled Bank encashable at Hyderabad.

In Foreign Currency – Counter Guarantee from any Scheduled Bank encashable in Hyderabad, India.

EMD if submitted in the form of Bank Guarantee, format enclosed at Appendix- 15.

| Estimated value of Tender (Rs) | EMD amount (Rs) |
|--------------------------------|-----------------|
| 25 Lakhs – 50 Lakhs | 60,000 |
| 50 Lakhs – 100 Lakhs | 1,00,000 |
| 100 Lakhs – 250 Lakhs | 2,00,000 |
| 250 Lakhs – 1000 Lakhs | 10,00,000 |
| 10 Crores – 50 Crores | 15,00,000 |
| 50 Crores – 100 Crores | 25,00,000 |
| More than 100 Crores | 50,00,000 |

Note: For Import tenders, EMD amount equivalent to INR shall be applicable.

14.0 SECURITY DEPOSIT

- a. In the case of, all Open Tenders (OTE) & Limited Tenders (LTE) Security Deposit (SD) shall be 10% of Contract / Purchase Order value (or) as per Government guidelines from time to time.
- b. All Central PSU and Govt. departments may be exempt from submission of SD in all tenders. The same shall be mentioned in the Tender documents.
- c. No SD shall be applicable for Proprietary / Single Tender cases.
- d. No SD shall be applicable for original Raw Material Manufacturer only if they participate directly.
- e. Tenders to stipulate that in case SD is not submitted within 21 days from the date of Purchase Order, interest @ 12% p.a. shall be levied for the period of delay beyond 21 days. In case a higher period is prescribed in the Tender / P.O. for submission of SD, interest will be applicable for the delay beyond the period so specified. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor. Interest shall also be applicable for delay in submission of SD in the form of BG .
- f. In case of Contracts where LOI/LOA is issued, Security Deposit shall be submitted within 21 days after issue of LOI/LOA and placement/signing of Contract shall be only after submission of SD. However, Delivery Period shall start from the date of issue of LOI/LOA.
- g. In case the supplies are completed within the period specified for submission of SD and the same are subsequently accepted by MIDHANI, no SD or Interest shall be applicable.
- h. In all cases where SD is exempted, in case of failure of the bidder to accept / execute the contract as per agreed terms, the bidder shall not be permitted to participate in the re-tender for the same item. Suitable penal action in accordance with other provisions of the Purchase Policy shall also be applicable.
- i. In case of High Sea Sales, since the payment of Customs Duty is by MIDHANI, the High Sea Sales agreement will be signed only after submission of SD as per the provisions of the Contract / P.O.
- j. Customs duty shall be paid by MIDHANI in case of delay/non-receipt of Security Deposit. In such cases, Interest shall be deposited by the supplier / contractor or recovered from any amount due to the supplier / contractor.

Security Deposit shall be given in the form of Demand Draft or Bank Guarantee or payment through online with proof thereof.

In case of Bank Guarantee submitted,

In Indian Currency - from a Scheduled Bank encashable at Hyderabad.

In Foreign Currency – Counter Guarantee from any Scheduled Bank encashable in Hyderabad, India.

SD if submitted in the form of Bank Guarantee, format enclosed at **Appendix- 16**.

15.0 TAXES AND DUTIES

- 15.1 Taxes and duties are payable only if it has been clearly indicated in the quotation and provided for in the Purchase Order. The nature of duties and applicable percentages thereof and the items on which such duties are leviable should be clearly ascertained

before conclusion of orders/contracts and incorporated in the same. Payment of Taxes and other duties should be allowed only as applicable at sale point and on production of documentary evidence. Statutory variation during the extended delivery period should be rejected.

- 15.2 The purchase order/contract should specify the exact rate of Taxes & Duties as applicable.
- 15.3 Statutory variation in the rate of taxes & duties during the contract period may be accepted. If the increase takes place during the extended delivery period on account of supplier's delay, such increase should be rejected. In case of decrease, actuals only be reimbursed.
- 15.4 Purchase department should clearly identify in the purchase order/contract, availability of Input Tax Credit (ITC). This is required to ensure availing ITC benefit without fail.
- 15.5 Where the purchase is customer funded, the same should be clearly brought out on the face of the P.O. (except on suppliers copies) to this effect in order to facilitate proper accounting of the same by various departments.

16.0 NON-DISCLOSURE AGREEMENT (NDA)

For MPRs & CPARs where Confidential information is required to be disclosed in the Tender document, the tenderer(s)/ contractor(s) has to enter into a "Non-Disclosure Agreement (NDA)" with MIDHANI. A Format of NDA (To be provided by User Department) signed by the authorized signatory on behalf of MIDHANI. All bidders shall submit the signed NDA prior to issue of tender. If the signed NDA is not submitted by tenderer(s)/contractor(s) within stipulated time, those tenderer(s)/contractor(s) shall not be considered for issue of tender enquiry.

17.0 AGENTS / AGENCY COMMISSION:

The Seller confirms and declares to the Buyer that the Seller is the Original Manufacturer or authorized distributor / stockiest /representative of Original Manufacturer of the stores referred to in this Contract and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Buyer or any of its functionaries, whether officially or unofficially, to the award of the contract / Purchase order to the Seller; nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The Seller agrees that if it is established at any time to the satisfaction of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the Seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract / Purchase Order, the Seller will be liable to refund that amount to the Buyer. The Seller will also be debarred from participating in any RFQ / Tender for new projects / program with Buyer for a minimum period of five years. The Buyer will also have a right to consider cancellation of the Contract either wholly or in part, without any entitlement or compensation to the Seller who shall in such an event be liable to refund all payments made by the Buyer in terms of the Contract

along with interest at the rate of 2% per annum above Prime Lending Rate of the Foreign currency quoted by vendor (for Foreign vendors) and MCLR of SBI plus 2% (for Indian vendors). The Buyer will also have the right to recover any such amount from any contracts concluded earlier with Buyer.

SECTION V: TENDER RECEIPT, OPENING AND SCRUTINY

18.0 RECEIPT OF TENDER

18.1 The representatives of the tenderers who submit tenders in person should be asked to drop the tenders in the tender box/through online (in case of e Procurement). Tenders received by post should also be kept in the tender box by Purchase department. If any tenders are received without reference to the tender number and date of opening and are therefore opened in the normal course in the office, the same should be put in a cover and sealed and authenticated by the Officer opening the tender duly superscribing the tender number and date of opening on the envelope. The person who opens the tender as above will indicate reasons thereof on envelope. The name of the tenderer should also be mentioned on the envelope.

A Tender Opening Committee (TOC) shall be constituted consisting of officers one each from Finance and Purchase besides. All tenders irrespective of the value may be opened by the TOC in the presence of tenderers who might choose to be present at the time of opening of the tenders and an indication to that effect made in the notice inviting such tenders/through e Procurement.

18.2 Tenders should be received in closed envelope only. However, if tenders are received in the form of E-Mail, then it will be at tenderer's risk. The tenderer also has to ensure that submission of tender is made with signed scanned copy. The same shall be considered along with other tenders on respective due date and same shall be recorded in the Tender Opening form.

18.3 In the case of multi bid system, Techno commercial bid shall be opened on the due date and the sealed price bid will be initialed by TOC and deposited with chairman of TOC. The price bid of techno-commercially acceptable bidders will be opened in the presence of the bidders or their authorized representatives only after the Techno-commercial clearance in all respects.

18.4 Price Bids of Rejected Bidders shall be returned to Suppliers.

19.0 TENDER OPENING (FOR MANUAL TENDERS)

The following procedure must be observed during Tender opening:

19.1 Each page of the original quotation shall be signed by Purchase and Finance member of TOC and TOC Chairman shall sign the summary of bids received in each tender.

19.2 Alterations or corrections or blank spaces if any found in the quotation must be initialed and the corrections brought out clearly.

19.3 Each quotation must be numbered as "Y/X" (the denominator will be the total number of quotations received and the numerator will be the serial number of the quotations out of the total quotations received). For example, if there are 5 quotations, each will be numbered as 1/5, 2/5, 3/5, 4/5,5/5.

19.4 Offers should be marked "Original", "Duplicate ", "Triplicate" etc.

19.5 The postal envelopes should be signed and preserved in the purchase files.

- 19.6 The details of the tenders received should be recorded in the pro-forma prescribed vide **Appendix-8** (Tender opening form) and kept in the respective files.
- 19.7 Signature of the authorized representatives of tenderers who are present at the time of opening of the tenders should be obtained.
- 19.8 Where the representatives of tenderers are present at the time of opening tenders, the following information should be read out to the tender's representative.
- i) Tender number and date
 - ii) Name of tenderer
 - iii) Description of the materials offered
 - iv) Prices
 - v) Terms of delivery
 - vi) Delivery period
 - vii) Terms of payment
 - viii) Taxes & Duties and discount offers, if any.
- 19.9 In case no offer is received on due date, the same shall be recorded.

20.0 CLASSIFICATION OF TENDERS

- 20.1 Tenders received should be classified as (i) regular (ii) late.
- 20.2 Regular Tender: Tenders received within the due date and time indicated in the invitation to tender are to be treated as "Regular" tenders.
- 20.3 Late Tender: Tenders which are received, other than single/ proprietary tender, after the due date and time of receipt prescribed in the enquiry / tender notice are to be treated as "Late Tender". Such tenders shall not be considered.
- 20.4 Late offer in response to single/ proprietary tender shall be considered as a special case.

21.0 UNSOLICITED TENDERS

Unsolicited tenders are the tenders received from a tenderer to whom enquiry was not sent. Such unsolicited tender should not be considered and shall be sealed & returned. However, offers received from tenderers along with authorization letter from the party to whom original enquiry was sent shall be considered.

22.0 RE- TENDERING

Re-tendering is not to be resorted to in the normal course. However, re-tendering shall be considered in the following exceptional cases:

- a) When the prices quoted are considered very high.
- b) When it is suspected that there is a ring existing and price have been manipulated.
- c) Major change in the basic specification has been introduced after receipt of tenders.
- d) None of the offers meet the desired specifications.

- e) The L1 bidder withdraws the offer or fails to execute the order or do not agree for extension of validity when it becomes necessary.
- f) When there is a sudden change in the market condition.
- g) No offers received against Tender as on due date and even after extension(s) of due date.

Re-tendering when resorted to with the approval of competent authority as given below:

- i. **Before Price bid opening stage:** shall be the same authority who has approved the Indent.
- ii. **After Price bid opening stage:** shall be the same authority who can approve for placement of Purchase Order.

Note: In case of stock out, a part quantity may be purchased on an emergent basis.

23.0 TECHNICAL SCRUTINY

For all Tenders having Indent Value/L-1 Price (found after Price Bid Opening) above Rs. 1 Crore in case of Capital Equipment, Material Subcontracting and Rs. 2 Crores in case of Raw materials, Consumables, Spares, etc., there shall be a Tender Evaluation Committee (TEC). TEC shall comprise the following members:

1. Head/In-charge of Indenting Department.
2. Representative of Finance Department as nominated by Head/In-charge of Finance from Time to Time.
3. Head/In-charge of Purchase Department.
4. Dealing Officer in Purchase Department as a member secretary.

Senior most member of the TEC shall be the Chairman. The TEC Constitution and threshold value for TEC may be changed from time to time with approval of C & MD.

Functions of Tender Evaluation Committee would be as under:

Functions of TEC shall be Techno-Commercial Scrutiny and Price Bid Evaluation who shall vet the Techno-Commercial Evaluation as well as Price Comparison Statement, recommend for Placement of Order (or otherwise) to the competent authority justifying the reasonability of prices.

In cases of Complex Procurement cases i.e., where Technical Study / Analysis is required (or) for Projects involving multiple technologies, if required Tender Evaluation Committee may constitute two sub-committees viz., Technical Evaluation Committee and Commercial Evaluation Committee with the approval of C&MD on case-to-case basis.

Functions of Technical Evaluation Committee would be as under:

- To scrutinize the Technical part of the tender,
- To conduct clarification meetings with the bidders,
- To give the recommendations / assist the Tender Evaluation Committee.

Functions of Commercial Evaluation Committee would be as under:

- To scrutinize the Commercial part of the tender,

- To conduct clarification meetings with the bidders,
- To give the recommendations / assist the Tender Evaluation Committee.

TEC DECLARATION: A declaration shall be incorporated in TEC recommendation note stating that, "I declare that I have no conflict of interest with any of the bidder in this tender".

NOTE: For Material Deviation with Financial Impact, for bringing all bidders on equal footing, necessary loading to be done/discount on quoted bids from all bidders to be obtained, where loading is not feasible.

- 23.1** Whenever a Two-bid system is followed for tenders, the Techno commercial bid should be opened first and the price bid is to be opened only after the Techno – Commercial scrutiny is completed in all respects and Techno – Commercial recommendations are recorded giving clearance for opening of Price bids of qualified and accepted tenderers.

The aim of Techno - Commercial scrutiny may be summarized as under. For all procurement cases, Technical offers should be referred to the Indenting Department for Technical scrutiny.

23.1.1 To ensure that offers are technically & commercially acceptable in every detail/all aspects.

23.1.2 To bring all Techno-Commercial acceptable offers at par and to clarify any doubts or ambiguities by preparing a Techno-Commercial comparative statement based on the specification and qualification criteria indicated in the tender.

23.1.3 To ensure adequate levels of maintenance support, documentation, spares backup, guarantees etc.

After the bids are opened as per the procedure, preparation of Commercial and Price Comparative Statement shall be the responsibility of the Purchase Department and shall be counter signed by Finance Department. In case of complex cases, the Technical and commercial comparative statements may be prepared with the help of the Indenting Officer, if it is not possible for the Purchase department to prepare it.

23.1.4 The basis for comparison of cost shall be the cost to company (landed cost). Standard Operating Procedure for Loading of Various Charges is at **Appendix – 28**.

- 23.2** In case of Material Subcontracting contracts, the Technical offers should be referred to Indenting Department who may take the assistance of planning and other connected departments, who may, if necessary, hold detailed discussions with the tenderers to achieve the above mentioned aim of

Technical scrutiny and narrow down the field to those offers which are technically acceptable in all respects.

23.2.1 Indenting department/planning department should make the detailed analysis of quantum of work to be sub-contracted/off-loaded along with the analysis of rates and market rates with justification for the same to be forwarded to “Purchase Department” along with sub-contract/off-loading advice.

23.3 The recommendation of the Indenting department should be sent to Purchase department, immediately without any delay, preferably in 2 to 3 days time. Any delay beyond 3 days time to be justified with the reasons for the same.

23.4 In case, the quoted Techno-commercial bids are in conformity with the tender, the price bids received will be considered for opening. In case, the Techno-commercial bids need to be discussed and clarified by the tenderers, clarification meetings may be held with them. Clarifications may also be obtained through letter/ fax/ mail. However, clarifications / confirmations / details sought should not amount to change in structure and specifications of the tender documents.

23.5 **Minor Infirmary/Irregularity/Non-conformity to Tender terms:**

Any minor issues may be waived on the recommendation of Indentor/TEC provided they do not constitute any material deviation and financial impact and also do not prejudice or affect the ranking order of the tenderers with the approval of HoD / In-Charge (Purchase), without financial concurrence.

Any other material deviations and with financial impact may be waived in exceptional cases, shall be with the approval of next higher Indent approving authority with due financial concurrence, after recording valid reasons/justifications. However, for Indents approved by C&MD, the deviations shall be approved by C&MD.

A material deviation, reservation, or omissions are those that:

- a) Affects, in any substantial way, the scope, quality or performance of the goods and related services specified in the contract;
 - b) Limits, in any substantial way, inconsistent with the tendering documents, the procuring entity's rights or the tenderer's obligations under the contract;
- or
- c) If rectified, would unfairly affect the competitive position of other tenderers quoting substantially responsive tenders.

NOTE: For Material Deviation with Financial Impact, for bringing all bidders on equal footing, necessary loading to be done/discount on quoted bids from all bidders to be obtained, where loading is not feasible.

23.6 Purchase department shall obtain a letter from the Indenter/ Technical committee that the Technical points have been frozen based on the clarifications and discussions had with vendors and no further Technical clarifications/discussions are required with the vendors and hence the recommendation is given for the opening of Price bids.

23.7 Price bids of only Techno-Commercially acceptable tenderers will be opened in the presence of tenderers who might choose to be present at the time of opening.

24.0 TENDER SCRUTINY IN RESPECT OF TENDERS OF SINGLE BID SYSTEM

After opening of the tenders, a comparative statement in the prescribed format is prepared by the Purchase department. The tenders received are scrutinized by the concerned dealing officer in the Purchase department with reference to details, specifications, price, delivery etc. The tenders are referred to the Indenting department for Technical recommendations immediately. In case of any Technical discussions and consultations are carried out by the Indenting department with the tenderers, the procedure at **clause no. 23** shall be followed.

25.0 CURRENCY

As a general rule, domestic tenderers may quote in Indian currency only. Foreign tenderers will quote in USD/ EURO/ POUND/ YEN.

SECTION VI: ORDER PROCESSING

26.0 DETERMINING REASONABILITY OF PRICES

In the case of competitive tendering where two or more vendors are competing independently to secure a contract, the competitive bid forms the basis for determining reasonableness of prices. Database maintained on cost, based on concluded contracts, price of the product available through market, etc. should also be used to assess reasonableness of the price offered.

- a. Evaluation of tenders is to be made on the basis of the landed cost to MIDHANI.
- b. As a general principle, no offer involving any uncertain or indefinite liability or any condition of unusual character should be considered.
- c. The reasonableness of the price proposed has to be established by taking into account the competition observed from the response of the trade to the enquiry, last purchase price (LPP), estimated value as given in the indent, database maintained on costs based on the past contracts entered into, market price, wherever available and changes in the indices of various raw materials, electricity, whole sale price index, and statutory changes in wages, rates etc.
- d. For procurement of spare parts, consumables and small value contracts which are supplied in the past, the price reasonableness can be determined after comparing with last purchase price and factoring in changes in price indices published by the Government sources, wherever required.
- e. The reasonableness of price may also be examined by resorting to Cost Analysis in situations where there is a wide variance over the LPP, not explained by corresponding changes in indices.
- f. Price Variation: Wherever MIDHANI has secured orders with Price Variation, appropriate Price Variation clause may be incorporated in the Vendor's Supply order where delivery terms are more than 12 months.
- g. In case more than one tenderer is qualifying as L1, after price evaluation and the order is not to be split, the placement of order shall be done after obtaining reduced revised price bid from the L1 tenderers and if still there is a tie among L1 tenderers then to discover the final L1, draw of lots shall be held in presence of the tenderers who chose to be present.**

27.0 PRICE NEGOTIATIONS

Price Negotiations shall be carried out in line with CVC Guidelines only. Negotiations, if required, should be conducted with the L-1 bidder only, as per Appendix-10 with the approval of HoD (Purchase). However, "As post tender negotiations could often be a source of corruption, it is directed that there should be no post tender negotiations with L1, except in certain exceptional situations.

Such exceptional situations would include,

- (i) Procurement of Proprietary/OEM/Single tender items;
- (ii) Wherever, L-1 price is higher than the permissible range of variation from estimate;
- (iii) In case of Single offer received against Open/Limited Tender;
- (iv) Items where there is suspicion of a cartel formation.

In all other cases, in case negotiation is recommended, reasons for such recommendation need to be recorded by the agency recommending negotiation.

C & MD may from time to time approve the “Permissible range of variation over Estimate” that do not warrant negotiations for deciding all types of Indents.

Present range of permissible variation is as below:

| S. No | Indent Value Range | Permissible Variation |
|-------|--|-----------------------|
| 1 | Above Rs. 5,000 and Upto Rs. 2,00,000 | + 10% |
| 2 | Above Rs. 2,00,000 and Upto Rs. 10,00,000 | + 5% |
| 3 | Above Rs. 10,00,000 and Upto Rs. 50,00,000 | + 3% |
| 4 | Above Rs. 50,00,000 | + 2% |

Where the total Indented Items/quantities are to be ordered on a single source only, the value range and permissible deviation shall be in respect of the total estimated value of all items/quantities.

Where the order is proposed to be split on itemwise L-1 basis, the value range and permissible variation shall be in respect of each item separately.

The aim of Price Negotiations shall be:

- 27.1 To obtain the most economical price from the successful tenderer.
- 27.2 To obtain the most advantageous terms of payment.
- 27.3 To decide on liquidated damages, risk purchase clause etc.
- 27.4 To finalize the terms and conditions of delivery of goods/execution of work.
- 27.5 Any other matter for smooth performance of contract/order.

28.0 CONDUCT OF PRICE NEGOTIATIONS

- 28.1 Ensure that the offers are valid during the negotiation.
- 28.2 In all cases of price bid opening of tenders, price quoted by one tenderer will not be made known to other tenderers except to the extent that they may have become aware of price quoted by being present at the time of opening the tender, in the first instance.
- 28.3 In case of negotiations, with authorized dealer/distributor for proprietary items, the manufacturer's price list should be compared wherever available before finalizing the price with the dealer/distributor.
- 28.4 The composition of the PNC will be as per Appendix-10 in all cases. The record of discussion/negotiations is to be signed by the Chairman and members of the Price Negotiating Committee (PNC) as well as authorized representative of the tenderer.
- 28.5 For critical or short supply items, price negotiations may be carried out with a view to placing orders on more than one supplier. Such decision should be referred to competent authority for approval prior to such negotiations.
- 28.6 Minutes of Price Negotiation Meeting shall record the main arguments put forward by MIDHANI as well as the supplier in reasonable detail.

In case of any internal deliberations to be recorded for future reference and to follow the same a separate Minutes of Meeting also to be drawn and signed by all members of PNC.

- 28.7 If the lowest negotiated price is still considered high, decision may be taken to accept the tender or to re-tender depending upon the merits of each case. If, however, a cartel is suspected, irrespective of value, re-tendering should be resorted to.
- 28.8 In case L-1 backs out, re-tendering should be resorted to in a transparent and fair manner without considering the backed out tenderer.
- 28.9 Adequate validity period of offer should be obtained for placement of order.
- 28.10 In case of Indent value upto Rs. 2,00,000/- and where the L-1 bidder is from outside Hyderabad, negotiations if required may be conducted by the Purchase department through email.

FINANCIAL POWERS, COMPOSITION OF PNC

The composition of PNC, financial powers of various authorities are as per **Appendix-10 in all cases**. The Competent authority shall exercise his power with due care and attention.

29.0 ACTION FOR MANAGEMENT APPROVAL AND ORDERING

- 29.1 The dealing officer in the Purchase department should prepare a comprehensive proposal for obtaining management approval as per the delegation of power before issue of letter of intent/purchase order/Contract/sub-contract or off-loading contract. The purchase proposal must consider the following:
 - 29.1.1 The purchase proposal should as far as possible indicate the previous purchase rate and date of last purchase.
 - 29.1.2 The purchase proposal for any capital item/equipment shall indicate information regarding CPAR. If the cost exceeds, the value of CPAR, detailed justification should be recorded along with re-appropriation request duly approved by the competent authority.
 - 29.1.3 Preference should normally be given to tenders with firm price, timely delivery schedules, if any.
- 29.2 There are two types of acceptance of tenders viz.,
 - (i) Contracts signed by both the parties.
 - (ii) Purchase orders issued by MIDHANI.

The following guidelines are to be kept in view:

- (i) Purchase of plant, machinery and equipment above Rs. 2.0 Crore in value may be covered by contracts, where considered necessary to avoid any ambiguity / scope of wrong interpretation.
- (ii) Wherever Contracts to be executed, a Letter of Intent (LOI) shall be immediately issued after approval of Purchase Proposal by Competent Authority. LOI format is enclosed at **Appendix - 32**.

In case of Contracts where LOI/LOA is issued, Security Deposit shall be submitted within 21 days after issue of LOI/LOA and placement/signing of Contract shall be only after submission of SD. However, Delivery Period shall start from the date of issue of LOI/LOA.

- (iii) All other cases of purchase may be covered by purchase orders.
- (iv) Original Purchase Order shall be sent to the supplier with a request to send back the acknowledgement as a token of acceptance of the order.

29.3 The contracts or purchase orders should be issued only after obtaining approval of the competent authority as per delegation of powers. These should be issued only in the standard forms. The contracts/orders should not contain uncertain or indefinite liability or conditions of unusual character. The approval of competent authority for purchases should be obtained in a 'Purchase Proposal' form as per **Appendix-11**. The purchase proposal should highlight the terms and conditions on which the tenders are proposed to be accepted. A broad checklist of points i.e., comparative statement which are only illustrative but not exhaustive to be verified by Purchase Department before issue of an acceptance of tender is given at **Appendix-9**. The purchase proposal shall be sent with draft Purchase Orders for approval by competent authority.

29.4 Purchase order formats for Indigenous Orders and Job Works (**Appendix – 12**) & for Import Orders (**Appendix – 13**)

29.5 Distribution of Orders to bring them within the powers of lower authority shall not be resorted to.

30.0 MATERIAL SUB-CONTRACTING/OFF-LOADING:

30.1 Based on the order to be executed/to be received, an overall assessment of the capacity available and required is to be done at the beginning of the year and detailed plan for off-loading/sub-contract is drawn up for approval by Director (P & M). The off-loading contract normally cover machining, grinding, slitting etc., further processing like heat treatment etc., on our material.

30.2 Based on the above approved plan, the planning and purchase department shall draw up a list of items/products indicating the quantum to be off-loaded in coordination with the Indenter. This list will be the basis for raising of MPR for off-loading.

30.3 External Resource/Outsourcing department will be the nodal agency for Off loading activities.

30.4 Purchase department will issue tenders for off-loading jobs, based on registered list of established sources besides the sources suggested by the Indenter keeping in view the estimated conversion charges, quality, quantity, terms of payment, delivery schedule, normal wastage, scrap which are returnable/non-returnable.

30.5 The off-loading/sub-contract order will indicate the quantum of materials to be sent to the contractor for undertaking the job. The raw materials/items should be dispatched in convenient batches as per delivery schedule indicated in Sub-contract/Off-loading order.

30.6 There should be periodical confirmation/reconciliation of MIDHANI materials/parts/moulds/equipment etc., lying with the sub-contractor/off-loading contractor, preferably twice a year by the Purchase department and the same should be sent to

Finance department. This provision will also apply to materials/parts, if any, directly dispatched by our suppliers to the works of sub-contractor/off-loading contractor and from Sub-contractor to Sub-contractor.

- 30.7** The selection of the sub-contractor/off-loading contractor for off-loading contract should be done carefully taking into consideration all factors like production facilities, past performance, skill available, capacity to execute timely delivery, proximity to source of raw materials, ability to ensure safe custody of our materials etc.
- 30.8** Purchase department will obtain necessary Indemnity Bond from the sub-contractor. Dispatch of MIDHANI materials is to be so maintained that at any time, the value of material supplied by MIDHANI and lying with the sub-contractor/off-loading contractor does not exceed the value of Indemnity Bond. However, the total cost of material dispatched should be covered by Transit-cum-Storage Insurance from the day it leaves MIDHANI till the day it comes back to MIDHANI. Finance Department will ensure insurance cover for the material dispatched. (Indemnity Bond format at **Appendix – 23**)
- 30.9** The operations carried out by the sub-contractor/off-loading contractor should be pre-inspected at the works of the sub-contractor/off-loading contractor before the material is collected / dispatched but final acceptance inspection will be accorded after due inspection at MIDHANI's premises and such inspection report should accompany the bill for payment.
- 30.10** For Assistance in various operations when carried out in MIDHANI, Security Deposit of 10% of the Order value should be obtained for satisfactory execution of the Order. Sub-contractors shall not outsource the work without the knowledge of MIDHANI.

31.0 SIGNING OF PURCHASE ORDER

After sanction of purchase proposals by the Competent authority, the Purchase Orders / Contracts / Agreements will be signed by Purchase officers as below:

Orders value upto Rs. 5 lakhs – Manager.

Orders valuing between Rs. 5 lakhs to Rs. 25 lakhs – Senior Manager.

Orders valuing above Rs. 25 lakhs – DGM.

All Contracts – HoD (Purchase).

32.0 FOB CONTRACTS/ORDERS

All foreign contracts/purchase orders should normally be concluded on FOB basis. **In case of foreign supplier's, Tenders to specify that the Foreign bidder may quote prices on FOB as well as CIF prices. In case the bidder quotes both the prices, two evaluations shall be done for each such bidder and lower of the two evaluations of the landed cost at MIDHANI shall be taken for determination of L1 amongst the eligible bidders. In case the bidder quotes only one price (either of FOB or CIF), landed cost at MIDHANI shall be worked out based on the price furnished by the bidder as per Appendix 28.**

33.0 TURNKEY CONTRACT

A turnkey contract is a mix of goods contract and works contract. Generally, in the tender enquiry documents for a turnkey contract, the purchase department specifies the performance and output required from the plant proposed to be set up and broadly outlines the various parameters it visualizes for the desired plant. The inputs and other facilities, which the purchaser will provide to the contractor, are also indicated in the tender enquiry document. The contractor is to design the plant and quote accordingly. The responsibility of the contractor will include supplying the required goods, machinery, equipment etc. needed for the plant; assembling, installing and erecting the same at site as needed; commissioning the plant to meet the required output etc., as specified in the tender enquiry documents.

34.0 TIMELY PROCESSING OF INDENT AND PLACEMENT OF PURCHASE ORDER

Any delay in processing of Indent and placement of Purchase Order should be recorded by the dealing officer of Purchase department. Reasons for such delays and department / bidder with whom such delay occurred should clearly indicate in Purchase Proposal under a separate head. Corrective action also to be recorded and HoD-Purchase to address such delay and offer his/her actions on the same for future tenders.

35.0 DEVELOPMENT ORDERS

The total quantity to be ordered on development basis shall be determined and approved at the time of issue of tender enquiry. However, the Development Orders being placed to explore new opportunities, smaller quantities may be considered for Purchase Order placement for the first time.

After evaluation / negotiation of Techno commercial bids, Technically suitable parties will be selected for placement of development order.

The price bids of Technically suitable parties shall be opened and evaluated. The evaluated price of development parties will be ranked as DL1, DL2, DL3..... where DL1 is the lowest evaluated price.

If the evaluated DL1 price is less than or equal to the established L1 rate (received against regular limited tender enquiry for the same item), then the development order for the approved quantity will be placed.

In case development order is to be distributed among more than one parties, the other parties will be asked to match their prices with DL1 and then the quantity will be distributed among parties.

If DL1 price is more than the established L1 rate, the parties who accept L1 rate will be considered for placement of development orders.

SECTION VII: POST ORDER PROCESSING

36.0 FOLLOW-UP OF ORDERS

There should be a regular follow up of orders placed as per the conditions of contract to ensure delivery by stipulated date. Where delivery dates are due to expire the supplier should be asked to indicate the dates by which they expect to supply the material and extensions in deliveries may be granted subject to right to levy of liquidated damages, if the original order has L.D. clause. Wherever mentioned in the contract, the supplier shall submit monthly progress reports till complete execution of the Contract. All follow-up should be either through e-mail (or) letter with Registered Post with ACK due.

37.0 AMENDMENT TO PURCHASE ORDERS / CONTRACTS

Amendment to Purchase Orders / Contracts shall be issued subject to mutual negotiations.

Amendment to Purchase Orders / Contracts may arise due to:

- a) Change in Price / Payment Terms
- b) Change in Mode of Transport
- d) Correction of Errors and Omissions
- e) Change in Statutory requirements
- f) Change in Terms & Conditions

Amendment to purchase order/Contract shall be approved by,

- a) When the amendment results in Financial implication due to “change in price”:
The approving authority will be the next higher authority as per delegation with due financial concurrence.
- b) When the amendment results in Financial implication due to other than “change in price”:
The same authority, who approved the original Purchase Order/ contract duly concurred by Finance, if it results in financial implication to the Company, subject to the amended value being within the financial powers as per DOP. If the amended value exceeds the delegatee power, then the same to be approved by the appropriate authority as per DOP as per the amended value.
- c) HOD (Purchase) - Where there is change in part no. for the same item, nomenclature, unit of measurement, corrections of errors/ omissions without any financial concurrence. Where change in Delivery period due to operational necessity (or) reschedule is based on MIDHANI production requirement, can be awarded with approval of HoD (Purchase) with due clearance of HoD of concerned Production department, subject to delivery period regulation clause in original Purchase Order / Contract.

38.0 EXTENSION OF DELIVERY / CONTRACT PERIOD

Grant of extension of delivery/ contract period will be approved as below provided the same is recommended by the Indenting department. Extension of delivery period may be granted with or without reserving the Company’s right to recover liquidated damages. While granting extension of delivery period, without levy of liquidated damages, reasons thereof should be recorded. No increase in the rate on account of any statutory increase or fresh imposition of any taxes & duties or on account of any other tax or duty leviable in respect of the materials

and labour used in/on the work and which take place during the extended period shall be admissible if the delay is attributable to supplier. However, in case of Cenvatable Taxes & Duties, may be admissible with approval of Competent Authority.

In case the original Purchase Order / Contract was placed with a provision for extension of delivery period of Purchase Order / Contract with mutual consent, the Purchase Order / Contract can be extended with the approval of HOD (Purchase) at the same terms and conditions of original Purchase Order / Contract, with clearance of HoD of concerned Indenting department (not below the rank of DGM level).

Delivery Period extension with LD, to the POs/ Contracts approved till C&MD powers: HOD (Purchase) is competent authority to extend the delivery period with LD subject to Indentor’s certification and acceptance, with financial concurrence (not below the rank of DGM level).

Delivery Period extension without LD applicability:

(i) To the Purchase Orders / Contracts approved by Board and/or Board-level committee shall be with the approval of Board.

(ii) To the Purchase Orders / Contracts approved by Below Board and/or Board-level committee shall be done with the approval of next higher authority who approved the Original Order as below:

| Original PO / Contract approved by | Next higher authority EMERGENCY |
|---|--|
| HoD (Purchase) | Functional Director |
| Functional Director | Chairman & Managing Director |
| Chairman & Managing Director | Procurement Committee |
| Procurement Committee | Board of Directors |
| Board of Directors | Board of Directors |

39.0 REMEDIES FOR DELAY, NON-SUPPLY, UNSATISFACTORY SUPPLIES/ EXECUTION OF CONTRACT

Remedies for, delay in supply or execution of contract, non supply or non execution of contract, Unsatisfactory supply/ execution of contract, for which supplier/ contractor is responsible. The purchaser has the following options depending upon the circumstances of the case:

- a. Extend the delivery with imposing of liquidated damages and other denial clauses.
- b. Forfeit the performance security.
- c. Cancel the contract.
- d. Invoke Risk Purchase.

40.0 LIQUIDATED DAMAGES (LD)

40.1 Liquidated Damages be levied against Suppliers/ Contractors in case of unsatisfactory supply/ execution of contract or delay in supply of materials/ execution of contract beyond the date of delivery/ completion of job specified in Purchase Order/ Contract. Generally, LD is leviable @ 1% per week or part thereof subject to a maximum of 10% of Purchase Order/ Contract price with Taxes and

duties including Erection & Commissioning charges. However, in case of any deviation approval of C&MD shall be obtained on case to case basis.

40.2 Waiver of liquidated damages in respect of purchase orders/ contracts/ agreements will be done by the competent authority as per delegation of powers. Cases should be examined in detail to waive / recover liquidated damages with reference to the following factors:

- 40.2.1 Whether delay in supplies has resulted in payment of additional Taxes and Duties or other payments.
- 40.2.2 Whether higher prices have been specifically paid for earlier delivery.
- 40.2.3 Whether the delay has resulted in payment of additional freight charges.
- 40.2.4 Whether the contract contains pre-estimated damages clause.
- 40.2.5 Whether the delay has resulted in delay in supply to our customer and consequent levy of LD by our Customer.
- 40.2.6 A pro-forma for waiver / recovery of liquidated damages is given at **Appendix-14** which should be filled and got approved by the competent authority in accordance with delegation of powers.
- 40.2.7 Applicability of LD clause shall be incorporated during placement of Purchase Order/ signing of Contract stage.

41.0 CANCELLATION / SHORT CLOSURE OF CONTRACT

The purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the supplier, terminate the contract in whole or in part:

If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the Purchaser.

If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser.

Purchaser reserves the right to cancel the Purchase Order/ contract on its own under exceptional circumstances.

The above Cancellation/Short Closure clauses has to be incorporated in all the Tenders/PO.

42.0 RISK PURCHASE

When it is intended to cancel an Order/Contract/Agreement which has been kept alive by the conduct of parties, it is necessary to issue notice to the contractor before actual cancellation of an order after expiry of the delivery date based on Indentor recommendation. Risk Purchase may be invoked prior to expiry of Delivery date also with suitable notice, if party confirms their inability to supply. Where the order is not kept alive beyond the delivery period by implication or conduct of the parties, the cancellation letter shall be issued based on Indentor recommendation by the Purchase department on the expiry of the delivery period stating that quantities undelivered on the due date are cancelled and risk purchase will be made in terms of the Purchase order/contract. In the case of cancellation of an order/ contract/ agreement the following procedure should be adopted:

- 42.1 The prospects of the Contractor performing the contract should be assessed even earlier to the due date of delivery.
- 42.2 Where delivery is specified in installments whether the cancellation is for installment in default or the entire contract is to be decided as per provisions of the contract.
- 42.3 Where the supplies are not anticipated within the stipulated date, quotations are to be immediately invited which would be capable of being accepted soon after the expiry of stipulated date. The terms of such tenders should be on the same terms as in the case of original contract with the default contractor.
- 42.4 The original contract should be cancelled and the Contractor should be informed of the option exercised by the Purchaser under the relevant article of General conditions of contract and that certain quotations received are under consideration.
- 42.5 Placement of the new contract should be decided immediately thereafter through Tendering (excluding that particular firm who failed to execute the supplies).
- 42.6 Risk purchase should be made on competitive conditions.
- 42.7 While calling for fresh tenders, the defaulting contractor should not be given an opportunity to quote for the case in question.
- 42.8 The risk purchase contract should be as far as possible, on the same terms and conditions as the original contract (apart from delivery time), i.e., the goods should be of the same specifications.
- 42.9 In order to safeguard against a second default, the defaulting contractor should in future cases be asked to furnish 10% security deposit before the contract is actually awarded to him.
- 42.10 It should be ensured as far as possible that risk purchase is concluded within 6 months of the date of breach of the original contract (or) Risk Purchase may be invoked prior to expiry of Delivery date also with suitable notice, if party confirms their inability to supply.
- 42.11 The defaulting Contractor should be informed of the conclusion of risk purchase agreement and the amount to be reimbursed by him towards risk purchase, specifying a date for the remittance.
- 42.12 All risk purchases are to be made only with approval of Competent Authority. Where the value of risk purchase is less than the original value, such cases need not be referred to finance for concurrence for claiming the risk purchase clause. There is no need for any fresh MPRs to be raised in such cases.

SECTION VIII: VENDOR DEVELOPMENT

43.0 APPROVAL OF SUPPLIERS, REGISTRATION, EVALUATION AND ASSESSMENT OF VENDORS

Procedure for approval of vendors and their evaluation is available at **Appendix 26**.

Vendors registered in other Defence PSUs will be considered as Deemed Registered. This Deemed Registration will enable the vendors to participate in all future tenders of MIDHANI for similar category of goods/services subject to fulfillment of other eligibility criteria indicated in the Tenders.

43.1 VENDOR DEVELOPMENT

Continuous efforts shall be made for developing alternate potential sources. The objective is to have a minimum of two sources to be developed successfully to reduce our dependence on a single source with connected risks, besides to get the items at competitive prices. Outsourcing and Vendor Development Policy including Procedure for approval of vendors and their evaluation is at **Appendix 26**.

Purchase Department shall,

- i. Organize Vendor Meets to invite new vendors to register.
- ii. Advertise products for which vendors are required, in News paper & hosting details in website.

In case of development of new vendors through Development orders, **clause no. 30.4** to be referred.

43.2 REMOVAL FROM THE LIST OF THE APPROVED FIRMS

Removal from the List: Whenever a firm is found lacking in performance in terms of response, delivery compliance, capacity, quality standards, ethics or any other valid reason, the firm may be removed from the list after giving notice of proposed removal to the firm. Besides, there may be registered firms which may have ceased to exist or may have been acquired by or merged with another firm, may have switched over to other sectors of business operation or indulged in unethical business practices and influence peddling. Such firms should be removed from the list of approved vendors after giving them notice of the proposed removal.

The registration of the firm will be cancelled with the note routed through VRC and with the approval of C & MD on case to case basis by giving prior notice. A registered firm is liable to be temporarily/ permanently removed from the list of approved contractors.

Note: In case of temporary removal, the firm has to go for fresh registration.

Effect of Removal from the List: Whenever a firm is removed from the list of approved vendors, its registration stands cancelled. Such removal must be communicated to all other registering and procuring agencies so that no further business relations are maintained with such firms.

43.3 BAN ON DEALINGS WITH A FIRM

Ban on dealings: When the misconduct of a firm or its continued poor performance justifies imposition of ban on business relations with the firm, this action should be taken by the appropriate authority after due consideration of all factors and circumstances of the case and after giving due notice.

Business dealings with a firm, whether it is registered or not registered, may be ordered to be banned with the note routed through VRC and with the approval of C & MD on case to case basis.

Ban on dealing with a firm shall be done as per “Guidelines on Debarment of firms from Bidding” issued by Procurement Policy Division, Ministry of Finance, Department of Expenditure, Government of India from time to time (current OM date 02.11.2021). Current guidelines enclosed at Appendix – 33.

SECTION IX: GENERAL

44.0 ARBITRATION

- 44.1** All disputes or differences arising out of or in connection with the Contract, including the ones connected with the validity of the Contract or any part thereof, shall be settled by bilateral discussions.
- 44.2** Any dispute(s) or difference(s) whatsoever arises under or out of or in connection with Contract, or in respect of any defined legal relationship associated therewith or derived therefrom, the parties agree resolve/settle the same by submitting that dispute to arbitration in accordance with the International Centre for Alternative Dispute Resolution (ICADR) Arbitration Rules 1996.
- 44.3** The authority to appoint the arbitrator(s) shall be the International Centre for Alternative Dispute Resolution (ICADR).
- 44.4** The international center for alternative dispute resolution will provide administrative services in accordance with ICADR Arbitration Rules 1996.
- 44.5** The language of the arbitration proceeding shall be English. The place of arbitration proceedings shall be Telangana, India.
- 44.6** In respect of PSUs/Government organizations, the DPE guidelines issued from time to time shall be applicable. In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/Port Trusts inter se and also between CPSEs and Government dept./Organizations (Excluding disputes concerning Railways, Income Tax, Customs & Excise Dept.), such disputes or differences shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013- DPE(GM)/FTS-1835 dated 22/5/2018 or the latest DPE Guidelines issued from time to time.
- 44.7** Work under the contract shall be continued by the contractor during the arbitration proceedings, unless otherwise directed in writing by the Purchaser or unless the matter is such that the work cannot possibly be continued until the decision of the arbitrators is obtained, and save as those which are otherwise expressly provided in the Contract, no payment due or payable by the purchaser shall be withheld on account of such arbitration proceedings, unless it is the subject matter or one of the subject matter thereof.
- 44.8** Work under the Contract shall be continued by the Contractor during the arbitration proceeding, unless otherwise directed in writing by the Purchaser or unless the matter is such that the work cannot possibly be continued until the decision of the arbitrators is obtained, and save as those which are otherwise expressly provided in the Contract, no payment due or payable by the Purchaser shall be withheld on account of such arbitration proceedings, unless it is the subject matter or one of the subject matters thereof.

45.0 PENALTY FOR USE OF UNDUE INFLUENCE

Penalty for use of undue influence should be imposed and an undertaking from the supplier on the line given below should be obtained.

- 45.1** The bidder undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or

forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the Contract or any other Contract with MIDHANI for showing or forbearing to show favour or disfavor to any person in relation to the Contract or any other Contract with MIDHANI. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offence by the seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the Indian penal Code, 1860 or the Prevention of Corruption Act, 1947 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the seller.

45.2 Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/penalty as the Buyer may deem proper.

Including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.

46.0 ETHICAL STANDARDS

Tenderers are expected to observe the highest standards of ethics during the procurement and execution of the Contract. In pursuit of this policy, the purchaser will reject a proposal for award, if it determines that the tenderer being considered for award has engaged in corrupt or fraudulent practices in competing for the Contract. For the purpose of this provision, the terms set forth are defined as follows:

“Corrupt practices means the offering, giving, receiving or soliciting of anything of value to influence the action in the procurement process or in contract execution and Fraudulent practices means a misappropriation of facts in order to influence a procurement process including collusive practices designed to establish prices at artificial, non-competitive levels to deprive the purchaser of the benefits of competition”.

47.0 REJECTED GOODS

The rejected goods at MIDHANI premises will lie at the risk of the Vendor. They should be replaced immediately on receipt of an inspection memo showing the details of goods rejected. In case the rejected goods are not replaced within six weeks from the date of receipt of the inspection memo, MIDHANI is not responsible for any loss, damage and theft, and in addition, MIDHANI reserves the right to recover such amount as may be assessed on account of storage and incidentals or any other charges MIDHANI may have incurred.

The vendor has to lift the rejected material from MIDHANI within 6 months from the date of receipt of the inspection memo. In case of rejected goods are in MIDHANI for more than 6

months, MIDHANI reserves the right to dispose of the same and Vendor shall not have any right for claiming the goods or damages thereof.

The above shall be incorporated in Tender stage and Purchase Order stage.

48.0 RE-ORDERING

48.1 In case of reordering of items which are lost or damaged during transit and covered by insurance claims for total loss, the Stores department will send a copy of the Insurance Survey report to Purchase department and the Indenting Officer. The Purchase department will refer such Survey Reports to the Indentor for his advice as to whether the item is to be re-ordered or the case can be treated as closed. On the basis of the recommendations of the indenting Officer, Purchase department shall take appropriate procurement action.

48.2 Re-ordering of the item may be done where the survey report has specifically stated that the item/items are totally lost.

49.0 BUY BACK OFFER

When it is decided with the approval of the competent authority to replace some existing old goods with their newer and better versions / substitutes, the department may trade the existing old goods while purchasing the new ones. For this purpose, suitable clauses are to be incorporated in the tender enquiry document so that the interested tenderers formulate and submit their tenders accordingly. Provision should also be kept in the tender documents to permit the interested tenderers to inspect the old goods to be traded through this transaction.

Appropriate provision should also be kept in the tender document allowing the Purchase Department to reserve its right to trade or not to trade the old goods while purchasing the new ones and the tenderers are to be asked to frame their quotations accordingly covering both the options.

Depending on the value and condition of the old goods to be traded, the time frame for as well as mode of handing them over to the successful tenderer should be decided and relevant details in this regard suitably incorporated in the tender document.

50.0 SUBSIDIARY INSTRUCTIONS/MODIFICATIONS/ALTERATIONS

Chairman & Managing Director will issue subsidiary instructions, standard pro-forma / forms and specify the competent authorities referred to in these rules. Chairman & Managing Director is authorized to effect such modifications or alteration from time to time as may be necessary subject to submission of a report to the Board of Directors for information on such modifications / alterations at the immediate succeeding Board meeting.

The powers covered by the Purchase Policy shall be exercised with due compliance of the statute, stipulations, financial propriety, audit norms, systems and procedures.

51.0 PURCHASE / PRICE PREFERENCE

52.0 Government directives, issued from time to time, lay down policies regarding Purchase/ Price preference to be given to purchases from MSMES and Start-ups etc. shall be taken note of while carrying out price comparisons.

The followings are the few indicators for the above directives:

MSEs: Benefits including but not limited to exemption of EMD, relaxation in condition of prior turnover and prior experience subject to meeting of quality & technical specifications and giving Price Preference as per Government Guidelines shall be provided to all MSEs with valid documentary proofs. Also, payment shall be made to the MSE Vendors within 30 days from the date of acceptance of the material and it should not exceed 45 days in any case.

As per Public Procurement Policy (PPP) for Micro & Small Enterprises (MSEs) order, 2012 vide Gazette notification dated 23.03.2012 and Amendment order, 2018, by Ministry of Micro, Small and Medium Enterprises of Govt of India, the following benefits will be extended to the MSEs.

If Tenderer happens to be a MSE as per Government Guidelines, necessary benefits in line with Government Guidelines issued from time to time shall be provided on submission of valid documentary proof to the satisfaction of the Purchaser. In case organization is an MSE Unit owned by SC/ST Entrepreneur or owned by Women Entrepreneur, submit valid documentary proof for extending benefits as per Government guidelines. Benefits include

- i) EMD is exempted for Micro & Small Enterprises (MSEs) registered with DIC/ NSIC/KVIC/ Udyog Aadhar Memorandum (UAM) issued by MSME or any other body specified by Ministry of MSME.
- ii) Purchase Preference to MSE's shall be provided as given below.
 - a) In tenders, participating Micro and Small Enterprises quoting price within price band of L1+ 15 percent shall also be allowed to supply at least 25% requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise. In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).
 - b) In case of tender item is non-divisible and if Micro and Small Enterprises quoted price is within the price band L1+15% shall be allowed to supply total tender requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise.
- iii) "Vendors to intimate the value of Goods & Services which are sub contracted by them from the MSE's if any, pertaining to the ordered item(s)".
- iv) The benefits mentioned above are meant for procurement of goods produced by MSE's. Traders are excluded from availing these benefits.

Under Start-Up India programme, list of identified items shall be put in the MIDHANI website and shall be updated on yearly basis. Trial orders shall be placed on Start-ups to establish the capability. In addition to that prior turnover and prior experience subject to meeting of quality & technical specifications shall be relaxed for the Start-up organizations.

However, if procurement of an item is essentially to be procured from the vendors having prior experience due to critical nature, the criteria for relaxation may be removed with recording adequate justification in writing.

Advance payment to MSE and Start-up vendors may be considered by obtaining Bank Guarantee of equal amount.

Under Make in India programme, list of identified items shall be put in the MIDHANI website and shall be updated on yearly basis and trial orders shall be placed on new Vendors to establish the capability of the vendor, as per procedure indicated in the Outsourcing and Vendor Development Policy, under Category – III.

Framework for implementation of Make-II Procedure at MIDHANI is enclosed at Appendix 30.

53.0 RECORD RETENTION PERIOD

Purchase Orders and connected correspondence/records shall be maintained by Purchase Department for a period of minimum Eight (08) years. However, in case if any litigation / dispute in force, such documents / case files have to be preserved till settlement / closure of such litigation / dispute.

54.0 INTERPRETATION OF PURCHASE PROCEDURES

- 54.1** The procedure prescribed in the purchase manual is to enable the persons involved in the procurement process to have a fair and transparent procurement giving equal opportunity to all the vendors. Considering procurement is a complex process and every procurement being unique, all possible conditions cannot be foreseen and defined in the Purchase procedure. The Purchase Manual is for guidance and provides broad frame work of policy. Persons associated with procurement process are expected to take decisions in a given situation and move forward at the same time taking due care and attention in their action. All persons involved in procurement process shall be considered acting in good faith (done with due care and attention), unless proved otherwise, in discharge of procurement function.
- 54.2** Keeping the objective of timely procurement of items and services to enable timely delivery of supplies in the most competitive price, there could be need for interpretation of the purchase procedures for peculiar situations faced during procurement process to meet urgent requirement. Under these circumstances the decision taken in good faith by the Purchase Department and approved by competent authority as per DOP is considered as final.
- 54.3** Amendment to Purchase Policy & Procedure:
Any amendment to the Purchase Policy & Procedure, if considered, shall be with the approval of Management.
- 54.4** The manual shall be reviewed every five years or earlier.

55.0 FORCE MAJURE CLAUSE

Neither party shall bear responsibility for the complete or partial non-performance of any of its obligations (except for failure to pay any sum which has become due on account of receipt of goods under the provisions of the present contract), if the non-performance results from such Force Majeure circumstances as Flood, Fire, Earth Quake and other acts of God as well as War, Military operation, blockade, Acts or Actions of State Authorities or any other circumstances beyond the parties control that have arisen after the conclusion of the present contract.

In such circumstances the time stipulated for the performance of an obligation under the present contract is extended correspondingly for the period of time of action of these circumstances and their consequences.

The party for which it becomes impossible to meet obligations under this contract due to Force Majeure conditions, is to notify in written form the other party of the beginning and cessation of the above circumstances immediately, but in any case not later than 10 (Ten) days from the moment of their beginning.

Certificate of a Chamber of Commerce (Commerce and Industry) or other competent authority or organization of the respective country shall be a sufficient proof of commencement and cessation of the above circumstances.

If the impossibility of complete or partial performance of an obligation lasts for more than 6 (six) months, either party hereto reserves the right to terminate the contract totally or partially upon giving prior written notice of 30 (thirty) days to the other party of the intention to terminate without any liability other than reimbursement on the terms provided in the agreement for the goods received.

56.0 FALL CLAUSE

In cases where contracts have to be concluded with the firms, whose rate contract with DGS&D/other central procurement agencies has expired and renewal of RC has not taken place, a 'fall clause' should be incorporated in the Supply Order/Contract to the effect that during the currency of the Supply Order/Contract, in case rates are found to be lower on conclusion of rate contract, the lower rates as in the rate contract shall be applicable.

57.0 CONSORTIUM PARTNER

In case MIDHANI wishes to participate/quote in any Tender items for which either Internal facilities are not available or there is a capacity constraint or it is not possible to spare internal capacity due to production requirement, MIDHANI may identify a consortium partner prior to participation in Tender/bidding.

In order to select a Consortium partner, tendering process needs to be followed and lowest offer of technically qualified participant should be selected. However, wherever it is not possible to follow tendering system due to less time available with MIDHANI for participation in tendering/bidding, consortium partner shall be identified based on the budgetary quote and lowest budgetary offer of technically qualified vendor shall be selected.

58.0 COLLABORATIVE RESEARCH

MIDHANI with its modern metallurgical facilities produces wide range of super alloys, titanium and its alloys, special purpose steels and other special metals and alloys in various mill forms meeting international standards for applications in aerospace, aeronautics, defence, atomic energy, power generation, chemical and other hi-tech industries.

Until now, MIDHANI's own R&D or TOT from DMRL have helped in the areas of (i) new grade and product development for its existing customers, (ii) process development and modification, (iii) yield improvement, etc. In order to expand the business, MIDHANI has to diversify into un-served areas and also concentrate on new sectors, such as railways, oil and

natural gas, etc. Few of the developments may involve facilities or technology available at external agencies that may be required to be utilized.

MIDHANI shall explore new areas for its business and finding solutions for products that are currently being imported. In this respect, products shall be identified and taken up for development. Those of the products that require development with external agency/agencies shall be planned to take-up jointly under collaborative R&D. A new product shall be developed as a result of this collaboration.

MIDHANI may work with leading Indian private industries / partners who is/are willing to collaborate. This will help MIDHANI and the country to find indigenous solutions which otherwise would be imported.

Methodology of such projects shall be as follows:

Project need will be identified by MIDHANI, in consultation with Customers Core competencies of MIDHANI and competencies available in Indian Industry will be mapped to identify, one of routes of collaborations viz – EoI route, Nomination route or Limited Tender route.

Joint collaboration will be done based on milestones / performance based deliverables. If found acceptable by user, Joint Development orders will be secured with Lead Role by MIDHANI for three years and development expenditure will be amortized over future orders. Post three years of Joint Development, broad based vendors will be done, subject to market and order bookings.

The funding of such project shall be done by MIDHANI based on the defined milestones under R&D. Upon success, few development orders may also be considered with use of facilities at MIDHANI and such Joint Collaborators in consultation with Customer.

59.0 PROCUREMENT FROM IDEX WINNERS

The products developed by any Innovator / Start-up/Company under iDEX initiatives need to be treated at par with Proprietary sources and taken up for procurement under that category. In case more than one innovator/ Startup / Company has accepted the challenge and accomplished the same, the procurement would be done on limited tender basis restricting the tender to such successful innovator / startup / company.

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MISHRA ADHATU NIGAM LIMITED
PURCHASE DEPARTMENT
CIRCULAR

Date: 23-08-2021

Sub: SOP in Raising MPR / CPAR and following specific DOP for Procurement of Goods and Services — reg.

As per clause no. 5.0 of "Purchase Policy & Procedures", there are certain limits prescribed for selecting the Mode of Tender while raising the Indents i.e., Open Tender / Global Tender / Limited Tender / Single Tender / Proprietary Tender.

2. However, in recent times it has been observed that these pre-defined ceiling limits have not been followed without any due justification in few procurement cases.

3. Also, it has been observed that Extent of Delegation / Defined set limit for "Raising of MPR / CPAR for provisioning" are not being followed in toto in few recent procurement cases.

4. Hence, to avoid these lapses for future, it is to be ensured that, while raising MPR/CPAR in e-Office, Indent raising official should clearly bring out the "Related clause and ceiling limit for selecting the Mode of Tender as per extant company Purchase Policy & Procedures" and "Delegation of Powers Appendix" in the Administrative approval note itself.

5. Revised format in respect of "FORMAT for e-Office Administrative approval for raising Indent (MPR / CPAR)" including the above two provisions is enclosed to this circular.

6. Henceforth, all Indenting officials are advised to follow the above SOP strictly while raising the MPR / CPAR without failure.


D. Atchutaram

General Manager (Commercial)

To

All GMs / HoDs — For necessary implementation in their respective areas.

DGM (IT) is requested to upload the relevant extract taken from Purchase Policy & Procedures and Delegation of Powers in Intranet Home page under Important Links.

CC:

CVO / Director (Finance) / C&MD — For kind information.

FORMAT for e-Office Administrative approval for raising Indent (MPR / CPAR)

| ADMINISTRATIVE APPROVAL FOR RAISING MPR / CPAR | | | | | | |
|--|--|--|--|--------------------------------|----------------------------|-------------------------------------|
| Sl. No. | DESCRIPTION | | | | | |
| 1 | Intending Department | | | | | |
| 2 | Brief description of Goods / Service | | | | | |
| 3 | Justification | | | | | |
| 4 | Details of Stores | | | | | |
| | Item Code | Item Description | Quantity | I-IOM | Estimated Price | Stock details (in stock & Pipeline) |
| 5 | Total Estimated price of MPR / CPAR | | | | | |
| 6 | Basis of Estimate | | | | | |
| 7 | Delivery required | | | | | |
| 8 | Type of Tender | | | | | |
| 9 | Previous PO reference | | | | | |
| 10 | As per ERP MPR / CPAR number | | | | | |
| 11 | Mode of Tendering (GTE/OTE/LTE/STE/PTE) * | | | Delegation of Powers (DOP) | | |
| | Relevant clause as per company Purchase Policy Procedures for recommending the above Mode of Tendering | Ceiling limit as per company Purchase Policy Procedures for recommending the above Mode of Tendering | To record the Justification, in case of any deviation in this regard | Competent Authority as per DOP | Relevant clause as per DOP | Extent of Delegation |
| 12 | Any other details | | | | | |

(*) For Mode of Tendering: Refer Clause No. 5 .0 of Purchase Policy & Procedures.

(**) For Delegation of Powers:

i. Schedule of Delegation of Powers to C&MD: Please refer clause no's,

3.0 - Works,

4.0 — Revenue Items,

5.0 — Capital sanctions of Appendix — II(B) of Delegation of Powers.

- ii. Sub-Delegation Financial powers to Officers Sub-Ordinate to C&MD: Please refer clause no's,
- C9(a) — Purchase of raw materials,
 - C9(b) — Plant, Machinery & Equipments,
 - C9(c) — Spares for Plant, Machinery & Equipments,
 - C9(d) - TOOLS,
 - C9(e) — Other Materials (including Welfare items)of Appendix — III(A) of Delegation of Powers.



CAPITAL PROCUREMENT AND APPROPRIATION REQUEST

| | | | |
|-------------------|--|-------------------------|--|
| Department | | CPAR Control No. | |
| CPAR.No | | Date | |
| CPAR Date | | Express/Normal | |

| | | | |
|-----------------------------------|------------------------------|--|----------------------|
| Summary of the Requisition | Estimated Value (Rs.) | Reasons/Justifications for procurement: | Tender Type : |
| | | | |

| | | |
|--|--|--------------------|
| Delivery required by/Lead Time for Supply | Last PO NO, Date & Supplier (if similar Equipment is available) | Source |
| | | Import /Indigenous |

| | | |
|---------------------|--|---|
| Purpose: New | Suggested Sources: See Attachment | Stores endorsement/Stock position: As per Annexure |
|---------------------|--|---|

| | | | |
|------------------------------|--------|-----------|----------|
| Employee Name | | | |
| Approved/Not Approved | SUBMIT | FORWARDED | APPROVED |
| Designation | | | |
| Date | | | |
| Remarks/ Comments | | | |



MATERIAL PROCUREMENT REQUEST
(STOCK / NON STOCK ITEM)

| | | | |
|-------------------|--|------------------------|--|
| Department | | MPR Control No. | |
| MPR.No | | Date | |
| MPR Date | | Express/Normal | |

| Summary of the Requisition | Estimated Value (Rs.) | Reasons/Justifications for procurement: | Tender Type : |
|-----------------------------------|------------------------------|--|----------------------|
| | | | |

| Delivery required by/Lead Time for Supply | Last PO NO, Date & Supplier | Annual Consumption/Monthly |
|--|--|-----------------------------------|
| | | |

| | | |
|-----------------------------|--|---|
| Acceptance Criteria: | Suggested Sources: See Attachment | Stores endorsement/Stock position: As per Annexure |
|-----------------------------|--|---|

| | | | |
|------------------------------|--------|-----------|----------|
| Employee Name | | | |
| Approved/Not Approved | SUBMIT | FORWARDED | APPROVED |
| Designation | | | |
| Date | | | |
| Remarks | | | |



Annexure:

| Sl. No | Material Code No. | Description | Quantity | Unit | Estimate Value | Annual Consumption | Sub Inventory | Stores endorsement / Stock position: |
|--------|-------------------|-------------|----------|------|----------------|--------------------|---------------|--------------------------------------|
| 1 | | | | | | | Pipeline Qty: | |

Proprietary Article Certificate

Particulars of Equipment/Material: _____

Equipment/Material Indented in CPAR/MPR No. _____ **Dated** _____
is manufactured by _____

No other Makes are acceptable for the following reasons:

- 1.**
- 2.**
- 3.**

Indenting Officer

Through: HOD

GM

To

In-Charge (Purchase)

(Note: To be attached with the MPR/CPAR)



MISHRA DHATU NIGAM LIMITED

A Govt of India Enterprise

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

Corporate Identity Number :L14292AP1973GOI001660

Phone: 040-2434001 (10 lines), 2418 ___/24184449, Fax: 040 – 24340764

e Mail ID: _____@midhani-india.in,

website: www.midhani-india.in



Tender Notice No. & Date:

Start of Issue of Tender Documents:

Receipt of Tender on or before:

Opening of Tender Date:

| Sl. No | MATERIAL | Estimated Requirement | |
|--------|------------------------------|-----------------------|-----|
| | DESCRIPTION & SPECIFICATION. | Unit | Qty |
| 1. | | | |

List of Tender Documents:-

| S. No | Document Description | Pages |
|--------------|--|-------|
| | Invitation to Tender | |
| Annexure I | Technical Specifications | |
| Annexure II | General Terms and Conditions | |
| | a. Terms and Conditions for Indigenous Bidders/Job Works (Material Off – Loading) | |
| | b. Terms and Conditions for Import Offers (If Applicable) | |
| Annexure III | Terms and Conditions for E Procurement and E Auction / Procedure for Submission | |
| Annexure IV | Bank Guarantee Formats (As Applicable) | |
| Annexure V | Pre-Contract Integrity pact (If Applicable) | |
| Annexure VI | Letter of Credit Format (If Applicable) | |
| Annexure VII | Eligibility Criteria (If Applicable) | |

For MISHRA DHATU NIGAM LIMITED

Tender Inviting Authority

Bank Details for payment of EMD/SD by Bidders.

| | | |
|-------------------------------------|------------------|-----------------------------------|
| MIDHANI Bank Details | Name of the Firm | : M/s. Mishra Dhatu Nigam Limited |
| | PAN No. | : AABCM6345A |
| | Bank Name | : HDFC Bank Ltd. |
| | Branch Address | : Lakdikapul Branch, Hyderabad. |
| | Account No. | : 00210330000440. |
| | IFSC Code | : HDFC0000021 |
| | MICR Code | : 500240002 |
| | SWIFT Code | : HDFCINBBHYD |
| | Type | : Current account. |

Check list for submission of documents against the tender:**I) Techno Commercial bid should contain the following information (Envelope I/Cover I)**

| S. No | Description | Comply (Yes/No) |
|-------|--|-----------------|
| 1 | EMD | |
| 2 | Signed copy of Integrity Pact | |
| 3 | Detailed specification and Chemical composition of the offered product | |
| 4 | Acceptance to Terms and conditions of the tender | |
| 5 | Manufacturer test certificate wherever required | |
| 6 | Manufacturer's Name & Address | |
| 7 | The tenderer shall furnish typical analysis along with offer with respect to elements listed in the tendered specifications. | |
| 8 | Price Basis | |
| 9 | Delivery Schedule as per tender | |
| 10 | Validity period of the offer as per tender | |
| 11 | Terms of payment as per tender | |
| 12 | Country of origin of goods | |
| 13 | GST number and applicable rate (For indigenous bidder) | |
| 14 | Port of loading for FOB supplies. (For Import Offers) | |
| 15 | HSN Code/Custom duty tariff code | |
| 16 | Any other remarks related to this tender please specify in your offer | |

Note:

- Tenders received without the above documents & details are liable to be rejected summarily.
- Any order resulting from this invitation to tender shall be governed by our General conditions of contract and the supplier quoting against this enquiry shall be deemed/ to have read and understood the same.
- Please enclose the above check list along with the Techno Commercial bid.
- Tenderer's offer must conform in all respects with the applicable specifications and terms and conditions of the tender. In case of, deviation if any, from the tender specifications or terms and conditions must be clearly and explicitly stated. Technical deviations and Commercial deviations shall be furnished in separate sheets under the headings "TECHNICAL DEVIATIONS" and "COMMERCIAL DEVIATIONS" respectively, along with reasons for taking such deviations. Deviation(s) mentioned elsewhere shall not be accepted.

MIDHANI reserves the right to accept / reject any deviation in tenderer's offer pertaining to the materials specifications or to the terms and conditions stipulated in this tender without assigning any reason.

II) Price Bid should contain the following information (As Envelope II/Cover II as per BOQ Format)

- Unit Rate both in figures & words

RESTRICTIONS FOR PARTICIPATION IN THE TENDER

In reference to the OM No. 6/18/2019-PPD Dt. 23.07.2020 issued by Public Procurement Division, Department of Expenditure, Ministry of Finance, the following restrictions are applicable:

- I. Any Bidder from a Country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with Competent Authority as specified in the above mentioned Office Memorandum. Notwithstanding anything contained herein, it is hereby clarified that the said Order and this Clause will not apply to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects. Lists of such countries is available in the website of Ministry of External Affairs.
- II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or officer controlled by such person, participating in a procurement process.
- III. "Bidder from a country which shared a land border with India" for the Purpose of this Order means:-
 - a. An entity incorporated, established or registered in such a country; or
 - b. A subsidiary of an entity incorporated, established or registered in such a country; or
 - c. An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - d. An entity whose *beneficial owner* is situated in such a country; or
 - e. An Indian (or Other) agent of such an entity; or
 - f. A Natural person who is a citizen of such a country; or
 - g. A Consortium or joint venture where any member of the consortium or joint venture falls under any of the above
- IV. The *beneficial owner* for the purpose of (iii) above will be as under:-
 1. In case of a company of Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting along or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.
Explanation –
 - a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;
 - b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
 2. In case of partnership firm, the beneficial owner is the natural person (s), who, whether acting along or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical
 4. person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
 5. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
 6. In case of a trust, the identification of beneficial owner (s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership,
- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI. [In case of Works/Contracts/Turnkey Contracts] The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

Bidders shall provide and undertaking in this regard duly signed by Authorized Signatory on Company's Letter Head as below:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country 'or' if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Wherever applicable evidence of valid registration by the Competent Authority shall be attached]."

In case of Tenders of Works/Contracts involving possibility of sub-contracting

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country 'or' if from such a country, has been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Wherever applicable evidence of valid registration by the Competent Authority shall be attached]."

*_*_*_*

PREFERENCE UNDER MAKE-IN-INDIA

Purchase Preference under 'Make in India' Programme as per below mentioned Order and Notifications shall be provided to all Local suppliers:

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 9(a), 9(b) and 10(b) modified and Para 3A added] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018 and Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 04.06.2020 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.

2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

3. **Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement**

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. **Only 'Class-I Local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements** undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to

match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

(d) "Class-II local supplier' will not get purchase preference in any procurement, undertaken by procuring entities.

4. Exemption of small purchases: Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. Minimum local content: The local content requirement to Categorize a supplier as 'Class-I local supplier'/ 'Class-II local Supplier'/ 'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if any Nodal Ministry/Department finds that for any particular item, pertaining to their Nodal Ministry/Department, the definition of local content, as defined in this order, is not workable/ has limitations, it may notify alternate suitable mechanism for calculation of local content for that particular item.
6. Margin of Purchase Preference: The margin of purchase preference shall be 20%.
7. Verification of local content:
 - a. The 'Class-I local supplier'/ 'Class-II local Supplier' at the time of tender, bidding or Solicitation shall be required to indicate percentage of local content and provide self certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier' as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs.10 Crores, the Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in case of companies) or from a practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries May constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
 - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
 - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) Of the General Financial Rules along with such other actions as may be permissible under law.
 - g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under Paragraph 9h below.
 - h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other

- ii. manner;
- iii. On a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s):
- iv. In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

8. Specifications in Tenders and other Procurement solicitations:

- a. Every Procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavor to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of Class-I local supplier/'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign procurement, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to Chairman of the Standing Committee.
- e. For the purpose sub-paragraph 8 d above a supplier or bidder shall be considered to be from a country if (i) the entry is incorporated in that country or ii) a majority of the shareholding or effective control of the entry is exercised from that country or iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

8A. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

9. Manufacture under license/ technology collaboration agreements with phased indigenization: While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content, if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement/transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

General Terms and Conditions of the Tender

1. Any Order resulting from this invitation to tender shall be governed by our General Terms and Conditions of Contract and the supplier quoting against this enquiry Shall be deemed / to have read and understood the same.
2. Where counter terms and conditions have been offered by the Tenderer, the purchaser shall not be governed by these unless specific acceptances have been given in writing in the order by the Purchaser.
3. The offer should be complete in all respects. Full Particulars and descriptive literature and drawing should be forwarded along with the quotation. The make of the items offered should be clearly specified. Materials should be offered strictly conforming to our specifications. The deviations if any should be clearly indicated in the quotation. Test Certificates must be produced, wherever required. Material conforming to IS will be preferred.
4. **VALIDITY :**
The offer should be valid for a minimum period of **30 Days (For Raw Materials)/180 Days (For Capital Items/90 Days (For Others)** from the date of opening of the tender.**In case of shorter Price validity period, than what is stipulated in the Tender, the Company reserves the right to reject the bid summarily.**

5. **DELIVERY PERIOD (As applicable): From the Date of Purchase Order**
FOB supplies = X days
CIF Nahavasheva = X + 30 days (considering shipping period)
FOR supplies = X + 45 days (considering shipping + local transport periods)

6. **EARNEST MONEY DEPOSIT:**
The tender must be accompanied by an EMD amount of INR _____ or USD _____ or equivalent through online (as per Bank details indicated in tender) Or Bank Guarantee as per format enclosed from a Scheduled Bank encashable in Hyderabad, India with validity till **30/180/90 days**.

If EMD is not submitted, offers are liable for rejection. EMD and Security Deposit in the form of Demand Draft or Bankers Cheque will not be considered unless prior consent from MIDHANI is obtained. Exemption of EMD is available to MSE's and Start Up's as per Government Guidelines.

The earnest money shall be kept deposited till validity of the offers/finalization of the tender whichever is earlier. The Earnest Money will not earn any interest. If the tenderer after submitting his tender and during the tender's validity period, resile from his offer or modifies the terms and conditions thereof in a manner not acceptable to the Purchaser, the earnest money shall be liable to be forfeited. Should an Invitation to tender to be withdrawn or cancelled by the Purchaser, which it shall have the right to do at any time, the earnest money paid with the tender will be returned.

The Earnest Money shall be returned to all the firms after finalization of the tender, except to the successful tenderer. EMD of successful tenderer shall be returned after submission of Security Deposit/shall be held as Security Deposit as the case may be. Should the successful tenderer, upon the acceptance of his tender, fail or refuse to duly sign the agreement within the period fixed by the Purchaser as indicated above, the earnest money shall be forfeited without prejudice to his being liable for any further loss or damage incurred in consequence by the purchaser.

Note: EMD is exempted for all Government Departments/Central PSUs and Original Raw Material Manufacturers who participate directly.

In case of EMD Exemption/EMD Not applicable: In case of failure of the bidder to accept / execute the contract, the bidder shall not be permitted to participate in the re-tender for the same item. Also suitable penal action as deemed fit by Midhani shall be imposed.

7. SECURITY DEPOSIT (SD):

In case of successful tenderer, **10% of PO Value (For Open Tenders & Limited Tenders) where EMD is not applicable (or) as per Government guidelines issued from time to time** towards SD shall be submitted by vendor within 21 days from the date of PO, in the form of Bank Guarantee or payment through online with proof thereof. In case the supplies are completed within 21 Days and the same are subsequently accepted by MIDHANI, no SD or Interest shall be applicable.

The Security Deposit of above amount shall be submitted on placement of order, through online; Or Bank Guarantee as per format enclosed from a Scheduled Bank of India encashable in Hyderabad, India with validity till successful completion of the Order, within 21 days from the placement of order.

The security deposit shall be for the due and faithful performance of the contract and shall remain binding notwithstanding such variations, alterations or extensions of time as it may be made, given, conceded or agreed to between the Supplier/Contractor and Purchaser.

The Security Deposit furnished by the successful tenderer will be subject to the Terms & Conditions of the order/contract finally concluded between the parties and the Purchaser will not be liable for payment of any interest on the security deposit or any depreciation thereof.

The Security Deposit shall be refunded on application by the contractor after expiry of the contract period and after he has discharged all his obligations under the contract and produced a certificate from the Purchaser's authorized representatives certifying the due completion & acceptance of the work.

All Government Departments and Central PSUs are exempted from payment of Security Deposit. In all cases where SD is exempted, in case of failure of the bidder to accept / execute the contract as per agreed terms, the bidder shall not be permitted to participate in the re-tender for the same item. Suitable penal action in accordance with other provisions of the Tender shall also be applicable.

In case of Off-Loading, amount shall be submitted within 10 days from the collection of the material corresponding to the contract value for the quantities of material issued and the SD shall be returned after processed material is supplied and accepted by MIDHANI. Interest @ 12% p.a. shall be levied for the period of delay beyond 10 days.

Note: SD is exempted for all Original Raw Material Manufacturers who participate directly.

NOTE: In case SD is not submitted within the stipulated time as above, interest @ 12% p.a. shall be levied for the period of delay beyond the stipulated time. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor.

8. **All Bank Guarantees (EMD/SD/Advances/PBG) submitted:**

a. Shall be from a Nationalized Bank/ Scheduled Commercial Bank encashable in **Hyderabad** and in our prescribed formats only.

b. **Bank Guarantees (SD/Advances/PBG) shall have an additional claim period which is contractually agreed between the applicant and beneficiary as per their operational necessity, IN GENERAL three months from the date of expiry.**

9. Purchase Preference under 'Make in India' Programme as per attached Make in India Order and Notifications issued and amended from time to time shall be provided to all Local suppliers.

10. MSE (MICRO AND SMALL ENTERPRISES):

As per Public Procurement Policy (PPP) for Micro & Small Enterprises (MSEs) order, 2012 vide Gazette notification dated 23.03.2012 by Ministry of Micro, Small and Medium Enterprises of Govt of India, the following benefits will be extended to the MSEs.

If Tenderer happens to be a MSE as per Government Guidelines, necessary benefits in line with Government Guidelines issued from time to time shall be provided on submission of valid documentary proof to the satisfaction of the Purchaser. In case organization is an MSE Unit owned by SC/ST Entrepreneur or owned by Women Entrepreneur, submit valid documentary proof for extending benefits as per Government guidelines. Benefits include

- i) EMD is exempted for Micro & Small Enterprises (MSEs) registered with Competent Authorities as per Latest Government Guidelines issued from time to time. Note: Presently, Udhya Registration is required to be submitted to consider under MSEs. Existing Enterprises registered as MSEs (Without Udhya Registration) prior to June 30, 2020 shall continue to be valid only for a period up to March 31, 2021.
 - ii) Purchase Preference to MSE's shall be provided as given below.
 - a) In tenders, participating Micro and Small Enterprises quoting price within price band of L1+ 15 percent shall also be allowed to supply at least **25%** requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise. In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).
 - b) In case of tender item is non-divisible and if Micro and Small Enterprises quoted price is within the price band L1+15% shall be allowed to supply total tender requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise.
 - iii) "Vendors to intimate the value of Goods & Services which are sub contracted by them from the MSE's if any, pertaining to the ordered item(s)".
 - iv) The benefits mentioned above are meant for procurement of goods produced and services rendered by MSE's. Traders are excluded from availing these benefits
11. Start ups as recognized by Department of Industrial policy and Promotion (DIPP) shall be exempt from paying Earnest Money Deposit (EMD)

12. **QUERIES / CLARIFICATIONS:**

Queries / clarifications technical, financial or commercial, if any, that may arise, should be referred by the tenderer by email/letter to

Technical Queries:

Name:

Email id:

Ph:

Commercial/Financial Queries:

Name:

Email id:

Ph:

13. **PRICE NEGOTIATIONS :**

Price Negotiations as such shall not be held, except in the case of Negotiations with the lowest tenderer and accordingly, the tenderers shall have to submit their best commercial bids.

14. **ARBITRATION :**

Any dispute(s) or difference(s) whatsoever arises under or out of or in connection with the EOI/contract, or in respect of any defined legal relationship associated therewith or derived there from, shall be resolved/settled amicably, through mutual negotiation; failing which the differences shall be resolved by way of arbitration in accordance with the International Centre for Alternative Dispute Resolution (ICADR) Arbitration Rules 1996. The authority to appoint the arbitrator(s) shall be the International Centre for Alternative Dispute Resolution (ICADR). And will provide administrative services in accordance with ICADR Arbitration Rules 1996. The seat of

arbitration shall be India. The language of the arbitration proceeding shall be English. The place of arbitration proceedings shall be Hyderabad, Telangana, India.

In case of PSU/Government organization DPE guidelines in force or as amended from time to time shall be applicable. In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/Port Trusts inter se and also between CPSEs and Government dept./Organizations (Excluding disputes concerning Railways, Income Tax, Customs & Excise Dept.), such disputes or differences shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/ 2013- DPE(GM)/FTS-1835 dated 22/5/2018 or the latest DPE Guidelines issued from time to time.

15. **JURISDICTION :**

All questions, disputes or differences arising under, out of or in connection with the contract shall be subject to the exclusive jurisdiction of court within local limits of Hyderabad, India.

16. **RISK PURCHASE:**

The supply of all items must be completed satisfactorily and within the specified period in the order falling which the Purchaser reserves the right to purchase stores **through Tendering (excluding that particular firm who failed to execute the supplies)** from other sources at the supplier's cost and risk. In such case the supplier shall be bound to pay the extra cost incurred by Midhani forthwith on demand by Midhani.

17. **ADDENDA TO TENDER DOCUMENTS :**

The Purchaser reserves the right to issue addenda to the tender documents to clarify, modify, supplement or delete any of the condition, clause or items stated in the tender documents issued with this invitation to Tender. Each addendum issued will be distributed to each tenderer or his authorized representative and the addendum so issued shall form a part of the original tender documents to be reviewed as required.

18. **NO CLAIM FOR COMPENSATION FOR SUBMISSION OF TENDER :**

The tenderers whose tenders are not accepted shall not be entitled to claim any costs, charges and expenses of the tender, incidental to or incurred by them, through or in connection with their submission of tenders even though the Purchaser may elect to withdraw the invitation to tender.

19. **BANKRUPTCY ETC.:**

If the Supplier/Contractor shall become bankrupt or insolvent or cause or suffer any receiver to be appointed of his business or any asset thereof or compound with his creditors, or being a corporation commence to be wound up, or carry on its business under a Receiver for the benefits of its creditors or any of them, the Purchaser shall be at liberty:

a. To terminate the contract forthwith upon coming to know of the happening of any such event as aforesaid by notice in writing to the Contractor or to the receiver / liquidator.

OR

b. To give such receiver, liquidator or other person the option of carrying out the contract subject to his providing guarantee up to an amount to be agreed for the due and faithful performance of the Contract.

20. **RIGHT OF ACCEPTANCE:**

The Purchaser does not bind himself to accept the lowest or any of other tender and reserves the right of acceptance the whole or any part of the tender or portion of the quantity offered. **The purchaser reserves the right to place repeat order upto 100% of the quantities within two years from the date of Original order and completion of original order supplies, with mutual consent.**

21. **LIQUIDATED DAMAGES(LD):**

Liquidated Damages shall be levied against Suppliers/Contractors in the event of unsatisfactory, delayed or non supply of materials/execution of Contract beyond the date of delivery/completion of job. LD is leviable at the rate of 1% of the total order/contract prices per week or part there of subject to a maximum 10% of the order/contract prices including taxes & duties without prejudice to the right of the purchaser to take any other action. The amount shall also be recoverable from

any other contract on account of the supplier. The payment or deduction of such damages shall not relieve the contractor from his obligations to complete the work or from any other of his obligations and liabilities under the contract.

For FOB/FCA shipments (IMPORT), the date of handing over of the shipment to freight forwarder of MIDHANI / freight forwarder nominated by MIDHANI Customs Housing Agent (CHA) shall be calculated for LD.

22. CANCELLATION / SHORT CLOSURE OF CONTRACT/PURCHASE ORDER:

The purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the supplier, terminate the contract in whole or in part:

- a) If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the Purchaser.
- b) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser.
- c) MIDHANI reserves the right to short-close the Purchase Order for the total quantity (or) part thereof, under the circumstances viz., breach of trust/ breach of contract conditions, impossibility of performance, change in market conditions, change in production plan, change in specification, cancellation of order by customer/end-user etc.,

- 23. REJECTED GOODS:** The rejected goods at MIDHANI premises will lie at the risk of the Vendor. They should be replaced immediately on receipt of intimation regarding rejection from Midhani. In case the rejected goods are not replaced within six weeks from the date of receipt of the inspection memo, MIDHANI is not responsible for any loss, damage and theft, and in addition, MIDHANI reserves the right to recover such amount as may be assessed on account of storage and incidentals or any other charges MIDHANI may have incurred.

The vendor has to lift the rejected material from MIDHANI within 6 months from the date of receipt of intimation. In case of rejected goods are in MIDHANI for more than 6 months, MIDHANI reserves the right to dispose of the same and Vendor shall not have any right for claiming the goods or damages thereof.

24. SUBMISSION OF TENDER :

Tenders shall be submitted as per procedure specified at Annexure III. The tenders received after the stipulated time and due date, due to any reason whatsoever will not be considered. Tenders who are incomplete or otherwise considered defective are liable to be rejected.

25. MULTIPLE L1 PARTIES:

In case more than one tenderer is qualifying as L1, after price evaluation and the order is not to be split, the placement of order shall be done after obtaining reduced revised price bid from the L1 tenderers and if still there is a tie among L1 tenderers then to discover the final L1, draw of lots shall be held in presence of the tenderers who chose to be present.

26. Only one vertical (Company) from a group of companies will be eligible to participate in the tender. Midhani reserves the right to reject the bids of all such parties summarily, if it is found that verticals under the same organizations have participated.

27. Exchange Rate for Payment (only in case of for Raw Material procurements where the unit rate quoted is linked with LME / MB / Other International indices).

For bid evaluation purposes the Exchange rate for the foreign currencies shall be considered as on price bid opening date for bid evaluation and comparison purpose. Exchange rate shall be taken from the website of RBI/FBIL.

For payment purposes bidder to mention the either of the following option:

A) Exchange rate as on the date of procurement of Raw material from the Foreign supplier by the Vendor as evidenced from the Vendor Voucher (to be submitted by the vendor).

B) Exchange rate as on the 7th day from the placement of Purchase Order.

C) Exchange rate as on the 15th day prior to receipt of material at MIDHANI.

The bidder has to specify the basis of exchange rate to be adopted in his bid.

In case of High Seas Sales, however, only the Exchange rate as on the date of procurement of Raw material from the foreign supplier by the Vendor, as evidenced from the Vendor Voucher (to be submitted by the vendor) shall be adopted.

28. **Pre-Despatch Inspect (PDI) wherever applicable:** Pre-Dispatch Inspection shall be conducted as indicated in the Technical Specifications and Materials to be dispatched after obtaining the Dispatch Clearance from MIDHANI. Bidders to provide 10 days for PDI in all indigenous cases (supplier to give a minimum of ten days' notice) and Four weeks for all Foreign supply cases (supplier to give a minimum of four weeks' notice to take care of formalities associated with foreign travel).

Time taken by MIDHANI in excess of the defined time lines shall be considered as delay on the part of MIDHANI while calculating Liquidated Damages.

29. **Splitting of Order (Wherever applicable):**

In case the order is to be placed on more than one tenderer as specified in the tender, then all the technically & commercially qualified tenderers will be asked to match their prices with L-1 rate for distribution of the items / jobs to be ordered. Only the tenderers, who agree to match their prices with L-1 rate, in order of Bid ranking, will be considered for the distribution of order.

The allocation shall be broadly as below ***(To modify as per Indent)***

- i. In case of distribution for Ratio for Original Ranking L-1 L-2 L-3 L-4
Two parties 70:30; Three parties 60:25:15; Four parties 50:25:15:10;
- ii. In case more than one party has the same rank, then their share will be added and equally distributed. For example, if distribution is to be made among six parties and two parties have the same ranking of L-2 i.e. the original rankings are L-1, L-2, L-2, L-3, then from the above table, the distribution shall be
L-1 50%; L-2 20% i.e. $(25+15)/2 = 20\%$; L-2 20% i.e. $(25+15)/2 = 20\%$
L-3 10%.
- iii. However, in case of tie among the same ranking parties i.e., in a situation where ranking is L-1, L-1, L-2, L-3, L-3, L-3, L-4, and only four parties are to be considered for placement of order, the distribution shall be
L-1 37.5%, L-1 37.5%, L-2 15%, L-3 10% and only one party among the three L-3 parties to be selected through draw of lot in the presence of their representatives.

30. **TENDER OPENING:**

A. **TECHNO-COMMERCIAL BIDS (UN-PRICED) :**

Techno-commercial Bids (un-priced) only shall be opened on the due date indicated in the enquiry in the e-platform (or) in the presence of Tenderers or their authorized representatives who choose to be present at the time of tender opening, as the case may be.

B. **PRICE BIDS:**

Price Bids of technically acceptable tenders' shall be opened after the Techno-commercial bids evaluation and after receipt of clarifications, if any, in the e-platform (or) in the presence of Tenderers or their authorized representatives who choose to be present at the time of tender

opening, as the case may be at the time and date which will be informed to the tenderers concerned in advance.

The comparative assessment of offers received would be made on equal footing taking into account the financial implications for the deviations in terms and conditions/loading of any charges to arrive at the Landed Cost to MIDHANI. In case of any acceptable commercial deviation, MIDHANI may evaluate the prices with appropriate loading at One year MCLR rate + 0.5% of SBI prevailing on the date of Technical bid opening.”

Conditional discounts offered by the tenderers for coverage within a shorter period for early inspection / payment etc., shall not be considered at the time of evaluation of tenders.

31. **DEFINITIONS:**

A. **PURCHASER:**

The term "Purchaser" or "Midhani" as used herein shall mean Mishra Dhatu Nigam Limited, incorporated under the Companies Act, 1956, and having its registered office at P.O. Kanchanbagh, Hyderabad - 500 058, India, and shall include its successors and assigns.

B. **TENDERER:**

The term "Tenderer" shall mean the person, firm or corporation submitting a tender against the Invitation to tender and shall include his/its heirs, executors, administrators, legal representatives, successors and assigns.

C. **SUCCESSFUL TENDERER/SUPPLIER/CONTRACTOR:**

The term "Successful Tenderer/Supplier/Contractor" shall mean the Tenderer whose tender has been accepted and shall include his/its heirs, executors, administrators, legal representatives, successors and assigns approved by the Purchaser.

32. **FORCE MAJEURE:**

If at any time during the continuance of this Contract, the performance in whole or in part, neither party shall be liable of performance under this Contract, any obligations under the Contract of any party is prevented or delayed due to reasons beyond such party's control, including but not limited to acts of God, fire, flood, earthquake other natural catastrophes, any law, order, regulation, direction, action of any civil or military authority, national emergencies, insurrections, riots, war (whether declared or not), hostility, acts of the public or enemy, civil commotion, sabotage, explosion epidemic, quarantine restrictions, strikes and lock-outs, work stoppage or other labour difficulties, absence of the usual means of communication or transportation (hereinafter referred to as 'eventuality') provided however the party to which the force majeure has happened shall use commercially reasonable efforts to eliminate such an event.

Force majeure shall also be deemed in the event of any regulatory decision or government order requiring the either party to suspend its service(s) or operation(s) for any reasons whatsoever. Notice of the happening of any such eventuality or force majeure as mentioned herein shall be given by either party to the other within fifteen (15) days from the date of the occurrence thereof along with supporting proof of the occurrence of the Force Majeure event , neither party shall, by reason of such eventuality, be entitled to terminate this Contract, nor shall either party have any claim for damages against the other in respect of such non-performance, or delay in performance, and the work under this Contract shall be resumed as soon as practicable after such eventuality has come to an end or ceased to exist, and the decision of the Purchaser as to whether the work has been so resumed shall be final and conclusive.

Certificate of a Chamber of Commerce (Commerce and Industry) or other competent authority or organization of respective country shall be a sufficient proof of commencement and cessation of the above circumstances.

The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered or delayed. The time for completion shall be extended by number of days the party giving notice was prevented from performing his obligation due to Force Majeure, in accordance with Clause 27 hereof.

Should one or both parties be prevented from fulfilling their contractual obligations by a state of force majeure lasting continuously for a period of at least six (6) months, both the parties shall consult each other regarding the further implementation of the Contract, provided always that, if no mutually agreed arrangement is arrived at within a period within three (3) months from the expiry of the six (6) months referred to above, the Contract shall be deemed to have expired at the end of the said six (6) months referred to above. The above mentioned expiry of the Contract will imply that both the parties have the obligation to reach an agreement regarding the winding up and financial settlement of the Contract.

33. REPEAT ORDER (APPLICABLE FOR ALL REVENUE ITEMS AND IN CASE OF CAPITAL EQUIPMENTS SHALL BE RESTRICTED TO ANCILLARY EQUIPMENTS):

The Purchaser may issue Repeat Order increasing the quantity upto 100% of original Purchase Order quantity with two years from the date of Original Purchase Order and completion of Original Purchase Order supplies, subject to no downward trend in prices by giving reasonable time / notice to the Supplier.

34. OPTION CLAUSE (APPLICABLE FOR ALL REVENUE ITEMS):

The Purchaser may issue amendment to increase the quantity upto 25% of the ordered quantity on the same price and terms and conditions with mutual consent during the currency of the contract i.e., till final delivery date / extended delivery date, by giving reasonable time / notice to the supplier.

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TERMS AND CONDITIONS FOR INDIGENOUS OFFERS**1. PRICE BID FORMAT:**

Prices shall be quoted ONLY in the format mentioned below/as per BOQ:

| Sl. No | Description | Quantity with UOM | Unit Price per job (INR) | Total FOR Midhani price (INR) | HSN/SAC Code | GST (%) |
|--------|-------------|-------------------|--------------------------|-------------------------------|--------------|---------|
| I | II | III | IV | (V = III x IV) | | VI |
| 01 | | | | | | |

The tenderer shall indicate/furnish the following in his offer (wherever applicable):

- a. Manufacturer's Name & Address.
- b. Country of origin of goods.
- c. Delivery period.
- d. Mode of packing.
- e. Net weight and Gross weight.
- f. Technical Literature / Catalogue/Specifications.
- g. Details of Shelf life, if any, applicable for the goods offered.
- h. Your Banker's Name, Address & Details.
- i. A confirmation that the price quoted is your lowest export price and is the same as you would normally quote to Government department and other favored customers.
- j. HSN Code for all the Items quoted along with applicable GST Rates.

Note (For Manual Tenders): Technical Offers shall contain UNPRICED Format indicating all the details without which offers are liable to be rejected.

2. TERMS OF PAYMENT for Indigenous Offers:

As per Procurement of Goods & Sub contracting Manual - 2023.

3. PRICES:

Price Basis: FOR MIDHANI, Hyderabad basis shall be quoted. The Prices must be per unit shown inclusive of packing forwarding insurance Octroi duty and delivery charges and should be on FOR destination basis, Offers from local suppliers should be for free delivery at our Stores.

4. TAXES AND DUTIES:

The Tenderer shall indicate their GST Number & date in the quotation. Taxes/Duties payable have to be clearly indicated in the quotation. The nature of duties and applicable percentages thereof and the items on which such taxes/duties are leviable along with applicable HSN code shall be indicated in the Offer. Payment of taxes or duties shall be as applicable at the time of supply and on production of documentary evidence. Statutory variation in the rate of Taxes and duties during the delivery period shall be accepted.

5. PACKING:

The stores should be securely packed and properly marked to avoid loss or damage in Transit by Rail / Road. Mode of Packing shall be specified in the offer.

GENERAL TERMS & CONDITIONS FOR IMPORT OFFERS1. **Prices shall be quoted ONLY in the format below/as per BOQ:**

| Sl. No | Description | Quantity with UOM | Unit Price per job USD/EUR/GBP/JPY | Total FOB Price | HSN/SAC Code |
|--------|-------------|-------------------|------------------------------------|-----------------|--------------|
| I | II | III | IV | (V = III x IV) | |
| 01 | | | | | |

CIP/CIF/C&F Charges extra: _____ (If Applicable)

In case you opt for any other INCOTERMS other than FOB, ONLY additional Charges for CIP/CIF/C&F Price may be quoted separately. FOB PRICE SHALL BE INDICATED IN THE OFFER.

The tenderer shall indicate/furnish the following in his offer:

- a. Manufacturer's Name & Address.
- b. Country of origin of goods.
- c. Delivery period.
- d. Mode of packing.
- e. Net weight and Gross weight.
- f. Technical Literature / Catalogue/Specifications
- g. Details of Shelf life, if any, applicable for the goods offered.
- h. Your Banker's Name, Address & Details.
- i. A confirmation that the price quoted is your lowest export price and is the same as you would normally quote to Government department and other favored customers.
- j. HSN Code for all the Items quoted along with applicable GST Rates.
- k. TARIFF HEAD UNDER H. S. (HARMONISED SYSTEM).

Note: Technical Offers shall contain UNPRICED Format indicating all the details without which offers are liable to be rejected.

2. **CREDIT RATING CERTIFICATE:**

- a) Tenderers may furnish credit rating obtained by them from any reputed credit rating agency along with offer.
- b) DEALERSHIP CERTIFICATE (If Applicable):
Dealers/Stockists/traders shall furnish dealership/authorisation certificate from the OEM along with offer. Offer shall not be considered in case authorization certificate from OEM is not submitted.

3. **AGENCY COMMISSION :**

We are a Government of India Enterprise. It is our policy to deal with the foreign suppliers/manufacturers directly without associating any of their Indian agents or payment of any agency commission. You are therefore requested to quote your price without any agency commission, passing on this benefit to the Purchaser which is Government of India Enterprise. Please therefore specifically state in your offer that the price quoted by you is net and NO agency commission is payable to any Indian agent.

4. **TERMS OF PAYMENT:**

A. Supply: Through Irrevocable Letter of Credit/CAD, 30% payable against shipping document as mentioned at clause 4.1 and balance 70% payable against acceptance documents mentioned at clause 4.2. Clear instruction shall be given by you to the bank to forward the following documents without any delay to our bank. Andhra Bank, BDL Campus Branch, PO kanchanbagh, Hyderabad-500058 **OR** State Bank of India, Chandrayangutta, Hyderabad – 500058.

(or)

B. 100% Payment within 30 days from the date of receipt of material at the site in satisfactory condition subject to acceptance.

4.1 Documents required for 30% payment:

The tenderer shall be confirming that in the event of order that the following documents will be furnished for each lot / consignment for purposes for payment:

- a. Clean on Board Bill of Lading as defined in Incoterms 2010. – 2 negotiable and 2 non negotiable copies
- b. Signed Invoice for the goods dispatched. - 4 copies
- c. Certificate of Origin. – 2 copies
- d. Packing List. – 5 copies
- e. Test / Manufacturer's Certificate. – 4 copies
- f. Fax/email intimation particulars regarding shipment sent to our insurer – 2 copies
- g. Certificate from beneficiary that one set of non negotiable documents has been sent to Purchaser/Buyer as per PO/Contract

4.2 Documents required for claiming balance 70% payment:

- a. Acceptance certificate issued by Midhani in original.
 - b. NOC from Midhani for releasing balance payment after recovery if any.
- (NOTE : In case of LC Payment, cost of LC and interest for 30% Advance shall be added for landed cost calculation)

5. PRICES :

Preference will be given to FIRM prices.

- i. Offers in Foreign Currencies shall be normally on FOB basis. However, in case any other Terms as per INCOTERMS are quoted, FOB price must be indicated. MIDHANI shall reserve the right to place order on either FOB or other Terms as per INCOTERMS.
- ii. Supplier shall provide mandatory 14 days of free period for arranging custom clearance in Final place of Delivery : ICD, Hyderabad
- iii. Indicate whether the shipment shall be FCL (Full Container Load) or LCL (Low Container Load) and number of containers in the techno-commercial bid. In case the same is not feasible, indicate the volume and weight of the consignments.
- iv. Exchange rate for the foreign currencies shall be considered as on **price bid** opening date for bid evaluation and comparison purpose. Exchange rate shall be taken from the website of RBI/**FBIL**.
- v. Landed Costs shall be calculated on FOB Costs considering the following:
 - a. Freight, Insurance and Clearance Charges (as per the port of Loading) till receipt of material in MIDHANI.
 - b. Duties applicable after considering Input Tax Credits.
 - c. Interest Charges for normalizing payment terms (if any), based on One year MCLR rate + 0.5% of SBI prevailing on the date of Technical bid opening.
 - d. LC charges prevailing as on techno-commercial bid opening date as per SBI taking into account the Delivery Period.
 - e. Pre Dispatch Inspection Charges, if any, for Inspection by MIDHANI.
- vi. Freight & Insurance charges whichever is lower either (i) from offer, in case of other than FOB price or (ii) our internal prices in case of FOB Price shall be considered.

6. **DISCOUNT :**
Prices quoted should be applicable to purchases by Manufacturers and the manufacturer's discount, if any, should be indicated in the offer.
7. **MODE OF SHIPMENT :**
By Sea for Import offers with place of delivery to be indicated as ICD, Hyderabad.
(Port of Loading shall be clearly mentioned for FOB supply in techno-commercial offer)
8. **DESCRIPTION & SPECIFICATION :**
The description and specification offered in the offer will be binding on the Tenderer and no alteration thereof will be permitted.
9. **AUTHORITY TO SUBMIT TENDER :**
The signatory to the Tender will be deemed to have the authority to submit the Tender. The Tender will be binding on the tenderer and no alteration will be permitted.
10. **TAXES & DUTIES:**
All statutory customs/import duties, taxes, fees, cess & levies, etc. in India on the imported goods on amount payable in foreign currencies shall be borne and paid by the Purchaser.
Income tax (Withholding Tax) in India, if leviable and other taxes in relation thereto on any other account shall be borne and paid by the successful Supplier. The successful supplier shall be liable to file tax returns with respective income tax authorities as required under the Indian Income Tax Act.
All payments under the Purchase Order to the successful tenderer shall be subjected to deduction of taxes at source at the applicable rates in force as per the provisions of the Indian Income Tax Act or Double Taxation Avoidance Treaty whichever is more beneficial to the tenderer. Where the benefits of double taxation are to be availed, it shall be the responsibility of the tenderer to furnish the Tax Residency Certificate to the Purchaser required under the Indian Income Tax Act.
11. **INSURANCE :**
Marine Insurance Coverage will be arranged by the Purchaser for FOB Shipment
12. **EXPORT LICENCE :**
Restrictions if any, for exporting this item to Midhani, India may please be indicated specifically with regard to time required for executing the order as per the quoted delivery schedule.
13. **PACKING :**
The material should be securely packed and properly marked to avoid Loss & Damage in Transit. Mode of Packing shall be indicated in the Offer.
14. **HIGH SEA SALES:** In case of High Seas Sales, the Exchange rate as on the date of procurement of Raw material from the foreign supplier by the Vendor, as evidenced from the Vendor Voucher (to be submitted by the vendor) shall be adopted. Also, in case of High Sea Sales, HSS agreement shall be signed only after submission of Security Deposit.
15. **COO (Country of Origin):**
Country of Origin Certificate to be issued by Chamber of Commerce to avail discount in preferential custom Duty amount in India Customs.

GENERAL TERMS AND CONDITIONS FOR JOBWORKS**1. PRICE BID FORMAT: Prices shall be quoted ONLY in the following format/as per BOQ:**

| Sl. No | Description | Quantity with UOM | Unit Price /Kg of Input Weight(INR) | Total price (INR) | HSN/SAC Code | GST (%) |
|--------|-------------|-------------------|-------------------------------------|-------------------|--------------|---------|
| I | II | III | IV | (V = III x IV) | | VI |
| | | | | | | |

The tenderer shall indicate/furnish the following in his offer:

- Your Banker's Name, Address & Details.
- A confirmation that the price quoted is your lowest export price and is the same as you would normally quote to Government department and other favored customers.
- HSN/SAC Code for all the Items quoted along with applicable GST Rates.

Note: Technical Offers shall contain UNPRICED Format indicating all the details without which offers are liable to be rejected.

2. PAYMENT TERMS :

Payment of all the bills will be made within a period of 30 days from the date of receipt and acceptance of the materials at site.

3. PROCESS LOSS AND SCRAP:

The Scrap generated during process shall be kept separately and to be returned to MIDHANI along with finished material. Material accounting shall be submitted challan-wise along with supplied items. A maximum process loss of ___ on input material weight is allowed. If the process loss exceeds allowed percentage, equivalent cost of exceeded scrap quantity shall be recovered from the bills.

4. REJECTIONS :

The processing has to be carried out as per Scope of Work and as per Instructions given by MIDHANI after placement of order. In case any material is rejected due to non-confirmity with size and shape or due to non-adherence of MIDHANI process instructions, conversion cost shall not be paid and rejected material shall be returned back to MIDHANI/ the cost of the raw material will be recovered from the tenderer (wherever applicable).

5. INDEMNITY BOND :

The successful tenderer shall submit Indemnity Bond covering the value of free issue material as directed by the Purchaser. The value of the material will be furnished at the time of placement of order.

6. INSURANCE:

The successful tenderer shall take an Insurance Policy, covering all risks, for the value of material issued by Midhani and lying at his works.

7. PRICES:

Tenderers shall submit their quotation in terms of Rs./Kg on input weight basis. The prices shall be firm during the tenure of the contract.

8. TRANSPORT (As applicable):

Tenderers are advised to include to and fro transport charges in their offer, as the successful tenderer shall collect the material from Purchaser's works and deliver the finished product back at Purchaser's works.

Or

To and fro Transportation shall be in the scope of MIDHANI at its own cost.

9. REPEAT ORDER :

Within a period of six months from the date of completion of the order, the Purchaser further reserves the right to place repeat order on the successful tenderer for an additional quantity upto 100% of the original ordered quantity.

10. GENERAL DIRECTION OF THE WORK:

The contractor shall obtain instructions for carrying out the work pertaining to his Contract from the Purchaser or its authorized representative. The Contractor shall take care of the progress of the work through a qualified representative. Any Instructions given to such representative shall be considered as having been issued directly to the Contractor.

11. RESPONSIBILITY FOR PERFORMANCE OF CONTRACT :

The successful tenderer is responsible for the due performance of the contract in all respects as per the Scope of work.

12. SUB LETTING OR SUB-CONTRACTING OF CONTRACT :

The Successful tenderer shall not sublet, transfer or assign the contract or any part thereof without the written permission of the Purchaser.

PROCEDURE TO BE FOLLOWED FOR SUBMISSION OF TENDER
(In Separate Sealed Covers)

ENVELOPE NO.1:

PART – I “TECHNO- COMMERCIAL BID”
ALONG WITH EMD & INTEGRITY PACT
ENQUIRY NO. _____
DATE: _____
DUE DATE : _____ AT _____
To
THE ADDL. GENERAL MANAGER (PURCHASE)
MIDHANI, HYDERABAD - 500 058.

NAME OF THE TENDERER:

ENVELOPE NO.2:

PART - II “PRICE BID”
ENQUIRY NO. _____
DATE: _____
To
THE ADDL. GENERAL MANAGER (PURCHASE)
MIDHANI, HYDERABAD - 500 058.

NAME OF THE TENDERER:

PLEASE PUT ALL THE TWO ENVELOPES IN A BIGGER SIZE ENVELOPE:

NOTE: FOR SINGLE BID TENDERS, PRICE BID SHALL BE OPENED ONLY IF EMD/EXEMPTION DOCUMENT IS ENCLOSED IN THE TECHNO-COMMERCIAL BID.

ENVELOPE NO: 3 (BOTH THE ENVELOPE No. 1 & No. 2 TO BE PLACED IN THE ENVELOPE No. 3):

TENDER NO.
ENQUIRY NO. _____
DATE: _____
DUE DATE : _____ AT _____

CONTENTS:

- 1) TECHNO-COMMERCIAL BID WITH EMD & IP
- 2) PRICE BID

To
THE ADDL. GENERAL MANAGER (PURCHASE)
MISHRA DHATU NIGAM LIMITED
PO: KANCHANBAGH,
HYDERABAD - 500 058.

NAME OF THE TENDERER:

**TERMS AND CONDITIONS AND INSTRUCTIONS TO THE TENDERER FOR
ONLINE SUBMISSION OF QUOTATION**

1. Tenders are invited on-line on the website <http://eprocuremidhani.nic.in> from the eligible bidders having Class III, Digital Signature Certificate (DSC) issued from any agency authorized by Controller of Certifying Authority (CCA), Govt. of India. For Digital Signature Certificate (DSC) issuer details, please refer www.cca.gov.in website, FAQ- How do I get a Digital Signature Certificate (DSC). The bidders have to get themselves registered online on the e-Procurement portal <http://eprocuremidhani.gov.in> with the class III DSC. The online Registration of the Bidders on the portal will be free of cost and one time activity only.
2. **The Tender has to be submitted in TWO BID SYSTEM failing which the tender will be liable for rejection. All technical matters, Testimonials, credentials, commercial conditions has to be mentioned in Cover-I i.e. Technical Bid and Price has to be mentioned in Cover-II i.e. Price Bid (BOQ). (Note: The other commercial terms & conditions of your quotation/offer should be mentioned separately in ATC (Agreed Terms and Condition) which will be downloaded and upload the same in cover I). All bids are to be submitted on-line on the website <http://eprocuremidhani.gov.in> No bid shall be accepted off-line.**
3. No consideration for wrong entries/errors will be allowed and firms are advised to carefully indicate the applicable taxes and duties amount.
4. **Technical Specification:** Technical Specification containing the technical parameters for tendered item will be in PDF format and will be downloaded by the bidder and he will furnish all the required information in PDF file. Thereafter, the bidder will upload the technical specification of the quoted item in PDF file during bid submission. Non-compliance of any one specification parameter of the item will disqualify the bidder in that item. The Technical specification which is incomplete and not submitted as per instruction given above will be rejected.
5. **Price bid:** The Price bid containing the Bill of Quantity will be in Excel format and will be downloaded by the bidder and he will quote the rates, taxes & duties etc. for his offered items on this Excel file. Thereafter, the bidder will upload the same Excel file during bid submission in respective folder. The Price-bid will be in Item-wise Rate BOQ format and the bidder may quote for any or all the tendered items and the L-1 will be decided for each item separately. The Price-bids of the tenderers will have no condition. The Price Bid which is incomplete and not submitted as per instruction will be rejected.
6. The “General Terms & Conditions” as mentioned in the NIT shall form an integral part of the NIT and will also form a part of the Orders placed against this tender.
7. Clarification of Bid (wherever applicable): The bidder may seek clarification on-line within the specified period. His identity will not be disclosed by the system. However, the management will clarify as far as possible the relevant queries. The clarifications given by the department will be visible to all the bidders or only the bidder who raised the clarification query, intending to participate in the tender.
8. Submission of Bid: The bidders have to accept unconditionally the on-line user portal agreement which contains the acceptance of all the Terms and Conditions of NIT including Commercial & General Terms

& Conditions, along with on-line undertaking in support of the authenticity of the declarations regarding the facts, figures, information and documents furnished by the Bidder on-line in order to become an eligible bidder. No conditional bid shall be accepted.

9. In case the Tender Committee finds that there is some error/omission in scanning & uploading the Technical Cover document by a bidder, the same will be specified on-line under shortfall documents by Evaluator normally within short duration of Technical-bid (Part-I) opening/through an email to the specified email id, indicating the start date and end date giving specific time for on-line submission by bidder. The bidder will get the intimation about this through a standard system generated e-mail and will re-upload the same within specified period. No additional time will be allowed for on-line submission of document.
10. Modification and Withdrawal of Bid: The bidder may modify and resubmit the bid on-line as many times as he/she may wish, only before the deadline of submission of tender.
11. The destination point for delivery of materials will be as follows:

| Item Sl. No. | Quantity | Consignee | Destination Point (Place of delivery of materials) |
|--------------|---------------|---|---|
| All Items | Full Quantity | Dy. Genl. Manager (Stores) Mishra Dhatu Nigam Limited PO - Kanchanbagh HYDERABAD - 500058, Telangana, INDIA | Dy. Genl. Manager (Stores) Mishra Dhatu Nigam Limited Central Stores PO – Kanchanbagh, HYDERABAD - 500058, Telangana, INDIA |

The bidder will be responsible for safe arrival of materials to the destination points as mentioned above. However, the unloading and stacking of materials will be the responsibility of the consignee. The bidders should quote their unit rate on FOR (Free on Road/Rail) destination basis in a specified format containing the breakup of applicable taxes and duties, freight, insurance and other components of the price in absolute value along with the basic price of each item. The L1 bidder will be decided by the system on the basis of landed price inclusive of all taxes and duties as applicable and tax credits for each item. It will be calculated automatically by the system based on the price quoted by the bidders, by summing up the basic rate with other price elements, as given by the bidders on-line. Non submission of any price component by bidder will be taken as 'zero' by the system, the evaluation will be done accordingly and that price element will be assumed to be included in the basic price quoted by the bidder. Bidders are requested to indicate Taxes separately in the BOQ wherever applicable.

12. After evaluation of Techno-commercial bid, all the bidders will get the information regarding status of their eligibility along with the date of Price-bid opening on their personalized dash board and also by system generated e-mail. It will be the bidder's responsibility to check the status of their Bid on-line at least once daily, after the opening of Techno-commercial bid till opening of the Price-bid. No separate communication will be made to the bidder in this regard.
13. The Bidder, who's Bid has been accepted, will be notified of the award on-line and also Purchase Order shall be sent by email/registered/speed post by the employer prior to

expiration of the bid validity period. The L-1 bidder will get the information regarding award of work on their personalized dashboard on-line.

14. Cost of Bidding: The bidder shall bear all costs associated with the preparation and submission of his bid and the Employer will in no case be responsible and liable for those costs.
15. The Bidder, who's Bid has been accepted, will be notified of the award on-line and also by registered post by the employer prior to expiration of the bid validity period. The L-1 bidder will get the information regarding award of work on their personalized dashboard on-line. On receipt of Letter for Acceptance (LOA)/Work Order of the tender issued by the MIDHANI, the successful tenderer shall execute contract agreement in the company's prescribed form for the due fulfillment of the contract. Failure to enter into the required contract within the specified period in the work order shall entail cancellation of LOA/work order and forfeiture of the Earnest Money. The written contract to be entered into between the contractor and the MIDHANI, shall be the foundation of the rights of both the parties and the contract shall not be deemed to be executed until the contract is signed by both the parties i.e. Contractor and the MIDHANI. ***(Applicable for Contracts)***
16. It is the bidder's responsibility to comply with the system requirement i.e. hardware, software and internet connectivity at bidder's premises to access the e-tender website. Under any circumstances, MIDHANI shall not be liable to the bidders for any direct/indirect loss or damages incurred by them arising out of incorrect use of the e-tender system or internet connectivity failures.
17. One Bid per Bidder: Each Bidder shall submit only one Bid, either individually, or as a partner in a partnership firm or a partner in a Joint Venture or a public limited firm. A Bidder who submits or participates in more than one Bid (other than as a subcontractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder's participation to be disqualified.

e- TENDER CUM AUCTION NOTICE

1. Tenders are invited on-line on the website <https://eprocuremidhani.nic.in> from the eligible bidders having Digital Signature Certificate (DSC) issued from any agency authorized by Controller of Certifying Authority (CCA), Govt. of India and which can be traced up to the chain of trust to the Root Certificate of CCA.

| | |
|--|---|
| Start Date & time of Reverse Action | Information regarding start Date & Time of Reverse Auction shall be sent by system generated e-mail and SMS, but it shall be bidder's responsibility to check the MIDHANI e-Procurement portal after Bid Opening Date & Time to get the latest status / information regarding start Date & Time of Reverse Auction. |
| Tender-cum-auction: | After opening of bid, the system will show lowest F.O.R. Destination rate. The auction (reverse) shall be created for the tender, after opening of price bid. The auction (reverse) will be available to participant to participate with initial L-1 rate. |

General guidelines and Process Flow for Tender cum Auction:

General guidelines and Process Flow for Tender cum Auction, if applicable are as under:-

- a) Reverse Auction will be initiated after opening of price bids, as specified by Tender Inviting Authority (TIA) as detailed above.
- b) There will be no participation fees for e-Reverse auction.
- c) Upon opening of the price bids, a reverse auction platform will be created, displaying only the item wise L1 price received.
- d) **L-1 Landed price/cost to the company will be the start bid price for tendered Goods. The BOQ shall be designed taken into consideration Tax Credits as applicable, so that it is reflected in the landed price.**
- e) **The L1 price/start bid price is Landed / cost to the company price / MPR estimated value, whichever is low on which the auction will be initiated. At the end of reverse auction, the L1 bidder shall have to submit break up of prices conforming to the lowest landed rate quoted by him in the reverse auction.**
- f) The L-1 Bidder after the reverse auction has to upload the breakup of Landed Price in the shortfall document/by email. The detailed breakup of offered landed price uploaded by the bidder shall be considered and order if placed shall be with the same breakup of prices. The L-1 bidder after reverse auction will be responsible to ensure that Landed rate as per the breakup of prices provided by them after the reverse auction & L-1 landed rate offered by them in the reverse auction is exactly same, otherwise it may be treated as withdrawal of offer and it will attract penal action. While giving breakup, the bidder will have to consider the same rate of taxes and duties as quoted while submitting the e-Price bid. In case the L-1 bidder fails to submit the breakup of landed price within 02 days, MIDHANI shall be at liberty to place order on the basis of breakup of the e-price bid submitted by the bidder along with the initial offer and same shall be binding on the bidder.

g) The decrement value will be @ 1% of the start bid price rounded off to the nearest Rupee. The reduction shall have to be made as per decrement value or in multiple thereof. However, the decrement value may be modified with due approval of competent authority depending upon value of item proposed for tendering.

h) Initial period of reverse auction will be two hours (Start date & time of auction shall be intimated online after opening of Bid). There will be auto extensions of time every time by ten minutes (or any other time decided to be set which should not be less than ten minutes) in case of any reduction recorded in the last ten minutes. The reverse auction will come to a close only when there is no further reduction recorded in the set time slot.

i) System protects bid and bidder information till auction gets over and displays current L1 price only to the bidder.

j) System provides bidder details along with bid documents at the end of reverse auction process.

k) The log details of the entire reverse auction process will be generated by the system once the process of reverse auction is completed.

l) If a bidder does not submit their bid in the Reverse Auction, the price quoted by them in the price bid shall be considered as the valid price of that bidder. The status of the bidder (L1, L2 etc.) shall be evaluated considering either the bid price submitted in Reverse auction or the Price quoted in the price bid, whichever is lower.

m) Since, reverse auction is a sequel to e-tender, the process of finalizing the tender upon completion of reverse auction will be same as the tender process without reverse auction.

n) MIDHANI will provide the calculation sheet (e.g.: EXCEL sheet) which will help to arrive at "Landed Cost to MIDHANI" by the vendor, like packing & forwarding charges, Taxes and duties, freight charges, Insurance, Service tax for services etc., to enable them to fill-in the price and keep it ready for keying in during the Reverse auction.

o) The bid history shall reflect only the landed price. The landed price may also not be the same for two bidders even if any bidder makes such an attempt.

p) Server time shall be the basis of Start time & Closing time for bidding and shall be binding for all. This would be visible to all concerned.

q) On expiry of the closing of the auction, the bid history showing all the last valid bids offered along with name of the bidders shall be published. All bidders shall have the facility to see and get a print of the same for their record.

r) All electronic bids submitted during the reverse auction process shall be legally binding on the bidder. The chronologically last bid submitted by the bidder till the end of the auction will be considered as the valid price bid offered by that bidder and acceptance of the same by MIDHANI will form a binding contract between MIDHANI and the bidder for entering into a contract.

s) Conditional discounts shall not be considered. If a bidder offers a discount unilaterally after submission of bid, the discount shall not be considered except L-1 bidder.

t) If the lowest price received during reverse auction is unreasonable or it is unacceptable on ground of being too high or too low compared with estimated price, the management reserves right to seek justification of the price from lowest bidder. If the price is not considered reasonable or it is decided otherwise, management may not accept such bid and go for another tendering process.

u) In case of disruption of service at the service provider's end while the RAP is online, due to any technical snag or otherwise attributable to the system failure at the server end, the RAP process will start all over again. In such a situation, the last recorded lowest price of prematurely ended RAP, will be the 'Start Bid' price for the restarted RAP. The prices quoted in the prematurely ended RAP will be binding on all the bidders for consideration, if the restarted RAP does not trigger within the stipulated time.

v) Disruption and restarting of RAP shall be intimated to all the bidders through system/SMS/e-mail through e procurement portal. All the time stipulations of normal RAP will be applicable to the restarted RAP.

2. In no case, Bidder can increase their initial offer price during Reverse Auction, In such case MIDHANI has right to consider the initial offer price only at the time of release of Purchase Order (PO) MIDHANI has right to cancel the tender.

3. Reverse Auction shall be conducted on the lowest landed cost and shall start from the RA Start Price (given by NIC system). Post Techno-Commercial evaluation, MIDHANI Purchase department will forward the bidder-wise Landed Cost calculation sheets as per point no. 4 of BoQ to all the Techno-Commercially eligible bidders through e-mail. Based on the calculation sheets sent by MIDHANI (e-mail), bidders shall participate in RA.

Note: Point no's. 2 & 3 are applicable for Multi-Currency bidding with Reverse auction only.

MISHRA DHATU NIGAM LIMITED

PO: Kanchanbagh, Hyderabad

PURCHASE DEPARTMENT

TENDER OPENING FORM

Due Date and Time: _____

Date & Time of Opening: _____

Subject:

Ref: Tender No: _____ Date: _____

| S. No | Name & Address of the Tenderer | Whether recd. In sealed/closed /open condition | No. of Copies received | REMARKS |
|-------|--------------------------------|--|------------------------|---------|
| | | | | |

Signature

| MPR/CPAR No. | | | | MISHRA DHATU NIGAM LIMITED | | | | Mode of Tender : | | | |
|---|--|-----|------|---|-------------|----------------------|-------------|-----------------------|--|--|--|
| Date: | | | | | | | | Delivery Required by: | | | |
| Indentor: | | | | | | | | No. Tenders Received: | | | |
| Enquiry No. | | | | | | | | 1. Accepted: | | | |
| Date: _____; Tech.Bid Openign Date: _____ | | | | | | | | 2. Rejected: | | | |
| COMPARATIVE STATEMENT | | | | | | | | | | | |
| Sl. No | Description of Items | Qty | Unit | Name of the Tenderer (1 USD - _____; 1 EUR - _____) | | | | | | | |
| | | | | Party 1 | | Party 2 | | | | | |
| | | | | Unit Price | Total Price | Unit Price | Total Price | | | | |
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| | FOB/CIP/CIF/FOR Freight Charges | | | | | | | | | | |
| | Total Basic Price for Supplies | | | | | | | | | | |
| | FOB Price In INR | | | | | | | | | | |
| | Freight Charges | | | | | | | | | | |
| | Insurance Charges | | | | | | | | | | |
| | Assessible Value (CIF/CIP Price) | | | | | | | | | | |
| | Basic Customs Duty | | | | | | | | | | |
| | SWS - 10% on BCD | | | | | | | | | | |
| | GST (CREDITABLE) | | | | | | | | | | |
| | Customs Clearing & Other Freight Charges (Approx.) | | | | | | | | | | |
| | Total Import Cost with Duties for Supply | | | | | | | | | | |
| 4 | Service Charges | | | | | | | | | | |
| | in INR | | | | | | | | | | |
| | GST on Services (CREDITABLE) | | | | | | | | | | |
| | TDS on Foreign Services | | | | | | | | | | |
| | Total FOR MIDHANI Cost with all Taxes and Duties | | | | | | | | | | |
| | PDI Charges | | | | | | | | | | |
| | LC Charges/Interest Charges/Any other Loading | | | | | | | | | | |
| | Total Landed Cost (After taking Credits) | | | | | | | | | | |
| Prepared by | | | | Checked By | | Scrutinised by F & A | | | | | |

CONSTITUTION OF PRICE NEGOTIATING COMMITTEE

| S. NO | Mode of Tender | | | Composition of PNC |
|-------|--|---------------------------------------|--------------------------------------|--|
| | Open Tender | Limited Tender | Single/Proprietary Tender | |
| I | For Revenue Items (Raw Materials/Spares/Consumables/Off-Loading/Others) | | | |
| 1 | Above Rs. 200 Lakhs | Above Rs. 100 Lakhs | Above Rs. 30 Lakhs | Chairman – Function Director in-charge of Purchase function Members: GM/AGM/DGM (F & A), GM/AGM (Purchase), GM/AGM (Indentor) |
| 2 | Upto Rs. 200 Lakhs above Rs. 30 Lakhs | Upto Rs. 100 Lakhs above Rs. 20 Lakhs | Upto Rs. 30 Lakhs above Rs. 10 Lakhs | Chairman – HOD (Purchase) Members: As above |
| 3 | Upto Rs. 30 Lakhs | Upto Rs. 20 Lakhs above Rs. 10 Lakhs | Upto Rs. 10 Lakhs above Rs. 5 Lakhs | Chairman – DGM (Purchase) Members: DGM/Sr. Mgr (F & A), Sr. Manager/Manager (Pur), Sr. Manager/Manager (Indentor) |
| 4 | - | Upto Rs. 10 Lakhs | Upto Rs. 05 Lakhs | Chairman – Sr. Manager (Purchase) Members: Sr. Manager/Manager/Dy. Manager (F & A), Manager/Dy. Manager (Pur), Manager/Dy. Manager (Indentor) |

In case of Sub-contract / off-loading contract, representative from Planning department will be associated during PNC at suitable level.


| S. NO | Mode of Tender | | | Composition of PNC |
|-------|---------------------------------------|--------------------------------------|---------------------------------------|--|
| | Open Tender | Limited Tender | Single/Proprietary Tender | |
| I | For Capital Items | | | |
| 1 | Above Rs. 100 Lakhs | Above Rs. 50 Lakhs | Above Rs. 25 Lakhs | Chairman – Senior Most Function Director with Other Functional Director as Member Members: GM/AGM/DGM (F & A), GM/AGM /DGM(Purchase), GM/AGM /DGM(Indentor) |
| 2 | Upto Rs. 100 Lakhs above Rs. 25 Lakhs | Upto Rs. 50 Lakhs above Rs. 15 Lakhs | Upto Rs. 25 Lakhs above Rs. 10 Lakhs | Chairman – HOD (Purchase) Members: As above |
| 3 | Upto Rs. 25 Lakhs | Upto Rs. 15 Lakhs above Rs. 1 Lakh | Upto Rs. 10 Lakhs above Rs. 0.5 Lakhs | Chairman – DGM (Purchase) Members: DGM/Sr. Mgr (F & A), Sr. Manager/Manager (Pur), Sr. Manager/Manager (Indentor) |
| 4 | - | Upto Rs. 1 Lakh | Upto Rs. 0.5 Lakhs | Chairman – Sr. Manager (Purchase) Members: Sr. Manager/Manager/Dy. Manager (F & A), Manager/Dy. Manager (Pur), Manager/Dy. Manager (Indentor) |

| | | | |
|---|--|-----------------------------------|--|
| MPR/CPAR Number | | Date | |
| Item to be procured/Project Description | | | |
| Justification in respect of MPR/CPAR | | | |
| Estimated Cost | | Budget Provision (If applicable): | |
| Basis of Estimate | | | |
| Type of Tender | | | |
| Mode of Tender | | | |

| | | | |
|---|-------------|-----------------|------------|
| Tender Enquiry Number | | Date | |
| Number of Tenders received out of qualified bidders | EMD | Integrity Pact | Acceptable |
| | | | Remarks |
| S. No | Bidder Name | | |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| Price Comparison of Successful Bidders | | | |
| S. No | Bidder Name | Evaluated Price | Status |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |

| | | |
|---|--|-----------------------------|
| Evaluated Price of L-1 Bidder | | Total Landed Price |
| Basic Price for Order Placement | | - |
| Gross Price of L-1 Bidder | | Total Price including Taxes |
| Price Net of all Set-offs (Landed Price) of | | Total Landed Price |
| % variation from estimate for L1 Price | | |
| Negotiation recommended | | |
| Negotiation conducted or not | | |
| Evaluated Price post negotiations (if any) | | |
| Gross Price post negotiations (if any) | | |
| Price net of all set-offs (Landed Price) | | |
| Recommendations of the evaluation | | |
| Delegation of Powers | | |
| Deviations, (if any), the extent of deviation to be detailed. | | |
| Other Remarks / Specific Justifications (If any) | | |

Put up for kind approval please.

| | | |
|---|---|--|
|  MIDHANI <small>An ISO 9000:2000 Company</small> | MISHRA DHATU NIGAM LIMITED A Government of India Enterprise PO: Kanchanbagh, Hyderabad - 500058, TS, India Phone: 040-24340149,24343861 Fax No: 040-24340764 | PURCHASE ORDER MDN/PUR/PO/ Date: |
| | | GST No:36AABCM6345A1ZU Our Invitation to tender No: Date: |
| Supplier's Name & Address | Vendor Code | Your Offer No: Date: |
| GSTNO : Dear Sirs, Please arrange to supply the following item(s) subject to the terms and conditions given below/enclosed. _____ | | |

| S. No | MATERIAL | | Qty | Unit | Rate Per unit (Rs.) | TOTAL VALUE (Rs.) |
|---------------------------------|-----------|------------------|-----|------|---------------------|-------------------|
| | ITEM CODE | ITEM DESCRIPTION | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| | | | | | Total | |
| Total Amount(in words) : | | | | | | |


| | | |
|-------------------------|---|--|
| Note To Supplier | : | |
| Price Basis | : | |
| Taxes and Duties | : | |
| Total | : | |
| Delivery Date | : | |
| Mode of Despatch | : | |
| Terms of Payment | : | |
| Insurance | : | |
| HSN CODE | : | |
| | | Yours faithfully for MISHRA DHATU NIGAM LIMITED |

Please submit all Original Shipping Documents along with Invoices/Bills to Stores Department without fail.

Material should Conform to the specification in our order. Please send Delivery Challan in Triplicate. Deliveries at our factory should be only at our stores between 9 a.m. to 2 p.m. on working days.

Important : The vendor should indicate the P.O. No. in all their correspondence

Appendix 13

| | | | | | | |
|--|------------------------------------|--|-------------|-----------------|----------------------|--------------------|
|  MISHRA DHATU NIGAM LIMITED A Government of India Enterprise P.O. : Kanchanbagh,Hyderabad-500058,AP,India Phone: +91-40-24340149,24343861 Fax No:+91-40-24340764 | PURCHASE ORDER | | | | | |
| | MDN/PUR/PO/ Date: | | | | | |
| Supplier's Name & Address | Vendor Code | Our Invitation to tender No: | | | | |
| | | Date: | | | | |
| | | Your Offer No. | | | | |
| | | Date: | | | | |
| Dear Sirs, Please arrange to supply the following item(s) subject to the terms and conditions given below/enclosed. | | | | | | |
| SI. No | MATERIAL | Qty | Unit | Currency | Rate Per unit | TOTAL VALUE |
| | ITEM CODE | Description & Specification | | | | |
| 1 | | | | | | |
| | | | | | | Total |
| Total Amount(in words) : | | | | | | |

| | | |
|-----------------------------------|---|--|
| Note To Supplier | : | |
| Price Basis | : | |
| Duties & Other Charges | : | |
| Country of Origin | : | |
| Shipment Date | : | |
| Terms of Payment | : | |
| Mode of Dispatch | : | |
| Port of Discharge | : | |
| Port of Loading | : | |
| Final Place of Delivery | : | |
| HSN CODE | : | |
| | | Yours faithfully for MISHRA DHATU NIGAM LIMITED |

Freight Forwarded for Air Consignments under consolidation service whose HAWB is acceptable:

The above price shall remain firm during the Currency of the Order and is not subject to any variation whatsoever. Materials should Confirm to the specification in our order. The Vendor should indicate the P.O.No. in all their correspondence.

ENCL:Terms &Conditions

PURCHASE DEPARTMENT

MDN/PUR/PO/ _____

Date:

Sub: Order No. MDN/PUR/PO/ _____ Dt. _____ placed on

M/s _____

for _____

1. Scheduled Delivery Date as per Order :
2. Actual date of receipt :
3. Total Period of Delay (in Weeks) :

Please offer your comments whether there are any production losses on account of delay in Supplies/Services and Liquidated Damages needs to be levied or not.

Also, confirm, if there is any delay attributable to MIDHANI with necessary documents available.

Purchase Officer

To

Indentor Remarks / Justification

Chose any one of the below options:

1. No Production loss on account of delayed supplies/services and no "Liquidated Damages" needs to be levied.
2. Production suffered and "Liquidated damages" to be levied.

Delay attributable to MIDHANI: _____

Signature (Indenting Officer)

Through: In-Charge Indent dept

To:
In-Charge Purchase

BANK GUARANTEE FOR EARNEST MONEY DEPOSIT

1. WHEREAS MISHRA DHATU NIGAM LIMITED (A GOVERNMENT OF INDIA ENTERPRISE) PO KANCHANBAGH, HYDERABAD (hereinafter referred as “ The Owner / Company” which expression shall unless repugnant to the subject or context includes its legal representatives, successors and assigns) has issued tender paper vide its Tender No: _____ for supply of _____ (herein after called “the said tender”) to M/s. _____ (herein after called “the said Tenderer(s)”) which expression shall unless repugnant to the subject or context includes their legal representatives, successors and assigns) and as per terms and conditions of the said tender, the tenderer shall submit a Bank Guarantee for Rs./USD _____ towards earnest money in lieu of cash.
2. WE (Bank Name and Address) (herein after called the bank) do hereby undertake to pay the amount due and payable under this Guarantee without any demur merely on a demand from the company stating that in the opinion of the company, which is final and binding, the amount claimed is due because of any withdrawal of the tender or any material alteration to the tender after the opening of the tender by way of any loss or damage caused or would be caused or suffered by the company by reason of any breach by the said tenderer(s) of any of the terms and conditions contained in the said tender or failure to accept the Letter of Intent / Agreement or that the amount covered under this Guarantee is forfeited. Any such demand made on the bank by the owner shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs./USD _____.
3. We undertake to pay to the Company any money so demanded notwithstanding any dispute or disputes raised by the tenderer(s) in any suit or proceeding pending before any office, court or tribunal relating thereto, our liability under this present guarantee being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder. Our liability to pay is not dependant or conditional on the owner proceeding against the tenderer.

4. The guarantee herein contained shall not be determined or affected or suspended by the liquidation or winding up, dissolution or change of constitution or insolvency of the said tenderer(s) but shall in all respect and for all purposes be binding and operative until payment of all money due or liabilities under the said tender are fulfilled.
5. WE (Bank Name and Address) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the finalization of the said tender and that it shall continue to be enforceable till the said tender is finally decided and order placed on the successful tenderer(s) and /or till all the dues of the company under/or by virtue of the said tender have been fully paid and its claims satisfied or discharged or till a duly authorized officer of the company certifies that the terms and conditions of the said tender have been fully and properly carried out by the said tender(s) or till date: _____ whichever is earlier and accordingly discharges the guarantee.
6. That the Owner/Company will have full liberty without reference to us and without affecting this guarantee to postpone for any time or from time to time, the exercise of any of the power of the owner under the tender.
7. We (Bank Name and Address), lastly undertake not to revoke this guarantee during its currency except with the previous consent of the company in writing. We further undertake to keep this Guarantee renewed from time to time on the request of the Tenderer(s).
8. Notwithstanding anything contained herein before, our liability shall not exceed Rs./USD _____ towards earnest money in lieu of cash and shall remain in force till (date). Unless a demand or claim under this Guarantee is made on us within three months from the date of expiry i.e., _____ we shall be discharged from all the liabilities under this guarantee

Date: _____ (Bank Name and Address)

Signature of duly
Authorized person
On behalf of the Bank
With seal & signature code

FORM OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT

1. This deed of guarantee executed onday of by
.....

(Name and Address of the Bank)

the Bank hereinafter called Bank (which term shall mean and include its successors and assigns wherever the context so admits) in favour of M/s. MISHRA DHATU NIGAM LIMITED., a government of India Enterprise incorporated and registered as a company under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad – 500 058, state of TS, India, herein after referred to as the “purchaser” (which terms shall mean and include its successors in office and assigns).

2. In consideration of M/s. Mishra Dhatu Nigam Limited (Purchaser) having agreed to exempt hereinafter called the said Contractor(s) (which term shall mean and include its successors assigns and legal representatives) from the demand under the terms and conditions of Purchase / Work Order No. dated for(hereinafter called the said agreement) of Earnest Money / Security Deposit/ Defect Liability deposit for the due fulfilment by the said Contractor(s) of the terms and conditions contained in the said agreement on production of a bank guarantee for Rs.....(Rupees..... only), we (name of the bank, address) (hereinafter referred to as “The Bank”) at the request of Contractor(s) do hereby undertake to pay Purchaser an amount not exceeding Rs against any losses or damage caused to or suffered or would be caused to or suffered Purchaser by reason of any breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement.

3. We (Bank) do hereby unconditionally and irrevocably agree and undertake to pay to Purchaser the amounts due and payable under this Guarantee without any demur, merely on a demand from Purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to on suffered by Purchaser by reason of breach by the said agreement or by reason of the contractor(s) failure to perform the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs

4. We undertake to pay Purchaser and money so demanded notwithstanding any dispute or disputes by the contractor(s) / supplier(s) in any suit or proceedings pending before any court of tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be valid discharge of our liability for payment thereunder and the contractor(s) shall have not claim against us for making such payment.

5. We (Bank) further agree that the guarantee herein contained shall remain in full force and affect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of Purchase under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharges or till Purchaser certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee. Provided that if Purchaser together with the Contractor seeks an extension of terms of the Guarantee, such extension shall be granted by the Bank and the guarantee shall be in full force till the expiry of such extended period.
6. We (Bank) further agree with Purchaser that Purchaser shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by purchaser against the said Contractor(s) and to forebear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation of extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of Purchaser or any indulgence by Purchaser to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provisions, have effect of so relieving us.
7. It shall not be necessary for Purchaser to proceed against the contractor before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank notwithstanding any security which Purchaser may have obtained or obtains from the contractor.
8. This guarantee shall not be discharged due to the change in the constitution of the Bank or the contractor(s).
9. We (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of Purchase in writing.
10. Our liability is limited to a sum not exceeding Rs unless a claim is made on us in writing on or before (claim period which is contractually agreed between the applicant and beneficiary as per their operational necessity, beyond the date of delivery / completion as specified in the contract **IN GENERAL three months from the date of expiry of BG**) we shall be discharged from liability under this guarantee.

In witness whereof these presents are executed at on the date, month and year first herein above written.

FOR AND ON BEHALF OF THE BANK WITHIN NAMED

BANK GUARANTEE TOWARDS PERFORMANCE BANK GUARANTEE

This Deed of Guarantee executed on..... Day of..... by..... Bank. hereinafter called the "Guarantor" (which term shall mean and include its successors, assigns and legal representatives, where the context so admits) in favour of M/s. MISHRA DHATU NIGAM LIMITED, a Government of India Enterprise incorporated and registered as a Company under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad - 500 058, State of TS, INDIA, hereinafter referred to as the "Purchaser", (which term shall mean and include its successors and assigns).

WHEREAS the Purchase Order No: MDN/PUR/..... (*Indicate both the order Numbers*) Dated..... has been entered into between the Purchaser and M/s..... a company incorporated and registered under the Laws of by which the company is permitted to manufacture and sell certain products, and having its registered office situated at hereinafter referred to as the SUPPLIER (which term shall mean and include its successors, assigns and legal representatives) for the supply of (*Indicate the list of Items which are replaced/repared*) as fully described in the aforesaid Purchase Order.

AND WHEREAS it has been agreed under the terms and conditions of the aforesaid Purchase Order that the Purchaser shall make balance payment to the Supplier of(amount) in words (.....) representing **10%** of the total value of the repaired and replaced parts in the Purchase Orders on final acceptance of the and on furnishing a Guarantee from a Bank acceptable to the Purchaser by the Supplier towards satisfactory performance of the supplied.

AND WHEREAS the Guarantor has, as per the terms and conditions of the aforesaid Purchase Order, agreed to stand guarantee for the amount of ten per cent of the balance payment in favour of the Supplier and the Guarantor is acceptable to the Purchaser.

NOW THIS DEED witnesses that, in pursuance of the terms and conditions of the aforesaid Purchase Order and in consideration of the payment of representing **10%** of the total value of the repaired and replaced parts in the Purchase Orders agreed to be made to the Supplier by the Purchaser, the Guarantor do hereby agree and undertake to indemnify the Purchaser and keep the purchaser indemnified to the extent of a sum not exceeding the said sum of (Amount) (In Words) against any damage or loss that may be suffered by the Purchaser by reason of non-fulfillment of or breach any of the terms and conditions of the Purchase Order by the supplier, and the guarantor hereby undertaken to pay on demand and without any demur to the purchaser any sum unconditionally and irrevocably not exceeding the sum of (Amount) (In Words as may be demanded by the Purchaser's General Manager (Commercial) or Representative of the purchaser as the damages or loss that the purchaser may have suffered by reasons of non-fulfillment of any of the terms and conditions of the Purchase Order by the Supplier, and Guarantor hereby covenants with the Purchaser as follows:

1. That the decision of the General Manager (Commercial) or Representative of the Purchaser as to whether the said installation under the Purchase Order gives satisfactory performance or not and as to the amount of damages suffered by the Purchaser on account of the unsatisfactory performance of the said installation under the Purchase Order shall be conclusive, final and binding on the Bank.
2. That the Guarantee herein contained shall remain in full force and effect till the Purchaser certifies in writing that the terms and conditions of the said Purchase Order have been fully and properly carried out by the said Supplier and accordingly discharges the Guarantee. Unless a demand for claim under this Guarantee is made on the Bank in writing on or before, the Bank shall be discharged from all liabilities under this Guarantee thereafter, provided that if the Purchaser, together with the Supplier, seeks an extension of the term of the Guarantee, such extension shall be granted by the Bank and the Guarantee shall be in full force and effect till the expiry of such extended period.
3. That the Purchaser shall have the fullest liberty, without affecting in any way the liability of the Bank under this Guarantee or Indemnity, from time to time to vary any of the terms and conditions of the said Purchase Order or to extend its performance by the said Supplier as provided or to postpone, for any time and from time to time, any of the powers exercisable by it against the said Supplier and either to enforce or forbear from enforcing any of the terms and conditions governing the said Purchase Order, and the said Bank shall not be released from its liability under these presents by any exercise by the Purchaser of the liberty with reference to matters aforesaid or by reason of time being given to the said Supplier or any other forbearance, act or omission on the part of the Purchaser or any indulgence by the Purchaser to the said Supplier or of any other matter or thing whatsoever which, under the law relating to sureties, would, but for this provision, have the effect of so releasing the Bank from its liability.
4. It shall not be necessary for the Purchaser to proceed against the Supplier before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank notwithstanding any security which the Purchaser may have obtained or obtain from the Supplier.
5. The Bank lastly undertakes not to revoke this Guarantee during its currency, except with the previous consent of the Purchaser in writing, and agrees that any change in the constitution of the said Supplier or the said Bank shall not discharge the Bank's liability hereunder.

In witness whereof these presents are executed at the date, month and year, first herein above written.

FOR & ON BEHALF OF THE BANK WITHIN NAMED

BANK GUARANTEE TO SECURE THE INITIAL ADVANCE PAYMENT

1. This deed of guarantee executed onday of by.....
 (Name and Address of the Bank)
 the Bank hereinafter called Bank (which term shall mean and include its successors and assigns wherever the context so admits) in favour of M/s. MISHRA DHATU NIGAM LIMITED., a government of India Enterprise incorporated and registered as a company under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad – 500 058, state of TS, India, herein after referred to as the “purchaser” (which terms shall mean and include its successors in office and assigns).

2. In consideration of M/s. Mishra Dhatu Nigam Limited (Purchaser) agreeing to make an advance payment of Rs representing % of the total contract value along with the 14% interest per annum as per the terms and conditions of the Purchase / Works Order No. dated (hereinafter called the Agreement) to hereinafter called the said Contractor(s) (which term shall mean and include its successors assigns and legal representatives) on production of a bank guarantee for Rs(Rupees..... only), we (name of the bank, address) (Hereinafter referred to as “The Bank”) at the request of Contractor(s) do hereby undertake to pay Purchaser an amount not exceeding Rs against any losses or damage caused to or suffered or would be caused to or suffered Purchaser by reason of any breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement.

3. We (Bank) do hereby unconditionally and irrevocably agree and undertake to pay to Purchaser the amounts due and payable under this Guarantee without any demur, merely on a demand from Purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to on suffered by Purchaser by reason of breach by the said agreement or by reason of the contractor(s) failure to perform the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs

4. We undertake to pay Purchaser and money so demanded notwithstanding any dispute or disputes by the contractor(s) / supplier(s) in any suit or proceedings pending before any court of tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be valid discharge of our liability for payment thereunder and the contractor(s) shall have not claim against us for making such payment.

5. We (Bank) further agree that the guarantee herein contained shall remain in full force and affect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of Purchase under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharges or till Purchaser certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee. Provided that if Purchaser together with the Contractor seeks an extension of terms of the Guarantee, such extension shall be granted by the Bank and the guarantee shall be in full force till the expiry of such extended period.
6. We (Bank) further agree with Purchaser that Purchaser shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by purchaser against the said Contractor(s) and to forebear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation of extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of Purchaser or any indulgence by Purchaser to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provisions, have effect of so relieving us.
7. It shall not be necessary for Purchaser to proceed against the contractor before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank notwithstanding any security which Purchaser may have obtained or obtains from the contractor.
8. This guarantee shall not be discharged due to the change in the constitution of the Bank or the contractor(s).
9. We (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of Purchase in writing.
10. Our liability is limited to a sum not exceeding Rs unless a claim is made on us in writing on or before (3 months beyond the date of delivery / completion as specified in the contract) we shall be discharged from liability under this guarantee.

In witness whereof these presents are executed at,..... on the date, month and year first herein above written.

FOR AND ON BEHALF OF THE BANK WITHIN NAMED

BANK GUARANTEE TO SECURE THE PAYMENT FOR GENERAL ARRANGEMENT DRAWING

This Deed of Guarantee executed on..... Day of..... by..... Bank. hereinafter called the "Guarantor" (which term shall mean and include its successors, assigns and legal representatives, where the context so admits) in favour of M/s. MISHRA DHATU NIGAM LIMITED, a Government of India Enterprise incorporated and registered as a Company under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad - 500 058, State of TS, INDIA, hereinafter referred to as the "Purchaser", (which term shall mean and include its successors and assigns).

WHEREAS the Contract vide Purchase Order No:, date has been entered into between the Purchaser and M/s. a company incorporated and registered under the Companies Act 1956 by which the company is permitted to manufacture and sell products and having its registered office situated at Hereinafter referred to as the CONTRACTOR, (which term shall mean and include its successors, assigns and legal representatives) for the purchase of as fully described in the aforesaid contract.

AND WHERE AS it has been agreed under the terms and conditions of the aforesaid contract that the Purchaser shall make an advance payment to the Contractor of ₹(in words) representing% of the total contract value along with the 14% interest per annum for utilizing it for the purpose of contract on furnishing a Guarantee from a Bank.

AND WHERE AS the Gurantor has, as per the terms and conditions of the aforesaid contract, agreed to stand guarantee for the amount of advance payment including interest there on in favour of the Contractor.

NOW THIS DEED witnesses that in pursuance of the terms and conditions of the aforesaid contract and in consideration of the advance payment of ₹ representing% of the total value of the Contract agreed to be made to the Contractor by the Purchaser, the Guarantor do hereby agree and undertake to indemnify the department, and keep the department indemnified to the extent of a sum not exceeding the said sum of ₹ (in words Rupees) against any damage or loss that may be suffered by the purchaser by reason of nonfulfillment of any of the terms and conditions of the contract by the contractor and the Guarantor hereby undertake to pay on demand and without any demur to the Department any sum unconditionally and irrevocably not exceeding the sum of ₹ (Rupees) as may be ascertained by the GM (Commercial) of the Purchaser as the damages or loss that the department may have suffered by reason of nonfulfillment of any particular terms and conditions of the Contract by the Contractor, provided that the Guarantee comes into force when the advance payment has been

made to the account of the Contractor and Guarantor hereby covenants with the Department as follows:

- (1) That the decision of the General Manager (Commercial) of the Purchaser as to whether the contractor has committed breach of any such terms and conditions of the Contract or not and as to the amount of damages or loss assessed by the said official of the Purchaser on account of such breach shall be conclusive final and binding on the Guarantor.
- (2) That the Guarantee herein contained shall remain in full force and effect till the Contract delivery date viz. by which date all the supplies required under the aforesaid contract are expected to be completed to the full satisfaction of the department / purchaser or till the purchaser certifies in writing that the terms and conditions of the said Contract and accordingly discharges the Guarantee. The Guarantor undertakes to pay on demand and without any demur the amount demanded by the department or GM (Commercial) of purchaser unconditionally and irrevocably. Unless a demand or claim under this Guarantee is made on the Guarantor in writing on or before, the Guarantor shall be discharged from all liabilities under this Guarantee thereafter.
- (3) That the purchaser shall have the fullest liberty, without Guarantor's consent and affecting in any way the liability of the Guarantor under this Guarantee or Indemnity from time to time to vary any of the terms and conditions of the said contract or to extend time of Performance by the said contractor or to postpone for any time or from time to time any of the powers exercisable by it against the said contractor and either to enforce or forbear from enforcing any of the terms and conditions governing the said Contract and the said Guarantor shall not be released from its liability under these presents by any exercise by the Department of GM (Commercial). Purchaser of the liberty with reference to matters aforesaid act or omission on the part of the purchaser or any indulgence by the purchaser to the said contractor or of any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor from its liability.
- (4) It shall not be necessary for the department or GM (Commercial) of the Purchaser to proceed against the Contractor before proceeding against the Guarantor and the Guarantee herein contained shall be enforceable against the Guarantor notwithstanding any security which the Purchaser may have obtained or obtain from the Contractor at the time when proceedings are taken against the Guarantor hereunder be outstanding or unrealized.
- (5) The Guarantor undertakes to pay to the department / purchaser any money so demanded notwithstanding any dispute or disputes raised by the Contractor with the Guarantor or purchaser / department in any suit or proceedings pending before any court or tribunal relating thereto the guarantor's liability under these presents being absolute and unequivocal.

- (6) The Guarantor lastly undertakes not to revoke this Guarantee during its currency except with the previous consent of the Purchaser in writing and agrees that any change in the constitution of the said Contractor or the said Guarantor shall not discharge the Guarantor's liability hereunder.
- (7) Our liability is limited to a sum not exceeding ₹ unless a claim is made on us in writing on or before (3 months beyond the date of delivery / completion as specified in the Contract) we shall be discharged from liability under this guarantee.

In witness where of these presents are executed at on the date, month and year first herein above written.

FOR & ON BEHALF OF THE GUARANTOR WITHIN NAMED

BANK GUARANTEE TO SECURE THE PAYMENT MADE AGAINST LOT WISE SUPPLY

1. This deed of guarantee executed onday of
by.....

(Name and Address of the Bank)

the Bank hereinafter called Bank (which term shall mean and include its successors and assigns wherever the context so admits) in favour of M/s. MISHRA DHATU NIGAM LIMITED., a government of India Enterprise incorporated and registered as a company under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad – 500 058, state of TS, India, herein after referred to as the “purchaser” (which terms shall mean and include its successors in office and assigns).

2. In consideration of M/s. Mishra Dhatu Nigam Limited (Purchaser) agreeing to make payment of Rs representing % of the value of indigenously dispatched goods (lot wise) as per the terms and conditions of the Purchase / Works Order No. dated (Hereinafter called the Agreement) to hereinafter called the said Contractor(s) (which term shall mean and include its successors assigns and legal representatives) on production of a bank guarantee covering the lot value plus interest at 14% p.a. for Rs (Rupees only), we (name of the bank, address) (Hereinafter referred to as “The Bank”) at the request of Contractor(s) do hereby undertake to pay Purchaser an amount not exceeding Rs against any losses or damage caused to or suffered or would be caused to or suffered Purchaser by reason of any breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement.
3. We (Bank) do hereby unconditionally and irrevocably agree and undertake to pay to Purchaser the amounts due and payable under this Guarantee without any demur, merely on a demand from Purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to on suffered by Purchaser by reason of breach by the said agreement or by reason of the contractor(s) failure to perform the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs
4. We undertake to pay Purchaser and money so demanded notwithstanding any dispute or disputes by the contractor(s) / supplier(s) in any suit or proceedings pending before any court of tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be valid discharge of our liability for payment thereunder and the contractor(s) shall have not claim against us for making such payment.

5. We (Bank) further agree that the guarantee herein contained shall remain in full force and affect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of Purchase under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharges or till Purchaser certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee. Provided that if Purchaser together with the Contractor seeks an extension of terms of the Guarantee, such extension shall be granted by the Bank and the guarantee shall be in full force till the expiry of such extended period.

6. We (Bank) further agree with Purchaser that Purchaser shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by purchaser against the said Contractor(s) and to forebear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation of extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of Purchaser or any indulgence by Purchaser to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provisions, have effect of so relieving us.

7. It shall not be necessary for Purchaser to proceed against the contractor before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank notwithstanding any security which Purchaser may have obtained or obtains from the contractor.

8. This guarantee shall not be discharged due to the change in the constitution of the Bank or the contractor(s).

9. We (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of Purchase in writing.

10. Our liability is limited to a sum not exceeding Rs unless a claim is made on us in writing on or before (3 months beyond the date of delivery / completion as specified in the contract) we shall be discharged from liability under this guarantee.

In witness whereof these presents are executed at, on the date, month and year first herein above written.

FOR AND ON BEHALF OF THE BANK WITHIN NAMED

UNDERTAKING (to be submitted by the Bidder along with Integrity Pact)

Date:

To,

PURCHASE DEPARTMENT,
MISHAR DHATU NIGAM LIMITED,
KANCHANBAGH, HYDERABAD – 58.

Sub: Procurement of _____ (Item description)

Ref: Tender no. & date: _____

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- ¶ We (The Bidder / Contractor) confirm acceptance and compliance with the Integrity Pact in letter and spirit.
- ¶ We (The Bidder / Contractor) confirm that the Integrity Pact is signed without any variation (or) modification.
- ¶ We (The Bidder / Contractor) agree that Integrity Pact is deemed as part of NIT / Contract and we are bound by its provisions for the entire Pact duration as per Section. 9 of the enclosed Integrity Pact format.
- ¶ In case, if we (The Bidder / Contractor) fails to honour the above conditions, MIDHANI shall have absolute right to take action as per Section. 3 of the enclosed Integrity Pact format.

Yours faithfully,

(BIDDER)

PRE-CONTRACT INTEGRITY PACT

Between

Mishra Dhatu Nigam Limited (MIDHANI) hereinafter referred to as “**The Principal**”,
and

..... hereinafter referred to as “**The Bidder/
Contractor**”

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for.....The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and / or Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of the Principal

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
 - a. No employee of the Principal, personally or through family members, will in connection with the tender for , or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
 - b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
 - c. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder(s)/ Contractor(s)

- (1) The Bidder(s)/ Contractor(s) commit themselves to take all measures necessary to prevent corruption. The Bidder(s)/ Contractor(s) commit themselves to observe the following principles during participation in the tender process and during the contract execution.
 - a. The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

- b. The Bidder(s)/ Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 - c. The Bidder(s)/ Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - d. The Bidder(s)/Contractors(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractors(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is enclosed.
 - e. The Bidder(s)/ Contractor(s) will, when presenting their bid, disclose any and all payments made, are committed to or intend to make to agents, brokers or any other intermediaries in connection with the award of the contract.
 - f. Bidder(s) /Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 - Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the **Purchase Policy, MIDHANI and as per "Guidelines on Debarment of firms from Bidding" issued by Procurement Policy Division, Ministry of Finance, Department of Expenditure, Government of India from time to time (current OM date 02.11.2021). Copy of "Guidelines on Banning of Business dealing" is enclosed.**

Section 4 – Compensation for Damages

- (1) If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

Section 5 – Previous transgression

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in "Purchase policy MIDHANI".

Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors

- (1) In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor. In case of subcontract (only when the contract provide for sub contracting) the clause is applicable.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidder(s) / Contractor(s) / Subcontractor(s)

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8 – Independent External Monitor

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him / her to treat the information and documents of the Bidders/Contractors as confidential. He/ she reports to the C&MD MIDHANI.
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-contractors.
- (4) The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/ Sub-contractor(s) with confidentiality. The Monitor has also signed declarations on 'Non-Disclosure of Confidential Information' and of 'Absence of Conflict of Interest'. In case of any conflict of interest arising at a later date, the IEM shall inform C&MD MIDHANI and recuse himself / herself from that case.
- (5) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The Monitor will submit a written report to the C&MD MIDHANI within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.
- (8) If the Monitor has reported to the C&MD MIDHANI, a substantiated suspicion of an offence under relevant IPC/ PC Act, and the C&MD MIDHANI has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance

Commissioner.

- (9) The word '**Monitor**' would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by C&MD MIDHANI.

Section 10 – Other provisions

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Hyderabad.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.

Section 11 - Independent Monitors

The Central Vigilance Commission (CVC) has appointed the following Independent External Monitors (IEMs) to oversee the implementation of the Integrity Pact for MIDHANI:

Address of IEMs are as follows:

- a. Shri Anand Deep, IRS (Retd.),
117/363, H-1, next to Gurdwara Pandu Nagar,
Kanpur, U.P. 208005
e-mail: anand.deep117@gmail.com
- b. Shri P. Mallikarjuna Rao, IFS (Retd.),
72, Prashasan Nagar,
Jubilee Hills 83, Lodi Estate,
Hyderabad – 500096
e-mail: pmkrao72@gmail.com

(For & On behalf of the Principal)

(For & On behalf of Bidder/ Contractor)

(Office Seal)

(Office Seal)

Place -

Date

Witness 1:

(Name &

Address)

Witness 2:

(Name & Address)

GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with MIDHANI shall apply for registration in the registration form .
- 1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/ remuneration/ salary/ retainer ship being paid by the principal to the agent before the placement of order by MIDHANI.
- 1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representatives working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.
- 2.0 Disclosure of particulars of agents/ representatives in India, if any.**
- 2.1 Tenderers of Foreign nationality shall furnish the following details in their offers:
 - 2.1.1 The Bidder(s)/ Contractor(s) of foreign origin shall disclose the name and address of the agents/ representatives in India if any and the extent of authorization and authority given to commit the Principals. In case the agent/ representative be a foreign Company, it shall be confirmed whether it is existing Company and details of the same shall be furnished.
 - 2.1.2 The amount of commission/ remuneration included in the quoted price(s) for such agents/ representatives in India.
 - 2.1.3 Confirmation of the Tenderer that the commission/ remuneration, if any, payable to his agents/ representatives in India, may be paid by MIDHANI in Indian Rupees only.
- 2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:
 - 2.2.1 The name and address of the foreign principals, if any, indicating their nationality as well as their status, i.e. whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/ representatives.
 - 2.2.2 The amount of commission/ remuneration included in the price (s) quoted by the Tenderer for himself.
 - 2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/ remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by MIDHANI in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.
- 2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/ remuneration, if any payable to the agents/ representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 2.4 Failure to furnish correct and detailed information as called for in paragraph 2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by MIDHANI. Besides this there would be a penalty of banning business dealings with MIDHANI or damage or payment of a named sum.

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GUIDELINES ON DEBARMENT OF FIRMS FROM BIDDING - MIDHANI

Ref: Procurement Policy Division, Ministry of Finance, Department of Expenditure, Government of India OM dated 02.11.2021.

1. The Guidelines are classified under following two types:
 - (i) In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.
 - (ii) Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

Definitions

2. **Firm:** The term 'firm' or 'bidder" has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.

3. **Allied firm:** All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:

- a. Whether the management is common;
- b. Majority interest in the management is held by the partners or directors of banned/ suspended firm;
- c. Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
- d. Directly or indirectly controls, or is controlled by or is under common control with another bidder.
- e. All successor firms will also be considered as allied firms.

4. The terms "banning of firm", 'suspension', 'Black-Listing' etc. convey the same meaning as of "Debarment".

Debarment by a Single Ministry/ Department

5. Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/ organizations, keeping in view of the following:

- a. A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.
- b. Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017.
- c. A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid securing Declaration" etc.
- d. It shall not be circulated to other Ministries/Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public sector Undertakings (CPSUs) etc. of the Ministry/Department issuing the debarment order.
- e. The concerned Ministry/Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
- f. Secretary of Ministry/Department may nominate an officer at the rank of joint secretary/Additional secretary as competent authority to debar the firms.

- g. Ministry/ Department that issued the order of debarment can also issue an order for revocation of debarment before the period of debarment os over, if there is adequate justification for the same. Ordinarily, the revocation of the order before expiry of debarred period should be done with approval of secretary concerned of Ministry/Department.
- h. The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.
- i. Debarment is an executive function and should not be allocated to vigilance department.

6. Code of integrity as contained in Rule 175 of the GFRs is reproduced as under:

No official of the procuring entity or a bidder shall act in contravention of the courts which includes

(i) Prohibition of

- (a) making offer, solicitation or acceptance of bribe, reward or gift on any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
- (b) any omission or mis-representation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
- (c) any collusion, bid rigging or anti competitive behavior that may impair the transparency, fairness and the progress of the procurement process.
- (d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.
- (e) any financial or business transaction between the bidder and any official of the procuring entity related to tender or execution process of the contract which can affect the decision of the procuring entity directly or indirectly.
- (f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.
- (g) obstruction of any investigation or auditing of a procurement process.
- (h) making false declaration or providing false information for participation in a tender process or to secure a contract.

(ii) Disclosure of Conflict of interest.

(iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of the sub-clause (i) with an entity in any country during the last three years or of being debarred by any other procuring entity.

7. It is possible that the firm may be debarred concurrently by more than one ministry/department.

8. Ministries/Departments at their option may also delegate powers to debar bidders to their CPSUs, attached offices/Autonomous bodies etc. in such cases, broad principles for debarment in para 5 as above are to be kept in mind. Debarment by such bodies like CPSUs etc., shall be applicable only for the procurements made by such bodies.

9. Similarly, Government e-Market place (GeM) can also debar bidders upto two years on its portal.

10. In case of debarments under para 8 as above, revocation the debarment orders before expiry of debarred period should be done only with the approval of chief executive officer of concerned CPSUs etc.,

Debarment across all ministries/Departments

11. Where a Ministry/Department is of the view that business dealings with a particular firm should be banned across all the ministries/departments by debarring the firm from taking part in any bidding procedure floated by the central govt. ministries/departments, the ministry/department concerned, should after obtaining the approval of the secretary concerned, forward to DoE a self contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/Departments is in accordance with rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.

12. The firm will remain in suspension mode (i.e., debarred) during the interim period till the final decision taken by DoE, only in the ministry/department forwarding such proposal.

13. Ministry/Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that sufficient opportunity has not been given to the firm to represent against the debarment, such debarment requests received from ministries/department shall be rejected.

14. DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances.

15. No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/Departments/Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.

16. DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

Revocation of Orders

17. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order revocation.

18. A debarment order may be revoked before the expiry of the order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

Other provisions (Common to both types of debarment)

19. No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.

20. In case, any debar firms has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them.

21. Contracts concluded before the issue of the debarment order shall, not be affected by the debarment orders.

22. The department shall be automatically extended to all its allied firms. In case of joint venture/consortium is debarred all partners will also stand debarred for the period specified in debarment order. The names of partners should be clearly specified in the "Debarment Order".

23. Debarment in any manner does not impact any other contractual or other legal rights of the procuring entities.

24. The period debarment shall start from the date of issue of debarment order.

25. The order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.

26. Ordinarily, the period of debarment should not be less than six months.

27. In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, endeavor should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.

28. All Ministries/Departments must align their existing debarment Guidelines in conformity with these Guidelines within two months of issued of these guidelines. Further, bidding documents must also be suitably amended, if required.

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Checkpoints for Indents (To be checked by Purchase Department)

1. e-Office approval inline with “SOP for raising Indent and following specific DoP for Procurement i.e., as per Appendix – 1 of this Manual” and vetting of Indent by F&A as per clause no. 3.5.5 of this Procurement Manual.
2. Notings made by the Competent authority during the approval stage in hierarchy.
3. Indent No. & Date (To ensure in Central Purchase Indent register).
4. Name of the Indent Department.
5. Nature of the Indent: Express/Normal.
6. Description of Item, UOM & Quantity are clear or not.
7. Mode of Tender i.e., GTE/OTE/LTE/STE/PTE inline with Procurement Manual.
8. Justification for Procurement.
9. Basis for Indent Estimate as per clause No. 3.9 of Procurement Manual.
10. Last Purchase Order Details (Purchase Order No. & Date, Supplier Name).
11. Approval of Competent Authority as per DoP & comments (if any) while approving the Indent in hierarchy.
12. All Annexures mentioned i.e., specifications/scope of work, drawings (if any), suggested sources with addresses (if any) are enclosed to the Indent.
13. On-hand quantity / Stores endorsement and Pipe-line quantities are indicated in the Indent.
14. Delivery Schedule.
15. Whether item to be procured by placing a Repeat Order.
16. Justification for raising the Indents on Single/Proprietary tender basis.
17. Proprietary Article Certificate is enclosed in case of Proprietary Tender.
18. Whether checklist for raising MPR/CPAR is enclosed.

Checkpoints for preparation of Tender enquiry (To be checked by Purchase Department)

1. Check the approval of competent authority (comments if any) before issuing the tender.
2. In case of Imports, GTE guidelines issued by Ministry from time to time are to be followed strictly.
3. Verify every Indent for its product availability in GeM before proceeding for the tendering activity.
4. Check whether the tender is to be issued under single bid system/two-bid system (Upto Rs. 10 Lakhs – Single Bid; above Rs. 10 Lakhs – Two Bid)
5. Ensure that standard formats (terms & conditions) are used in issue of tender enquiry (Import/Indigenous/Job-Works etc.
6. Specifications/Scope of Work and Drawings are enclosed to tender document.
7. Time and Date of receipt of tenders are indicated.
8. Time has been allowed to the tenderers to submit their quotations as per the Purchase Manual.
9. Description of Stores including specification, drawings and delivery schedule are indicated in tender document (wherever necessary).
10. Ensure that the tender is signed for & on behalf of Purchaser before floating.
11. Warranty/Guarantee Clause, suitable Payment terms, acceptance criteria & make are indicated in the tender document (where it is necessary).
12. Splitting of Order quantities among the tenderers and samples clause etc are indicated in the tender document.
13. In case of Purchase of Imported stores, mode of dispatch i.e., By Air/Sea is indicated in the tender.

14. Count the parties to whom we are sending the enquiry and check with list of parties enclosed with Indent.
15. Whether Integrity Pact is part of the tender document.
16. Incorporation of Repeat Order clause and Option clause as per clause no's. 6.1 and 6.2 of Procurement Manual.
17. In cases of LTE, intimation to be given to all the suggested sources through e-mail with "Delivery Confirmation". All proofs regarding e-mails sent to be kept in the case file. In case of enquiry sent through Airmail / Courier, tracking numbers shall be placed in the case file.

TO BE TYPED ON Rs. 100/- NON JUDICIAL STAMP PAPER

INDEMNITY BOND

This deed of Indemnity Bond made on the day of between M/S. MISHRA DHATU NIGAM LIMITED, A Government Company incorporated and registered under the Companies Act, 1956 with its registered office at Kanchanbagh, Hyderabad – 500058 (TS) (hereinafter called the purchaser) which expression shall include its successors and assign of the first part.

AND

M/s. having its Registered office at (hereinafter called the supplier) which expression shall include its successors, permitted assigns and legal representatives where the context so admits of the second part.

WHEREAS the purchaser has placed a purchase order No: Dated on the Contractor for as per spec. & scope of work with the purchaser's material and as per the terms and conditions enumerated in the said Purchase Order.

Contd..2/P

AND WHEREAS in consideration of the letter, the Contractor has agreed to execute the Indemnity Bond for Rs./- (Rupeesonly.) for the safe custody of the material delivered by the Purchaser to the Contractor for as per spec. & scope of work are delivered to the purchaser and as herein after appearing.

NOW THIS deed witness that in pursuance of the said agreement and in the premises the contractor agreed to Indemnify the purchaser for Rs./- (Rupeesonly.). The Contractor at all times to hold himself liable for all the damages losses due to pilferage, fire or negligence on the part of the contractor's employees or from whatever cause with all the losses, interest charges and expenses incurred by the said purchaser on account of the cost of the said material issued free to the Contractor and it is term of said Letter and this deed of Indemnity that the said material issued free to the Contractor for

..... as per the scope shall be deemed to be the property of purchaser and it is hereby agreed that the contractor shall not part with or delivery possession of the said material to any other party or person save in compliance with or in the performance of the contractor in respect of the which this Indemnity has been executed, the Supplier having undertaken to deliver the said material in terms of the said Contract. This bond and the thrust hereby created shall remain valid and binding on the contractor till such time as the order has been fully and finally executed and the supplier has delivered the finished goods as per the terms of Order.

IN WITNESS WHERE OF M/S_ having its factory athave caused their company's seal to be affixed here into the day and year first above written.

SIGNATURE OF THE FIRM

In the presence of:

- 1.
- 2.

Checkpoints to be enclosed along with E-Office approval note / MPR / CPAR (By Indenting Department)

1. Raising e-Office approval inline with “SOP for raising Indent and following specific DoP for Procurement i.e., as per Appendix – 1 of this Manual” and routing of Indent through F&A for vetting as per clause no. 3.5.5 of this Procurement Manual.
2. Basis for Indent Estimate as per clause No. 3.9 of Procurement Manual.
3. Enclosing the Budgetary Quotes, if applicable.
4. Last Purchase Order Details (Purchase Order No. & Date, Supplier Name).
5. On-hand quantity i.e., Stores Endorsement indicating the stock position, sub store stock & shop floor stock and Pipeline quantities are indicated in the Indent.
6. Justification for Procurement.
7. Detailed Justification for Mode of Procurement in cases of LTE, STE and PTE.
8. Technical Specifications (if any).
9. Drawings (if any).
10. Delivery Schedule/Lead Time.
11. Proprietary Article Certificate is enclosed for Proprietary Tender (if any).
12. Acceptance Criteria.
13. Pre-Dispatch Inspection Clause (if any).
14. Warranty/Guarantee clause (if any).
15. Suggested sources with addresses and Contact details.
16. Name of the last supplier included in the suggested list (if not, to provide the justification)
17. Nature of Indent (Express/Normal) with detailed Justification.

PART V

GENERAL INSTRUCTIONS TO TENDERER

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1.0 LIST OF TENDER DOCUMENTS

1.1 We have pleasure in enclosing the following documents for the above work and would invite you to submit your best offer. The following documents shall constitute the tender.

1.1.1 Instruction to Tenderers

1.1.2 Technical Specifications

1.1.3 General Conditions of Contract for supply of Plant, Machinery and Equipment, supervisory service for Erection & commissioning and complete Erection and commissioning, and performance guarantee.

1.1.4 General information on Site, Integrity Pact, Formats of bank guarantee for Security deposit, Advance, Performance guarantee, Draft Letter of Credit Format and Draft Contract agreement, Price bid format.

1.1.5 Special Conditions of Contract, if any.

2.0 TENDERER TO INFORM HIMSELF FULLY

2.1 The tenderer shall study carefully the enclosed tender documents and the documents referred to therein before submitting his offer. The tenderer shall fully satisfy himself of the suitability of the plant, machinery and equipment and layout as indicated in the tender documents, conditions of working at and around the construction Site and take full responsibility for the safe and efficient operation and guarantee of the quality and specified output of the plant, machinery and equipment offered. The offer should be for plant, machinery and equipment and for the services according to the Technical Specifications and in accordance with the terms and conditions of the General Conditions of Contract.

2.2 The tenderer shall inspect the Site and shall satisfy himself of the Site conditions and shall collect any other information which he may require before submitting the tender. Claims and objections due to ignorance of Site condition shall not be considered after submission of the tender.

3.0 SCOPE OF WORK

3.1 The Work is outlined in the tender documents listed in Clause 1.0 above which are enclosed with this tender and all of which shall be used together to define the Work. The Work shall be in conformity with this tender and all other documents, such as specifications, drawings, standards, commercial and legal terms and conditions, which make up the tender documents and those referred to therein.

3.2 The tenderer shall include in his tender, for the provision of materials, equipment and services required for the effective implementation of the Project specified in the tender documents, including complete mechanical, electrical with ventilation system, refractories, measuring and control instruments, fabricated steel work, platforms, all necessary piping, valves and fittings, all cables and all foundation bolts, anchoring parts, etc. In addition the tenderer shall offer separately

for the supply of any additional equipment and material which are not specially mentioned in the tender, but are required to complete the plant, machinery and equipment offered in every respect and for safe and efficient operation and guaranteed performance. It shall be the responsibility of the successful tenderer to furnish the materials, plant, machinery and equipment and provide the services specified accordingly, unless specifically stated as being furnished by others.

- 3.3 The materials, plant, machinery and equipment and services to be provided by the successful tenderer shall include, but not be limited to, the following:
- 3.3.1 Submission of all drawings, documents and data to be furnished as per the Contract, along with complete list of drawings and a time schedule for submitting these in accordance with Clause 17 of the General Conditions of Contract.
 - 3.3.2 Submission of general arrangement drawings showing to scale the size and location of major equipment and components, including electrics, control cabinets etc. giving overall dimensions, clearances, controlling dimensions as well as necessary elevation, sections, and plans.
 - 3.3.3 Submission of foundation outline drawings, anchor Bolt location plans, loading diagrams and foundation Bolt details for all foundations and concrete structures, duly certified by the Contractor.
 - 3.3.4 Submission of mechanical, electrical, piping, instrumentation, refractory, assembly, installation drawings, instruction and all other drawings and documents as specified.
 - 3.3.5 Procurement of materials, manufacture/fabrication and supply of plant, machinery and equipment for all items as specified.
 - 3.3.6 Supply of large size foundation Bolts, Bolts of special design and those made of alloy / special steels and special embedment that may be required for the plant, machinery and equipment.
 - 3.3.7 Submission of itemized list of spare parts for two (2) years normal working of the plant, machinery and equipment operating instructions and maintenance manuals. Spare parts not manufactured directly by the tenderer shall be identified and description/catalogues given in sufficient detail to enable the Purchaser to procure these directly from the manufacturers, if required.
 - 3.3.8 Carrying out inspection and tests during and after manufacture (including making arrangements for inspection by the Purchaser or its authorized representative) and on completion, packing, marking and dispatching the equipment FOB and supply and delivery of indigenous items FOR Site of the Purchaser including unloading thereof.
 - 3.3.9 Supply of sufficient quantity of commissioning spares necessary for the commissioning of the plant, machinery and equipment offered up to the date of its provisional acceptance by the Purchaser. The commissioning spares shall be included with the plant, machinery
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and equipment and must be at Site with the plant, machinery and equipment. Supply of spare parts for two years normal working of the plant after PAC.

- 3.3.10 Supply of one set of special tools for repair and maintenance of plant, machinery and equipment. A list of these tools proposed to be supplied shall be given in the offer.
- 3.4 For the plant, machinery and equipment offered, electric power and utility piping connections shall be suitably terminated at switches or valves, as the case may be, switch boxes and termination valves (with companion flanges, where relevant), shall be located at easily accessible positions. The tenderer shall minimize the number of connections to be provided by the Purchaser for electric power and utilities. The particulars of power and utilities that will be made available by the Purchaser are indicated in the specification and the tenderer shall include any equipment required to transform these to suit the requirements of the equipment offered. The offer shall include all piping with valves and fittings and wiring, for interconnecting parts / components of the different units/systems of the tendered plant, machinery and equipment.
- 3.5 Where refractory and special lining work is involved, e.g. furnace etc. in addition to one set of refractory lining materials, the offer shall include ten percent (10%) extra quantity for all refractory/materials from Indian sources and twenty percent (20%) extra quantity for all imported refractories/materials. For such refractory/lining work the tenderer shall furnish itemized lists of such refractory/lining materials for two (2) years normal working of the plant, machinery and equipment. The tenderer shall also properly identify these with the specifications, sizes and shapes in sufficient detail to enable the Purchaser to procure these directly from the manufacturers, if required.
- 3.6 Supervision of Erection of Plant and equipment and Putting into commission
- 3.6.1 The Purchaser, at his option, may ask the successful tenderer to provide services for supervision of erection, start-up and putting into commission, including performance tests of all plant, machinery and equipment supplied by the successful tenderer, as well as those that may be procured from/fabricated by others based on the successful tenderer's drawings, specifications and bills of quantities. The scope of work may, inter alia, include final painting/finishing, however, where such services are required, the same is indicated in the enclosed specifications.
- 3.6.2 In such cases, the successful tenderer shall provide resident supervisory personnel for the above services in accordance with the relevant part of the General Conditions of Contract. The tenderer shall indicate in his offer the number and category of supervisory personnel and other erection / operation specialists he proposes to depute for the Work as well as the estimated duration of their stay at Site.
- 3.6.3 The tenderer shall submit with the tender a detailed category wise list of personnel to be arranged by the Purchaser for the Erection and Installation work, start-up, Commissioning and performance tests, based on Site work six days a week and eight hours a day. The tenderer shall in his tender also furnish the complete list of specialized installation tools, tackles, instruments and appliances that, in his opinion, will be required
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in connection with the installation of the Plant, Machinery and Equipment. All customs related formalities including costs, regarding declaration of instruments, tools, tackles and other appliances for re-export upon successful completion of the Work shall be the responsibility of the successful tenderer.

- 3.6.4 The successful tenderer shall satisfy himself before giving clearance for the foundation for erection purpose that the civil engineering work has been carried-out in accordance with the drawings and specifications furnished by the Purchaser or Purchaser's consulting Engineer, based on data furnished by the successful tenderer.
- 3.7 Complete erection of Plant, Machinery and Equipment and putting into Commission, including but not limited to the following:
- 3.7.1 The successful tenderer shall provide services for complete Installation, start-up and putting into Commission, including performance tests of all Plant, Machinery and Equipment supplied by the successful tenderer, as well as those that may be procured from/fabricated by others based on the successful tenderer's drawings, specifications and bills of quantities. The successful tenderer shall provide the above services in accordance with the terms and conditions of the Contract.
- 3.7.2 In such cases, the tenderer shall provide the above services in accordance with the relevant part of the General Conditions of Contract, and shall indicate in his offer the number and category of supervisory personnel and other erection operations specialists he proposes to depute for the work as well as the estimated duration of their stay at site.
- 3.7.3 The successful tenderer shall inspect and satisfy himself before commencement of installation that the civil engineering work has been carried out in accordance with the drawings and specifications approved by the Purchaser or Purchaser's consulting Engineer, based on data furnished by the successful tenderer.
- 3.7.4 The successful tenderer shall facilitate the Purchaser's personnel to get fully conversant with the working of the plant, machinery and equipment during installation, commissioning and testing.
- 3.7.5 The successful tenderer shall be responsible for providing the necessary installation tools, tackles, instruments and appliances required for the installation work. He shall also be required to provide, without any extra cost, additional tools, tackles, equipment etc., if considered necessary by the Purchaser after mutual agreement with the tenderer for efficient working and the completion of installation in time. All charges in connection with these, such as transportation from the successful tenderer's work to Site and back on the completion of the installation, operation etc., shall be to the account of the successful tenderer.
- 3.7.6 The successful tenderer shall be responsible for taking over consignments containing equipment and materials for installation at the Purchaser's stores and/or stocking place and all subsequent handling and transport.
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3.7.7 On taking over materials for installation, the successful tenderer shall be responsible for their safe storage and custody till they are handed over to the Purchaser. Any damage, breakage and loss during this period will be to the account of the successful tenderer and he should make the necessary arrangements for proper replacement/repair in time. Save and except otherwise elsewhere provided, on receipt of materials at Site, the Purchaser shall be responsible for safe storage and custody of the materials till they are handed over to the successful tenderer for Installation.

4.0 SPECIAL CONDITIONS

- 4.1 Maximum use shall be made of Indian materials and services to the extent possible for which payments will be made in Indian rupees.
- 4.2 The tenderer shall, however, take complete responsibility for co-ordination of the supplies and adhering to the delivery and other schedules and give performance guarantee for the complete Plant, Machinery and Equipment, including the imported and indigenous portions thereof.
- 4.3 For procurement from indigenous sources, no foreign exchange or import licenses for importing equipment, components, spares, raw materials or other services will be arranged for or provided by Purchaser.
- 4.4 It is the intention of the Purchaser to obtain, to the maximum extent possible equipment and material from indigenous sources. These include various electrical equipment and controls, including mill drives and controls, as well as other equipment, components and materials such as cables, valves, pipes, refractories, insulation materials, fabricated components etc. available from indigenous sources, especially from the Public Sectors Units.
- 4.5 The tenderer shall clearly indicate for the major items offered from indigenous sources together with the name of the agency against the respective items.
- 4.6 The tenderer should preferably have a resident representative in India. The address of such representative in India should be indicated in the tender.

5.0 INFORMATION TO BE SUBMITTED WITH TENDER

In addition to the information called for in the different sections of the tender documents, tenderer shall furnish the following information with the tender without which the tender is liable to be rejected:

- 5.1 Complete description and working of the plant, machinery and equipment, supported by such drawings and catalogues as are required to enable the Purchaser to study the suitability of the Plant, Machinery and Equipment offered.
 - 5.2 A list of major components, systems and sub-systems of plant, machinery and equipment tendered, indicating the names of potential suppliers and/or sub-contractors. The tenderer shall clearly indicate the items offered from abroad and from indigenous sources, together with the name of the agency against the respective items.
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- 5.3 General arrangement drawings, showing, major equipment, giving overall dimensions, clearances, controlling load dimensions, weights, etc. as well as necessary elevations, sections and plans for studying the suitability of the offered items. Along with these arrangement drawings, preliminary foundation outline drawings, with load data and bold locations are to be furnished, wherever applicable.
- 5.4 Requirements of power, water and other utilities for normal operation of the offered plant, machinery and equipment for the purpose of designing the auxiliary and service systems. These shall be binding on the successful tenderer.
- 5.5 Grade and quantities of flushing oil, lubricating oils and other consumables required during the start-up, commissioning, initial filling and yearly requirements for normal operations. The equivalent brands and specifications for all consumables shall be furnished.
- 5.6 Details of consumption, output and performance guarantee of the plant, machinery and equipment.
- 5.7 Estimated cost of operation of the plant and equipment.
- 5.8 Itemized weights for major items of the complete plant, machinery and equipment.
- 5.9 List of tests and the procedures for conducting the tests proposed at the tenderer's factory before dispatch and at Site during commissioning.
- 5.10 Recommended operation and maintenance personnel, semiskilled and skilled, for the efficient operation and maintenance of the plant, machinery and equipment offered.
- 5.11 Questionnaire, if any, included in the tender documents duly filled in. Tenders with incompletely filled in questionnaire are liable to be rejected.
- 5.12 Each exception to the specifications or other parts of the documents shall be listed separately by the tenderer. If exceptions are not clearly listed as such, they will not be considered by the Purchaser.

6.0 TRAINING OF PERSONNEL

- 6.1 The successful tenderer shall arrange for the training of a reasonable number of the Purchaser's technical personnel in shops manufacturing the equipment and in plants where equipment similar to those covered in the tender documents are in operation. The number of such personnel and the period of training will be mutually agreed upon. The travelling and living expenses of the trainees will be borne by the Purchaser.

7.0 TIME SCHEDULE FOR DELIVERY

- 7.1 The delivery schedule expected by the Purchaser for plant, machinery and equipment and the performance of its services is indicated in the tender. If the delivery schedule cannot be adhered to, the tenderer shall quote for his best and earliest delivery.
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- 7.2 In the case of imported plant, machinery and equipment, the delivery shall mean FOB Port of Shipment. In the case of locally procured/indigenous items, the delivery shall mean FOR site including unloading at Site.
- 7.3 The tenderers shall submit with his offer a time schedule, showing the individual time periods required for submission of drawings, procurement, manufacture, fabrication, delivery, etc. The schedule shall also show the estimated Installation time, based on normal Site work, six (6) days a week and eight (8) hours a day, as well as the time for start-up, putting into commission, performance guarantee tests and provisional acceptance. In addition, the successful tenderer shall submit the schedules accompanied by a network diagram, incorporating all important activities and their estimated duration from the award of the Contract to its completion indicating clearly the critical path.
- 7.4 The successful tenderer shall be responsible for coordinated delivery of all plant, machinery and equipment, both from abroad and India, and shall ensure deliveries in the sequence in which they will be required at Site for installation. He shall affect delivery of plant, machinery equipment, materials etc. generally as under:
- 7.4.1 Plant, Machinery and Equipment, refractory and lining materials shall be delivered according to the billing cum shipping schedule and in general the sequence in which they will be required at Site for installation and erection.
- 7.4.2 Large size foundation Bolts, Bolts of special design, special embedment, etc. as per Clause 3.3.6 hereof shall be delivered well in advance of the equipment so as to be available at Site during the construction of the related foundations.
- 7.4.3 Commissioning spares as per Clause 3.3.9 hereof shall be delivered along with the plant, machinery and equipment.
- 7.4.4 Save and except elsewhere provided in the Contract, Spare parts for two (2) years normal work of the plant, machinery and equipment hereof shall be delivered prior to the provisional acceptance of the plant, machinery and equipment.
- 7.4.5 Special tools for repair and maintenance as per Clause 3.3.10 hereof shall be delivered prior to the provisional acceptance of the plant, machinery and equipment.
- 7.4.6 Specialized installation tools, tackles, instrument and appliances as per Clause 3.7.5 hereof shall be delivered before installation of the plant, machinery and equipment and the same shall remain the property of the successful tenderer.
- 7.4.7 Save and except elsewhere provided in the Contract, consumables as per Clause 5.5 hereof shall be delivered prior to commencement of installation of the plant and equipment.
- 7.4.8 Drawings and documents shall be delivered in the sequence outlined in Clause 17.14.3 for the due and effective performance of Contract.

8.0 TRANSPORTATION

8.1 The successful tenderer shall deliver all imported plant, machinery and equipment on FOB Port of shipment.

For indigenous items, the successful tenderer shall deliver the plant, machinery and equipment FOR site including unloading at Site.

For imported items the Purchaser will make arrangements to ship the cargo, pay the marine insurance, clear the consignment at Indian port, pay the custom's duty and arrange for obtaining the customs clearances and dispatch to and unloading at plant site.

Within the framework of the installation services referred to in Clause 3.6 and 3.7 above, the successful tenderer shall be responsible, if required by the Purchaser to give his expert advice and guidance in regard to the safe handling of cargo during unloading at India port and for dispatching to site.

9.0 INSURANCE

9.1 The successful tenderer shall provide all insurance up to the FOB port of shipment stage for imported items and up to the FOR site stage for indigenous items and unloading thereof, as per Clause 25 of the General Conditions of Contract.

10.1 LICENSES AND TAXES

10.2 Licenses

10.2.1 All export or other licenses or permits which may be required by law and/or regulations of the country in which any of the plant, machinery and equipment covered by this tender is produced or sold will be obtained by the successful tenderer at his expense. If any such license is required, a copy of the license is to be submitted to the Purchaser within three months from the date of signing of Contract and before the release of first payment for such plant, machinery and equipment or a self-declaration by the successful tenderer that such license is not required.

10.2.2 The Purchaser will, at his expense, obtain necessary licenses and permits if or as may be required under law or regulations to import the plant, machinery and equipment into India. The successful tenderer and the Purchaser will furnish each of such information and assistance as may be necessary to procure the issuance of such licenses or permits.

10.3 Taxes

10.3.1 All statutory taxes, duties, fees, cess & levies payable outside India on the goods sold/services provided to the Purchaser shall be borne and paid by the successful tenderer.

All statutory customs/import duties, taxes, fees, cess & levies, etc. in India on the imported goods on amount payable in foreign currencies shall be borne and paid by the Purchaser.

Any tax applicable in India on foreign training provided by the tenderer outside India will be borne and paid by the Purchaser and shall not be included in the Contract Price to be quoted by the tenderer.

The Contract Price to be quoted by the tenderer for providing Installation services in India will be exclusive of service tax or any other duties, cess applicable for such services.

The successful tenderer shall be liable to pay the applicable income taxes under Indian Income Tax Act 1961 or under Double Taxation Avoidance Agreement as the case may be for income earned or in respect of income deemed to accrue or arise in India. The applicable withholding tax/other taxes for providing Installation services in India by the tenderer will be deducted by the Purchaser. A certificate for tax deduction at source shall be issued by the Purchaser to the successful tenderer to get the necessary tax credit for filing the tax return in their home country.

The successful tenderer shall be liable to pay and shall pay the relevant income tax if and as applicable to the personnel/experts deputed by them for providing Installation services in India under this Contract. The tenderer shall be responsible and comply with all the relevant laws including labour, employment, etc. of such personnel/experts.

- 10.3.2 Income tax in India, if leviable and other taxes in relation thereto on any other account shall be borne and paid by the successful tenderer. The successful tenderer shall be responsible to furnish the Permanent Account Number, Tax Residency Certificate, tax declarations along with the Tender and shall be liable to file tax returns with respective income tax authorities as required under the Indian Income Tax Act.

All payments under the Contract to the successful tenderer shall be subjected to deduction of taxes at source at the applicable rates in force as per the provisions of the Indian Income Tax Act or Double Taxation Avoidance Treaty whichever is more beneficial to the tenderer. Where the benefits of double taxation are to be availed, it shall be the responsibility of the tenderer to furnish the Tax Residency Certificate to the Purchaser required under the Indian Income Tax Act. Tax deduction at source towards payment for on-site services will be made by the Purchaser as per applicable rate and the certificate thereof shall be provided to the tenderer by the Purchaser.

- 10.3.3 In the case of indigenous equipment, sales tax, VAT, CST, octroi, entry tax and other taxes and duties shall be borne by and to the account of the successful tenderer and shall be included in the prices quoted by them. The Contract Price shall be inclusive of all taxes, duties, octroi, entry tax, levies, cess and other statutory impositions existing as on the date seven (7) days before due date of submission of the final price bid. The tenderers shall separately indicate and quantify (against each head) the basic price, incidence of tax, duty, cess and other statutory imposition etc. that they have included in the price quoted by them.
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- 10.3.4 The Purchaser shall use his best efforts to get tax exemptions/concessions applicable in India, if any, to enable the tenderer to benefit from such tax savings to the maximum allowable extent. The successful tenderer shall pass on such benefits to the Purchaser in this regard. Tax deduction at source under VAT Act shall be made by the Purchaser on the Contract Price and as per exclusions provided under the Act.
- 10.3.5 Base date of the Contract shall be the date seven (7) days before last date of submission of price bid.
- 10.3.6 The successful tenderer shall make “Sale in Transit (E-1)” as per Section 6(2) of Central Sales Tax Act 1956 and all formalities required shall have to be observed by the successful tenderer. The Purchaser shall issue necessary Concessional Sales Tax Declaration Form ‘C’ and other Concessional Sales Tax Declaration Form as applicable for State Sales Tax.
- 10.3.7 Any Statutory variation occurring after the Base Date of Contract in the taxes, duties, levies, cess etc. and / or imposition of new taxes, duties, levies, cess, etc. in relation to goods and services in India in the course of the performance of the Contract will be to Purchaser’s account and payable at actual against documentary evidence. If the rate of taxes, duties, levies, cess etc. applicable in India is increased or decreased on the price indicated in foreign currency, or new tax is introduced in the course of the performance of Contract, the same shall be to Purchaser’s account at actual.
- 10.3.8 Service tax and education cess for the indigenous services shall be paid to the successful tenderer against each invoice. The invoice for the service portion shall separately indicate the service tax and education cess claimed by the successful tenderer along with their relevant service tax registration number obtained by the successful tenderer.

11.0 GUARANTEE AND PERFORMANCE

- 11.1 The tenderer shall guarantee the workmanship and materials, and satisfactory operation of all items of the plant, machinery and equipment offered by him, with respect to all individual items and collective items comprising a group of equipment, and for the whole plant, machinery and equipment, in accordance with the performance requirements indicated in the Technical Specifications. In this respect, the offer shall include in clear detail the various outputs, consumption and performance guarantee for the Plant, Machinery and Equipment offered.

12.0 PRICES

- 12.1 The tenderer shall include in his offer prices for all materials and services as specified in the tender documents and in manner stated in the relevant articles/clauses/para of the Instructions to Tenderer.
- 12.2 Prices for plant, machinery and equipment, spares, special maintenance tools etc. shall be indicated as per the price bid format enclosed. The prices shall be itemized in accordance with and as stated in, the tender specification and are to be quoted in the following two parts:
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- 12.2.1 For all imported items of plant, machinery and equipment, spares, special maintenance tools, etc. prices shall be quoted for delivery, duly packed, FOB Port of shipment, with indication of estimated CIF charge separately.
- 12.2.2 For all indigenous items of plant, machinery and equipment, spares, special maintenance tools, etc. Prices shall be quoted for delivery, duly packed, FOR site including unloading at Site.
- 12.3 Itemized weights shall be given to each of the major items specified in the scope of supply. Weight of the supplies shall be indicative and there shall be no bearing on the quoted price for any variance with actual weights.
- 12.4 Separate prices for supervision, complete Installation, start-up and putting into commission and other services, as indicated in Clause 3.6 and 3.7 above shall be quoted. These shall be inclusive of demonstration of performance parameters / tests.
- 12.5 For complete erection services, the detailed break-up of prices, such as cost of labour, supervisory personnel, consumable materials for erection, cost of site office, storage, provision of tools and tackles and accommodation and incidental expenses justifying the prices to be quoted under para 12.4 above, must be furnished in the tender.
- 12.6 In the case of the provision of erection of plant and equipment and putting them into commission, the tenderer shall indicate the prices and hire charges separately for each of the specialized erection tools, tackles, instruments and appliances, which in his opinion will be required for the erection of the plant and equipment. The Purchaser will inform the tenderer at the time of the finalisation of the Contract regarding the tools, tackles, instruments and appliances etc. he would like to purchase/hire out.
- 12.7 If some of the Installation and Commissioning personnel are required by the Purchaser beyond the provisional acceptance date, which are not covered in the Contract Price, the successful tenderer shall provide the same. The terms and conditions for these should be stated in the offer.

13.0 PRICE VARIATION

- 13.1 Tenderers shall offer firm prices. No escalation of any kind whatsoever shall be allowed by the Purchaser under the Contract.

14.0 FOREIGN CURRENCY TO BE STIPULATED

- 14.1 The foreign currency in which payments have to be effected shall be clearly mentioned in the offer against each item of work and finally the total of quotes in foreign currency.

15.1 TERMS OF PAYMENT

Subject to any deduction, which the Purchaser may be authorized to make statutorily or otherwise under the Contract, the terms of payment shall be as follows.

15.2 For Plant, Machinery & Equipment including Design, Engineering and Training:

As per Manual for Procurement of Goods & Material Subcontracting – 2023.

15.3 Complete Erection, Start and Putting into Commission:

As per Manual for Procurement of Goods & Material Subcontracting – 2023.

15.4 Spares:

As per Manual for Procurement of Goods & Material Subcontracting – 2023.

15.5 The Contractor shall establish a letter of guarantee as per formats at annexure and from a bank acceptable to the Purchaser for advance and progressive payments claimed by him.

15.6 Subject to other provisions of the Contract, the payment shall also be made based on the following:

- (i) All payments shall be made directly by the Purchaser to the Contractor unless otherwise provided in the Contract or agreed between the Parties.
- (ii) If as per provisions of Contract any payment is made directly by the Purchaser to the Sub-Contractor, such payments shall constitute a proper discharge of Purchaser's obligations for such payments to the Contractor.
- (iii) The payments will be made in the currencies quoted by the Contractor and included in the Contract unless otherwise agreed between the Parties.
- (iv) The Contractor shall furnish the detailed Billing Schedule, for each item under the scope of work of the Contract, for the approval of Purchaser, which after the approval only, will be the basis for submission of invoices for progress payments.
- (v) The Purchaser shall release the payment to the Contractor in 30 days from the date of receipt of the complete and correct invoices and relevant documents.
- (vi) All interim / progress shall be regarded as payments by way of advance against the final payment only and not as payment for work completed and shall not preclude defective / imperfect / incomplete facilities to be removed. It will not be considered as an admission by the Purchaser of the due performance of the Contract, or an part thereof by the Contractor nor shall it preclude, determines or affect in any way the powers of the Purchaser under these conditions or in any way the powers of the Purchaser under these conditions or in any way wary or affect the Contract.

16.0 LETTER OF CREDIT

16.1 The letter of credit for the imported and indigenous plant, machinery and equipment shall be opened by the Purchaser within 15 (fifteen) days after receipt of the Bank

Guarantee for security deposit and shall allow payment against the presentation of the following documents to the Bank:

- (i). Bill of lading/Airway Bill/LR (three (3) negotiable and three (3) non-negotiable copies) or photo copies of LR in case of indigenous equipment.
- (ii). Commercial invoice (six (6) original copies).
- (iii). Acceptance certificate for dispatch issued by the Purchaser.
Or
Inspection waiver certificate, if any, issued by the Engineer / Purchaser's authorized representative or Contractor's / his sub-contractor's internal inspection certificate / report.
- (iv). Packing List (ten (10) copies).
- (v). Certificate of Origin.
- (vi). Copy of faxintimation to the Purchaser's insurer furnishing the shipment details.

- 16.2 All bank charges outside India including confirmation charges shall be to the successful tenderer's account. Charges for counter guarantee by Purchaser's bank in respect of Standby LC or BG shall be borne by the Purchaser. The Bank charges for opening and maintaining LC will be to Purchaser's account.
 - 16.3 If opening of operating letter of credit is delayed beyond the time period specified above due to reason attributable to the Purchaser, the Contract time schedule shall be extended accordingly.
 - 16.4 The letter of credit shall be initially valid for a period of 30 (thirty) days more than the Delivery period for the realization of all the payments covered under the letter of credit with a provision of extension on request of successful tenderer without affecting the Work Schedule read with Clause 41.18.7 of the General Conditions of Contract. The letter of credit shall be established as per the enclosed format (to be finalized before signing of the Contract and shall be part of Contract).
 - 16.5 Purchaser shall establish irrevocable letter of credit for at sight payment and unrestricted negotiation against letter of credit complying documents. The letter of credit shall be established by Purchaser within the period as specified above by a first class bank of international repute and shall be advised through successful tenderer's designated bank. The transshipment and partial shipment shall be allowed.
 - 16.6 Purchaser shall extend the validity of letters of credit if so required within 10 (ten) working days of written request by successful tenderer. In case the validity of the letters of credit needs to be extended due to reasons attributable to the successful tenderer (Contractor),
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then the Purchaser shall extend the validity of letters of credit at successful tenderer's expense. In case the validity of letters of credit needs to be extended due to reasons attributable to Purchaser, then the Purchaser shall extend the letters of credit at its own expense.

16.7 The banks for establishing the letters of credit by the Purchaser and the banks issuing the bank guarantees to be submitted by the successful tenderer shall be mutually agreed upon between the parties. However, for the Purchaser, the bank is State Bank of India, Chandrayangutta.

16.8 Subject to the terms and conditions agreed between the parties, the letters of credit shall be subject to Uniform Customs and practice for documentary credits (2007 Revision) of International chamber of Commerce (ICC Publication No. 600).

17.0 CAPACITY OF THE TENDERER

Save as otherwise stated elsewhere, the following shall be the pre-qualifying criteria.

17.1 The tenderer should submit a detailed statement of similar plant, machinery and equipment supplied/built by him during the **last ten (10) years** or as stipulated in the tender.

17.2 The tenderer shall satisfy the Purchaser that he possesses the necessary and requisite technical experience, expertise and qualifications and that he has at his disposal suitable modern facilities and staff of specialized personnel to ensure that his contract work is of the best quality and workmanship, according to the latest engineering practice. The tenderer shall furnish necessary particulars in this behalf with the tender.

17.3 No proposal by the tenderer will be considered unless the plant, machinery and equipment named therein is manufactured by a company which has had at least five (5) years previous experience in the design and manufacture of plant, machinery and equipment of comparable type and size and/or as stipulated in the tender.

17.4 Each tenderer shall submit in his proposal a list of qualifying units. The list shall include for each unit the date of initial operation, the location, capacity and operating conditions.

17.5 Legal Character and Capacity

The tenderer shall clearly state about its legal character and capacity and satisfy the Purchaser that he is competent and authorized to submit the offer and to enter into a legally binding contract with the Purchaser. To this effect, any person giving an offer shall render documentary evidence that his signature on the offer, submitted by him, is legally binding upon himself, his firm or company, as the case may be.

17.6 Authority of Person Signing Documents

A person signing the tender or any document forming part of the Contract, on behalf of another, shall be deemed to warranty that he has authority to bind such other and if, on enquiry, it appears that the person so signing had no authority to do so, the Purchaser may,

without prejudice to any other civil and criminal remedies, cancel the tender / contract and hold the signatory liable for costs and damages.

17.7 Financial Capacity

The tenderer shall produce satisfactory proof such as annual reports, solvency certificate, etc. that he is financially in a position to fulfill the contractual obligation offered to be undertaken by him. In the case of Indian tenderers, the tenderer shall also submit the Income tax clearance certificate along with the tender and or as stipulated in the tender.

18.0 SUBMISSION OF TENDER

18.1 Tenders shall be sent by registered post or handed over personally so as to reach the Purchaser before due date, time and at the place specified in the invitation to tender. They shall contain a special declaration that the tenderer agrees to hold the tender open for the period indicated in this invitation to tender.

18.2 Tenders must be submitted in four (4) copies in sealed covers, super scribing the reference number and date of opening on the covers.

18.3 Unsealed tenders, unsigned tenders, tenders which are incomplete, or otherwise considered defective, are liable to be rejected.

18.4 No tender will be received after the stipulated time and date due to any reason whatsoever.

18.5 Tenders shall be received at the office of General Manager (C & BD), Mishra Dhatu Nigam Ltd., Hyderabad-500058, India, by the date mentioned on page 1 herein and opened at the same place on the date and time mentioned on page 1 herein above. Tenderers are at liberty to be present or authorize their representatives to be present at the time of the opening of the tenders.

19.0 PERIOD OF VALIDITY OF TENDER

19.1 The tender and the price quoted shall be deemed to remain valid for acceptance for a period of six

(6) months from the date of submission. In the event of termination of the tender process due to reasons not attributable to the successful tenderer the Purchaser shall release the Earnest Money Deposit (EMD) without interest. However, if the same pertains to the reasons attributable to the successful tenderer, the EMD of the successful tenderer shall be forfeited. In any of the cases whatsoever the Purchaser shall not be liable for any extra cost or expenses or shall not be liable to pay any claim or expenses to the successful tenderer.

20.0 LANGUAGE

20.1 The tender shall be submitted in the English language.

21.0 ARRANGEMENT OF TENDER

21.1 The tender shall be neatly arranged, plain and intelligible, or printed on white paper, with

consecutively numbered pages in solid binding. They should not contain any terms and conditions, prints or otherwise, which are not applicable to the tender.

- 21.2 Insertions, postscripts, additions and alterations shall not be recognized, unless confirmed by the tenderer's signature.

22.0 EARNEST MONEY

- 22.1 The tender must be accompanied by earnest money in the form of Demand Draft or Bank Guarantee or Electronic fund transfer, in favour of the Purchaser. Tenders not accompanied by earnest money will not be considered. The earnest money shall be kept deposited for such period as may be specified for keeping the tender open. The earnest money will not earn any interest. If the tenderer after submitting his tender and during the tender's validity period, withdraws his offer or modifies the terms and conditions thereof, in a manner not acceptable to the Purchaser, or upon award of contract does not submit Security Deposit then the earnest money shall be liable to be forfeited. Earnest Money shall be kept valid for eight (8) months and will be extended till the successful tenderer submits security deposit. The Bank Guarantee and security deposit shall be provided as per the enclosed formats.

- 22.2 On the acceptance of the tender, but not earlier than the expiry date of the period for which the tender is kept open, the earnest money will be returned to the unsuccessful tenderers.

- 22.3 Should an invitation to tender be withdrawn or cancelled by the Purchaser, which it shall have the right to do at any time, the earnest money paid with the tender will be returned.

22.4 On the tender being accepted by the Purchaser, an agreement in respect of the Contract, will be signed and executed by and between the Purchaser and the successful tenderer in accordance with the terms of Clause 10 of the General Conditions of the Contract. The successful tenderer shall also be required to deposit, within 30 (thirty) days of the acceptance of his tender/issue of Letter of Intent/Acceptance, Security Deposit at 10% of the total Contract Price with the Purchaser in the manner indicated in Clause 11 of the General Conditions of Contract. Should the successful tenderer, upon the acceptance of his tender, fails or refuses to duly sign the agreement or fails or refuses to furnish the security deposit within the period fixed by the Purchaser as indicated above, the earnest money shall be forfeited without prejudice to his being liable for any further loss or damage incurred in consequence by the Purchaser.

- 22.5 The earnest money shall be returned to the successful tenderer after the security deposit has been furnished to the Purchaser in accordance with Clause 11 of the General Conditions of Contract.

23.0 NO CLAIM FOR COMPENSATION FOR SUBMISSION OF TENDER

- 23.1 The tenderer whose tenders are not accepted shall not be entitled to claim any costs charges and expenses of the tender, incidental to or incurred by them, through or in connection with their submission of tenders, even though the Purchaser may elect to withdraw the invitation to tender.
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24.0 INSURANCE POLICY FOR WORKMEN

24.1 The successful tenderer shall also take insurance policy for suitable amount for payment of an ex- gratia per head in case of fatal accident to the contract labour engaged by him in addition to the Workmen's Compensation Insurance Policy. As and when a fatal accident takes place, along with the workmen compensation, the Contractor is required to pay ex- gratia amount within 30 (thirty) days from the date of accident.

25.0 LOWEST TENDER MAY NOT NECESSARILY BE ACCEPTED

25.1 The Purchaser is not bound to accept the lowest or any tender or to assign reasons for its non- acceptance. The Purchaser also reserves the right to accept the tender either in whole or in part.

26.0 CONTRACT

26.1 On a tender being accepted by the Purchaser, a Contract will be signed and executed by and between the Purchaser and the successful tenderer in accordance with the terms of Clause 10 of the General Conditions of the Contract. The Purchaser and the successful tenderer will bear their respective cost incurred by them for signing the Contract.

27.0 NOTICES ON BEHALF OF PURCHASER

27.1 Notices and certificates on behalf of the Purchaser or Contractor in connection with the Contract may be given by a duly authorized officer of the Purchaser or Contractor whose name shall have been previously communicated by the Purchaser in writing.

28.0 ADDENDA TO TENDER DOCUMENTS

28.1 The Purchaser reserves the right to issue addenda to the tender documents to clarify, modify, supplement or delete any of the conditions, clauses or items stated in the tender documents issued with this invitation to tender. Each addendum issued will be distributed to each tenderer or his authorized representative or published in newspapers / web and the addendum so issued shall form a part of the original tender documents to be reviewed as required.

29.0 QUERIES/CLARIFICATIONS

29.1 Queries/clarifications either technical, financial or commercial, if any, that may arise should be referred by the tenderer by mail/email/fax direct to the General Manager (Commercial), Mishra Dhatu Nigam Ltd., Hyderabad-500058, India.

29.2 All tenderers are requested to take special note of the above procedure and observe the same strictly.

30.0 INTEGRITY PACT

30.1 In respect of all Contracts for procurement of capital equipment for a value exceeding **Rs. 40**

Lakhs (current Threshold value), tenderers shall sign 'Integrity Pact' with the Purchaser in the format enclosed.

31.0 ADDITIONAL INSTRUCTIONS TO THE TENDERERS

31.1 Agency Commission:

Either the Indian agent on behalf of the foreign principal or the foreign principal directly could bid in this tender but not both. Further, in case where an agent participates in this tender on behalf of one manufacturer, he is not entitled to quote on behalf of another manufacturer along with the first manufacturer for the same item.

The Seller confirms and declares to the Buyer that the Seller is the original manufacturer or authorized vendor of original manufacturer or Government sponsored/ Designated Export Agencies (applicable In the case of countries where domestic laws do not permit direct export by OEMs) of the stores referred to in this offer/ Contract/ Purchase Order and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to Buyer or any of its functionaries, whether officially or unofficially, to the award of the contract / Purchase order to the Seller; nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The Seller agrees that if it is established at any time to the satisfaction of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the Seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract / Purchase Order, the Seller will be liable to refund that amount to the Buyer. The Seller will also be debarred from participating in any RFQ / Tender for new projects / program with Buyer for a minimum period of five years. The Buyer will also have a right to consider cancellation of the Contract/ Purchase Order either wholly or in part, without any entitlement or compensation to the Seller who shall in such an event be liable to refund all payments made by the Buyer in terms of the Contract / Purchase Order along with interest at the rate of 2% per annum above LIBOR (London Inter Bank Offer Rate) (for Foreign vendors) and Base Rate of SBI plus 2% (for Indian vendors). The Buyer will also have the right to recover any such amount from any contracts / Purchase Orders concluded earlier with Buyer.

31.2 Price Negotiations

Price negotiations as such shall not be held, except in the case of negotiations with the lowest tenderer and accordingly, the tenderers shall have to submit their best Price Bids.

31.3 Tender Documents through Website

The tender documents are also available in the Purchaser's website <https://midhani-india.in/>

31.4 Submission of Tender

Tender may be submitted either by Speed Post, Courier or by person. The tender shall contain a special declaration that the tenderer agrees to hold the tender open for the period

indicated in this Instruction to Tenderers. No tender will be received after the stipulated time and due date, due to any reason whatsoever.

31.5 **Mode of Submission of Tender**

Tenderers are required to submit their tenders in two (2) parts, namely,

Part I: Techno-Commercial Bid with all terms & conditions-

Detailed technical specifications should be furnished along with catalogue/literature of original manufacturer and submitted separately super scribed as “Techno-Commercial Bid” (Un-priced) indicating the tender No. & due date of opening duly sealed.

Part II: Price Bid-

The priced offer/quotation should be submitted separately not along with Part I super scribed as Price Bid indicating the Tender No. & due date of opening duly sealed.

31.6 Unsealed and unsigned tenders and tenders that are incomplete or otherwise considered defective are liable to be rejected.

31.7 **Tender Opening**

A. **Techno-Commercial Bids**

After being satisfied that EMD of the tenderers have the required validity, Techno- Commercial Bids shall be accepted from the tenderers and shall be opened in the presence of authorized representatives of the tenderers who choose to be present at the time of tender opening. The comparative assessment of offers/bids received would be made on equal footing.

B. **Pre Price Bid Meeting**

Save and except otherwise elsewhere provided, a Pre Bid meeting, before submission of Price Bid, will be held with the Bidders on a date to be separately intimated after opening of Techno Commercial bids. Upon completion of the pre price-bid meeting, price bids as specified herein below shall have to be submitted by the tenderers.

C. **Price Bids**

The Price Bids of only those tenderers will be opened whose Techno-Commercial Bid has been qualified for price bid opening.

The comparative assessment of offers received would be made on equal footing taking into account the financial implications for the deviations in terms and conditions.

Conditional discounts offered by the tenderers for coverage within a shorter period for early inspection/payment etc., shall not be considered at the time of evaluation of tenders.

31.8 Pre-bid conference

In case of turn-key contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment, a pre-bid conference will be held for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery & commercial terms projected in the bidding document. The date, time and place of pre-bid conference shall be indicated in the bidding document.

32.0 OVERRIDING EFFECT

32.1 In case of any inconsistency or repugnancy between any provision of Instructions to tenderer and General Conditions of Contract on the same subject matter, the provisions of the Instructions to tenderers shall prevail over General Conditions of Contract and will have over riding effect over those conditions.

33.0 CONSORTIUM

33.1 If a tenderer submits his bid in consortium then they will supply copy of the consortium agreement among the members of the consortium clearly identifying their respective scope of Work, strength of the consortium members and other relevant details. In that case the members of the consortium will be jointly and severally liable to perform the entire Contract. With a view to ensure this, the bank guarantee towards Security Deposit for the entire Contract will be liable to be forfeited even for any breach or non-performance on the part of any of the consortium member.

PART VI
GENERAL CONDITIONS OF CONTRACT

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GENERAL CONDITIONS OF CONTRACT FOR PURCHASE OF PLANT, MACHINERY AND EQUIPMENT; SUPERVISORY SERVICE AND COMPLETE ERECTION SERVICES INCLUDING COMMISSIONING AND PERFORMANCE GUARANTEE

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1.0 PURPOSE

- 1.1 This document shall accompany and be a part of the Contract entered into by Mishra Dhatu Nigam Limited, Telangana for the provision of materials, plant, machinery, equipment and services required for the effective implementation of the Project.
- 1.2 The purpose of this document is to establish general conditions for the purchase of plant, machinery and equipment, erection, supervision, and complete installation and erection services which shall be binding upon all Contractors. The Contractor shall, not limited to the following, undertake design and engineering, and supply of plant, machinery and equipment, intermediate storage and handling of electrics and automation, erection, installation and automations, supervision of erection of facilities, testing, pre-commissioning, start up and commissioning and demonstration and establishment of performance guarantee parameters of the facilities. These general conditions are complementary to the Contract, Tender documents, Contract Drawings and Technical Specifications, etc. and anything appearing in one shall be construed as appearing in the other, unless specifically exempted.

2.1 DEFINITIONS

The following terms or expressions, as used in these “General Conditions of Contract” and in the appertaining invitation to tender and Tender Specification, shall have the meanings defined hereunder:

“**Approval of the Purchaser**” shall mean the written / stamped approval by the Purchaser or Engineer of a document, a drawing or other particulars or matters in relation to the Contract.

“**Base date of the Contract**” shall mean the date seven (7) days before last date of submission of price bid.

“**Bolt(s)**” shall include nuts and washers.

“**Cold Test**” means the no load test as per Technical Specification.

“**Contract**” shall mean and include the contract signed by and between the Purchaser and the Contractor, the invitation of tender, Contract/Technical Specifications, the instruments to tender, the tender, letter of intent, acceptance of tender, contract drawings, contract price and particulars hereinafter defined in respect of the supply and delivery of materials and for the performance of services within the scope of the Work of the entire Project or envisaged for the extension or expansion thereof and these general conditions and such special conditions that may be added and agreed to, and shall also include any agreement signed by and between the Purchaser and the Contractor in terms of Clause 10 hereof.

“**Contract Drawings**” shall mean the designs, plans drawings, sketches and details which have been supplied by the Contractor for the execution of the Contract and approved by the Purchaser.

“**Commissioning**” means the successful operation of the plant, machinery and equipment under no load and load conditions and production of first specified quantity as per the Technical Specifications, including execution of the Performance Tests, as per the Technical Specification.

“Contractor” shall mean the Tenderer whose tender has been accepted by the Purchaser and shall include his/its/heirs, executors, administrators, legal representatives, successors and assign approved by the Purchaser.

“Contract Price” shall have the meaning as provided in Clause 18 of General Conditions of Contract.

“Contract Specifications”/ “Technical Specification” shall mean the specifications, detailed design statements of technical data, performance characteristics and all such particulars mentioned as such in the Contract.

“Defect Liability Period” means the period of validity of the guarantees given by the Contractor commencing from the date of issuance of the PAC during which the Contractor is responsible for the defects with respect to the Work as provided in Clause 32 hereof.

“Delivery” shall mean delivery by the dates/period specified in the Contract for supply of plant, machinery & equipment and completion of services, wherever applicable which are found acceptable by the Purchaser and not the submission of materials which are not to the required standard or which are not delivered by due dates, and in case of erection work, delivery shall mean the approval by the Purchaser of the said erection work, within the period prescribed for such completion.

“Dimensions” shall mean the extent of a line, area or volume. They are to be based on the metric system. i.e.

For length measurement, in km-

- 1 km = 1000 m
- 1 m = 100 cm
- 1 dcm = 10 cm
- 1 cm = 10 mm
- For surface measurement, in sq.m
- For volume measurement, in cu.m.

“Effective Date” shall mean the date of signing of the Contract.

“Engineer” as used herein shall mean M/s. Mishra Dhatu Nigam Limited having its registered office at P.O: Kanchanbagh, Telangana-500058, India, or such other engineer or engineers as are designated by the Purchaser.

“Final Acceptance of the Works” shall mean the Final Acceptance Certificate (FAC) to be issued at the end of successful completion of the Defect Liability Period.

“FOR Site” shall mean delivered, duly packed, free of expense to Purchaser, on board a road transport vehicle, unloading at the Purchaser’s stores at the plant Site or the erection/Installation Site.

“FOB port of Shipment” shall mean delivered, duly packed, free of expense to Purchaser, placed on board a transport vessel at the port of Shipment.

“Guaranteed Performance” or **“Specified Performance”** or **“Performance Guarantee”** means attaining the range of values specified in the Technical Specification, subject to other terms and conditions of the Contract.

“Hot Test” means the production of the first specified quantity as provided in the Technical Specification.

“Inspector” shall mean any person or agency nominated by or on behalf of the Purchaser to inspect supplies, materials, plant, machinery and equipment or work under the Contract.

“Installation” or **“Erection”** shall mean the putting up under the particular contract of structures and/or installation and erection on turnkey basis of plant, machinery and equipment with all accessories supplied and will include supervision services for installation, erection, start up and commissioning and any service which the Contractor is required to perform for the due fulfilment of his contract at the Site with his own and/or other staff or labour made available to him and with the aid of his own and/or other staff, labour and equipment and auxiliary materials placed at his disposal.

“Instructions to Tender” shall mean and/or include the enquiry for the supply, delivery, installation including foundations and civil engineering work where necessary, and starting up of the plant or plants, or performance of service or services in connection with the Project or for the planned extension or expansion thereof.

“Purchaser” as used herein shall mean Mishra Dhatu Nigam Limited, incorporated under the Companies Act, 1956, and having its registered office at P.O.: Kanchanbagh, Telangana-500058, India, and shall include its successors and assigns in office.

“Project” shall mean the project or scheme in respect of the Purchaser’s new venture and/or facilities including erection/installation, training and all related and incidental services in relation thereto.

“Provisional Acceptance of the Works” or **“PAC”** shall mean the Provisional Acceptance Certificate (PAC) to be issued after the successful completion of the PG test.

“Performance Test” or **“PG Test”** means such tests to be carried out as per Technical Specification and Clause 31 hereof, to demonstrate the achievement of the Guaranteed Performance before the Provisional Acceptance Certificate is issued.

“Schedule/ Work Schedule” shall mean the accepted time schedules between the Contractor and the Purchaser forming a part of the Contract and shall indicate the Delivery and the major activities in the completion of the Work.

“Site” means the land and other places on, under, in or through which the plant, machinery and equipment supplied by the Contractor are to be erected, installed and commissioned and/or services under the Contract are to be executed or carried out, and any other lands or places which are, or have been provided by the Purchaser.

“Sub-Contractor(s)” shall mean a person, firm or corporation who directly or indirectly supplies services or materials to a Contractor or to Purchaser on behalf of the Contractor and to whom the

execution of any part of the Project including preparation of any design or supply of any plant, machinery and equipment is sub contracted directly or indirectly by the Contractor and includes its successors or permitted assignees.

“**Tenderer**” shall mean the person, firm or corporation submitting a tender against the invitation to tender and shall include his/its heirs, executors, administrators, legal representatives, successors and permitted assign.

“**Tender Specification**” shall mean the design, data drawings, schedules, broad equipment, characteristics and other technical details furnished with the Invitation to Tender for the purpose of submitting the offer by the Tenderer.

“**Time**” shall be reckoned by months, days and hours, the period of a month being equivalent to the calendar month according to the Gregorian calendar.

“**Test(s)**” shall include all test or tests made, without releasing the Contractor of his liability, as may be considered necessary by the Purchaser or its duly authorized representative, in order to ascertain the quality and efficiency of the contract Work or parts thereof and performance of the plant, machinery and equipment and material tests in particular.

“**Plant, Machinery, Equipment, Facility, Materials, or Stores** ” or “**Work**” shall mean all or any part of the materials, equipment, drawings, supervision of erection, commissioning, Installation and start up and other services required for the design, supply and execution of the work which is either specially required by the Contractor or is required in connection with such services and such materials or which is within the scope of the Contract and not specifically excluded by the contract from the materials and services which the Contractor is obligated to furnish under the Contract or implied from Tender Specifications, drawings and schedules thereto annexed or incidental thereto.

“**Weight**” shall mean the calculation of a load. It shall be stated in metric system using Grams and Kilograms, Specifically the weight unit “**Ton**” shall mean ‘metric ton’ equal to 1,000 kilograms.

Words importing persons shall include firms, companies, corporations, associations or body of individuals whether incorporated, registered. Words importing masculine gender or singular number shall also include the feminine gender and plural number and vice versa where the context so requires or permits.

Tender Drawings-The term “**Tender Drawings**” shall mean such drawings, plans, sketches and details as are issued together with the Purchaser’s tender specification for the purpose of preparing tenders.

3.0 ENGINEER

3.1 Powers of Engineer:

To ensure the proper execution of the Contract, the Engineer reserves the right of:

- (a) supervision and direction of the Contract,
-

- (b) directing or amending the sequence of deliveries of plant, machinery and equipment and other services,
- (c) directing the application of Contractor's labour and machinery forces to any portion of the work as required,
- (d) ordering the increase or decrease of the size of the labour and machinery and to resolve issues which arise in the execution of the Contract,
- (e) rejecting any or all work and materials, plant, machinery and equipment which do not conform to the Contract,
- (f) stopping the work of execution whenever such stoppage may be necessary.

3.2 Duties of Engineer

- (a) to inspect the plant, machinery, equipment and materials,
- (b) to follow up and monitor proper delivery of the plant, machinery, equipment and materials to Site as per the specifications and drawings and as per the sequence required,
- (c) to watch and supervise the Works,
- (d) to inspect and test any materials to be used or workmanship employed in connection with the Works.

Any instructions or approvals given by Engineer to the Contractor in connection with the Contract shall bind the Contractor.

3.2.1 The Engineer shall have no authority to relieve the Contractor of any of his duties or obligations under the Contract except as expressly provided hereunder or elsewhere in the Contract, to order any work involving delay, any extra payment by the Purchaser and any variation in the Works.

3.2.2 Failure of the Engineer to reject any plant, equipment, materials, workmanship etc., or to disapprove any work or materials shall not prejudice the Purchaser to reject such plant, machinery and equipment, materials, workmanship etc., or to disapprove such work or materials and to order re-supply of such plant, machinery and equipment and materials or to pull down, remove or break up such disapproved work at the cost of the Contractor, provided the Contractor fails to comply with the direction and requirement of the Purchaser therefor. The decision, opinion, certificates or valuation of the Engineer/Purchaser in respect of any matter under this Clause shall be final, binding and conclusive.

3.2.3 If the Contractor is dissatisfied by reason of any decision, opinion, direction, certificate or valuation of the Engineer, he shall be entitled to refer the matters to the Purchaser who shall thereupon confirm, reverse or vary such matters based on its sole discretion.

4.0 ASSIGNING AND SUBCONTRACTING

- 4.1 Assigning: The Contractor shall not transfer or assign the Contract or any part thereof or any benefit or interest therein or there under without the written consent of the Purchaser. In the event of the Contractor contravening this condition, the Purchaser shall be entitled to place the Contract elsewhere on the Contractor's account and at the Contractor's risk and cost and that the Contractor shall be liable for any loss or damage which the Purchaser may sustain in consequence or arising out of such replacing of contract. This shall not relieve the Contractor of any responsibility under this Contract.
- 4.2 Sub-contracting: The Contractor shall not sub-contract the whole or any part of the Works without the prior Approval of the Purchaser except as stipulated otherwise in the Contract and/or for purchases from approved vendor's list. The list of approved vendors forming a part of the Contract Specification specifies major items of supply or services and indicates name of approved vendors against each such items. Such approval if given shall not establish any contractual relationship between the Sub-Contractor and the Purchaser and shall not relieve the Contractor of any responsibility, liability or obligation under the Contract and the Contractor shall be solely responsible for the acts, defaults and neglects of any sub-contractor or his agents, servants or workmen. In the event of the Contractor contravening this condition, the Purchaser shall be entitled to place the Contract elsewhere on the Contractor's account and at his risk and cost and then the Contractor shall be liable for any loss or damage which the Purchaser may sustain in consequence or arising out of such replacing of the Contract. This shall not relieve the Contractor of any responsibility under this Contract. The Contractor may from time to time propose any addition to approved vendors list to the Purchaser for its approval. The Contractor shall submit any such addition of vendors to the Purchaser along with sufficient details of their capability, past records, contact details etc. The Purchaser may approve/ comment on the list of such vendors.
- 4.3 Notwithstanding the approval given by the Purchaser for sub-contract, it shall continue to be obligatory on the part of the Contractor to provide to the Purchaser all drawings, specifications, technical data, detailed design, performance characteristics etc. from his Sub-Contractors.
- 4.4 In the event of the Purchaser agreeing for the sub-suppliers/Sub-Contractors proposed by the Contractor, it shall be obligatory on the part of the Contractor to deploy their technical experts in the works of the sub-suppliers/Sub-Contractors to direct and exercise control over quality of plant, equipment, materials and workmanship during the manufacture. However, the same shall not relieve the Contractor of any of his obligations, duties or responsibilities under the Contract.
- 4.5 The Purchaser shall have the right to specify the brand name/s of the standard bought out items in the Contract and the Contractor shall procure such items from those branded name/s. This shall, however, not relieve the Contractor of his other obligations under the Contract.

5.0 SITE EXAMINATION

- 5.1 The Contractor shall have visited, inspected and examined the Site of the Work and its surroundings and ascertained there from all conditions and information pertaining to the Work and shall satisfy itself prior to the preparation and submitting of the tender all such information and conditions including but not limited to the various facilities available at the Site for the receipt, storage and custody of the materials, as to the nature of the ground and sub soils, the form and the nature of the Site, the quantities and the nature of the Work and facilities necessary for transportation, erection, installation, testing and commissioning of the works and the means of access to the Site and in general shall obtain all necessary information as to the working conditions, risk, contingencies and other circumstances which may influence or affect the tender and performance of the Work. No claim by the Contractor shall be permitted or admissible arising from non-fulfilment of the above.
- 5.2 The Contractor shall also be deemed to have ascertained all special local and national standards, regulations, customs etc, which may affect his design, schedule, choice of supervisory personnel, etc. prior to the preparation of his tender. Typical of such information may include but not limited to the average Indian heights-of-eye (for design of control desks and pulpits) special restrictions or considerations, details of facilities to be expended, modified, or duplicated details of materials available in India etc. No claims for extra payment shall be permitted or admissible on these accounts.

6.0 EXTENT AND SCOPE OF CONTRACT

- 6.1 Extent of Contract: The Work comprises of design and engineering, manufacture and supply of plant, machinery and equipment, storage, erection work (including associated civil & structural works as specified), testing, start-up and commissioning, demonstrating and establishing performance guarantee parameters of the work, including the facilities, materials and stores and guarantees thereof and the provision of all construction facilities including but not limited to water, power, utilities, yard lighting, sheds, roads, transport, handling and shifting, labour, materials, constructional plant, tools and tackles and all the temporary works required for successful completion of the Work. The Contractor shall be responsible for proper housekeeping and area cleaning of the Work to ensure safe working practices as well as deployment of watch and ward at his Work-Site.
- 6.2 The Contractor shall carry out and complete the Contract in every respect as per the directions of and to the satisfaction of the Purchaser/Engineer in accordance with the Contract. Further, during the course of the execution, the Purchaser/Engineer from time to time shall discuss and issue necessary instructions to the Contractor. The same shall include the following:
- 6.2.1 Revisions and modifications in the order of the delivery of the plant, machinery and equipment, materials, changes in the place of inspection or additions and modifications of the tests to be conducted.
- 6.2.2 Changes in the number of copies of the drawings to be submitted.
-

- 6.2.3 Any discrepancy in the drawings or between the schedule or quantities and/or drawings and/or specification.
- 6.2.4 The removal from the Site of any materials brought thereon by the Contractor and the substitution of any other materials therefor.
- 6.2.5 Pull down, removal or break-up and/or re-execution of any Works executed by the Contractor which are not in accordance to the Contract.
- 6.2.6 The dismissal from the Works of any person employed thereupon.
- 6.2.7 The opening up for inspection any Work covered up.
- 6.2.8 The rectifying and making good of any defects.
- 6.2.9 The inspection and carrying out of tests of materials, plant, machinery and equipment and finished Work on Site.
- 6.2.10 Deducting and recovering any amounts, in respect of defective plant, materials, labour and finished work for which payments had been made, from any amounts due to the Contractor.
- 6.3 The Contractor shall forthwith comply with and duly execute any work comprising such Engineers' instructions, provided always that verbal directions and explanations given to the Contractor or his agents/representatives upon the work by the Engineer shall, if involving variation, be confirmed in writing by the Contractor within ten (10) working days and if not dissented by the Engineer in writing within a period of ten (10) working days from the date of receipt of such confirmation in writing, such instructions shall be deemed to be the Engineer's instructions within the scope of the Contract.
- 6.4 If work is transferred from the jurisdiction of the Purchaser to any successor, while the Contract is in subsistence, the Contract shall be binding on the Contractor and the successor in the same manner and take effect in all respects as if the Contractor and the successor were parties thereto from the inception and then corresponding office of the competent authority of the successor will exercise the same powers and enjoy the same authority as conferred to the Purchaser under the original Contract entered into and the engineer so appointed shall have the same powers as envisaged in the Contract.
- 6.5 **Contractors Responsibilities:**
- (i) The Contractor shall carryout scope of facilities as specified in the scope of Work hereof including design and engineering; civil engineering work, if agreed between the parties; dismantling, if any, of existing building, structures and equipment; modification / diversion, if any, of utility / services; fabrication and supply of steel structures; manufacture (including associated purchases and / or sub-contracting as per the terms and
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conditions of the Contract) and supply of plant, machinery and equipment and refractories; inland transportation; intermediate storage; insurance as agreed herein and handling; erection work; testing; pre-commissioning; start up and commissioning and demonstration and establishment of performance guarantee parameters of the plant, machinery and equipment with due care and diligence in accordance with the Contract.

- (ii) The Contractor shall be deemed to have entered into this Contract on the basis of a proper examination of the data relating to the facilities (including any data as to boring tests) provided by the Purchaser, and on the basis of information that the Contractor could have obtained from a visual inspection of the Site and of other data readily available in relation thereto prior to bid submission. The Contractor acknowledges that any failure to acquaint itself with all such data and informed shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the facilities.

The Contractor shall satisfy himself regarding the accessibility to Site and existing roads, feasibility of taking materials / equipment to Site and availability of Labour and local conditions.

- (iii) The Contractor shall acquire permits, approvals and / or licenses that are necessary for the performance of the Contract. The necessary statutory fees for such permits, approvals and / or licenses are included in the Contract Price.
- (iv) The Contractor shall comply with Indian laws that may be applicable and that may come into force during currency of the Contract that binds upon the Contractor. The Contractor shall indemnify and hold harmless the Purchaser from and against any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the contractor or its personnel, including the Sub-Contractors and their personnel.

6.6 The Contract shall be governed by the law for the time being in force in the Republic of India.

6.7 In case of demise or dissolution or bankruptcy or insolvency of the Contractor or if the Contractor causes or suffers any receiver to be appointed to his business or any assets thereof or compound with his creditors, or being a corporation commence to be wound up, not being a member's voluntary winding up for the purpose of amalgamation or reconstruction, or carry on its business under a receiver for the benefits of its creditors or any of them, the Purchaser shall be at liberty:

- (i) to terminate the Contract forthwith upon coming to know of the happening of any such event as aforesaid by notice in writing to the Contractor or to the receiver or liquidator or to any person in whom the Contract may become vested.

Or

- (ii) to give such receiver, liquidator or other person the option of carrying out the Contract subject to his providing a guarantee up to an amount to be agreed for the due and faithful performance of the Contract.
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7.0 CONFLICT AND INTERPRETATION OF DOCUMENTS

- 7.1 In case conflicting statements or directive should occur among the contract documents, it shall be the responsibility of the Contractor to notify the Purchaser, with a copy sent concurrently to the Engineer, Immediately in writing and obtain instructions from the Purchaser to eliminate the conflict.
- 7.2 The Contractor shall notify the Purchaser, with a copy sent concurrently to the Engineer promptly of any discrepancies, omissions or doubts it may have, regarding drawings, specification or other documents. Noted or calculated dimensions shall always be followed. Drawings shall not be scaled without the authorization of the Purchaser or Engineer. Such discrepancies, omissions or doubts shall be eliminated upon instructions from the Purchaser based on discussions between the parties.

8.0 LANGUAGE

The Contract, all correspondence among the Purchaser, the Engineer and the Contractor and title and written notations on drawings shall be in the English language.

9.0 CORRESPONDENCE

- 9.1 All correspondence by the Contractor pertaining to financial, commercial and technical matters and as may be specifically requested by the Purchaser and/or the Engineer shall be addressed to the Purchaser. Copies of all correspondence pertaining to technical matters shall be sent concurrently to the Engineer. Similarly all correspondence by the Purchaser to the Contractor shall made to the following address

- 9.2 The Contractor designates the following foreign address:[●]

- 9.3 The Contractor designates the following address in India: [●]

- 9.4 The Purchaser designates the following address:

Mishra Dhatu Nigam Limited,
(A Government of India Enterprise)
P.O. Kanchanbagh
Telangana-500058, India

- 9.5 The Engineer designates the following address:

Mishra Dhatu Nigam Limited,
(A Government of India Enterprise)
P.O. Kanchanbagh
Telangana-500058, India

9.6 The Inspector designates the following address:

Mishra Dhatu Nigam Limited,
(A Government of India Enterprise)
P.O. Kanchanbagh
Telangana-500058, India

10.0 SIGNING OF THE CONTRACT

On the tender being accepted by the Purchaser, a Contract will be signed and executed by the Purchaser and the successful tenderer. All costs, charges and expenses of and incidental to the execution of the said agreement shall, in so far as they are incurred in India, be borne by the Purchaser, and those that are incurred in the Contractor's country shall be borne by the Contractor, provided however, if both parties incur expenses in India, they shall be borne equally between the parties.

11.0 SECURITY DEPOSIT

11.1 The Contractor shall be required to deposit, within 21 days of signing of Contract, Security Deposit of 10% of the Contract Price in favour of the Purchaser in one of the following forms:

- a) Bank guarantee issued from State Bank of India or any Indian Scheduled bank payable at H y d e r a b a d .
- b) Bank guarantee issued by any foreign bank and payable at any Indian Scheduled Bank in H y d e r a b a d .
- c) Demand draft of any scheduled Bank.

The Bank guarantee from an Indian Scheduled Bank shall be countersigned by the State Bank of India whereby the State bank of India will undertake full responsibility to indemnify the Purchaser in case of default. This security deposit shall be in relation to the scope of work till the completion of installation and commissioning of the plant, machinery and equipment and issuance of PAC upon successful completion of the PG Test. The bank guarantee for the security deposit shall be returned to the Contractor as soon as the PG Test is successfully completed to the satisfaction of the Purchaser.

The Contractor shall be required to deposit on the date of the issuance of PAC, security deposit of 10% of the Contract Price for the guarantee period till the issuance of the FAC i.e. successful completion of the Defect Liability Period, in favour of the Purchaser in one of the following forms:

- a) Bank guarantee issued from State Bank of India or any Indian Scheduled bank payable at H y d e r a b a d .
 - b) Bank guarantee issued by any foreign bank and payable at any Indian Scheduled Bank in H y d e r a b a d .
 - c) Demand draft of any scheduled Bank.
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The Bank guarantee from an Indian Scheduled Bank shall be countersigned by the State Bank of India whereby the State bank of India will undertake full responsibility to indemnify the Purchaser in case of default. The Bank Guarantee shall be returned to the Contractor as soon as the FAC is issued or, on the expiry of 12 (twelve) months from the date of issuance of PAC whichever is later.

- 11.2 The security deposit shall be for the due and faithful performance of the Contract and shall have to remain valid and binding notwithstanding such variations, alterations or extensions of time as may be made, given, conceded or agreed to between the Contractor and the Purchaser under these general conditions or otherwise.
- 11.3 The security deposit furnished by the Contractor will be subject to the terms and conditions of the Contract finally concluded between the parties and the Purchaser will not be liable for payment of any interest on the security deposit.
- 11.4 Should the extent or object of the Contract be altered during the execution of the Contract in such a way as to affect an increase or reduction of the Contract Price by more than 10% (ten per cent), then the security deposit shall be increased or reduced accordingly. The provisions of Clause 11.1 to Clause 11.3 above shall apply in such cases.
- 11.5 If the Contractor is a Consortium then the Bank Guarantee will be furnished by the lead member of the Consortium for the Contract Price and for the entire scope of Work and services to be performed. In the event of failure of any one consortium member, the Bank Guarantee given by the lead consortium member will be liable to be encashed. This provision is to enforce the joint and several liability agreed by the members of the Consortium.

12.0 GENERAL DIRECTION OF THE WORK

- 12.1 The Contractor shall obtain instructions for carrying out the Work pertaining to his Contract from the Purchaser or its authorized representative without causing any disruption in the performance of the Work.
- 12.2 The Contractor shall be under obligation to comply with written instructions given by the Purchaser or its authorized representative. In the event that the Contractor should consider that such an instruction is harmful to the Contractor's interests, he may object to the same in writing and the same shall be decided by the Purchaser or its authorized representative at its sole discretion; if within ten (10) working days from the receipt of the instruction the Contractor has not objected to it, he shall forfeit his right to do so at a later date.
- 12.3 The Contractor shall take care of the progress of the work through a qualified representative. Any instructions given to such representative shall be considered as having been issued directly to the Contractor.

13.0 REPRESENTATION, WARRANTIES AND REPLACEMENTS

- 13.1 The Contractor represents and warrants to the Purchaser that:
- 13.1.1 The design of all plant, machinery and equipment will be proven and of the latest and best type as developed by recent experience and that the plant, machinery and equipment shall be capable, under normal use, operation and maintenance, of accomplishing the purposes for which it is supplied as per Contract Specifications.
 - 13.1.2 The plant, machinery and equipment will comply with the Contract Specifications, drawings and other description furnished thereof by the Purchaser or the Contractor as the case may be as per the Contract.
 - 13.1.3 The materials, workmanship, fabrication of the plant, machinery and equipment will be of high quality in all details as per Contract Specifications and conforming to the latest relevant standards and as prevailing on the Base Date of the Contract where the same has not been specified.
 - 13.1.4 The plant, machinery and equipment supplied by the Contractor when erected, installed and commissioned at Site will constitute a complete and efficient functioning unit, capable of operation at the rate and capacity set forth, if any, in the Contract Specification.
 - 13.1.5 The plant, including any extras, will in all respects comply with the specification therefor, and the specifications for any such extras, and the representations and warranties set forth herein.
 - 13.1.6 The Contractor at the time of delivery to the Purchaser of the plant, machinery and equipment will own the same free and clear of all liens and encumbrances.
- 13.2 The Contractor shall, at his own expense, upon written demand by the Purchaser promptly repair or replace free to the Purchaser at Site any part comprising the plant machinery and equipment supplied by the Contractor, within a period of twelve (12) months from the date of the Provisional Acceptance Certificate issued upon successful completion of the PG Test:
- 13.2.1 Which may not comply with the specification thereof and the representations and warranties set forth herein; or
 - 13.2.2 Which may be of defective or incorrect design; or
 - 13.2.3 Which under normal and proper use and maintenance as per operation & maintenance manual proves deficient in performance or defective in workmanship or materials.
- 13.3 If the Contractor fails to so repair or replace the plant, machinery and equipment within reasonable time as may be determined by the Purchaser, the Purchaser may repair or replace the same at the Contractor's risk and expense without prejudice to any other rights which the Purchaser may have against the Contractor. Prior to taking remedial action, the Purchaser will give fifteen (15) days' notice to the Contractor to review the situation and advise steps to be
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taken. Failure to reply in fifteen (15) days after the receipt of notice by Contractor shall constitute authority for the Purchaser to proceed with the repairs or replacements.

- 13.4 All repairs and replacements carried out by the Contractor to rectify defects shall be made in compliance with the Contract Specification and shall be made to the satisfaction of the Purchaser. The part of the plant, machinery and equipment which is so repaired or replaced shall be guaranteed for an additional year as shall any portion of the Work which might have been affected by such defect. The maximum guarantee for repaired or replaced part shall be twenty four (24) months from the date of commissioning.

The guarantee shall not cover:

- fast wearing parts & consumables, where the normal life expectancy is less than the guarantee period.
- Modifications / alterations performed by the Purchaser during guarantee period without the consent of the Contractor. However, the Purchaser is allowed to take action in case of exigency with intimation to the Contractor.

14.0 RESPONSIBILITY FOR PERFORMANCE OF CONTRACT

- 14.1 **General:** The Contractor is to be entirely responsible for the due performance of the Contract in all respects according to the intent and meaning of the drawings, specifications and all other documents referred herein. Any approval which the Purchaser/Inspector/Purchaser's authorised representative may have given in respect of the stores, materials or other particulars and the work or the workmanship involved in the Contract (whether with or without test carried out by the Contractor or the Purchaser) shall not bind the Purchaser, and notwithstanding any approval or acceptance given by the Purchaser/Inspector/Purchaser's authorized representative, it shall be lawful for the Purchaser to reject the materials on or after arrival at Site, if it is found that the materials supplied, erection, supervision/erection work carried out by the Contractor are not in conformity with the terms and conditions of the Contract in all respects.
- 14.2 **Contract:** The Contractor shall commence the Work as stipulated in the Contract and in default thereof, the Earnest Money Deposit and/or the Security Deposit amount furnished by the Contractor shall be forfeited and the acceptance of the Tender shall be considered as withdrawn at the cost of the Contractor. Moreover, the Contract will be terminated and the Contractor will be liable for debarring from participation in the Purchaser's tenders for a period of 2 (two) years.
- 14.3 **Responsibility for Completeness:** Any materials plant, machinery and equipment and services which may not be specifically mentioned in the Contract Specifications or drawings but which are necessary and essential for carrying out the Contract works under the Contract as detailed in the Contract Specification for achieving performance guarantees in accordance with the Contract Specification are to be provided for and rendered by the Contractor without extra charge, and the plant, machinery and equipment must be complete in all details, to ensure the specified and guaranteed performance.
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14.4 **Co-operation with other Contractor:** The Contractor shall co-operate with the Purchaser's other contractors at all stage of the Work and exchange all relevant and necessary technical information with the Purchaser in relation to the effective and successful implementation of the Contract to avoid unnecessary duplication of Work and to achieve coordinated work during erection, Installation and commissioning. No remuneration shall be claimed from the Purchaser for such technical co-operation. If any of the Contractor's work depends for proper execution or results upon the works of any other Purchaser's contractor, the Contractor shall inspect and inform the Purchaser of any defects found in such works that render it unsuitable for such proper execution or results, for the Purchaser to take remedial action.

14.5 Neither party shall be liable to the other for any loss arising out of any other indirect or consequential damages that may be suffered by the other.

15.0 TYPE QUALITY OF MATERIALS AND WORKMANSHIP

15.1 The Contractor shall be deemed to have carefully examined and to have knowledge of the general and other conditions, specifications, schedules, drawings, etc. forming part of the Contract, and also to have satisfied himself as to the nature and character of the work to be executed and, where necessary, of the Site conditions and other relevant matters and details. Any information thus had or otherwise obtained from the Purchaser shall not in any way relieve the Contractor from his responsibility for civil works, if agreed to be undertaken herein, supplying the plant, machinery and equipment and executing the work in terms of the Contract, including all details and incidental works and supply of all accessories or apparatus not specifically mentioned in the Contract but necessary for ensuring complete Installation and efficient working of the plant and equipment as per the Contract Specification. If he shall have any doubt as to the meaning of any portion of the Contract, he shall, before signing it set forth the particulars thereof and submit them to the Purchaser in writing in order that such doubt may be removed.

15.2 The contract work shall be as specified in the Contract Specification and of the best quality and workmanship according to the latest engineering practice at the time of the award of the Contract and shall be manufactured from materials of the best quality or highest class for their purpose. They shall be designed, manufactured, supplied and, if required, erected and maintained until their acceptance in India, in accordance with their requirements in India.

15.3 The Contractor shall be deemed to be aware of the fact that the supplies and services under the Contract are required for the Project and he shall, therefore, make provisions for his supplies and/or services to be so adjusted that they fit in to the Purchaser's general scheme in respect of the Project or expansion thereof and will not interfere with the interaction of the combined operation. The Contractor shall make necessary references and inquiries at appropriate stages.

15.4 The Contractor shall procure and/or fabricate all materials and equipment, and shall undertake the erection and Installation as provided in the Contract, in accordance with all requirements of Central and State enactments, rules and regulations governing such work as prevailing on the Base Date of the Contract and as may be amended from time to time and codes and standards listed in the contract documents and normal considerations of quality and good workmanship. This shall not be construed as relieving the Contractor from complying with any requirements of

the drawings and contract specifications which may be more rigid than, but not contrary to, the above mentioned rules nor from providing such constructions as may be required by the above mentioned rules and regulations, even though it may not be shown on the drawings or in the specifications. In case of variance of the drawings and/or contract specifications from the laws, ordinances, rules and regulations governing the work, the Contractor shall immediately notify the Purchaser. It is the sole responsibility of the Contractor, however to determine that such variance exists. Additional costs, if any, due to such revision and / or variation in the rules, regulations and enactment of Governmental Authorities governing such supplies, codes and standard from that existing arising after the Base Date of the Contract shall be mutually discussed and agreed upon. Wherever required by regulations, the Contractor shall also obtain relevant statutory authorities approval (e.g. the Boiler Inspector's, Factory Inspector, etc.) for the plant, machinery and equipment supplied by the Contractor. The Purchaser to the extent possible shall provide the reasonable support to the Contractor for obtaining such approval.

- 15.5 Codes and standards referred to in the Contract documents shall be followed. Necessary codes and standards of suitable Indian or International standard can be followed, with the prior Approval of the Purchaser, provided materials and equipment according to these standards are equal to, or better than the corresponding standards specified in the Contract. In the absence of codes & standards of any item in the contract, codes and standards of suitable Indian or International standard can be followed.
- 15.6 In general, the materials and workmanship shall meet the requirements of standards and specifications in the contract documents. In any case materials shall be of best grade and quality and most suitable for the purpose intended, in accordance with modern practice and as per the Contract Specification. All materials shall be new. Substitutions for specified materials or variations from designed processes or methods of fabrication will be permitted only if approved by the Purchaser. Such approval may be granted only if a compelling reason exists for making a substitution. Before any defect in materials or workmanship is repaired, the Contractor shall outline the procedure proposed for rectification of the defect and obtain Approval of the Purchaser.
- 15.7 All meters, gauges, recorders and other types of indicating, integrating or recording devices shall be calibrated in the metric system and degrees Celsius. Where Vernier attachments are related to the English system, gearing must be changed to produce results on a true decimal (Metric) basis. Functional and instruction plates shall be in the English language.
- 15.8 Brand name mentioned in the Contract documents is for the purpose of establishing the type and quality of products to be used. Competitive products of equal or better quality and function may be substituted, if approved by the Purchaser. All such products and equipments shall be used or installed in strict accordance with the manufacturer's instructions / recommendations.

As far as practicable, manufactured materials and equipment shall be delivered to the Site of the Work or the place of destination as the case may be as may be applicable, in the original shipping containers or packing boxes bearing the manufacturer's names and brands. The Contractor shall provide the Purchaser with copies of all manufacturer's instructions for all products used in the work.

16.0 COMMISSIONING AND OPERATIONAL SPARES, SPECIAL MAINTENANCE TOOLS AND CONSUMABLES

16.1 Commissioning Spares:

The Contractor shall supply with the plant, machinery and equipment, sufficient quantity of commissioning spares required for Installation, start-up and commissioning of the plant, machinery and equipment and for its efficient operation and Provisional Acceptance upon PG Test. These items shall be based on the Contractor's experience in commissioning similar plant and shall be available at Site along with the plant, machinery and equipment. The Contractor shall be responsible for having the required items at Site in sufficient quantities before the commencement of the start-up operation and commissioning. The prices of the same shall be included in the supply price of the plant, machinery and equipment. The list of commissioning spares included, with quantities, shall be indicated in the offer. If the quantities supplied are found to be inadequate, further quantity as may be required shall be supplied without any extra cost and without affecting the Work and in relation thereto if any taxes or duties are leviable the same shall be borne by the Contractor. Commissioning spares shall be the property of the Purchaser even if the same is not used in the commissioning. Left out spares, if any, after the Provisional Acceptance upon successful completion of the PG Test, out of those indicated in the list, shall be handed over to the Purchaser.

16.2 Maintenance Spares:

16.2.1 The Contractor shall submit with the tender an itemized list showing the unit cost and recommended number of spare parts for the first two (2) years of operation. The Contractor shall also submit drawings as required under Clause 17.6.1.7 of the General Conditions of Contract within six(6) months from the date of the award of the Contract or one half of the delivery period, whichever is earlier, to enable the Purchaser to scrutinize the spare parts list.

16.2.2 The Contractor shall also undertake that supplies of necessary spare parts will be made available at any time later at least during the life of the plant, machinery and equipment at reasonable price.

16.2.3 Spare parts not manufactured directly by the Contractor shall be properly identified and description/catalogues, etc. given in sufficient detail to enable the Purchaser to procure these directly from the manufacturers, if he so desires.

16.3 Special Maintenance Tools

The Contractor shall submit with the tender an itemized list of special maintenance tools and supply special maintenance tools required for the operation and maintenance of the plant, machinery and equipment supplied by him. The Contractor shall also undertake that supplies of necessary maintenance tools will be made available at any time later during the life of the plant, machinery and equipment at reasonable prices.

16.4 Consumables

The Contractor shall inform the Purchaser of the specifications including equivalent brand names and quantities of all consumable materials, such as lubricants, flushing oil, hydraulic fluids, chemicals, lumber, paper, etc. required during the start-up, commissioning, initial filling and yearly requirement for normal operation. Binding information on these shall be furnished to the Purchaser sufficiently in advance of the start-up and commissioning date of any equipment to plan procurement of these materials in time to meet all needs, but not later than six (6) months after the award of the Contract. Should the Contractor feel necessary to modify any of the data furnished by him, this should in any case be furnished at least six (6) months before the start-up and commissioning of the plant, machinery and equipment. The Purchaser shall ask the Contractor to supply such materials as set out in the Technical Specification required for start-up, commissioning, initial filling and performance test and the Contractor shall supply the same.

17.0 CONTRACT DRAWINGS, DOCUMENTS AND MANUALS

17.1 Scope

- 17.1.1 In as much as the Contractor is required to supply drawings, documents and manuals, he shall furnish the same free of charge to the Purchaser as part of the Contract. These shall include but not restricted to, design drawings, details and construction drawings, specifications bills of materials, manuals etc. unless otherwise defined in the Contract.
 - 17.1.2 The Contractor shall be responsible and liable for any discrepancies, errors, or omissions in the drawings and other particulars supplied by him, whether such drawings and particulars have been approved by the Purchaser or not, provided that such discrepancies, errors or omissions are not due to incorrect information or particulars furnished in writing to the Contractor by the Purchaser or the Engineer unless the Contractor as designer and manufacturer of such equipment could have known or discovered the said discrepancies, errors and omissions. The Contractor shall pay for any extra cost incurred by the Purchaser due to any alterations necessitated by reasons of any discrepancy, error or omission in the drawings and particulars supplied by the Contractor.
 - 17.1.3 The Contract Specifications and drawing shall be coordinated by the Contractor in such a manner that any work shown in the drawings, and not specified in the Contract, or specified in the Contract and not shown on the drawings is to be done without extra charge; unless such work is specifically exempted, it is to be executed in accordance with the Contract and in the same manner as if fully specified and shown in detail.
 - 17.1.4 Drawings furnished by the Contractor shall be certified as correct for use and shall bear the signature of an authorized person of the Contractor.
 - 17.1.5 Drawings, documents, manuals, spare parts list, audio visual training tutor in e-form for the benefit of operational and maintenance personal etc. shall be supplied in neat bound volumes and one soft format. All reproducible CAD format or linen/polythene films
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transparencies shall be sent in mailing tubes and CDs or any other electronic form as mutually agreed upon. The quality of reproducible linen/polythene films/CDs to be used for supply of reproducible prints will have to be approved by the Purchaser. The drawings, documents etc. shall be mailed to the address of the Purchaser and the Contractor will be informed of these in time by the Purchaser.

17.2 Drawing Format

- 17.2.1 All drawings shall be dimensioned in the Metric System. Where drawings are usually made in the English (or other) systems, they shall also have Metric System dimensions in parenthesis or below the dimensions line. Titles and written notations shall be in English. While preparing the drawings, the drafting standards adopted such that good, clean and legible e-form of the drawings can be obtained. Drawings prepared by the Contractor shall be suitable for transmitting electronically and digitization for preservation.
 - 17.2.2 All drawings prepared by the Contractor shall be of a reasonable scale and size of drawings and as per the Indian/ International standard and Contract Specifications. While preparing the drawings, the drafting standards adopted shall be such that good clean and legible e-form of the drawings can be obtained. Drawings prepared by the Contractor shall be suitable for transmitting electronically and digitization for preservation. In general, it is desired to keep all drawings the same size for ease of filing and reference. All design drawings shall be oriented to match the plant, machinery and equipment arrangement drawings and shall have a key plan identifying the plant area to which they apply. All drawings shall be made with the north arrow pointing to the top of the sheet or to the left. There shall be sufficient reference notes on the drawings to permit identification of all the drawings which are required for a proper understanding. Drawings and bills of materials shall show take-off quantities of all materials required for the work.
 - 17.2.3 Bills of materials and drawings shall be cross referenced for easy identification. Altering on drawings shall be sufficiently large to be clearly legible.
 - 17.2.4 The Contractor's standard drawings used on his contract shall have information pertaining to the specific item under consideration properly identified to distinguish it from information pertaining to other items which may be contained on the same drawing.
 - 17.2.5 When a drawing is revised by the Contractor, every change made shall be identified on the drawing by circling the changes made and placing the revision number in a small triangle so as to be easily recognizable. When a subsequent revision is made, the circles made for the previous revision shall be erased and the current changes circled. However all revision numbers in the small triangle shall be retained. In addition a record of revisions, along with the co-ordinates showing the location of revisions shall be indicated at the left hand bottom corner of the drawings as per standard practice. In case of revisions of a drawing, for which a different number is allotted, the new drawings shall clearly indicate the number of the drawing which it supersedes.
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17.2.6 All drawings/prints shall bear a stamp/indication at a prominent place indicating whether the drawings are preliminary, for approval or certified as final.

17.2.7 The Contractor shall prepare and furnish drawings exclusively against the Contract. Even standard drawings of the Contractor shall bear a reference in the drawings to the present Contract only. References pertaining to other contracts entered into with other parties shall not appear in the drawings submitted to the Purchaser.

17.3 Numbering System

Identification number or symbols that the Contractor elects to use for his own purpose are permissible. Bills of materials must be such that the Purchaser will be able to identify and purchase any needed replacement and spares. The method of numbering drawings specifications and bills of materials used by the Contractor shall be submitted to the Purchaser to enable the Purchaser to plan its archives. The above information shall be submitted along with the drawings submission schedule within three (3) months of the award of the Contract.

17.4 Working documents and drawings list with schedule

17.4.1 Drawings list and schedule

Within one (1) month of the award of the contract, the Contractor shall supply to the Purchaser five (5) copies of a complete list of all drawings by the title which the Contractor expects to supply against the contract, together with a detailed schedule for the submission of the drawing. The detailed schedule shall take into account the schedule for submission of the different types of drawings as outlined in Clause 17.14 and shall be in conformity with the overall time schedule established by the contractor in his tender, with subsequent modification if any, which has been made part of the contract.

17.4.2 General arrangement and layout drawings

17.4.2.1 Within one (1) month of the award of the Contract, the Contractor shall submit general arrangement and layout drawings including cross-sections for approval prior to the commencement of detailing and manufacture. In the layout drawings, the scope of supply of the Contractor shall be indicated in darker outlines to distinguish them from these items not in the Contractor's scope. The general arrangement and layout drawings referred to herein shall include the following:-

- (i) For plant, machinery and equipment this category shall include equipment outline and overall dimensions locations of equipment centerlines and working point elevations, functional and clearance requirements and important clearance dimensions. The particulars of refractory and other lining work. If any, and of all auxiliaries shall also be included.
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- (ii) For piping, this category shall include the flow diagram of all utilities and process fluids showing flow quantities, temperatures and pressures, all pumps, valves and instrumentation. The general arrangement and layout drawings for piping and duct work shall include physical location of equipment and general pipeline/duct routings to avoid equipment and electrical interferences and to make units requiring servicing and maintenance accessible. Both the flow sheets and pipe/duct routings drawings shall show inter-connecting pipelines ducts, and terminal points of the contractor's piping/ducting. This category shall also include diagrams of hydraulic, pneumatic, lubricating, ventilation and air conditioning systems. Where necessary, the Contractor shall also give diagrams and drawings showing waste disposal system.
- (iii) For electrical, this category shall include layout drawings showing locations of all electrical equipment including motors, controls, limit, switches, solenoid valves, etc. motor list, list of electromagnetic valves, single line, inter-locking and sequence diagrams with instruction diagrams for control signaling and communication systems, location of devices on switch-gear, control panels, desks etc. including sectional views. The details furnished shall include complete cabling drawings giving, details of power and control cables, and terminal detail layout of trenches and cable racks/tunnels, conduits etc.
- (iv) For instrumentation, this category shall include the control scheme and instrumentation flow diagrams and general arrangement drawings of instrument and control panels.
- (v) Drawings for approval of the statutory authorities such as Indian Boiler Inspectorate, Inspectorate of Explosives, Electrical Inspectorate, Factory Inspectorate, environmental clearances and from other statutory and regulatory bodies, etc., as may be required under the applicable laws with reasonable assistance from Purchaser as may be deemed necessary.

17.4.2.2 The details furnished shall include necessary calculations and data required for demonstrating that all part of the plant, machinery and equipment to be furnished shall conform to the provisions of the Contract.

17.5 Foundation outline drawings and load data:

Certified foundation outline drawings including dimensional anchor/foundations Bolt location plan and loading drawings for all foundations and structures together with details drawings giving the size and specification of all foundation/anchor Bolts, sleeves, inserts, supports and other materials which have to be embedded in concrete. These drawings/data shall be furnished within three (3) months of the award of the contract or one-fourth of the delivery period, whichever is earlier.

17.6 Equipment details and other drawings and documents

- 17.6.1 The Contractor shall submit within the time limits indicated in Clause 17.14.3 detailed drawings, covering such drawings, bills of materials or other documents required for the manufacture, fabrication or supply of parts, site installation of piping and ductwork, Site installation of cabling, wiring, buswork, both overhead and underground, conduct, cable trays and supports, and for all refractory work as well as any other lining work. The detailed drawings shall include, but not be limited to, the following:
- 17.6.1.1 Dimension drawings showing dimensions required for the location of each individual equipment including, where necessary, its auxiliaries and control panels being supplied under the Contract, the method and size of the connections to the Purchaser's other equipment within three (3) months of the award of the contract or one-fourth of the delivery period whichever is earlier.
- 17.6.1.2 Assembly, sub-assembly and sectional drawings, as well as detailed drawings showing details of components, required for assembly before three (3) months prior to the first shipment or three-fourth of the delivery period, whichever is earlier. These shall be suitably cross referred to other drawings as required. The drawings shall be sufficiently detailed such that, if the purchaser so desires, it can procure spares and replacements from any competent manufacturer in India or abroad. Details of mechanical equipment shall include grades of finish, heat treatment, clearances (tolerances,) etc. and for electrical equipment these shall include, for example coil dimensions, size and section of conductors, type and size of insulation, process of impregnation etc.
- 17.6.1.3 Performance data, including graphs, efficiency and characteristic curves and other pertinent information of the individual/composite items of plant, machinery and equipment, within three (3) months of the award of the Contract or one- fourth of the delivery period which is earlier.
- 17.6.1.4 Drawing for the approval of statutory authorities, such as the Indian Boiler Inspectorate, Inspectorate of Explosives, etc. at least six (6) months prior to the first shipment.
- 17.6.1.5 Schematic drawings and inter-connecting wiring diagrams, showing, points where connections have to be made by the Purchaser, within three (3) months of the award of the contract or one-fourth of the delivery period, whichever is earlier.
- 17.6.1.6 Drawings showing refractory work and lining, with details of types and grades of refractories, size and shapes of bricks, complete bills of materials for all refractories, specifications including chemical and physical properties of all types of refractory materials, before six (6) months prior to the first shipment or three- fourth of the delivery period, whichever is earlier.
- 17.6.1.7 The manufacturing drawings required for the items in spare parts quotations to assess the requirements of spare parts before the placement of orders for spare parts and drawings of wearing parts showing materials of all components which require replacements due to wear in normal operation. A list of wearing parts, such as bearings, retainers, gaskets, Bolts chains etc., shall be furnished showing quantities furnished and installed, dimensions, materials used and expected useful life. The information furnished shall include complete specifications for
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all wearing parts including grades of finish, heat treatment, tolerances etc. Further, drawings of components of proprietary items of the Contractor and his Sub-Contractor which can be manufactured by general engineering practice shall be furnished. If required, the Purchaser will give an undertaking that such items of proprietary nature will not be used for commercial purposes but will be exclusively used only for the maintenance purposes of the plant, machinery and equipment. All these drawings/information shall be supplied within six (6) months of the award of the Contract or one half of the delivery period, whichever is earlier.

17.6.1.8 Other drawings, specifications and data including those not described above but required by other agencies to perform their work/engineering. These shall be furnished during the execution of the Contract.

17.7 Bills of Materials:

Bills of materials shall be submitted along with the drawings to which they pertain and shall include listing of materials being supplied showing piece mark, description and reference drawing numbers. Packing lists described in the marking and shipping instructions covered in these general conditions must have the same identifications as shown on the applicable bills of materials.

17.8 Assembly and Erection Instructions and Drawings

17.8.1 The Contractor shall furnish Four (4) copies of the following:

17.8.1.1 Descriptive literature and drawings to illustrate the working principles, method of assembles and dismantling.

17.8.1.2 Instruction books for proper erection, assembly of all equipment and necessary instruction for checking and recording proper assembly of the plant.

17.8.1.3 Instruction sheets for proper balancing, alignment, checking and calibration as may be necessary.

17.8.1.4 Erection drawings showing all details and particulars, in sequence, required for the erection and installation of the plant. In addition, the contractor's recommended time schedule and a chart showing the sequence of erection for the erection of equipment may also be furnished.

17.9 The documents, drawings, etc. referred to in Clause 17.8 shall be submitted in the time so as to be available at Site prior to the shipment of plant, machinery and equipment, but in any case at least three (3) months before the first shipment of plant, machinery and equipment or three-fourth of the delivery period, whichever is earlier.

17.10 Final Drawings

17.10.1 Along with the supply of the plant, machinery and equipment, sufficient set of prints shall be furnished for the original drawings, specifications, bills of materials, calculation sheets etc. made by the Contractor. These shall include but not restricted to the following:

- (i) General arrangement, assembly, sub assembly and section drawings as well as detailed drawing showing details of components required for assembly with bills of materials and schedule of parts of each complete plant, machinery and equipment giving part numbers with reference to the assembly drawings and the total number of each part. These drawings shall be suitably cross referred to other drawing as may be required. The drawings shall be sufficiently detailed such that, if the Purchaser so desires, he can procure the spares and replacement from any competent supplier/manufacturer in India or abroad.
 - (ii) Performance data including graphs, efficiency and characteristic curves and other pertinent information of the individual/composite items of the plant, machinery and equipment as may be applicable.
 - (iii) Operation manual of the plant, machinery and equipment.
 - (iv) Maintenance manual covering all phases of both preventive and repair maintenance giving clear instructions regarding expected faults, method of detection and elimination, lubrication charts etc.
 - (v) Flow diagrams and layouts of instrumentation, hydraulic, pneumatic, lubrication systems and utilities with all necessary dimensions and specifications.
 - (vi) Complete electrical, schematic and erection and inter connecting wiring diagrams for power distribution, control and instrumentation and logic circuits for the plant, machinery and equipment.
 - (vii) The Contractor shall supply the complete list of commissioning spares. In addition, the Contractor shall supply spares list giving complete list of replaceable parts for two (2) years normal operation indicating clearly operational, consumable, maintenance, replacement spares etc. In the maintenance spares the fast wearing spares shall be clearly identified. The spare parts list shall include necessary catalogues and manufacturing drawings and shall be supplied in the form of a table giving item designations and application, name of the manufacturer, manufacturer's specifications, type and form, reference drawing number, standards used, quantity installed and recommended for two (2) years normal operation, expected useful life, unit cost and in addition for electrical equipment the item designation shall show the entire module to be replaced in case of defect in any component. Detailed instructions both for original installation and future replacements shall be furnished.
 - (viii) Manufacturing drawings for fast wearing parts which require replacements due to wear and tear in the normal operation. The information furnished shall include
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complete specifications giving materials of construction, heat treatment, grade of finish, tolerance etc. for mechanical items and coil/cable dimensions, size and section of conductors, type and size of insulation etc. for electrical items.

17.10.2 The Contractor shall submit all stability certificate duly signed as required under the Factories Act, 1948 and amendments thereof etc. for the new building and structures under their scope.

17.10.3 Further drawing and specifications, datae not mentioned herein above specifically but required by the Purchaser in connection with the Contract and possible alterations shall also be supplied by the Contractor as and when required.

17.10.4 All drawings, specifications, materials and designs, if any, furnished by the Purchaser or his authorized representatives shall be treated as confidential and shall be the property of the Purchaser and shall be returned to the Purchaser upon completion of the work or upon termination of the Contract. No copies or duplications thereof shall be retained by the Contractor without the prior consent of the Purchaser. All drawing, specifications or manuals furnished by or through the Contractor shall be fully owned by the Purchaser who is entitled to use them for all purposes of execution of the Contract and operation and maintenance of the Plant being subject to the Contract. However, the registered intellectual property right for the drawings and documents as stated above furnished by or through the Contractor shall remain with the Contractor.

17.11 Spares List, Maintenance and Operational Manuals

17.11.1 The Contractor shall supply Four (4) sets of spare parts list giving the complete list of all parts required as commissioning spares, which shall be supplied along with the equipment in addition, the Contractor shall supply spares list giving complete list of replaceable parts for two years, normal operation, indicating clearly operational, consumable, maintenance replacements spares, etc. In the maintenance spares, fast wearing and insurance spares shall be clearly identified. The spare parts list shall include necessary catalogues and manufacturing drawings and shall be supplied in the form of a table giving items designation and application, name of manufacturer, manufacturer's specification., type and form, reference drawing number, standard used, quantity installed, quantity recommended for two years normal operation, unit price and in addition for electrical equipment the item designation shall show the entire module to be replaced in case of defect in any component. Detailed instructions both for original installation and future replacements shall be furnished.

17.11.2 Four (4) copies of maintenance manuals covering all phases of both preventive and repair maintenance shall be supplied, including lubricating charts, showing every point requiring lubrication, grade of lubricant, schedule for lubrication, and, where required, the correct amount and grade of oil or grease necessary for refill after drainage.

17.11.3 Four (4) copies of operating instructions shall be provided, including all details necessary to ensure proper procedure and sequence of operation.

17.11.4 The documents, drawings, etc. referred to in this Clause shall be submitted at least three (3) months prior to the first shipment of equipment by the Contractor or three-fourth of the delivery period, whichever is earlier.

17.11.5 All manuals, documents, spare parts, lists etc. shall be supplied in neat bound volumes in indicated copies along with one soft copy.

17.12 Approval of drawings

17.12.1 The Contractor shall submit such drawings, specification and bills of materials as the Purchaser or Engineer may require in accordance with the time schedule which is part of the Contract or any other reasonable schedule which the Purchaser or Engineer may require. The Contractor shall submit such drawings and documents singly or in small batches as fast as they are available for shipment so as to prevent large accumulations of work from delaying approval procedures.

17.12.2 Approval of the Contractor's drawings, specifications and bills of materials will be mailed within four (4) weeks of the receipt of drawings etc. In case, a delay is anticipated, the Contractor will be notified.

17.12.3 Approval of the Contractor's drawings, specifications and bill of materials means that these will be checked for conformity with applicable specification and general conformity with the engineering requirements for the area covered in the Contract. It is understood that approval by the Purchaser does not include checking for drafting and other errors, but only review of basic concepts and general principles involved.

17.12.4 The Contractor shall make any changes in the design, with the prior Approval of the Purchaser, which are necessary to make the equipment conform to the provisions and intents of the Contract without additional cost to the Purchaser. The Purchaser's approval of the Contractor's drawings, specifications and bills of materials shall not relieve the Contractor of responsibility to comply with the intent of the Contract. Fabrication or Procurement without approved drawings or prior to approval of drawings shall be at the Contractor's risk.

17.12.5 When the Contractor has a drawing ready for approval, he shall send two (2) prints to the Purchaser and two (2) paper re-producibles to the Engineer. The paper reproducible shall be of a quality approved by the Purchaser. If the drawing is "Not approved" or "Approved as noted" one marked up print with appropriate comments will be returned to the Contractor for correction and re-submission. The Contractor shall resubmit the final drawings incorporating all the changes within two (2) weeks after the receipt of the drawings with the Purchaser's comments. The final drawings shall be re-submitted in three (3) paper re-producibles and two (2) prints to the Engineer and Purchaser as above. One (1) print of final approved drawing will be furnished to the Contractor.

17.12.6 Upon approval by the Purchaser, the drawings shall become Contract drawings and thereafter the Contractor shall not depart from them in any way whatsoever except with the written permission of the Purchaser.

17.12.7 All drawings and documents shall be sent by first class air mail. In case, these are sent by air freight, all expenses incurred by the Purchaser and Engineer for customs, handling and forwarding shall be payable by the Contractor. All reproducible / linen transparencies shall be sent in mailing tubes.

17.13 Drawings/ Documents at delivery of Equipment

17.13.1 With the delivery of equipment, the Contractor shall submit three (3) sets of all test certificates.

17.13.2 In addition one (1) set of drawings and documents, covered under Clause 17.11 shall be supplied along with the first shipment of plant, machinery and equipment.

17.14 Drawings and Documents at Completion of Work:

17.14.1 At the completion of PG Test and issuance of the PAC, the Contractor shall supply for all items being supplied by him and his sub- contractors one (1) reproducible on CAD format on CD along with five (5) prints of each original drawings, specification, bills of materials, calculation sheets, etc. made by the Contractor and his Sub-Contractors, incorporating all changes made during the execution of the work, including those made at site during erection, assembly and start-up, indicating the authorities who made the changes.

In addition three (3) sets of schedule of parts of each complete equipment, giving part numbers with reference to assembly drawings and the total number of each part, as shall be furnished.

17.14.2 Until such time as the supply of drawings, documents and information required as per Clause 17 is completed, the Purchaser will not finally accept the plant as supplied by the Contractor.

17.14.3 The Contractor shall submit the various drawings and documents covered in this Clause as per the following tentative schedule:

| Clause No. | Brief description of type of drawings/documents | Time of submission |
|-------------------|--|--|
| 17.3 | Details of numbering system | Within three (3) weeks of award of Contract. |
| 17.4.1 | Drawing list and schedule. | Within one (1) month of award of Contract. |
| 17.4.2 | General arrangement and layout drawings | Within one (1) month of award of Contract. |

| Clause No. | Brief description of type of drawings/documents | Time of submission |
|-------------------|--|--|
| 17.5 | Certified foundation outline drawings, data, etc. | Within three (3) months of the award of Contract or one fourth of the delivery period, whichever is earlier. |
| 17.6.1.3 | Performance data, etc. | Within three (3) months of the award of Contract or one fourth of the delivery period, whichever is earlier. |
| 17.6.1.1 | Dimension drawings. | Within three (3) months of the award of Contract or one fourth of the delivery period, whichever is earlier. |
| 17.6.1.5 | Schematic drawings, etc. | Within three (3) months of the award of Contract or one fourth of the delivery period, whichever is earlier. |
| 17.6.1.7 | Wearing parts drawings, spare parts drawings, drawing of components of proprietary items | Within six (6) months of the award of Contract or one half of the delivery period, whichever is earlier. |
| 17.6.1.4 | Drawings for approval of statutory authorities. | Six (6) months prior to first shipment of equipment. |
| 17.6.1.6 | Drawings and documents for refractory and lining work. | Six (6) months prior to first shipment of equipment or three-fourth of delivery period, whichever is earlier. |
| 17.6.1.2 | Detailed drawings for assembly, sub-assembly, components etc. | Three (3) months prior to first shipment of equipment or three-fourth of delivery period whichever is earlier. |
| 17.8 and 17.9 | Assembly and erection instructions and drawings. | Three (3) months prior to first shipment of equipment or three-fourth of delivery period whichever is earlier. |
| 17.11 | Spare parts, maintenance and operational manuals. | Three (3) months prior to first shipment of equipment or three-fourth of delivery period whichever is earlier. |
| 17.13 | Test Certificates. | With first shipment of equipment delivery. |
| 17.14.1 | Completion drawings and documents. | At the time of issue of provisional acceptance Certificate. |

18.0 CONTRACT PRICE

The contract price will include the aggregate of the price for imported plant, machinery and equipment, foreign services (including design and drawings, training) and all indigenous supplies and services (including indigenous design and drawings, if any), including Installation and Erection, Commissioning, PG test and the price towards all the obligations agreed to be performed which are covered in the scope of Work and elsewhere in the Contract. The contract price will exclude the Indian taxes, duties, levies, etc. for imported equipment and services but will include all Indian taxes, duties, levies, etc. on indigenous supplies and services. Delivery of all imported drawings and documents is on DDP (delivery duty paid) basis as per INCOTERMS at ex-site and the delivery of indigenous Drawings and Documents shall be at Purchaser's office.

The Contractor's prices for materials to be supplied under the Contract shall include charges for packing of a kind and quality suitable for shipment overseas and tropical conditions for imported equipment and as customary for indigenous equipment for delivery in good condition.

19.0 ASSIGNING OF CLAIMS AND INTEREST IN THE CONTRACT

The Contractor shall not assign his claim or interest in the Contract without the written permission of the Purchaser which shall not be unreasonably withheld. However, if it is mandatorily and statutorily required as per the applicable laws of the Contractor/s home country, the Contractor's request to assign/or subrogation, as the case may be, its rights and obligations under the Contract to a Credit Insurance company or to its parent company may be considered by the Purchaser after it is satisfied about the real need thereof, on such terms and conditions as the Purchaser thinks due and proper, provided however that the assignee / subrogee agrees to perform the Contract signed by the Contractor mutatis-mutandis

20.0 INSPECTION AND TESTS DURING MANUFACTURE

- 20.1 The Purchaser or his authorized representative shall have the right of inspecting and testing the Contract work or any part thereof at any time during the manufacture as per approved Quality Assurance Plan (QAP) and the Contractor on demand from the Purchaser shall carry out such tests in an appropriate manner in the presence of and free of charge to the Purchaser. Should the Contractor, himself not be in a position to carry out the tests, he shall, on the Purchaser's demand, prepare specimens or samples and send them at his own cost, to such testing stations as the Purchaser may specify and the cost for the tests so effected shall be to the Contractor's account. Should a part of the plant, machinery and equipment be manufactured not on the Contractor's own premises but on other premises, the Contractor shall likewise obtain permission for the Purchaser to inspect and test the work as if the said plant were being manufactured on the Contractor's premises. The inspection, examination or testing carried out at the presence of the Purchaser shall not release the Contractor from any of the obligations and responsibilities under the Contract.
- 20.2 The inspection and tests shall be so conducted as not unreasonably to impede the progress of manufacture.
- 20.3 The Purchaser shall have the right to be present at all tests carried out by the Contractor. The Contractor, on being requested so to act, shall present sufficient documentary evidence as per the approved QAP that the materials used will meet the requirements of good engineering practice. With respect of materials used for the construction of the plant and equipment, such as, structural steel, mild steel, cast iron, cast steel, etc., the Contractor shall produce the requisite test certificates along with specimen and test pieces on which tests were carried out by the manufacturer, at the time of examination as per the QAP. With respect to large castings or forgings, the Contractor shall arrange for the necessary X-Ray and ultrasonic tests to be carried out at his own cost if called for, the samples and specimens shall become the Purchaser's property. The Contractor shall notify the Purchaser in an appropriate manner as to the Contract work particularly before any assembly in order that the Inspections or tests can be carried out as
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may be required to ascertain, without prejudice to the Contractor's liability, whether the materials and/or services are in conformity with the requirements of the Contract.

- 20.4 The Purchaser shall, on giving reasonable notice in writing to the Contractor setting out any grounds of objections which he may have in respect of the work, be at liberty to reject all or any plant or workmanship on the basis of any grounds of objection, which are not in accordance with the Contract or do not fulfill the requirements of the Contract.
- 20.5 Within four (4) weeks of the award of the Contract, the Contractor shall communicate to the Purchaser details of the tests to be conducted and obtain his approval for the same. Approval for the above will be generally given by the Purchaser within four (4) weeks of the receipt of the information.

The Contractor shall also furnish a list of various components, sub-assemblies and assemblies which the Contractor proposes to put up against the plant, machinery and equipment for inspection. The Purchaser has a right to make modifications in this list to ensure that the minimum amount of assembly work is done at Site.

The Contractor shall give the Purchaser a minimum of three (3) weeks' notice of any material being ready for testing, specifying the period likely to be required for such testing, and the Purchaser or his said representative shall, (unless the inspection or test is voluntarily waived), on giving 24 (twenty four) hours previous notice in writing to the Contractor, attend at the Contractor's or Sub-Contractor's premises (as the case may be) and complete the testing as soon as possible in a period, normally of not more than eight (8) days, from the date on which the material is notified as being ready for testing or inspection, failing which visit the Contractor may proceed with the tests which shall be deemed to have been made in the Purchaser's presence and shall forthwith forward to the Purchaser duly certified copies of the test reports. In cases where the Purchaser is requested to carry out inspection when in fact the equipment is not ready for testing, the cost of such visits, including incidental expenses, shall be to the Contractor's account.

- 20.6 The Contractor shall be responsible to perform or to have performed by others any and all tests and inspections requested by the Purchaser or his authorized representative as part of his duties under the Contract. The Contractor shall inspect the work for which he is responsible to ensure proper performance. To this end, he shall prepare and submit all pre-inspection forms, releases, post-inspection reports, test reports and such other documentation in such details and at such interval as the Purchaser or his authorised representative may request.
- 20.7 If the Purchaser has reasons to suspect the existence of hidden defects due to faulty materials and workmanship, he will have the right to order the removal and rebuilding of the doubtful parts of the work or of carrying out additional tests as required. The costs involved in such operation shall be to the account of the Contractor if the existence of such defect is proved; otherwise the costs involved shall be to the account of the Purchaser.
- 20.8 Failure on the part of the Inspector to inspect or to reject after inspection, Work which later proves to be defective, shall not relieve the Contractor from warranties, commitments and
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obligations which he undertakes under this Contract. The Contractor is solely responsible for the accuracy, quality and completeness of his work and supply.

- 20.9 On the completion of shop fabrication, the Contractor shall assemble in his shop all fabricated and procured parts in to sub-assemblies and complete assemblies as stated in Clause 20.5 to ensure proper field erection or as directed by the Purchaser. All parts shall be match-marked by the Contractor to facilitate reassembly at site.
- 20.10 In all cases whether at the premises or work of the Contractor or of any sub-contractor, the Contractor, except where otherwise specified, shall provide, free of charge to the Purchaser, such labour, materials, electricity, fuel, water stores, apparatus, instruments, shop drawings and performance data, including graphs, efficiency and characteristic curves and other pertinent information as may reasonably be demanded, to carry out efficiently such tests of the plant, machinery and equipment in accordance with the Contract and shall give facilities to the Purchaser or his representative to accomplish such testing.
- 20.11 When the tests have been satisfactorily completed at the Contractor's or Sub-Contractors work, the Purchaser or his representative shall forthwith issue a certificate to that effect. If a final certificate cannot be issued, preliminary or provisional certificate shall be issued. If the tests were not witnessed by the Purchaser or his representative, the certificate may be issued on receipt of the test report from the Contractor but not later than 15 (fifteen) days after the receipt of the test reports by the Purchaser. No plant shall be shipped or dispatched before the certificate of acceptance for shipment as per Clause 23.4 has been issued. The Purchaser has a right to withhold such certificates if the sub-assemblies and assemblies covered in the list are not as per the approved list in Clause 20.5. The satisfactory Completion of these tests or the issue of the certificate shall not bind the Purchaser to accept the plant, should it, on further tests, after erection be found not to comply with the Contract.
- 20.12 Where the Contract is concluded for the supply of main plant, machinery and equipment as well as for spare parts, the Contractor shall tender for inspection the spare parts only after the main equipment has been tendered for inspection and accepted.

21.0 TESTS ON COMPLETION

Where possible all tests / inspection shall be carried out before shipment or dispatch. Should however, it become necessary for some tests / inspection to be carried out after Installation, they shall be carried out in the presence of the Contractor's representative. Should however, it becomes necessary for final test as to performance and guarantees to be held over until the plant is erected at Site, they shall be carried out in the presence of the Purchaser's representative within such time as may be considered reasonable by the Purchaser. Should the results of the tests not come within the margin specified, the test shall be repeated within 10 (ten) days from the date the plant, machinery and equipment is ready for re-test. If the results are still not satisfactory, further test, to the extent permissible by the terms of the Contract and at the sole discretion of the Purchaser, shall be conducted by the Contractor in the presence of the Purchaser's representatives after executing the necessary adjustments, repairs, rectifications and modifications etc., the cost of which shall be borne by the Contractor.

22.0 REJECTION OF DEFECTIVE PLANT, MATERIALS AND WORKMANSHIP

22.1 If the completed plant, machinery and equipment or any portion thereof at any time before it is finally accepted by issue of Final Acceptance Certificate be defective or fails to fulfill the requirements of the Contract, the Purchaser shall be at liberty to reject any such work done or plant, machinery and equipment supplied or materials used by the Contractor or Sub-Contractor.

The Purchaser shall give the Contractor notice as soon as reasonably practicable, setting forth particulars of such defects or failure, and, in so far as may be necessary, place the plant at the Contractor's disposal. The Contractor shall, with all speed and at his own expense, make it comply with the requirements of the Contract. Should he fail to do so within a reasonable time as may be determined by the Purchaser, the Purchaser reserves the right to reject and replace at the cost of the Contractor, the whole or any portion of the plant, machinery and equipment, as the case may be, which is defective or fails to fulfill the requirements of the Contract.

Such replacement, shall be carried out by the Purchaser within a reasonable time and at a reasonable price, and where reasonably possible to the same Contract Specification and under competitive conditions. The Contractor's liability under this Clause shall be satisfied by the payment to the Purchaser immediately on demand of all moneys paid by the Purchaser to the Contractor in respect of such plant, machinery and equipment plus the ascertained difference, if any, between the replacement documented price of the plant, machinery and equipment, including charges for installation and the original contract price, including the charges for installation in respect of such defective plant including all incidental charges incurred in relation thereto. Should the Purchaser not get the rejected plant, machinery and equipment so replaced within a reasonable time as may be determined by the Purchase, the Contractor's liability under this Clause will be satisfied by the repayment of all moneys paid by the Purchaser to him in respect of such rejected plant, machinery and equipment. In addition to the above, the Purchaser reserves the right to exercise all its right under this Contract and those available under the applicable law in relation to claim damages and losses that the Purchaser may incur in relation thereto.

22.2 In the event of rejection, the Purchaser shall be entitled to the use of the plant, machinery and equipment in a reasonable and proper manner for a time reasonably sufficient to enable him to obtain other replacement plant, machinery and equipment.

22.3 Subject to Clause 22.2 hereinabove, the Contractor may be entitled to remove and retain all plant, machinery and equipment which the Purchaser may have replaced at the Contractor's cost. If the Contractor fails to remove such rejected / replaced plant within mutually agreed time period, the Purchaser shall be entitled to cause the removal thereof and all expenses incurred by the Purchaser in connection, therewith shall be to the Contractor's account.

23.0 PACKING, PROTECTIVE PAINTING, MARKING AND SHIPPING

23.1 PACKING AND PROTECTIVE PAINTING:

- 23.1.1 The Contractor shall include and provide for securely protecting and packing the plant, machinery and equipment in accordance with the best established practices so as to protect the contents from damage during transit from point of manufacture until after arrival at the installation Site under conditions which may involve multiple handling, transport by ship, rail and road, re-shipment, storage, exposure to heat, moisture, rain etc. and possibility of pilferage. The packing standards shall be as per Technical Specification, if specified and as may be accepted by the Purchaser or its representative and wherever considered necessary, the Purchaser or his representative may check the packing before dispatch and may ask for modifications to the extent considered necessary to be carried out in the packing and the Contractor shall carry out the same. Special precautions as outlined in Clause 23.1.3 to Clause 23.1.8 below shall be taken into consideration. All packing shall allow for easy removal and checking to the extent practicable at Site. All packing cases, packing and other similar materials shall be new and supplied free by the Contractor and the same will not be returned, unless otherwise stated in the Contract.
- 23.1.2 The Contractor shall properly clean and/or shot blast the plant, machinery and equipment and apply one coat of rust inhibitor and a shop coat of paint. Shop finished plant, machinery and equipment shall be supplied finish painted. All primer, paints and colours shall be mutually agreed.
- 23.1.3 Heavy machinery shall be mounted and bolted to skids which shall be of sufficient strength to support and prevent distortion to the machine. All openings of pipes, large valves and machinery must be protected by wooden covers or plugs and machined threads must be covered by caps to protect against damage in transit.
- 23.1.4 All equipment and parts susceptible to corrosion by exposure to moisture and all electrical equipment shall be thoroughly protected against damage during transit and storage. Machine-finished surfaces shall be coated with approved anti-rust compound and all unfinished surfaces of machinery are to be given one coat of rust protective paint. In addition to normal packing, all electrical equipment shall be wrapped in polyethylene or polypropylene plastic sheet and openings in electrical equipment shall be sealed with water proof tapes. A protective grease proof paper shall be inserted between the brushes and armature motors and generators.
- 23.1.5 The Contractor shall deliver the following stores in individual separate packages, having markings, corresponding to the equipment.
- 23.1.5.1 Foundation Bolts, embedments, etc.
 - 23.1.5.2 Commissioning spares.
 - 23.1.5.3 Special tools for repair and maintenance.
 - 23.1.5.4 Refractory and lining materials
 - 23.1.5.5 Specialized installation tools, tackle, instruments and appliances.
 - 23.1.5.6 Consumables.
 - 23.1.5.7 Spare parts and accessories.
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- 23.1.6 Fragile items shall be wrapped in crepe cellulose wadding or some equally efficient cushioning material and stuffed / floated in excelsior and packed in substantial wooden cover with special precaution against risk breakage.
- 23.1.7 The shipment dimensions of each package shall not exceed the maximum dimension of packing which can be accepted for transport over the roads or broad gauge system of the Indian Railways or vessel. If, however, over size consignments are unavoidable, the Contractor shall give proper notice to the Purchaser to arrange for the movement of over-size consignment.
- 23.1.8 Each equipment or parts of equipment shall, when shipped or dispatched, be tagged with reference to the assembly drawings and corresponding part number.
- 23.1.9 Notwithstanding anything stated in this Clause, the Contractor shall be entirely responsible for loss, damage or deterioration to the, materials occasioned by faulty, defective or insecure packing, or due to improper or insufficient protective measures.

23.2 MARKING:

- 23.2.1 The following shipping mark, giving the purchase order number shall be clearly stenciled with good quality non-fading paint on one side of the shipping package in characters at least 150 mm high where size of package will permit:

MISHRA DHATU MIGAM LIMITED, TELANGANA, INDIA.

PACKAGE No.

Contract No.

Package number as given above is to be followed sequentially in ascending order. There is to be no duplication of package numbers on any individual order.

- 23.2.2 On the top and one end the following shall be marked:

MISHRA DHATU NIGAM LIMITED

Package No.

- 23.2.3 On one end the following information shall be marked:

MISHRA DHATU NIGAM LIMITED

GROSS WEIGHT (KILOGRAMS)

NET WEIGHT (KILOGRAMS)

LENGTH (METERS)

WIDTH (METERS)

HEIGHT (METERS)

Made in (Country of Origin)

- 23.2.4 On the side opposite the main packing shown in Clause 23.2.1 above, the name of the Contractor, contract number, Contractor's bill of material item number-or other identifying data shall be clearly marked.
- 23.2.5 For the identification of unloading areas at the plant, machinery and equipment collared bands shall be painted encircling all packages, crates or boxes. Colour code for Contracts will be mutually agreed.
- 23.2.6 In the case of bundles or metal base, the proper markings, as here in designated, are to be placed on metal tags which are to be securely attached to the bundle or bar as conspicuously as possible.
- 23.2.7 If necessary, packages must be marked on all four sides with arrows pointing to the top.
- 23.2.8 Easily damaged material or radioactive or perishable goods must be marked on all sides with appropriate cautionary symbols.
- 23.2.9 When required due to length of unbalanced weight, the container or pieces shall have locations of cables or hooks and the center of balance indicated by proper markings.
- 23.2.10 Fabricated sections of structures and equipment must have their respective piece marks permanently stamped into the piece to a depth of not less than one mm, and the stamped area painted with rust preventive paint to a radial distance of fifty mm on the surrounding area.

23.3 SHIPPING

- 23.3.1 The Contractor shall prepare and furnish the Purchaser within three (3) months before the date of first shipment a shipping schedule showing the breakdown of the complete plant, machinery and equipment into various shipment units, with approximate weight and dimensions and the respective dates upon which such units will be ready for dispatches from the point of manufacture. This schedule shall be taken into consideration, for Installation. The Contractor shall promptly give written notice to the Purchaser of any anticipated delay in maintaining the said schedule, stating the reasons therefore. The Purchaser will book space on available vessels scheduled to sail on dates as soon as practicable, after the respective dates on which the shipment units are to be ready for shipment at the indicated port and inform the Contractor accordingly.
- 23.3.2 Shipping details shall be submitted in 10 (ten) sets and shall specifically quote the shipping marking, designation of contents and dimension in metric units, itemized net weight and total gross weight of each package. One (1) complete set of negotiable shipping documents shall be forwarded to the Purchaser immediately after shipment. Complete shipping documents shall be made available to the Purchaser at least 3 weeks in advance of the arrival of the ship at the port of unloading. Further details of shipping schedules, shipping notes and documents will be finalized at the time of the contract or thereafter.
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- 23.3.3 In case the vessel arrives at the port of destination and the corresponding shipping documents are not in the possession of the Purchaser due to the Contractor's inability to provide the same before the vessel's arrival, the Contractor will be responsible for any expenses due to storage, etc which may be imposed against the Purchaser.
- 23.3.4 The Parties shall be responsible for obtaining, their respective necessary approvals from the authorities for transportation of the plant, machinery and equipment. The Parties shall use its best endeavors in a timely and expeditious manner to assist the other contracting party in obtaining such approvals, if requested. The Contractor shall indemnify and hold harmless the Purchaser from and against any claim for damages to roads, bridges or any other traffic facilities that may be caused by the transport of the plant, machinery and equipment to the Site in case of FOR Site Contracts.

23.4. NOTICE TO PURCHASER AND ACCEPTANCE FOR SHIPMENT

When all tests to be performed in the Contractor's or Sub-Contractor's premises under the terms of this Contract have been successfully carried out, the plant, machinery and equipment will be accepted for dispatch, and the Purchaser or his duly authorized representative will issue an acceptance certificate upon the receipt of which the plant, machinery and equipment shall be packed up forthwith and made ready for dispatch. No plant, machinery and equipment shall be dispatched unless an acceptance certificate has been issued for the same and dispatch instruction given by the Purchaser to the Contractor which will be issued within seven (7) days of completion of inspection/testing. The Purchaser may also at its sole discretion release in lieu of such certificate a waiver certificate. While applying for such certificates, the Contractor shall list all parts, sub-assemblies and assemblies covered and shall indicate all inspections and tests performed on them during manufacture, with copies of inspection certificates. The satisfactory Completion of these tests or the issue of the certificate shall not bind the Purchaser to accept the plant, machinery and equipment, should it, on further tests, after Installation be found not to comply with the Contract and shall not release the Contractor from its liabilities, responsibilities and obligations for the due performance of the Contract. While giving intimation for dispatch of materials the Contractor shall quote:

Contract no. brief description of materials shipped, port of shipment, date of shipment, bill of lading and value of the consignment.

Corresponding data shall be shown for other means of transport.

24.0 STORAGE

In case the shipment of material to be furnished under the contract is delayed due to the Purchaser's inability to arrange ocean shipment, unfavorable unloading conditions at an Indian Port, or if shipment cannot be made for any other reason beyond the Purchaser's control, the Contractor may be requested to either hold the shipment at his factory or place the same in proper storage approved by the Purchaser. In the event the material is placed in storage, storage charges are to be mutually agreed upon which charges in no event shall exceed the warehouse storage

charges as fixed by tariffs prevailing at the time. If storage is away from the contractor's factory, the Purchaser will have the right, if he so elects and, acts promptly, to designate the storage in which the Contractor will place the plant, but such storage will be subject to the Contractor's approval as to suitability. In the event the plant is to be held at the contractor's factory or placed in the storage as above provided the contractor will promptly notify the purchaser whether or not the Contractor's general Plant Insurance covers the plant so that the purchaser will have an opportunity to obtain insurance if necessary. Should any shipment or part of it be cancelled or held back due to the non-compliance by the contractor of the purchaser's instructions, incorrect markings of packages, or mistakes of the kind, the storage charges and extra insurance premium deriving there from, and any other charges eventually incurred, will be to the account of the Contractor.

Any charges, including insurance, which may be for the Purchaser's account as above provides will be paid by the contractor and billed to the Purchaser after purchaser's approval. The holding of the plant at the contractor's factory or placing in storage as above provided will be deemed equivalent to "Shipment" for all purposes of payment and the contractor will allow the purchaser credit for freight on such plant unless the same is caused due to non-compliance by the Contractor or for reasons attributable to the Contractor. The plant so held at the contractor's factory or placed in storage will be held for Purchaser's account, and the contractor will upon request, deliver to the Purchaser such instruments as may be reasonably requested evidencing title in the Purchaser.

25.0 PASSAGE OF RISK AND INSURANCE

25.1 Passage of Risks

25.1.1 In case of imported materials and plant, machinery and equipment, for FOB Contracts, the risk shall pass from the Contractor to the Purchaser when the materials and equipment are placed on board the vessel for shipment as defined by "FOB Port of Shipment" INCOTERMS. In case of indigenous materials and equipment the Contractor shall deliver the same on FOR Site basis including unloading at plant Site and the risk shall pass from the Contractor to the Purchaser when the materials and equipment are delivered to the Site on board road transport vehicle arranged by the Contractor.

25.1.2 If any contract work, including supplies and services, perishes or becomes unserviceable from any cause whatsoever, the Contractor shall, on demand by the Purchaser, make replacement and in such a way as to avoid disturbances in the general progress of the Installation of the Work. This shall apply irrespective of the question whether or not the risk has passed to the Purchaser, or who shall be responsible for the unserviceableness as aforesaid.

25.2 Insurance

In case of FOB port of shipment delivery for imported equipment, the Contractor shall arrange insurance for all equipment and materials to be supplied by him up to FOB port of shipment. In case of delivery of indigenous goods the Contractor shall arrange insurance for all equipment and materials up to the Site and unloading thereof. In order to enable the Purchaser to arrange proper

marine insurance for imported equipment, the Contractor shall co-operate with the Purchaser and provide necessary documentation in sufficient time for each package. Costs resulting from non-compliance by the Contractor of this provision shall be charged to the Contractor.

- 25.2.1 Indigenous Cargo Insurance: For indigenous supplies, the policy to be maintained by the Contractor shall insure the goods originating in India from the Contractor's/Supplier's warehouse to Plant's warehouse/Site and up to completion of Installation, erection and commissioning. This will be inclusive of supplies to and from warehouse/factory of intermediate processors/suppliers. This policy will also cover the replacement items, if any.
 - 25.2.2 Third Party Liability Insurance: The Insurance policy to be maintained by the Contractor shall cover third party liability. The third party liability shall cover the loss/disablement of human life (persons not belonging to the Contractor) and also cover the risk of damages to others' materials/equipment/properties during construction, erection and commissioning at Site. The value of third party liability for compensation for loss of human life or partial/full disablement shall be of required statutory value and shall nevertheless cover such compensation as may be awarded by a Court of Law in India or abroad and cover for damage to others' equipment/property.
 - 25.2.3 Automobile Liability Insurance: Covering use of vehicles/mobile equipment used by the Contractor or its Sub-Contractors (whether or not owned by them) in connection with the execution of the Contract.
 - 25.2.4 Contractor shall ensure that where applicable, its Sub-Contractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Sub-Contractors are covered by the policies taken out by the Contractor.
 - 25.2.5 The Purchaser shall be the principal holder of the policy along with the Contractor. The Sub-Contractors of the Contractor shall not be holders or beneficiaries in the policy nor shall they be named in the policy. Purchaser reserves the exclusive right to assign the policy.
 - 25.2.6 While the payment of premium may be phased in agreement with the insurance company, at no time shall goods and services required to be provided by the Contractor shall remain uninsured by the Contractor.
 - 25.2.7 A copy of the Insurance policy shall be made available by the Contractor to the Purchaser within 15 (fifteen) days in advance, before start of the first dispatch and the contractor shall ensure that the policy shall be kept alive and valid at all times up to date of commissioning.
 - 25.2.8 The Purchaser reserves the right to take out whatever policy that is deemed necessary by him if the Contractor fails to keep the said policy alive and valid at all times and/or causes lapses in payment of premium thereby jeopardizing the said policy. The cost of such policy(s) shall be recovered / deducted from the amount payable to the Contractor.
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- 25.2.9 The surrounding value shall be Indian Rupees [●] (Rs. [●]).
- 25.3 Upon arrival of plant, machinery and equipment at Site the Contractor shall assume custody thereof and remain responsible thereafter for safe custody until the whole plant, machinery and equipment is successfully commissioned.
- 25.4 In order to adequately cover the works under such composite and comprehensive insurance, the Contractor shall fulfill the necessary requirements/obligations as per the terms of the Contract.
- 25.5 The Contractor shall arrange Accident Insurance Policy for all his personnel including foreign experts/specialists/personnel deputed to Site and Contractor's/his Sub-Contractors' manufacturing works as well as for his Indian engineers & supervisory staff. The Contractor shall also take out for his Indian workmen a separate policy as per Employee's Compensation Act and the applicable laws.
- 25.6 As soon as shipping documents for each shipment are ready, the Contractor shall cable to the Purchaser the details of the consignment along with its value giving the name of the vessel by which the shipment is made, port of shipment, date of shipment, net and gross weight of the materials in kilograms, volume of the package, FOB value of material, freight value and other shipping particulars etc. Costs resulting from non-compliance by the Contractor of these provisions shall be charged to the Contractor.
- 25.7 All the insurance claims for insurance policies maintained by the Contractor shall be processed by the Contractor and the items which are missing / damaged in transit or during handling, storage, erection and commissioning, shall be replaced / repaired by them without any extra cost to the Purchaser. Costs resulting from non-compliance by the Contractor of provisions of these sub clauses shall be charged to the Contractor.
- 25.8 All money received under any such policy shall be applied towards the replacement and repair of the plant, machinery and equipment damaged or destroyed or for the purpose for which it has been claimed but this provision shall not affect the Contractor's liabilities under the Contract. The provisions contained in this Clause are not intended to and do not impair or in any manner limit the liabilities or obligations assumed by the Contractor as may be set forth more specifically elsewhere in the Contract.
- 26.0 TIME FOR COMPLETION**
- 26.1 The time stipulated for dispatch, delivery or completion as the case may be dates to be computed from the Effective Date of the Contract. The overall time schedule for the entire work showing various activities like design & engineering, supply of equipment, civil and structural steelwork, Installation, Testing and Commissioning etc. shall be as per the Bar/ Pert Chart enclosed with Contract Specification and the same shall be binding to both the Contractor and the Purchaser.
- 26.2 The Contractor shall attain "Time for completion" of the Project in [●] months from the Effective Date of the Contract.
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26.3 “Time for Completion” indicated above is based on the assumption that the Site will be handed over to the Contractor free of obstacles and all other preconditions for installation of the material delivered are fully met. .

27.0 DELIVERY TIME, DELAYS AND EXTENSION OF TIME

27.1 A detailed schedule showing the start and finish of all phases and items of the work, as well as dates for delivery of materials and equipment and submission of drawings, shall be part of this Contract. This schedule shall show the time required for engineering, procurement and fabrication, as well as installation where applicable and subject to acts of God or Force Majeure or change in scope of Work shall be scrupulously adhered to by the Contractor.

27.2 In the event of any delay arising in any phase of the Contractor’s work, the Contractor shall promptly inform the Purchaser and Engineer of the expected delay giving reasons thereof and requesting an extension of time. It shall be the Contractor’s constant endeavor thereafter to act swiftly and make up for the delay to ensure that deliveries are made in time as far as possible.

27.3 An extension of time will normally be granted by the Purchaser, if he is satisfied that the delay arose out of reasons beyond the Contractor’s control and for the following reasons:

- a) any change in the Work as may be required and solely attributable to the Purchaser;
- b) any occurrence of Force Majeure as provided in Clause 35 (Force Majeure) hereof;
- c) any suspension order given by the Purchaser for reasons solely attributable to the Purchaser;
- d) The default by the Purchaser under the Contract hereof, if proved to be cause for delay in completion of the Work by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Contractor.

Should it appear, however, that the delay has been caused by factors within the control of the Contractor, the Purchaser may grant extension reserving its right to recover the amount of Liquidated Damages, but not by way of penalty, from the Contractor for such delayed **delivery** at **1%** of Contract price including taxes, duties, levies, cess, etc. per completed week of delay or part thereof up to a maximum of 10% of the Contract Price including taxes, duties, levies, cess, etc. The payment or recovery of such damages shall not relieve the Contractor from his obligations to complete the Work or from any of his other obligations and liabilities under the Contract and the Purchaser shall also reserve to exercise any other right available under the Contract and under the applicable laws.

In case the Contractor is a Consortium, the Purchaser shall recover the amount of Liquidated Damages, but not by way of Penalty, by making deduction from the account of the lead member of the Consortium, at **1%** of Contract price including taxes, duties, levies, cess, etc. per completed week of delay or part thereof up to a maximum of 10% of the Contract Price including taxes, duties, levies, cess, etc.

28.0 PROGRESS REPORTS

- 28.1 The Contractor shall submit to the Purchaser monthly progress reports on or about the 20th day of every month, giving the status of the Work along with adequate number of photographs, indicating the stages of implementation of the Work.
- 28.2 For this purpose, the Contractor's work shall be sub-divided and numbered consequently into major categories and arranged in such a manner as to describe the normal sequence of the Work. Progress shall be reported by these major categories in all reports, preferably with Critical Path Network diagram and a contract completion bar chart showing the starting and completion date of all major categories for engineering, purchasing, procurement of raw materials, manufacture, inspection and dispatch along with the percentage completion of each of the above.
- 28.3 The progress report shall include a drawings status report, containing a listing of all drawings required for the due performance of the Contract and documents as detailed in Clause 17.14 together with the related reference number and titles and giving the scheduled completion dates, dates when the drawings and documents have been / will be submitted and date of receipt of approval, etc.
- 28.4 The progress reports shall also include a manufacturing status report detailing the progress of procurement of raw materials, manufacture, when the particular item or sub-assembly is expected to be ready for inspection, status of inspection, delivery, etc. both for the Contractors work and those of his Sub-Contractors.
- 28.5 The proforma for the above progress reports will be indicated by the Purchaser. The Contractor shall submit two (2) copies of such reports, including photographs to the Purchaser. The Purchaser will have the right to depute its representatives to ascertain the progress of work at the premises or works of the Contractor or of any Sub-Contractor.
- 28.6 The submission, receipt and acceptance of such progress reports shall not prejudice the rights of the Purchaser under the Contract, nor shall operate as an estoppel against the Purchaser merely by the reason of the fact that he has not taken notice of or subjected to test any Information contained in such reports.

29.0 DEPUTATION OF EXPERTS BY THE CONTRACTOR

- 29.1 The Contractor shall depute at Site it's foreign as well as India Experts from various disciplines for Installation, trial run, and commissioning and performance guarantee tests of the plant, machinery and equipment.
- 29.2 The experts shall undertake Installation, commissioning and conducting of performance guarantee tests of the plant, machinery and equipment with its auxiliaries as contracted herein so as to establish to the Purchaser that the guarantees as agreed by the Contractor in accordance with the Technical Specification are fully met and complied with.
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29.3 The Contractor shall bear and pay all the cost / expenses for deputation of experts required including all costs / expenses towards remuneration, air travels from their country to India / at Site and back to their country, surface travel, local transport, accommodation, food & incidentals, communication system, medical, insurance, personal Indian Income Tax, etc. These experts should neither be treated as employees nor the agents of the Purchaser and the Contractor shall be liable for all the acts and omissions of the experts and the Contractor agrees to indemnify and hold harmless the Purchaser at all times for acts, deeds and omissions of the experts under the Contract.

30.0 SUPERVISION OF ERECTION, START-UP & COMMISSIONING AND COMPLETE INSTALLATION, ERECTION, START-UP AND PUTTING INTO COMMISSION

30.1 Supervision of Erection, Start-up & Commissioning:

30.1.1 When the Contractor requires the Contractor to provide services for the supervision of erection, start-up and putting into commission, the conditions outlined in this article will apply.

30.1.2 The Contractor shall however be solely responsible for the supervision of the work from the commencement of erection up to the demonstration of the performance guarantee of the plant and equipment supplied under the Contract. The responsibilities of Contractor shall include but not be limited to the following:

- (i). Ensuring the correctness of materials and equipment shipped in the order in which they will be required for erection.
- (ii). Advising on the safe handling of cargo at the unloading port and site storage for all materials and equipment.
- (iii). Ensuring correctness of erection of all plant and equipment supplied by the Contractor.
- (iv). Ensuring that adequate quantities of the correct commissioning spare and supplied are at site for the purposes of start-up.
- (v). Starting up and operating the plant to meet the specified performance guarantees.
- (vi). Handing over the plant to the Purchaser on the issue of the Provisional Acceptance Certificate.
- (vii). Advising on any matter pertaining to the erection and start-up on request by the Purchaser or Engineer.

30.1.3 In order to carry out his responsibilities under this section, the Contractor shall send the number experienced personnel to take up residence as site as established in the Contract. The erection and start-up schedule and the details of the strength and calibre of the resident staff the Contractor will be required to maintain at site shall be indicated in the tender by the Contractor and finalized between the Purchaser and the Contractor before the award of the contract. No resident staff shall be sent to Site until permission to do so is received from the Purchaser.

- 30.1.4 At any time during the erection period the Purchaser shall have the right to ask the Contractor to temporarily withdraw his Site staff or reduce the strength of the staff in order to keep pace with the erection programme or for any reason whatsoever at its sole discretion. In such case, the Purchaser will bear the air economy class/ first class train travelling and out-of-pocket expenses for the return trip of the personnel involved between the Site and the city of origin by the shortest route. The Purchaser will give the Contractor two (2) weeks' notice prior to requesting the temporary withdrawal of the Contractor's personnel.
- 30.1.5 The Contractor shall ensure that each individual of the Contractor's personnel resident at the Site shall cooperate with the personnel of the Purchaser. And any and all other contractors engaged in work in or around the job site, in order to avoid difficulties in carrying out work. Failure to accomplish this cooperation shall be just cause for the removal of such individual and his replacement by suitable other personnel by the Contractor at his expenses forthwith upon request by the Purchaser. In case of disagreement as to the cause for such removal and replacement, the decision of the Purchaser shall be final and binding.
- 30.1.6 On completion of the erection work and connecting up of the electrical power supply and utilities, the Contractor shall promptly notify the Purchaser of the proposed date of the commencement of Start-up operations. The duration of the Start-up period shall be established in a schedule which shall be part of the Contract. The Purchaser will provide labour, powers, fuel, utilities and supplies for operating the plant during the start-up period when the plant will be operated under the supervision of the Contractor.
- 30.1.7 Should the start-up period extend beyond the scheduled period due to either difficulties encountered with the Contractor's plant and equipment or inadequacy of the Contractor's staff, the Purchaser shall have the right to charge such amount as may be deemed reasonable by him for the material and services provided by the Purchaser as mentioned in Clause 30.1.6 above for the extended period.
- 30.2 Complete Installation, Erection, Start-up and Putting into Commission:
- 30.2.1 When the Contract requires the Contractor to undertake complete Installation of the plant, machinery and equipment, start-up and putting into commission, the conditions stated in this Clause will apply in conjunction with the other clause in so far as they are applicable.
- 30.2.2 Except otherwise expressly provided herein the responsibilities of the Contractor shall include but not be limited to, the following:
- i. Ensuring the correctness of material and equipment are shipped in the order in which they will be required for Installation.
 - ii. Taking delivery of equipment from the Purchaser's store at site and moving into the Contractor's storage and / or installation Site.
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- iii. Opening of crates and packing cases, inspection and checking of equipment / materials.
 - iv. Repairing and replacement of equipment / materials damaged or lost in transit or at Site and in filling and processing of insurance claims for damaged / loss of equipment / materials.
 - v. Ensuring that adequate quantities of correct commissioning spares and supplies are available at Site for the purpose of the start-up of the plant, machinery and equipment.
 - vi. Making arrangements to draw electricity and water to the installation Site from selected locations at site (to be within 300 m from the installation Site) where electricity and power shall be provided by the Purchaser, at such terms and conditions as stipulated in the Contract free of cost to the Contractor.
 - vii. Checking foundations as constructed, including final adjustment of foundation levels by chipping and dressing, checking location, elevations etc., for anchor Bolts and carrying out minor civil works as may be required in connection with the installation work.
 - viii. Complete installation of all materials and equipment supplied by the Contractor or his Sub-Contractor. This shall include the complete installation of equipment. Piping, hangers, structures etc. supplied under the Contract, including aligning, lining and levelling and connecting up electric power supply water and utilities, applying, including touching up, of approved final painting to all equipment, piping, hangers, structures etc. as supplied under the Contract.
 - ix. Starting up and commissioning the plant, machinery and equipment to meet specified performance guarantees and handing over the plant to the Purchaser on issue of the provisional acceptance certificate.
 - x. Providing all consumable, materials and stores required for the commissioning and installation work and for performance guarantee test, unless otherwise provided in the Contract, for due performance of the Contract.
 - xi. Providing all ladders, platforms, temporary supports and other necessary facilities required for the handling and installation of the equipment supplied under the Contract.
 - xii. Unless otherwise provided in the Contract, providing all construction / installation equipment welding equipment, installation and lifting tools and tackles, instruments and appliances required for the installation work, as well as
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equipment tools and tackles for the transportation to Site of installation of all equipment, supplied under the Contract.

xiii. Providing necessary supervisory and advisory personnel, staff, skilled and unskilled labour, including electrical personnel with approved license as per Indian Electricity Rule 1956as amended from time to time, to ensure that the whole of the installation work is completed in all respects within the period specified in the Contract. The Contractor shall ensure when local laws require, the concerned employees obtain and hold certificates of competency for their work from the competent authority.

30.2.3 The Contractor shall be responsible for protection and / or diversion of underground and all existing over ground services indicated in the drawing made available to the Contractor and form part of Contract Specification.

30.2.4 On the completion of the installation work and connecting up of electric power supply, water and utilities, the Contractor shall promptly notify the Purchaser and Engineer of the proposed date of the commencement of the start-up operations. The duration of the start-up and commissioning period shall be established in a schedule which shall be part of the Contract. The Purchaser will provide facilities, such as skilled & unskilled manpower, input/ raw materials, fuel, power, water and utilities to the Contractor as required for operating the equipment during such period, and during this period the equipment shall be operated under the supervision of the Contractor.

30.2.5 Should the erection and installation or the start up and commissioning of the Plant and equipment extend beyond the scheduled period due to difficulties encountered with the equipment supplied under the Contract or due to inadequacy of the Contractor's staff or due to incorrectness in erection work or due to any other reason for which the Contractor is responsible, the Purchaser will have the right to realize such amount from the Contractor as may be deemed reasonable by the Purchaser for the extended period.

31.0 PERFORMANCE GUARANTEE TESTS AND PROVISIONAL ACCEPTENCE

31.1 The Contractor shall be responsible for carrying out performance guarantee tests as per the Contract Specification in the presence of the Purchaser on all plant, machinery and equipment supplied by him. This responsibility shall rest with the Contractor regardless of whether the erection has been carried out by him or any other agency.

31.2 On the completion of a satisfactory start-up and commissioning operation, the Contractor shall notify the Purchaser in writing of the proposed date of the commencement of the performance tests. A detailed procedural protocol shall be prepared by the Contractor to this effect, which shall be discussed and agreed upon and provided to the Purchaser. Every item of plant, machinery and equipment, as well as the plant machinery and equipment as a whole, supplied by the Contractor shall undergo a performance test unless otherwise decided by the Purchaser. The duration of the performance tests shall be as provided in the Contract Specification. The man power utilization

for carrying out the performance guarantee test by the Contractor shall not be more than the strength of normal operation recommended by the Contractor and accepted by the Purchaser.

- 31.3 During the performance test the plant, machinery and equipment will be operated by the Purchaser under the supervision of the Contractor. The Contractor shall provide adequate engineers/specialists and commissioning spares for smooth conducting of the performance guarantee test. Unless otherwise agreed to in the Contract, the Purchaser will provide necessary input material, skilled and unskilled labour, fuel, power, utilities and other relevant supplies.
- 31.4 Should the operation of the plant, machinery and equipment during the performance test be interrupted then the performance test shall be re-started and run again for the period as specified in the Contract. The Purchaser may at his discretion permit the period of test run prior to the interruption to be reckoned as part of the above mentioned period, in which case the test will be run for the duration of the balance period on re-commencement.
- 31.5 The Purchaser will have the right to charge such amounts as may be deemed reasonable for materials and services provided by the Purchaser, in case performance tests continue for an unreasonably long period due to interruption as defined in Clause 31.4 above. The Purchaser shall charge the Contractor on actuals.
- 31.6 The plant, machinery and equipment shall be considered to have concluded the performance test satisfactorily if, during the entire duration of the test, save as expected in Clause 31.4 above, the plant, machinery and equipment shall have delivered the guaranteed specified output or operated at the guaranteed specified capacity utilizing the quantity and quality of raw materials, utilities, fuel and supplies as specified in the Contract Specification.
- 31.7 On the satisfactory completion of the performance guarantee test, the Purchaser will issue a Provisional Acceptance Certificate provided the Contractor undertake to rectify all defects which do not influence normal operation but which are nevertheless present in the plant and which are indicated in writing by the Purchaser.
- 31.8 Normally, the entire plant, machinery and equipment will have to satisfactorily complete the performance test before the issue of the Provisional Acceptance Certificate. In special circumstances and at the Purchaser's sole discretion, the Provisional Acceptance Certificate may be issued for a part of the plant, machinery and equipment.
- 31.9 The date of completion of performance guarantee test shall be considered to be the date of the PAC, and the plant, machinery & equipment is ready for commencement of commercial production.

32.0 DEFECT LIABILITY PERIOD AND FINAL ACCEPTENCE

- 32.1 The defect liability or guarantee period shall be as stated in Clause 32.2 and after satisfactory completion of guarantee period the Purchaser will issue the Contractor a Final Acceptance Certificate (FAC). During the guarantee period the plant, machinery and equipment will be operated by and under the supervision of the Purchaser according to instruction issued by the
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Contractor but the plant, machinery and equipment will not be deemed to have been formally taken over by the Purchaser. On the satisfactory completion of the guarantee period and issuance of the FAC, the Contractor shall be relieved of its contractual obligations under the Contract and the Contractor shall be entitled to receive the agreed payment towards FAC.

- 32.2 The Contractor shall warrant that the facilities or any part thereof shall be free from defects in the design, engineering, materials and workmanship of the plant, machinery and equipment and structures and refractories supplied and of the work executed for twelve (12) months from the date of issue of Provisional Acceptance Certificate.
- 32.3 The Purchaser shall give the Contractor a notice stating the nature of any such defect together with all available evidence thereof, promptly following the discovery thereof. The Purchaser shall afford all reasonable opportunity for the Contractor to inspect the defect.
- 32.4 The Purchaser shall afford the Contractor all necessary access to the Work and the Site to enable the Contractor to perform his obligations. The Contractor may, with the consent of the Purchaser and after submission of Bank Guarantee for the equivalent cost of plant, machinery and equipment, remove from the Site any plant, machinery and equipment or any part of the Works that are defective if the nature of the defect, and / or any damage to the plant, machinery and equipment caused by the defect, is such that repairs cannot be expeditiously carried out at the Site. In case defective parts are not repairable at Site but it is essential in the mean time for the commercial use of plant, the Contractor shall replace at Site free of cost to the Purchaser, the defective parts, before the defective parts are removed from the Site.
- 32.5 If the repair, replacement or making good is of such a character that it may affect the efficiency of the plant, machinery and equipment or any part thereof, the Purchaser may give to the Contractor a notice requiring that tests of the defective part of the plant, machinery and equipment shall be made by the Contractor immediately upon completion of such remedial work, whereupon the Contractor shall carry out such tests.
- 32.6 If such part fails the tests, the Contractor shall carry out further repair, replacement or making good (as the case may be) until that part of the plant, machinery and equipment passes such tests. The Purchaser and the Contractor shall agree upon the tests. If the Contractor does not commence the rectification either by repair or replacement of such defects within 30 (thirty) days from the date of notice by the Purchaser or does not complete the rectification with reasonable diligence and within a reasonable time, the Purchaser may, at its option, rectify the defects at the Contractor's expense. The Purchaser shall, in such case, deduct from payment due to the Contractor the expenses incurred by the Purchaser for remedy of such defects without prejudice to the other rights of the Purchaser under the Contract and under the applicable laws.
- 32.7 If the Contractor fails to commence the work necessary to remedy such defect of any damage to the plant, machinery and equipment caused by such defect within a reasonable time, which shall in no event considered to be less than 15 (fifteen) days, the Purchaser may, following notice to the Contractor, proceed to do such work, and the costs incurred by the Purchaser in connection therewith shall be paid to the Purchaser by the Contractor or may be deducted by the Purchaser from any money due to the Contractor or claimed under the performance Bank Guarantee.
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- 32.8 If the plant, machinery and equipment or any part thereof cannot be used by reason of such defect and for making good of such defect, the Defect Liability Period of the plant, machinery and equipment or such part, as the case may be, shall be extended by a period equal to the period during which the Facilities or such part cannot be used by the Purchaser because of any of the aforesaid reasons.
- 32.9 Except as provided in the Contract, in the event of loss of or damage to property / accident or injury to workers / indemnification, hereof, the Contractor shall be under no liability whatsoever and howsoever arising, in respect of defects in the plant, machinery and equipment, design or engineering or work executed that appear after completion of the project or any part thereof, except where such defects are the result of the negligence, fraud, criminal or willful action of the Contractor.
- 32.10 In addition, the Contractor shall also provide an extended warranty for any repaired or replaced component of the plant, machinery and equipment for a period of minimum twelve (12) months from the date of repair / replacement.

33.0 CHANGES IN THE WORK

- 33.1 The Purchaser shall have the right to propose and / or consider Contractor's proposal, and subsequently order the Contractor from time to time during the performance of the Contract to make any changes, modification, addition or deletion to, in or from the Plant, Machinery & Equipment (hereinafter called "Change"), provided that such Change falls within the general scope of the plant, machinery and equipment and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the Plant, Machinery & Equipment and the technical compatibility of Change envisaged with the nature of Plant, Machinery & Equipment as specified in the Contract.
- 33.2 If the Purchaser proposes and / or considers Contractor's proposal for a Change pursuant to Clause 33.1 hereof, it shall send to the Contractor a "Change Request" requiring the Contractor to prepare and furnish to the Purchaser as soon as reasonably practicable a "Change Proposal" which shall include the following-
- a) Brief description of the Change
 - b) Effect on the Time for Completion
 - c) Estimated cost of the Change
 - d) Effect on functional Guarantees (if any)
 - e) Effect on any other provisions of the Contract
- 33.3 The pricing of the Change Proposal shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If such rates and prices are inequitable, the parties thereto shall agree on specific rate for the valuation of the Change.
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- 33.4 On receipt of the Change Proposal, Purchaser and the Contractor shall mutually agree upon all matters therein contained. Within Thirty Days after such agreement, the Purchaser shall, if it intends to proceed with the Change, issue the Contractor a Change Order.
- 33.5 If the Purchaser decides not to proceed with the Change for whatever reason, it shall, within the period of Thirty Days, notify the Contractor accordingly.

34.0 OWNERSHIP OF DRAWINGS AND SPECIFICATIONS

- 34.1 All drawings, specifications, materials and design furnished by the Purchaser, Engineer, or their representatives shall be treated as the strictly confidential property of the Purchaser. All such drawings, specifications, manuals and other materials shall be returned to the Purchaser upon the completion of the work under this Contract. No copies, duplications or Photostats shall be retained by the Contractor without the consent of the Purchaser.
- 34.2 All drawings, specifications, and manuals and all specific designs furnished by or through the Contractor shall be treated as strictly confidential by the Purchaser, his employees and agents and shall be the property of the Purchaser who is entitled to use them for execution of the Contract and operation & maintenance of the plant, machinery and equipment being subject to the Contract.

35.0 FORCE MAJEURE

If at any time during the continuance of this Contract, the performance in whole or in part, neither party shall be liable of performance under this Contract, any obligations under the Contract of any party is prevented or delayed due to reasons beyond such party's control, including but not limited to acts of God, fire, flood, earthquake other natural catastrophes, any law, order, regulation, direction, action of any civil or military authority, national emergencies, insurrections, riots, war (whether declared or not), hostility, acts of the public or enemy, civil commotion, sabotage, explosion epidemic, quarantine restrictions, strikes and lock-outs, work stoppage or other labour difficulties, absence of the usual means of communication or transportation (hereinafter referred to as 'eventuality') provided however the party to which the force majeure has happened shall use commercially reasonable efforts to eliminate such an event.

Force majeure shall also be deemed in the event of any regulatory decision or government order requiring the either party to suspend its service(s) or operation(s) for any reasons whatsoever.

Notice of the happening of any such eventuality or force majeure as mentioned herein shall be given by either party to the other within fifteen (15) days from the date of the occurrence thereof along with supporting proof of the occurrence of the Force Majeure event , neither party shall, by reason of such eventuality, be entitled to terminate this Contract, nor shall either party have any claim for damages against the other in respect of such non-performance, or delay in performance, and the work under this Contract shall be resumed as soon as practicable after such eventuality has come to an end or ceased to exist, and the decision of the Purchaser as to whether the work has been so resumed shall be final and conclusive.

Certificate of a Chamber of Commerce (Commerce and Industry) or other competent authority or organization of respective country shall be a sufficient proof of commencement and cessation of the above circumstances.

The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered or delayed. The time for completion shall be extended by number of days the party giving notice was prevented from performing his obligation due to Force Majeure, in accordance with Clause 27 hereof.

Should one or both parties be prevented from fulfilling their contractual obligations by a state of force majeure lasting continuously for a period of at least six (6) months, both the parties shall consult each other regarding the further implementation of the Contract, provided always that, if no mutually agreed arrangement is arrived at within a period within three (3) months from the expiry of the six (6) months referred to above, the Contract shall be deemed to have expired at the end of the said six (6) months referred to above. The above mentioned expiry of the Contract will imply that both the parties have the obligation to reach an agreement regarding the winding up and financial settlement of the Contract.

36.0 TEMPORARY SUSPENSION

36.1 Temporary Suspension during manufacture and Installation

36.1.1 The Purchaser may at any time temporarily stop the work being performed under the Contract or any part thereof by notice in writing to the Contractor specifying the reasons and approximate period of such suspension. All work so stopped shall be resumed by the Contractor based on a schedule to be mutually agreed upon between the Purchaser and the Contractor. Total cumulative period of such temporary suspension shall not exceed a period of six (6) months. However, if the period of temporary suspension exceeds six (6) months, the Parties shall mutually agree on the further course of action.

36.1.2 The Purchaser will not pay the Contractor for any work which is performed during such an interval of suspension, and the Purchaser shall not be liable to the Contractor for any damages or loss caused by such a suspension of work. However, the reasonable cost of necessary preservation of specific items, storage, watch & ward, withdrawal and re-deputation, etc, which is required during such suspension period, not for reasons attributable to the Contractor, to ensure proper resumption of work shall be mutually agreed between the Purchaser and the Contractor and shall be borne and paid by the Purchaser.

If the aggregate duration of the suspensions of the Contract for reasons not due to Contractor's default exceeds six (6) months on account of one or more periods of suspension, then the Parties shall mutually agree on the further course of action. In the event of termination of the Contract for reasons of suspension solely attributable to the Purchaser the documented costs incurred by the Contractor and if agreed by the

Purchaser, in performing the portion of the scope of supply prior to termination incurred for the execution and/or by the Contractor prior to the date of termination shall be paid by the Purchaser.

The extra/additional cost (if any) incurred by the Contractor in giving effect to the Purchaser's order under this Clause shall be borne by the Purchaser unless such suspension is (i) otherwise provided for in the Contract; (ii) necessary for proper execution of the work or by reason of weather or other force majeure conditions or by some default on the part of the Contractor; (iii) necessary for safety works or part thereof, provided the Contractor shall not be entitled to recover any such extra cost unless he gives notice in writing of his intention to claim to the Purchaser with 30 days of the purchaser's order. The Purchaser shall settle and determine the extra payment to be made to the Contractor in respect of such claims as the Purchaser/Engineer shall consider fair and reasonable.

37.0 PATENT INFRINGEMENT AND INDEMNITY

37.1 Patent Infringement

- 37.1.1 The Contractor shall at all times protect, indemnify and save/ keep harmless the Purchaser, its successors, assigns, , any claim made by a third party against all liability, including costs, expenses, claims, suits or proceedings at law, in equity or otherwise, arising out of, or in connection with, any actual or alleged patent infringement (including process patents, if any), or violation of any license with respect thereto, by reason of the manufacture and/or sale by, or on behalf of, the Contractor of the plant or any part thereof, or the purchase thereof by the Purchaser or the use thereof in India for the purchase for which it is furnished, or the sale by the Purchaser, its successors or assigns or products made, manufactured, fabricated, processed or produced with the said plant or any part thereof, and will defend or settle at the Contractor's own expense, any such claims, suits, or proceedings.
- 37.1.2 The Purchaser will promptly notify the Contractor in writing of any such claim, suit, action or proceeding coming to its attention, giving authority and all available information and assistance for the Contractor's defense of the same. If at any time the installation of the plant, or any part thereof or the use thereof in India for the purpose for which it is furnished, or the sale of products produced therewith, is prevented or enjoined because of patent infringement or claimed infringement, the Contractor shall promptly at his own expense, either procure for the Purchaser the right to use and continue to use such plant or replace the same at his own expense with equally efficient non-infringing plant satisfactory under all requirements of the Contract, so that the operation of the Purchaser's plant will not be unduly delayed or interrupted. If shipment of the plant, or any part thereof is prevented by attachment, injunction or otherwise at, or in the course of transit from, the Contractor's factory or other point of origin to the site of the Purchaser's plant, as a result of any claim of Patent infringement, the Contractor shall, at his own cost and expense, promptly furnish and post the necessary bond or take such other steps as may be necessary to enable shipment to be made without delay. The Purchaser will have
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the right at its own expense to retain counsel of its own choice to collaborate in the defense of any such claim, suit action or proceeding.

37.2 Indemnity

The Contractor assumes responsibility for, and shall at all times indemnify and save harmless the Purchaser, the Engineer, or their officers or employees from all losses, liability, claims, costs, expenses, taxes and assessments, including penalties, punitive damages, attorney's fees and court costs which are, or may be, required with respect to any breach of the Contractor's obligations under this Contract, or for which the Contractor has assumed responsibility under this Contract, including those imposed under any contract, local or national law or laws, or in respect to all salaries, wages, or the compensation of all persons employed by the Contractor or his Sub-Contractors or suppliers in connection with the performance of any work covered by the Contract. The Contractor shall execute and deliver and shall cause his subcontractors and suppliers to execute and deliver such other further instruments and to comply with such requirements of such laws, and regulations as may be necessary there under to confirm and effectuate this Contract and to protect the Purchaser, Engineer, or their officers or employees. The Purchaser shall not be in any way responsible for any accident or damages incurred or claims arising there from during the period of Erection, Installation and putting into operation and commissioning of the plant, machinery and equipment under the responsibility and supervision of the Contractor.

38.0 ENVIRONMENT

38.1 The Contractor shall take all reasonable steps to protect the environment (both on and off the Site) and to avoid injury, damage and nuisance to people and property resulting from pollution, noise and other results of his operations. The Contractor shall ensure that air emission, surface discharges and effluent from the Site during the Contract period shall not exceed the values indicated in the Purchaser's requirements, and shall not exceed the values prescribed by law. The Contractor shall conform to the Purchaser's requirements and shall indemnify the Purchaser against any liability or damages or claims arising out of his operations.

38.2 The Contractor shall abide by the following environment, safety and health policy of the Purchaser.

- a) The Contractor must adhere to all the applicable statutory laws pertaining to safety, health and environment.
 - b) The Contractor must ensure that there is no wastage of water at the Work Site. The Contractor must also ensure that all the water tapping points are leak proof.
 - c) All the motor vehicles of the Contractor used for transporting materials/machinery etc. should have pollution control certificates and the same should be submitted at the time of obtaining gate passes. A copy of the same must be exhibited/pasted on the vehicle also.
 - d) The Contractor must ensure dust suppression measures in the work areas by sprinkling of water etc. and also ensure that all his workers use dust masks while working in dusty areas.
 - e) The Contractor must ensure proper housekeeping at site by keeping the work areas free from unwanted material and greases, oil to avoid slips & falls.
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- f) The Contractor must ensure that all the debris generated during the work is transported safely to dump yard such that there is no spillage of debris on the road during transportation (by covering with a plastic sheet/tarpaulin)
- g) All the garbage collected from, dust bins etc. should be transported in covered vehicles.
- h) All the material which may be recycled / reused should be transported to the designated place for reuse/recycling.
- i) All the cut jungle growth and trees should be disposed at the dumping yard without open air burning.
- j) The Contractor must ensure that there is no spillage of oil or paints on the floors/grounds etc.
- k) All representatives/supervisors/workers of contractors must take safety and environmental induction training and comply with the instructions given therein.

39.0 REMEDIES OF PURCHASER

- 39.1 All costs or expenses for which the Contractor may become liable to the Purchaser under the Contract will be recovered from any invoice of the Contractor after informing the Contractor .If no amount is due to the Contractor such amount will be billed with evidence by the Purchaser to the Contractor. The Contractor shall pay the bills within sixty (60) days after receipt or advice the Purchaser of any objections within fifteen (15) days.
- 39.2 Failure of either party to insist upon strict performance of any of the terms and conditions of the Contract will not be deemed as a waiver of any rights or remedies that the said party may have and will not be deemed as a waiver of any subsequent default under the terms and conditions of the Contract. No right or remedy of the either party will be exclusive of any other right or remedy and the said party will have all rights and remedies given under the Contract and now or hereafter existing in law or by statute. The shipping or delivery by the Contractor or receiving of the payment by from the Purchaser for the plant, machinery and equipment under this Contract will not be deemed a waiver of any rights for any prior failure by the Contractor to comply with any of the provisions of the Contract.
- 39.3 All costs, charges damages or expenses which the Purchaser may have paid, for which under the Contract, the Contractor is liable, may be deducted, by the Purchaser from any money due or becoming due by him to the Contractor under the contract, or may be recovered by action of law or otherwise from the Contractor.

40.0 ARBITRATION

- 40.1 Any dispute(s) or difference(s) whatsoever arises under or out of or in connection with this Contract, or in respect of any defined legal relationship associated therewith or derived therefrom, the parties agree resolve/settle the same by submitting that dispute to arbitration in accordance with the International Centre for Alternative Dispute Resolution (ICADR) Arbitration Rules 1996.

The authority to appoint the arbitrator(s) shall be the International Centre for Alternative Dispute Resolution (ICADR).

The international center for alternative dispute resolution will provide administrative services in accordance with ICADR Arbitration Rules 1996

The language of the arbitration proceeding shall be English

The place of arbitration proceedings shall be Telangana, India.

Note: In respect of PSUs/Government organizations, the DPE guidelines shall be applicable.

Work under the contract shall be continued by the contractor during the arbitration proceedings, unless otherwise directed in writing by the Purchaser or unless the matter is such that the work cannot possibly be continued until the decision of the arbitrators is obtained, and save as those which are otherwise expressly provided in the Contract, no payment due or payable by the purchaser shall be withheld on account of such arbitration proceedings, unless it is the subject matter or one of the subject matter thereof.

- 40.2 Work under the Contract shall be continued by the Contractor during the arbitration proceeding, unless otherwise directed in writing by the Purchaser or unless the matter is such that the work cannot possibly be continued until the decision of the arbitrators is obtained, and save as those which are otherwise expressly provided in the Contract, no payment due or payable by the Purchaser shall be withheld on account of such arbitration proceedings, unless it is the subject matter or one of the subject matters thereof.

41.0 ADDITIONAL CONDITIONS FOR COMPLETE ERECTION OF EQUIPMENT

- 41.1 When the Contract requires the Contractor to undertake complete erection of plant, machinery and equipment start-up and putting into commission, the following conditions will apply, in conjunction with other clauses of the conditions of contract as stated hereinbefore in so far as they are applicable.

- (i) The Contractor shall be solely responsible for the satisfactory Installation, start-up and commissioning of the plant, machinery and equipment supplied under the Contract, including demonstration of performance guarantees notwithstanding that the Contractor may have been assisted by the Purchaser or his authorized representative in doing so.
- (ii) If the Contractor performs any work in a manner contrary to the Contract without the written approval of the Engineer/Purchaser, the Contractor shall bear all the costs arising there from and shall be responsible for all the losses to the Purchaser arising there from.

41.3 Installation

Installation and erection work shall be carried out by the Contractor in the presence and under the general supervision and to the satisfaction of the Engineer/Purchaser. The Contractor shall receive instructions and directions from the Engineer/Purchaser in connection with the Work and shall strictly abide by the same, within the preview of the Contract. If the Contractor performs

any work in a manner contrary to the Contract without the written approval of the Engineer/Purchaser, the Contractor shall bear all the costs arising therefrom and shall be responsible for all the damages and direct losses to the Purchaser arising therefrom.

41.4 Facility to Purchaser's Engineers

The Contractor shall provide every reasonable facility and opportunity to the Purchaser's engineers and personnel as required by the Purchaser to become familiar with the Installation, erection, operation and maintenance of the equipment supplied under the Contract.

41.5 Programme and Particulars of work and Progress Reports

41.5.1 The Contractor shall submit to the Purchaser for his approval before the commencement of erection work and subsequently, at such times as may be required by the Purchaser, the programme and order in which the Contractor proposes to carry out the work, with the date and completion times for various parts and phases of the work, including particulars regarding the Contractor's arrangements for carrying out the work and of the erection and transportation equipment and tools and category wise staff and labour which the Contractor shall engage on the work, such programmes shall be within the overall time schedule of completion of erection of equipment as specified in the contract. The submission to and approval by, the Purchaser of such programme or the furnishing of such particulars shall not relieve the Contractor of any of his duties or responsibilities under the Contract.

41.5.2 During the progress of the Work, the Contractor shall submit to the Engineer monthly progress reports and such other reports on the Installation work and the Contractor's field organization as may be required by the Engineer.

41.6 Contractor's Agent and Personnel

41.6.1 In order to carry out responsibilities under this section, the Contractor shall employ one competent agent, whose name shall be previously communicated in writing by the Contractor to the Purchaser, to superintend the Installation work. The said agent shall be constantly present at Site during working hours and during the extended period so granted to carry out the Installation work and any instructions given to the said agent by the Purchaser and / or Engineer shall be deemed to have been given to the Contractor.

41.6.2 The Contractor shall ensure that his agent and every other personnel employed by him at Site shall co-operate with any and all others agencies engaged in the Site. Failure to extend such co-operation or misconduct or incompetence or negligence by any individual including the agent, shall be sufficient cause for removal from the Site of such individual by the Contractor and the Contractor shall remove such individual forthwith from the Site, if required by the Purchaser. In such cases, the Contractor shall provide immediately competent personnel to replace such individual.

41.7 Working Hours

A normal working day shall mean eight hours of work. There shall be six (6) working days in a week. No work during Sundays and other locally recognized holidays and during night shall be carried out by the Contractor without the written permission of the Engineer. With the exception that, when the carrying out the work is unavoidable or necessary for the saving of life or property or for the safety of the erection work, the Contractor shall carry out such work and shall immediately inform the Purchaser / Engineer to that effect.

41.8 Supply of Installation Equipment, Materials and Labour

Unless otherwise provided in the Contract, the Contractor at his own expenses shall supply all Installation, erection and transportation equipment, tools, materials and labour and all other things of every kind necessary for the due fulfilment of the Contract.

41.9 Delay in Obtaining Materials from Purchaser

If the Purchaser has undertaken to supply any material specified in the Contract at rates and conditions stated therein, the Contractor shall keep himself in touch with the day to day position regarding the supply of materials by the Purchaser and shall so adjust the progress of the Work that his labour may not remain idle nor may there be any other claim due to or arising from delay in obtaining the materials. No claim whatsoever shall be admissible by the Purchaser on account of delay in supplying materials, if any.

41.10 Purchaser's Installation and Transportation Equipment

The Purchaser may at his discretion give on hire to the Contractor installation and/or transportation equipment, if available, for the use of the Contractor (but without prejudice to the Contractor's obligations under Clause 41.8 hereof) during the execution of the work on such terms as may be specified in the Contract or in a separate agreement for Hire of plant. The Contractor shall take all reasonable care of all such equipment belonging to the Purchaser but committed to his charge and shall be responsible for all damage or loss caused to such equipment while they are in his charge. On completion of the Contract or at its termination for any reason whatsoever or at any earlier occasion as required by the Purchaser, the Contractor shall return all such equipment to the Purchaser in good order and repair, wear and tear expected, and shall be entirely responsible for any failure to account for the same or any damage done thereto.

41.11 Return of Surplus Materials

Notwithstanding anything contained to the contrary anywhere in this Contract, wherever any materials for the execution of the work are procured with the assistance of the Purchaser, either by issue from the Purchaser's stocks or purchase made under orders or permits or license issued by the Purchaser, the Contractor shall use the said materials economically and solely for the purpose of the work and shall not dispose of them without the written permission of the Purchaser and shall return to the Purchaser all such surplus serviceable materials that may be left with the Contractor after the completion of the Contract or at its termination for any reason whatsoever, on being paid for or credited such price as the Purchaser shall determine, having due regard to the initial cost and the condition of the materials at the time of such return thereof. The price to be

allowed to the Contractors however shall not exceed the amount charged to him, excluding the storage charge if any. The decision of the Purchaser in this regard shall be final and conclusive. In the event of a breach of the aforesaid condition, the Contractor shall (in addition to making himself liable for action for contravention of the terms of the license or permit and/or for criminal breach of trust) be liable to the Purchaser for payment of double the cost the material not returned as determined by the Purchaser plus all money, advantages of profits resulting or which in the usual course would have resulted to him by reason of such breach.

41.12 Accident or Injury to Workmen

41.12.1 The Contractor shall be solely liable for any accident or injury that may happen to any of his personnel engaged in connection with the installation work according to the Contract within the battery limit. The Purchaser shall not be liable for or in respect of any damage or compensation payable at law in respect of or in consequence of any accident or injury to any personnel in the employment of the Contractor and the Contractor shall indemnify and keep indemnified the Purchaser against all such claims, damages, compensations and proceedings.

41.12.2 The Contractor shall forthwith report to the Engineer all cases of accidents to any of his personnel and shall make every arrangement to render all possible assistance and aid to the victims of the accident.

41.13 Compliance with Statutory and other Regulations

41.13.1 The Contractor shall, in all matters arising in the performance of the Contract, confirm at his own expense with the provisions of all Central or State statutes, ordinances or laws and the rules, regulations, or bye-laws of any local or other duly constituted authority and shall keep the Purchaser indemnified against all penalties and liabilities of every kind for breach of any such statute, ordinance, law, rule, regulation or bye-law.

41.13.2 The Contractor shall give all notices and pay all fees and taxes required to be given or paid under any Central or State statutes, ordinances or other laws or any regulation or bye-laws of any local or other duly constituted authority in relation to the Installation work except where the Purchaser is statutorily required to obtain such approvals / clearance.

41.14 Payment of Taxes for Foreign Personnel

The Contractor shall pay all taxes due in India in respect of all personnel employed by him for Installation work, including any foreign personnel who are non-residents of India as detailed under the Contract.

41.15 Work Permits, Passports etc.

The Contractor shall be responsible for arranging and obtaining at his own cost the necessary work permits, passports, visas, police permits and expenses for custom's duty related to personal

and other effects of any personnel employed by him for Installation work, who are non-residents of India. Purchaser shall make all necessary efforts in order to help the Contractor in doing so.

41.16 Travelling Expenses

All travelling expenses for the Contractor's personnel shall be borne by the Contractor.

41.17 Labour Rules

41.17.1 Provisions of Contract Labour Act

In respect of all labour, directly or indirectly, employed by the Contractor for the Installation work, the Contractor shall comply with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, or any amendment thereof, and all legislations and rules of the State and/or Central Government or other local authority, framed from time to time governing the protection of health, sanitary arrangements, wages, welfare and safety for labour employed on the Installation work. The rules and other statutory obligations with regard to fair wages, welfare and safety measures, maintenance of registers etc., will be deemed to be part of the Contract.

41.17.2 Provisions of Minimum Wages and Payment of Wages Act

- (i). The Contractor shall comply with the provisions of the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, Provident Fund and Miscellaneous Provisions Act 1972, Employees State Insurance Act 1948, and any amendment thereof in respect of all employees employed by him for the purpose of carrying out the Installation work. The Contractor shall supply to the Purchaser any labour required to work wholly or partly under the direct order and control of the purchaser, whether in connection with any work being executed by the contractor or otherwise for the purpose of purchaser, and such labour shall for the purpose of this clause still be deemed to be persons employed by the Contractor.
- (ii). If any amount shall, as a result of any claim or application made under the said applicable laws, be directed to be paid by the Purchaser, such, amounts shall be deemed to be amounts payable to the Purchaser by the Contractor. On failure by the Contractor to repay the Purchaser, any amounts paid by the Purchaser as aforesaid, within seven (7) days of demand being made from the Contractor, the Purchaser shall be entitled to recover the same from any amounts due or accruing to the Contractor under this or any other contract with the Purchaser.
- (iii). In the event of the retrenchment of workers by the Contractor or Sub-Contractors employed by the Contractor during or after the completion of the Work, the retrenchment compensation and other benefits will be paid by the Contractor to the workers as per the Industrial Disputes Act.

41.17.3 Provisions of Employee Compensation Act

The Contractor shall at all times indemnify and keep indemnified the Purchaser against all claim for compensation under the provision of the Employee Compensation Act, 1923 or any other law for the time being in force and as amended from time to time, in respect of, any workman employed by the Contractor in carrying out of the Contract and against all costs and expenses or penalties incurred by the Purchaser in connection therewith. In every case in which, by virtue of the provisions of Section 12, sub-section (1) of the Employee Compensation Act, 1923, the Purchaser is obliged to pay compensation to a workman employed by the Contractor in executing the contract the Purchaser shall recover from the Contractor the amount of the compensation so paid and, without prejudice to the rights of the Purchaser under Section 12, sub-section (2) of the said Act, the Purchaser shall be at liberty to recover such amount or any part thereof deducting it from the security deposit or from any sum due by the Purchaser to the Contractor whether under this Contract or otherwise. The Purchaser shall not be bound to contest any claim made against him under Section 12, sub-section (1) of the said Act, except on the written request of the Contractor and upon his giving to the Purchaser full security for all costs for which the Purchaser might become liable in consequence of contesting such claim.

41.17.4 Accommodation for Contractor's Staff

No quarters shall normally be provided by the Purchaser for the accommodation of the Contractor or any of his staff employed in connection with the Installation work. In exceptional cases where accommodation is provided to the Contractor at the Purchaser's discretion, recoveries shall be made at such rates as may be fixed by the Purchaser towards the rent of the building and furniture and fittings, if any, therein, as well as charges for electric current, water supply and conservancy.

41.17.5 Accommodation for workmen

The Contractor shall, at his own expense, make adequate arrangement for housing, supply of drinking water and provision of toilets for his staff and labour and disposal of sewerage. Suitable sites on the Purchaser's land, if available, may be allotted to the Contractor for the installation of camp site on such terms and conditions as may be prescribed by the Purchaser. All camp-sites shall be maintained in clean and sanitary condition by the Contractor at his own cost.

The Contractor shall comply with all sanitary rules in force and carry out all sanitary measures and permit inspection of all sanitary arrangement at all reasonable times by the Purchaser. Should the Contractor fail to make adequate sanitary arrangements, these will be provided by the Purchaser and the cost thereof shall be recovered from the Contractor.

41.17.6 Preservation of Peace

The Contractor shall take requisite precautions and use his best endeavour to prevent any riotous or unlawful behaviour by or amongst, his workmen and/or others employed by him and for the preservation of peace and protection of the inhabitants and security of property in the neighbourhood of the Site. In the event of the Purchaser requiring the

maintenance of a special police force at or in the vicinity of the Site during the tenure of the Contract, in consequence of the riotous or unlawful behaviour by or amongst the Contractor's workmen and/or others employed by him, all expenses thereof and costs of all damages due to such riotous or unlawful behaviour shall be borne by the Contractor, and, if paid by the Purchaser, shall be recoverable from the Contractor from any moneys due or that may become due to the Contractor by the Purchaser. The Contractor also undertakes to indemnify and hold harmless the Purchaser against any claims on such account.

41.17.8 *Infectious Diseases*

The Contractor shall remove from his camp site such labour and their families who refuse protective inoculations and vaccinations when called upon to do so by any competent authority. In the event of any breakout of infectious disease in the camp site, the Contractor undertakes to forthwith provide for all medical facilities and assistance and take all possible steps to prevent spread of such disease and also discard and destroy all belongings of and used materials by the infected parties and promptly arrange new accommodation in healthy sites as may be required by the labour and employees of the Contractor.

41.17.9 *Medical Facilities at Site & health & safety*

The Contractor shall provide medical facilities at the Site as per rule in force in relation to the strength of the Contractor's staff and workmen. The Contractor shall at all times take all reasonable precaution to maintain the health and safety of its personnel, employees and workmen. The Contractor shall ensure that medical staff, first aid facilities, sick bay and ambulance facilities/services are available at all times at the Site and suitable arrangements are made for all necessary welfare and hygiene requirements and for prevention of epidemics. The Contractor shall also appoint an accident prevention officer at the Site responsible for maintaining safety and protection against accidents.

41.17.10 *Use of Intoxicants*

The sale, use & consumption of alcohol or other intoxicating beverages in the Site or in any of the buildings, encampments or tenements owned, occupied by, or within the control of the Contractor or any of his employees or Sub-Contractors is forbidden, and the Contractor shall secure strict compliance with this condition.

41.17.11 *Age Limits of Labour*

The Contractor shall not employ children below the age of 18 as labourers for the Installation work.

41.17.12 *Observance by Sub-Contractor*

The Contractor shall be responsible for the observance of the provisions of Clauses 41.17.1 to 41.17.11 hereof by any Sub-Contractor(s) employed by him in the execution of the Contract.

41.17.13 Contractor's personnel

The Contractor's personnel shall be appropriately qualified, skilled and experienced in their respective trades or occupations. The Engineer/Purchaser may require the Contractor to remove (or cause to be removed) any person employed on the Site or Works, including the Contractor's representative if applicable, who: (i) persists in any misconduct or lack of care, (ii) carries out duties incompletely or negligently, (iii) fails to conform with any provisions of the Contract, or (iv) persists in any conduct which is prejudicial to safety, health, or the protection of the environment. If appropriate, the Contractor shall then appoint (or cause to be appointed) a suitable replacement person.

41.18 Time of Completion for Installation Work and Delays

41.18.1 Date of Commencement of Installation Work

The date of commencement for the Installation work shall be reckoned from the dates on which the Contractor is given possession of the Site to commence Installation, which will be intimated to him in writing by the Purchaser and shall be as per the Bar/Pert Chart attached to the Contract Specifications.

41.18.2 Possession of Site

In terms of the Contract, the extent of portions of the Site of which the Contractor is to be given possession from time to time and the order in which such portion shall be made available to him, and subject to any requirement in the Contract to the order in which the Installation work shall be executed, the Purchaser will give to the Contractor possession of as much of the Site as may be required to enable the Contractor to commence and proceed with the Installation work. This will be in accordance with the programme referred to in Clause 41.5.1 hereof and otherwise in accordance with such reasonable proposals of the Contractor as he shall give by notice in writing to the Purchaser / Engineer. The Purchaser, will from time to time, as the work proceeds, give to the Contractor possession of such further portions of the Site as may be required to enable the Contractor to proceed with the Installation work, in accordance with the said programme or proposals (as the case may be). If the Contractor suffers delay from failure on the part of the Purchaser to give possession in accordance with the terms of this clause, the Purchaser shall grant an extension of time for the completion of the work. No compensation will be payable by the Purchaser for any such failure and delay.

41.18.3 Time of Completion for Installation Work

Time is the essence of the Contract. The whole of the work, including conducting performance tests to demonstrate performance guarantees according to the Contract shall

be completed within the time stipulated in the Contract, which shall be reckoned from the date of the commencement of the Installation work in accordance with Clause 41.18.1 hereof. Execution times indicated in the Contract are based on the assumption that the Site will be handed over to the Contractor free of obstacles and all other preconditions for installation of the material delivered are fully met.

41.18.4 *Extension of Time of Completion for Installation Work*

Save and except elsewhere provided in the Contract, should the amount of additional work of any kind or other circumstances of any kind whatsoever, which may occur, be such as fairly to entitle the Contractor to an extension of time for the completion of the Installation work, the Purchaser shall discuss and determine the period of such extension mutually with the Contractor.

41.18.5 *Rate of Progress*

The whole of the materials, plant, machinery, equipment and labour to be provided by the Contractor and the mode, manner and speed of execution of the Installation work are to be of a kind, and conducted in a manner, as per time schedule. Should the rate of progress of the Installation work be at any time, in the opinion of the Engineer / Purchaser, too slow to ensure the completion of the Work by the prescribed time or extended time for completion, the Purchaser / Engineer shall so notify the Contractor in writing, and the Contractor shall thereupon take such steps, as he may think necessary and the Purchaser / Engineer may approve, to, expedite the progress so as to complete the entire Installation work by the prescribed time or extended time for completion. If the Contractor shall request permission to work by night as well as by day, then if the Engineer shall grant permission to work also by night, then the Contractor shall not be entitled to any additional payment whatsoever for so doing but, if such permission is refused and there is no equivalent practicable method of expediting the progress of the work, the time for completion of the Installation work may be extended by the Purchaser by such period if any, as is solely attributable to such refusal and deemed proper by the Purchaser / Engineer.

41.18.6 *Night work without disturbance*

If work at night is permitted as aforesaid it shall be carried out without unreasonable noise and disturbance. The Contractor shall indemnify the Purchaser from, and against, any liability for damage on account of noise or other disturbance created while, or in carrying out the Installation work, and from, and against, all claims, demands, proceedings, damages costs, charges and expenses whatsoever in regard to or in relation to, such liability.

41.18.7 *Liquidated damages due to Delay in Completion*

- (i) If the Contractor fails to deliver as per the time schedules or complete the commissioning of the Project within the Time for Completion specified in the
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Contract or any extension thereof (allowed without Liquidated Damage) due to reasons attributable to the Contractor including its Sub-Contractors, the Purchaser shall be entitled to recover the amount of Liquidated Damages, but not by way of penalty, by making deductions from the Contractor's account lying with the Purchaser and if the amount to be deducted is not sufficient or available then by encashment of Contractor's Bank Guarantees, at the rate of 1% of the Contract Price, specified in the Contract , including taxes, duties, levies, cess, etc. per complete week of delay or part thereof up to a maximum of 10% of such Contract Price including taxes, duties, levies, cess, etc.

In case, the Contractor is a Consortium, the Purchaser shall recover the amount of Liquidated Damages, but not by way of penalty, by making deductions from the account of the lead member of Consortium and if the amount is not available then as a last resort by encashment of their Bank Guarantees, at the rate of 1% of the Contract Price, specified in the Contract , including taxes, duties, levies, cess, etc. per complete week of delay or part thereof up to a maximum of 10% of such Contract Price including taxes, duties, levies, cess, etc.

- (ii) Any recovery of Liquidated Damages shall be effected from the amount payable to the Contractor against Commissioning, Performance Guarantee Test, Final Acceptance Certificate and Performance Bank Guarantee.
- (iii) The Purchaser may, without prejudice to any other method of recovery, deduct the amount of such damages from any amounts in his hands due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligations to complete the work or from any other of his obligations and liabilities under the Contract.

41.19 Safety, Watching and Lighting

41.19.1 The Contractor shall be responsible for the provision of safety arrangement and protective clothing for all his workmen on Site whether or not engaged in actual Installation work thereof. He shall ensure that all his workmen on Site use safety belts, gloves, helmets, masks etc. as are necessary for their safety. The Contractor shall also be responsible for safety arrangement of all equipment used by him in connection with the installation and transportation work and shall employ only trained & competent operators to man the installation and transportation equipment. The Contractor shall use only tested equipment, tools, wire ropes etc. and shall periodically renew tests to the satisfaction of the Engineer. All test certificates shall be made available to the Engineer at site as and when required by him.

41.19.2 The Contractor shall, in connection with the Installation work, provide and maintain at his own cost all lights, guards, fencing and watching, when and where necessary or required by the Engineer or by any duly constituted authority, for the protection of the work and/or for the safety and convenience of the public or others. The Contractor shall

provide at his own cost the necessary watch and ward to ensure security and safety of all equipment and materials placed under the Contractor's custody.

41.20 Security Regulations

The Contractor shall abide by all the security regulations at Site promulgated by the Purchaser from time to time. The Contractor shall provide identity badges for all his personnel which must be properly displayed by them at Site. In order to facilitate the issue of exit gate permits by the Purchaser for materials and equipment after the completion of the work, the Contractor shall submit to the Purchaser lists of installation equipment etc. and/or other materials that shall be taken by him inside the Site from time to time.

41.21 Care of Work

From the commencement to the completion of the installation work the Contractor shall take full responsibility for the care of plant, machinery and equipment and for all temporary works and in case any damage or loss shall happen to the plant, machinery and equipment or to temporary works from any cause whatsoever shall at his own cost replace or repair and make good the same.

41.22 Damage to Persons or Property

The Contractor shall indemnify and keep indemnified the Purchaser against all losses and claims for injuries or damage to any person or any property whatsoever which may arise out of, or in consequence of, the work at site carried out by the Contractor and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto.

41.23 Extraordinary Traffic

The Contractor shall use every reasonable means to prevent any of the highways or bridges communicating with on the routes to the Site from being subjected to extraordinary traffic within the meaning of the Road Traffic Act, by any traffic of the Contractor or any of his Sub-Contractors and in particulars the Contractor shall select routes and use vehicles and restrict and distribute loads so that any such extraordinary traffic as will inevitably arise from moving of plant and materials from and to the Site shall be limited so far as reasonably possible and so that no unnecessary damage or injury may be occasioned to such highways and bridges. For any damage caused to highways or bridges by extraordinary traffic as aforesaid the Contractor shall be solely responsible.

41.24 Co-operation with other Contractors

The Contractor shall plan and execute his work in a phased manner as directed by the Purchaser from time to time and shall fully co-operate with other agencies working at site simultaneously and afford all responsible facilities to these agencies so as not to obstruct or retard the works simultaneously being executed by such agencies in any way.

41.25 Inspection of other Contractor's Works

If any part of the Contractor's work depends for proper execution on the Work of another contractor, the Contractor shall inspect and promptly report to Engineer/Purchaser, the defects, if any in such work that render it unsuitable for such proper execution and result. The Contractor's failure to so inspect and report shall constitute an acceptance of the other contractor's work as fit and proper for the reception of his work, except as to defects which may develop in the other contractor's work after the execution thereof.

41.26 Vesting of Constructional / Erection Plant etc.

All constructional/erection plant, temporary works and materials owned by the Contractor, or by any company in which the Contractor has a controlling interest, shall, when brought on to the Site, immediately be deemed to become the property of the Purchaser.

41.27 Irremovability of Constructional/Installation, Materials etc.

No Constructional/erection plant, temporary works or materials or any part thereof shall be removed from the site by the Contractor without the written consent of the Purchaser, which consent shall not be unreasonably withheld where the same is no longer immediately required for the purpose of the completion of the work and the Purchaser will permit the Contractor the exclusive use of all such constructional/erection plant, temporary works and materials in and for the completion of the work until the occurrence of any events which gives the Purchaser the right to exclude the Contractor from the Site and proceed with the completion of the Work.

41.28 Removal of Constructional/Installation Materials

Upon the removal of any such constructional/erection plant, temporary works and materials as have deemed to have become the property of the Purchaser under Clause 41.26 hereof, with consent as aforesaid, the property therein shall be deemed to revert in the Contractor and upon the completion of the Work, the property in the remainder of such constructional/erection plant, temporary works, and materials as aforesaid shall be deemed to re-vest in the Contractor. If the Contractor fails to remove any constructional/erection plant, temporary works or materials as aforesaid, within such reasonable time after completion of the Work as may be allowed by the Purchaser, then the Purchaser may sell any such constructional/erection plant, temporary works and materials as aforesaid and after deduction from any proceeds of sales, the costs, charges and expenses of and in connection with such sale, shall pay the balance (if any) to the Contractor, but to the extent that the proceeds of any sale are insufficient to meet all such costs, charges and expenses, the excess shall be a debt due from the Contractor to the Purchaser and shall be deductible or recoverable by the Purchaser accordingly as aforesaid.

41.29 Purchaser not liable for Loss or Injury to Construction/Erection Plant

The Purchaser shall not at any time be liable for the loss of or injury to, any of the constructional / erection plant, temporary works or materials.

41.30 Work in or around an Operating Plant

When the work is being carried out in or around an operating plant, where the plant must run uninterrupted, the Contractor shall only work at specified places and times as mutually arranged between the Contractor and the Purchaser. The Contractor shall take sufficient care in moving his construction erection plant and equipment from one place to another in an operating plant so that they may not cause any damage to the property of the purchaser, like roads, overhead and underground cables, pipes and/or any other services or equipment or building and in the event of the contractor's failure to do so, the cost of such damages, including eventual loss of working hours as estimated by the Purchaser, is to be borne by the Contractor.

41.31 Site to be cleared on Completion of Work

During erection the Contractor shall at all times keep the working and storage areas used by him free from accumulation of waste materials and/or rubbish, immediately after the completion of erection, the Contractor shall remove or dispose of all temporary structures, waste, debris, rubbish etc. and leave the Site in a clean condition to the satisfaction of the Purchaser.

41.32 Possession Prior to Completion

The Purchaser shall have right to take possession of or use any completed or partially completed part of the Work. Such possession or use shall not be deemed to be in acceptance of any Work done not in accordance with the Contract.

41.33 Withholding Payment

The Purchaser will have full liberty to withhold and set off all sums due or to become due to the Contractor (including security deposit), whether under this or any other contract, against any sum due or to become due to the Purchaser from the Contractor under this or any other contract. The Purchaser also reserves the right to withhold the whole or part of the payment claimed by the Contractor which in the opinion of the Purchaser, is necessary to protect himself from loss on account of defective work not remedied, guarantees not met, claims filed against the Contractor, failure by the Contractor to make due payments for materials, labour employed by him, damages to other contractor etc. When grounds for withholding payments are removed to the satisfaction of the Purchaser, payment of the amount due to the Contractor shall be made by the Purchaser without interest.

41.34 Termination of Contract

The Purchaser, without prejudice to any other rights or remedies it may possess, may terminate the Contract in case of the Contractor's noncompliance of his undertakings and obligations under this Contract and more particularly but not limited to the following circumstances by giving notice of termination and its reasons thereof to the Contractor:

- (i) if the Contractor becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or if, the Contractor is a corporation, a resolution is passed
-

or order is made for its winding up (other than voluntary liquidation for the purpose of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Contractor takes or suffers any other analogous action in consequence of debt;

- (ii). if the Contractor assigns or transfers the Contract or any right or interest therein in violation of the terms of the Contract;
- (iii). if the Contractor
 - a) abandoned or repudiated the Contract; or
 - b) have an execution levied on his goods or property; or
 - c) has without any valid reasons to the satisfaction of the Purchaser failed to commence Work as provided in the Contract promptly or has suspended the progress of the Contract performance for more than 14 (fourteen) days after receiving a written instruction from the Purchaser to proceed; or
 - d) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract; or
 - e) Refuses or is unable to provide sufficient materials, service or labour and adequate resources to execute and complete the Work in the manner and progress rate as specified in the Contract.
- (iv). Unjustified and un-warranted interruption of services performed by the Contractor and such interruption occurred for more than 15 (fifteen) days without assigning any reason.
- (v). Errors, negligence, insufficiencies in the specifications and contractual work under execution, or failure to supply sufficient material or man-power as per Technical Specification or other similar circumstances affecting the quality of work for reasons attributable to the Contractor.
- (vi). If during the work, it appears that the design, specifications, recommendations supplied / provided by or through the Contractor do not conform to the terms and conditions of the Contract and good and sound current engineering or fabrication practices.
- (vii). If the Contractor disregards the instructions of the Purchaser in relation to the execution of the Installation work or refuses to implement instructions received from the Purchaser or Engineer within the stipulations of this Contract.
- (viii). If the Contractor promises, offers or gives any bribe, commission, gift or advantage, either by himself or through his agent, to any officer or employee of the Purchaser or Engineer or to any person on their behalf in relation to the execution of this Contract.

Then, in any of the aforesaid cases, the Purchaser may serve the Contractor with a notice in writing to that effect, and if the Contractor does not, within seven (7) days after the delivery to him of such notice, proceed to make good his default, , and carry on the work in compliance with such directions as stated in the aforesaid notice to the entire satisfaction of the Purchaser, the

Purchaser shall be entitled, after giving forty eight (48) hours` notice in writing to expel the Contractor from the Site without thereby avoiding the Contract or releasing the Contractor from any of his obligations or liabilities under the Contract or effecting the rights and powers conferred on the Purchaser by the Contract. The expiry of forty-eight (48) hours from the time of serving such notice in writing to the Contractor by the Purchaser shall be conclusive evidence of the expulsion of the Contractor from the Site, notwithstanding any physical presence of the Contractor or his workmen at Site after such expiry.

Upon receipt of termination hereof, the Contractor shall either immediately or upon such date as may be provided in the notice of termination:

- (i). cease all such work, except for such work as the Purchaser may specify in the said notice for the sole purpose of protecting that part of the Project already executed or any work required to leave the Site in a clean and safe condition;
- (ii). terminate all sub contracts except those to be assigned to the Purchaser pursuant to sub clause (iv) below;
- (iii). deliver to the Purchaser the parts of the work /Project executed by the Contractor up to the date of termination;
- (iv). to the extent legally permissible, assign to the Purchaser all rights, title and benefit of the Contractor in relation to the plant, machinery and equipment as at the date of termination and as may be required by the Purchaser, in any subcontracts concluded between the Contractor and its subcontractors;
- (v). deliver to the Purchaser all drawing and specifications and other documents prepared by the Contractor or its subcontractor as at the date of termination in connection with the work.

Upon such expulsion or termination, the Purchaser may himself complete the Installation work or may employ any other contractor to complete the Work at the risk and cost of the Contractor. In such case, the Contractor shall be liable for any costs for obtaining and /or executing the balance of the work from another agency/contractor in excess of the Contract price. In case of termination of part of the Contract, the Contractor will continue performance on the Contract to the extent not terminated by the Purchaser. The Purchaser or such other contractor may use for such completion so much of the constructional / installation plant, temporary works and materials which has become the property of the Purchaser or which is available on the Site pursuant to Clause 41.28 hereof as he or they may think proper. The Purchaser pursuant to Clause 41.28 is entitled at any time to sell any of the said constructional / installation plant, temporary works and unused materials and apply the proceeds of sale in, or towards, the satisfaction of any sums due or which may become due to him from the Contract or under the Contract. The Purchaser may to the exclusion of the right of the Contractor take over and use any Contractors equipment owned by the Contractor and on the Site in connection with the Work for such reasonable period as the Purchaser considers expedient for the supply and Installation of the Project. Provided always that the Purchaser shall at any time after expelling the Contractor from the Site, have the right to rescind this Contract and claim damages from the Contractor. Provided further that, the exercise of any of the rights aforesaid, shall not prejudice the Purchaser`s right and remedies under the law and under the Contract.

41.35 Waiver

Provided always that, in any case in which any of the powers conferred upon the Purchaser by Clause 41.34 hereof shall have become exercisable but have not been exercised, the non-exercise thereof shall not constitute a waiver of any of the conditions thereof, and such powers shall notwithstanding be exercisable by the Purchaser in the event of any future case of default by the Contractor for which his liability for past and future defaults shall remain unaffected. Further, if any condition of the Contract has been waived by the Purchaser at the request of the Contractor in a specific case this will not constitute a waiver in all similar cases in future and will not be cited as precedence.

41.36 Valuation on Determination

The Purchaser shall as soon as may be practicable, after such expulsion of the Contractor from the Site, fix and determine ex-parte or by, or after, reference to the parties or after such investigation or enquiries as he may consider fit to make or institute and certify the amount (if any) which had at the time of such expulsion been earned by or would accrue to the Contractor in respect of the erection work till then executed by him under the Contract, as the Purchaser shall consider reasonable and proper. The Contractor shall have however no claim to compensation for any loss sustained by him, by reason of his having purchased or procured any equipment materials or entered into any commitments or made any advances on account of, or with a view to, the execution of the erection work or the performance of the Contract.

41.37 Payment after Termination

If the Contractor is expelled as aforesaid, the Purchaser shall not be liable to pay to the Contractor any moneys, including the security deposit on account of the Contract, until the costs of the completion of the erection work, considering the cost of carrying out the erection work, either by the Purchaser itself or by any other contractor employed by it, in excess of the sum which would have been payable to the Contractor if the erection work had been completed by the Contractor under the terms of Contract, damages for the delay in completion (if any) and all other expenses incurred by the Purchaser have been ascertained. The Contractor shall then be entitled to receive only such sum (if any) as the Purchaser may certify after deduction of the said amount from the sum payable to the Contractor. But if such amount shall exceed the sum which would have been payable to the Contractor, then the Contractor shall, upon demand, pay to the Purchaser the amount of such excess, and it shall be deemed a debt due by the Contractor to the Purchaser and be recoverable accordingly.

41.38 Jurisdiction

The Contract and all questions, disputes or differences arising under or in connection with this Contract, subject to Arbitration clause, shall be subject to the exclusive Jurisdiction of the courts within the local limits of Telangana, India.

42.0 CONSTRUCTION OF CONTRACT

This Contract and the clauses thereof shall be interpreted and applied solely according their wording, to the objects in view. The Contract shall in all respects be construed and operated as a contract as defined in the Indian Contract Act, 1872, and, save as otherwise expressly provided herein, shall be governed by the provision of the said Act.

43.0 PENALTY FOR USE OF UNDUE INFLUENCE

The Contractor undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in services of the Purchaser or otherwise in procuring the Contract or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the Contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government. Any breach of the aforesaid undertaking by the Contractor or any one employed by him or acting on his behalf (whether with or without the knowledge of the contractor) or the commission of any offence by the contractor or anyone employed by him or acting on his behalf, as defined in Chapter IX of Indian Penal Code, 1860 or the Prevention of Corruption Act, 1947 or any other Act enacted for the prevention of corruption shall entitle the Purchaser to cancel the contract and all or any other contracts with the contractor and recover from the contractor the amount of any loss arising from such cancellation. A decision of the Purchaser or his nominee to the effect that a breach of the undertaking has been committed shall be final and binding on the contractor.

Giving or offering of any gift, bribe or inducement or any attempt to any such act on behalf of the Contractor towards any officer/employee of the Purchaser or to any other person in a position to influence the decision of the Purchaser, directly or indirectly or any attempt to influence any officer/employee of the Purchaser, directly or indirectly or any attempt to influence any officer/employee of the Purchaser for showing any favour in relation to this or any other contract, shall render the Contractor to such liability/penalty as the purchaser may deem proper, including but not limited to termination of the Contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amount paid by the purchaser.

44.0 GENERAL

Should any conditions in the General Conditions of Contract be contrary to the Special Conditions of the Contract, if any, such special contract conditions shall prevail.

45.0 LIMITATION OF LIABILITY

Except in cases of criminal negligence or willful misconduct the aggregate liability of the Contractor to the Purchaser, whether under the Contract, in tort or otherwise, including the cost of repairing or replacing defective equipment shall not exceed the 100% (Hundred Percent) of the Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective plant and equipment or any obligation of the Contractor to indemnify the Purchaser with respect to copyright (applicable to software) patent infringement and Employee/workman compensation and other liabilities and compensation as per the clauses specified in the Contract.

46.0 LIABILITY OF GOVERNMENT OF INDIA

It is expressly understood and agreed between the Contractor and the Purchaser that the Purchaser is entering into this Contract solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Government of India is not a party to this Contract and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Purchaser is an independent legal entity with power and authority to enter into e-contracts solely on its own behalf under the applicable laws of India and general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Purchaser is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor hereby, expressly waives, releases and foregoes any and all actions and claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this Contract and covenants not to sue the Government of India in any manner, claim, and cause of action or thing whatsoever arising of or under this Contract.

PART VII
EVALUATION CRITERIA

1. The broad guidelines for evaluation of bids will be as follows:
 - a. Only those bids will be evaluated which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially.
 - b. Technical Bids forwarded by the Bidders will be evaluated by the Buyer with respect to the technical characteristics of the equipment as mentioned in the RFP. The compliance of Technical bids would be determined on the basis of the parameters specified in the RFP. The Price bids of only those bidders will be opened whose Technical Bids would clear the technical evaluation.
 - c. The Lowest Bid will be decided upon the lowest price quoted by the particular bidder as per the Price Format given. The consideration of taxes and duties in evaluation process will be as follows:
 - i. In cases where only Indigenous Bidders are competing, all taxes and duties quoted by the Bidders will be considered. The ultimate Landed cost to the Buyer (excluding Taxes which are creditable) would be the deciding factor for ranking of Bids.
 - ii. In cases where both Foreign and Indigenous Bidders are competing, following criteria would be followed:
 1. In case of foreign bidders, the FOB Price/Other INCOTERM price quoted would be adjusted on FOR MIDHANI basis after loading Indian taxes & duties, freight & insurance as applicable on Landed cost basis to MIDHANI.
 2. In case of Indigenous Bidders, the FOR MIDHANI basis price including taxes & duties would be considered on Landed Cost basis to MIDHANI.
 - d. The Bidders are required to spell out the rates of Customs Duty, GST etc in unambiguous terms; otherwise their offers will be loaded with the maximum rates of duties and taxes applicable for the purpose of comparison of prices. If any reimbursement of Taxes/Duties is intended as Extra, over the quoted prices, the Bidder must specifically say so. In the absence of any such stipulation it will be presumed that the prices quoted are final and no claim on account of such duties will be entertained after opening the tenders. If a Bidder chooses to quote a price inclusive of any duty and does not confirm inclusive of such duty so included is firm and final, he should clearly indicate the rate of such duty and quantum included in the Price. Failure to do so may result in ignoring of such offers summarily. If a Bidder is exempted from payment of any Taxes/Duties upto any value of supplies from them, they should clearly stat that no tax/duty will be charged by them up to the limit of exemption which they may have. If any Concession is available in regard to rate/quantum of Duties/Taxes, it should be brought out clearly. Stipulations like, duty was presently not applicable but the same will be charged if it becomes leviabale later on, will not be

accepted unless in such cases it is clearly stated by a Bidder that duty will not be charged by him even if the same becomes applicable later on. In respect of Bidders who fail to comply with this requirement, their quoted prices shall be loaded with the quantum of duty which is normally applicable on the item in question for the purpose of comparing their prices with other Bidders. The same logic applies to Taxes also.

- e. In Import cases, all foreign quoted will be brought to a common denomination in Indian Rupees by adopting the exchange rate as per RBI/ FBIL website on the date of Price bid opening.
- f. If there is a discrepancy between unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of Price.
- g. The Lowest acceptable Bid will be considered further for placement of Contract/Supply Order after complete clarification and price negotiations (if any) as decided by the Buyer. The Buyer will have the right to award contracts to different Bidders for being lowest in particular items.
- h. *Any other criteria as applicable to suit a particular case.*

2. Price Bid Format:

The Price bid Format shall be as per Special Conditions of the Contract clearly indicating the bifurcation of following:

- a. Basic Cost of the Machine
- b. Accessories (if any)
- c. Installation/Commissioning Charges
- d. Training (if any)
- e. Technical Literature (if any)
- f. Tools (if any)
- g. Any other Item
- h. Taxes/Duties (Extra/included)
- i. If extra, rates of Duties and Taxes applicable



MISHRA DHATU NIGAM LIMITED

A Govt of India Enterprise

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

Corporate Identity Number : U14292AP1973GOI001660

Phone: 040 –24340165/2418 _____, Fax: 040 – 24340764

e Mail ID: _____@midhani-india.in , website: www.midhani-india.in



Tender Notice No. : _____, Date: _____

Start of Issue of Tender Documents: _____ at _____ Hrs.

End of Issue of Tender Documents up to: _____ at _____ Hrs.

Receipt of Tender on or before: _____ at _____ Hrs.

Opening of Tender Date: _____ at _____ Hrs.

| Sl. No | MATERIAL | Estimated Requirement | | Delivery Required |
|--------|------------------------------|-----------------------|-----|-------------------|
| | DESCRIPTION & SPECIFICATION. | Unit | Qty | |
| 1. | | | | |

List of Tender Documents:-

| | Pages |
|---|-------|
| • PART I: TECHNICAL SPECIFICATIONS | — |
| • PART II: TERMS AND CONDITIONS TO TENDER, AS APPLICABLE | — |
| • PART III: PRE-CONTRACT INTEGRITY PACT, AS APPLICABLE | — |
| • PART IV: BANK GUARANTEE FORMATS, AS APPLICABLE | — |
| • PART V: GENERAL INSTRUCTIONS TO TENDERERS | — |
| • PART VI: GENERAL CONDITIONS OF CONTRACT, AS APPLICABLE | — |
| • PART VII: ELIGIBILITY / PRE-QUALIFICATION CRITERIA, AS APPLICABLE | — |

For MISHRA DHATU NIGAM LIMITED

Authorised Signatory

OUT SOURCING AND VENDOR DEVELOPMENT POLICY OF MIDHANI

PREAMBLE:

OUTSOURCING:

Out sourcing is defined as the act of sourcing goods and services that go into the production of various products.

Out sourcing will add to capacity enhancement, attain cost effectiveness and improve competitiveness in the market. It will enable in building technological and manufacturing capability inside the country, through a well knit and competent vendor base. Outsourcing will be done in respect of non-core and non-strategic operations/items.

VENDOR DEVELOPMENT:

Continuous efforts shall be made for developing alternate potential sources. The objective is to develop more than one source to reduce our dependence on single source with connected risks, besides to get the items at competitive prices. New vendors interested in registering with MIDHANI shall fill the online vendor registration form available on MIDHANI website and has to send all the requisite documents along with application form to Purchase Department MIDHANI. Standard operating procedure for new vendor registration is placed at Annexure -I

Purchase Department shall,

- I. Organize vendor meets to invite new vendors to register.
- II. Advertise products for which vendors are required, in News papers & hosting details in website.

Development orders:

- i. The total quantity to be ordered on development basis shall be determined and approved at the time of issue of limited tender enquiry.
- ii. After evaluation / negotiation of Techno commercial bids, Technically suitable parties will be selected for placement of development order.
- iii. The price bids of technically suitable parties shall be opened and evaluated. The evaluated prices of the parties will be ranked as DL1, DL2, DL3..... where DL1 is the lowest evaluated price.
- iv. If the evaluated DL1 price is less than or equal to the established L1 rate (received against regular tender enquiry for the same item), then the development order for the approved quantity will be placed.
- v. In case development order is to be distributed among more than one party, the other parties will be asked to match their prices with DL1 and then the quantity will be distributed among parties. This condition will be specified upfront in tender document.

- vi. If DL1 price is more than the established L1 rate, the parties who accept L1 rate will be considered for placement of development orders. In order of preference DL1 party will be given preference and so on.

OUT SOURCING AND VENDOR DEVELOPMENT:

Items to be outsourced are classified in four categories.

Category I: These items are low in cost, generic in nature and less technology intensive e.g. bearings, grinding wheels, lubricants, cables, electrical and mechanical spares etc. These items are made to stock items and manufactured by the vendors. These items shall be identified and grouped into different categories. This list shall be made available in public domain in MIDHANI website and information shall be published through advertisement periodically. Vendors pertaining to these items shall apply for vendor registration through online application form available in MIDHANI website. After receipt of application along with application fee and required documents, it will be evaluated on techno-commercial parameter by Vendor Registration committee (VRC). Vendors approved through VRC shall be added to approved list of Vendors. These category of items shall be procured through limited tender from list of suppliers available at MIDHANI or through advertised tender.

For the items in this category, MIDHANI shall take up few items periodically based on repeated requirement and long term contract or MOU with price variation clause shall be explored. MIDHANI shall publish expression of interest (EOI) in national news papers and also in MIDHANI website with projected requirement of items. Items identified for the long term contracts are Copper cathode, M. S. Billet, Lubricants oil, grinding wheels, welding electrodes, cutting blades, bearings, Cables, spares, lighting and fittings etc.

Category II: Category of items that are manufactured by MIDHANI and need a special manufacturing process. These items are mainly pertaining to off loading such as machining, grinding, conversion jobs etc, in-house job contracts, maintenance contracts etc. List of various job works and contracts shall be made available in public domain in MIDHANI website. Vendors pertaining to these items shall apply for vendor registration through online application form available in MIDHANI website. After receipt of application along with application fee and required documents, site inspection of the off loading vendors shall be done to ascertain their capability. A team nominated by Vendor Registration committee (VRC) shall be deputed for such inspection. Vendors shall be added to approved list of Vendors based on recommendations of the inspection team and evaluation of techno-commercial parameter through Vendor Registration committee (VRC). The necessary technical assistance like

manufacturing drawings, 3D model, process documentation, quality process etc. shall be shared with these vendors for learning and operational acquaintance. Manufacturing facility shall be made available for in-house job contract. These vendors shall be provided with test & inspection facilities, engineering drawing and process knowledge if required.

For the items in this category, MIDHANI shall explore the possibility of entering into the MOU with existing vendors for regular requirement. Capability of registered vendors shall be reassessed by Vendor Registration committee (VRC). Items identified are Machining Operations, Conversion operations, Grinding operations, Sand blasting and polishing, Maintenance contracts, In house job contracts, Civil maintenance contract, Transportation contract etc.

Category III: These items are not so technological intensive but imported by MIDHANI. Such items shall be identified and a list shall be published in MIDHANI website under 'Make in India Initiative'. These items shall be assigned to Indian vendors for indigenous development. After receipt of request from vendor for taking indigenous development of items mentioned in the list published in 'Make In India" page of MIDHANI website, a committee shall be formed with approval of C&MD for assessing the technical and financial capability of vendor. The said committee shall visit the manufacturing unit of vendor and do the capability assessment. Committee shall submit a report to C&MD and upon recommendation of committee, necessary technological assistance and capital investment can be provided to vendor after taking approval of C&MD / Board. MIDHANI may place the trial order on the vendor. After successful development of item, if the requirement is regular in nature, a long term agreement shall be made with the vendor for procurement of the said item after analyzing the economical feasibility.

For the items in this category, MIDHANI shall set up a display centre in MIDHANI premises. Items in this category with their specification or chemical composition shall be displayed in the Display centers for the vendors. Periodic advertisement shall be published in national news papers inviting vendors to visit the display centre. Price preference for Indian manufacturer shall be given, if landed cost comes in the margin of 15% with L1 foreign party. The order will be placed on Indian manufacturer provided it matches L1 rate. Purchase order for 60% quantity shall be placed on L1 foreign vendor and 40% quantity shall be placed on Indian manufacturer in such scenario.

Category IV: These items are technology sensitive, strategic and complex in manufacturing. These items require specific vendor development and even vertical integration. Technology

providers also need to be identified in these cases. Collaboration with foreign OEM, Design agencies in India, focused in-house R & D effort are the ways to acquire technology. If the technology has off shoot of larger orders, MIDHANI shall establish Joint venture with private vendors, acquisition of indigenous or foreign firms and forming of consortium among DPSUs and vendors etc shall be done based on SoP / Guidelines issued by MoD / Government of India from time to time. A committee shall be formed with approval of C&MD to list out the items and to identify the vendors suitable for manufacturing of these items. Vendors suitable for absorbing such technology shall be identified based on the market survey while considering the existing registered vendors for MIDHANI. Such selection would consider all aspects of the vendor such as Technical strength, Experience in relevant area of technology, financial soundness, experience and qualifications of the key persons, existing customer base, risks involved etc. In case of Joint Venture, a consultant capable to prepare a business proposal may be engaged. In other cases where vendor partnering may require large financial investment, MIDHANI shall support the vendor in establishing the manufacturing facility and / or inspection facility and / or support engineering efforts and / or financial support. In all these cases, hand holding by MIDHANI will be ensured to achieve the objectives of Organization.

For the items in this category, a committee consisting of directors shall decide for the investment in the projects. Projects identified by MIDHANI are Aluminium project, Tungsten project, Production of Metal & Alloy Powder, Carbon fiber, Wire Rod Mill etc.

Standard Operating Procedure for New vendor registration

- 1) Purchase department will receive physical copies of all the new applications filled online or offline for vendor registration.
- 2) Concerned officer of purchase department will prima-facie check the submitted documents with each applications. If necessary supporting documents are not found enclosed then he will do necessary correspondence with vendors. A specified time-frame of 15 days time will be given to vendors to respond and submit the document.
- 3) Purchase department will segregate all the applications and send it to the members of vendor registration committee based on nature of items the supplier is dealing.
- 4) Committee member will verify the applications and specify the items for which the supplier is to be registered with MIDHANI.
- 5) Committee will decide for site inspection of the vendors (if required) to ascertain it's capability. In case site inspection is involved, representative from Purchase, QC and production area will be deputed for such inspection. Evaluation report shall be submitted to the committee as per Annexure – II, III & IV for vendors pertaining to supply of items, Services and Job work respectively.
- 6) All the techno commercial qualified applications then shall be sent to member from Finance department of Vendor registration committee to check the financial credential of the applicant.
- 7) Member from Finance department of Vendor registration committee will offer his comment on applicant's financial credential and all the applications then be forwarded back to Purchase department within 3 weeks of time.
- 8) Minimum cut off for techno commercial and financial evaluation shall be 50%.
- 9) Vender registration committee will meet periodically to review the progress of new vendor registration.
- 10) Final list will be then sent to competent authority for approval.
- 11) Purchase department will provide necessary vendor codes to approved vendors and issue them official letter / certificate in this regard.

MISHRA DHATU NIGAM LIMITED, HYDERABAD**SUPPLIER EVALUATION AND APPROVAL**

Name:

1. ORGANIZATIONAL SOUNDNESS

| Sr No. | PARAMETER | CRITERIA | Max. Marks | Marks awarded |
|--------|--|---|------------|---------------|
| 01 | Company type, Submitting proper documents (Ownership, Registration certificate, PAN no., VAT no, CST no, Excise duty details, Service Tax no) as applicable | Submitted fully : 10 In adequately submitted : 00 (Ranges from 0 - 10) | 10 | |
| 02 | Year of commencement of Business | More than 5 years :10 2-5 years :05 1-2 Years :03 Less than 1 year :00 | 10 | |
| 03 | Registration Or Business with PSU/DPSU (1 mark for each registration) | Yes :05 No :00 | 05 | |
| 04 | Registration for authorized Dealership / Distributor representative certificate / Manufacturer | Yes :03 No :00 | 03 | |
| 05 | ISO 9001-2008 Accreditation | Yes :02 No :00 | 02 | |
| | TOTAL | | 30 | |

Scope of work:

Remarks by the committee :

Recommended / Not recommended for Registration to MIDHANI.

Name and Signature of Committee members

| | | | |
|---------------------------------|--------------------------------|-------------------------------|---------------------------|
| | | | |
| Technical Representative | Purchase Representative | Finance Representative | Committee Chairman |

MISHRA DHATU NIGAM LIMITED, HYDERABAD**SERVICE PROVIDER EVALUATION AND APPROVAL**

Name:

1. ORGANIZATIONAL SOUNDNESS

| Sr No. | PARAMETER | CRITERIA | Max. Marks | Marks awarded |
|--------|--|---|------------|---------------|
| 01 | Company type, Submitting proper documents (Ownership, Registration certificate, PAN no., VAT no, CST no, Excise duty details, Service Tax no) as applicable | Submitted fully : 10 In adequately submitted : 00 (Ranges from 0 - 10) | 10 | |
| 02 | Year of commencement | More than 5 years :10 2-5 years :05 1-2 Years :03 Less than 1 year :00 | 10 | |
| 03 | Registration Or Business with PSU/DPSU (1 mark for each registration) | Yes :05 No :00 | 05 | |
| 04 | Copies of previous work executed are attached | Yes :03 No :00 | 03 | |
| 05 | ISO 9001-2008 Accreditation | Yes :02 No :00 | 02 | |
| | TOTAL | | 30 | |

Scope of work:

Remarks by the committee :

Recommended / Not recommended for Registration to MIDHANI.

Name and Signature of Committee members

| | | | |
|---------------------------------|--------------------------------|-------------------------------|---------------------------|
| | | | |
| Technical Representative | Purchase Representative | Finance Representative | Committee Chairman |

MISHRA DHATU NIGAM LIMITED, HYDERABAD**SUB-CONTRACTORS EVALUATION AND APPROVAL**

Name:

1. ORAGANIZATIONAL SOUNDNESS

| Sr No. | PARAMETER | CRITERIA | Max. Marks | Marks awarded |
|----------|---|---|------------|---------------|
| 01 | Year of commencement | More than 5 years :10 2-5 years :05 1-2 Years :03 Less than 1 year :00 | 10 | |
| A | ESSENTIAL PARAMETERS | | | |
| 01 | Manufacturing & handling facilities along with adequate floor space availability with reference to capacity for the product to be processed | Yes :05 No :00 | 05 | |
| 02 | Technical competence and Skilled / trained man power | 50% of total strength :03 Below 50% :00 | 03 | |
| 03 | Good housekeeping and traceability to input / raw material and accepted / rejected / reusable item | Yes :03 No :00 | 03 | |
| 04 | Inspection of finish product before dispatch. | Yes :03 No :00 | 03 | |
| 05 | Availability of adequate calibrated instruments / gauges / test equipments. | Yes :03 No :00 | 03 | |
| 06 | Availability of copy of registration / incorporation. | Yes :03 No :00 | 03 | |
| 07 | Solvency certificate/ IT return /P&L and balance sheet | Yes :02 No :00 | 02 | |
| 08 | Copy of sales tax / Service tax registration. | Yes :02 No :00 | 02 | |
| B | DESIRABLE PARAMETERS | | | |
| 01 | ISO certification | Yes :03 No :00 | 03 | |
| 02 | Availability of separate QC division | Yes :03 No :00 | 03 | |
| 03 | Past experience / expertise in supply of similar products. | Yes :02 No :00 | 02 | |
| 05 | Existing customer list (PSU's & Govt) | Yes :04 No :00 | 04 | |
| C | PARAMETERS SPECIFIC TO THE NATURE OF JOB | | | |
| 01 | Raw material / input material purchased from standard source with test certificate | Yes :03 No :00 | 03 | |

| | | | | | |
|----|--|-----------|------------|-----------|--|
| 02 | Pre inspection of material before use. | Yes No | :03 :00 | 03 | |
| 03 | Generation and maintenance of records at various stages. | Yes No | :03 :00 | 03 | |
| 04 | Availability and understanding of related standards / procedures / drawings / quality assurance plans / process specifications / work instruction. | Yes No | :03 :00 | 03 | |
| 05 | Adherence to written down process specification / work instruction | Yes No | :03 :00 | 03 | |
| 06 | Surface protection and packing to ensure damage free supplies. | Yes No | :03 :00 | 03 | |
| D | GENERAL | | | | |
| 01 | Is there a system to trace back the history of material/ part. | Yes No | :03 :00 | 03 | |
| 02 | Is there effective material Accounting system for input/ output/ scrap generation & process loss. | Yes No | :03 :00 | 03 | |
| | TOTAL | | | 70 | |

Scope of work:

Remarks by the Committee :

Recommended / Not recommended for Registration to MIDHANI.

Name and Signature of Committee members

| | | | | |
|---------------------------------|--------------------------|--------------------------------|-------------------------------|---------------------------|
| | | | | |
| Technical Representative | QC Representative | Purchase Representative | Finance Representative | Committee Chairman |

Indent Price Estimate Format

1. **For Frequently Purchase items** i.e., items purchased atleast once during last two years: The estimate shall be based on the Last Purchase (LPP).

| Last PO No | Last PO Date | Item Description | Unit Rate |
|------------|--------------|------------------|-----------|
| | | | |
| | | | |
| | | | |

2. **For Infrequently Purchase items** i.e., items not purchased in last two years / First Time Procurement (FTP): The estimate shall be made based on Market Index / GeM / Budgetary Quotation (BQ).

In case of BQ, ideally 3 BQs from reputed sources to be taken and 85% of the Lowest BQ shall be considered for calculating estimate. In case of less than 3 BQs, reasons to be recorded in the Indent approval. In case of Market Index / GeM, 100% of Lowest price shall be considered for estimate.

3. For procurements of Assembly /Machine above Rs. 10 crore, Indents of which item is a part or vice-versa, estimate could be prepared through rough estimate from price of the item and through internal or external expert costing agencies.

NOTE: Detailed Price estimate Calculation Sheet shall be enclosed a/w e-Office approval note and a/w ERP Indent.

FREIGHT AND CLEARANCE CHARGES FOR FCL SHIPMENTS

| 1. Freight Charges | | | |
|--|-----------------------|-----|---------------------------------------|
| Particulars | For 20/40 T Container | | For 20/40 * X Containers per shipment |
| | USD | Rs. | |
| 1. FOB - Charges for 20 T container | | | |
| Freight | | | A * X |
| Charges collect fees-CC (5% on Freight, if applicable) | | | D * X |
| 1. Freight Charges IN Rs. | | | 0.00 |

| 2. Other Freight Charges | | | |
|--|-----------------------|---------------|---------------------------------------|
| Particulars | For 20/40 T Container | | For 20/40 * X Containers per shipment |
| | USD | Rs. | |
| Inland haulage charges - IHC | | | F * X |
| DO fees (per shipment) | | | |
| Import general manifest - IGM charges (per shipment) | | | |
| GST 18% on above | | As applicable | As applicable |
| 2. Other freight charges | | 0.00 | 0.00 |

| 3. Custom clearing charges | | | |
|--|-----------------------|-------------|---------------------------------------|
| Particulars | For 20/40 T Container | | For 20/40 * X Containers per shipment |
| | USD | Rs. | |
| Concor charges | | | J * X |
| Agency charges (latest rates from CHA) | | | |
| Crane charges | | | L * X |
| EDI charges | | | 35 |
| Fork lift charges | | | N * X |
| Transportation (From Customs to MIDHANI) | | | |
| Opening and repacking charges | | | P * X |
| GST 18% on above or as applicable | | | AS APPLICABLE |
| 3. Total Custom clearing charges | | 0.00 | 0.00 |

Note: 1) Values to be mentioned as per latest rates available/obtained from CHA

2) GST on above to be set off while Landed Cost calculations

FREIGHT AND CLEARANCE CHARGES FOR LCL SHIPMENTS

| 1. Freight Charges | per CBM | | Total |
|---|---------|-----|-------|
| | USD | Rs. | Rs. |
| FOB - Charges for LCL shipment per CBM | | | |
| Freight | | | |
| Charges collect fees-CC (5%) | | | |
| 1. Freight Charges (Sum of above) in Rs. | | | |

| 2. Other freight charges | per CBM | | Total |
|---|---------|---------------|-------------|
| | USD | Rs. | Rs. |
| LCL charges | | | |
| Inland haulage charges - IHC (From Port to Hyderabad) | | | |
| DO fees | | | |
| Import general manifest - IGM charges | | | |
| GST 18% on above (or as applicable) | | As applicable | |
| 2. Other freight charges (Sum of Above) | | 0.00 | 0.00 |

| 3. Customs Clearing charges | per CBM | | Total |
|--|---------|-----|-------|
| | USD | Rs. | Rs. |
| Central warehousing corp. charges | | | |
| Agency charges (latest rates from CHA) | | | |
| Crane charges | | | |
| EDI charges | | | |
| Fork lift charges | | | |
| Transportation (From Customs to MIDHANI) | | | |
| Opening and repacking charges | | | |
| GST 18% on above | | | |
| 3. Total Custom clearing charges | | | |

Note: 1) Values to be mentioned as per latest rates available/obtained from Balmer Lawrie
2) GST on above to be set off while Landed Cost calculations

For Air Shipments, above table only may be used with applicable charges

**Standard Operating procedure for loading of various cost component of Imported/
Hybrid offers to arrive at landed cost**

Format for Comparative statement to arrive at Landed Cost in case of Import offers is placed at Annexure – A and details of Freight and Clearance charges for Full Container Load (FCL) and Less than Container Load (LCL) shipments are at Annexure – B & C respectively. Cost loading procedure shall be as under:

| Sr. No | Cost component | Cost loading procedure |
|--------|-------------------------------|---|
| 1 | Exchange rate | i. Exchange rate for the foreign currencies shall be considered as on Price bid opening date. Exchange rate shall be taken from the website of RBI/ FBIL . |
| 2 | Custom Duty | i. For regular imported material Custom tariff heading (CTH) code and custom duty rate shall be taken based on previous Bill of Entry. ii. In case of First time import/ Capital equipment, Parties shall be asked to indicate Custom tariff code in their offers. However, if not provided, it shall not be a disqualification criteria. iii. In case, different codes given by suppliers then it shall be confirmed before price bid opening from CHA currently M/s Balmer Lawrie/website of CBEC. iv. Customs Duty rate shall be as per CTH, Country of Origin from website of CBEC, BCD benefits as per COO format, if applicable. v. In case of Customs Duty exemption, the same shall be indicated in the tender. |
| 3 | Terms of Delivery | i. Suppliers shall be asked normally to quote on FOB basis. ii. In tender, it shall be mentioned that in case party prefers for other Terms as per INCOTERMS then they must also mention their FOB prices. iii. MIDHANI shall reserve the right to place order on either FOB or other Terms as per INCOTERMS. |
| 4 | Freight and clearance Charges | i. Freight charges shall be considered based on Port of Loading. ii. Freight and clearance charges shall be taken from CHA currently M/s Balmer Lawrie before price bid opening. iii. The estimate shall also be verified according to available trends. iv. In case of Capital Equipment, Suppliers shall be asked in the tender to indicate whether the shipment shall be FCL or LCL and number of containers in the techno-commercial bid. In case it is not feasible to indicate number of containers, suppliers shall be asked to provide weight and volume of the consignment. v. Calculation of Freight and clearance charges shall be as per Annexure A & B. |

| | | |
|---|---|--|
| 5 | Interest charges | <ul style="list-style-type: none"> i. Interest charges shall be loaded suitably to arrive at landed cost in case of offers received from both Indigenous Suppliers and Import Suppliers to arrive at landed cost. ii. In case Suppliers quoting payment terms other than mentioned in the tender, then interest charges shall be loaded suitably to arrive at landed cost. iii. Interest charges shall be taken based on One year MCLR rate + 0.5% of SBI prevailing on the date of Technical bid opening. |
| 6 | LC Charges | <ul style="list-style-type: none"> i. LC charges prevailing as on techno-commercial bid opening date shall be taken as per SBI, considering the concession available to MIDHANI. ii. LC Charges shall be loaded as per Delivery Period of the Tender (on Quarter wise). |
| 7 | Pre Dispatch Inspection (PDI)/ Training Charges | <ul style="list-style-type: none"> i. Wherever PDI/Training at Manufacturer's site is applicable, total no. of persons and days has to be mentioned in the MPR/CPAR itself. ii. PDI/Training charges shall be obtained from finance before price bid opening. |

Points to be included in the Tenders where Import offers are expected:

- i. Customs Tariff Code for various components shall be indicated in the offer.
- ii. Offers in Foreign Currencies shall be normally on FOB basis. However, in case any other Terms as per INCOTERMS are quoted, FOB price must be indicated. MIDHANI shall reserve the right to place order on either FOB or other Terms as per INCOTERMS.
- iii. Indicate whether the shipment shall be FCL (Full Container Load) or LCL (Low Container Load) and number of containers in the techno-commercial bid. In case the same is not feasible, indicate the volume and weight of the consignments.
- iv. Exchange rate for the foreign currencies shall be considered as on final scheduled techno-commercial bid opening date. Exchange rate shall be taken from the website of RBI.
- v. Landed Costs shall be calculated on FOB Costs considering the following:
 - a. Freight, Insurance and Clearance Charges (as per the port of Loading) till receipt of material in MIDHANI.
 - b. Duties applicable after considering ITC benefits.
 - c. Interest Charges for normalizing payment terms (if any), based on One year MCLR rate + 0.5% of SBI prevailing on the date of Technical bid opening.
 - d. LC charges prevailing as on techno-commercial bid opening date as per SBI taking into account the Delivery Period.
 - e. Pre Dispatch Inspection/Training Charges, if any, for Inspection by MIDHANI.
- vi. Freight charges whichever is lower either (i) from offer, In case of other than FOB price or (ii) our internal prices in case of FOB Price shall be considered.

Standard Operating Procedure for Multi Currency Bidding with e-Reverse Auction

In Multi-Currency tendering, the following factors are to be decided after Techno-Commercial bid opening due to reasons mentioned therein, (since this information/data is not available as on the tender publishing date):

| S. No | Factor | Reason |
|-------|--------------------------|---|
| 1 | Currency / Exchange rate | As per existing system, Exchange rate shall be considered as on final scheduled Techno-Commercial bid opening date for bid evaluation and for comparison purpose. |
| 2 | Customs Duty | Actual Concessions for specific Bidders (depending on Country of Origin) are known only after Techno-Commercial bid opening. |
| 3 | Ocean Freight | In case of FOB quotations, Ocean freight depends on the supplier's Port of Loading, which is known only after Techno-Commercial bid opening. |

In view of the above difficulties, at the time of tender publishing "Tender BOQ sheet" shall be prepared considering the following conditions to arrive at Landed Cost by the system and the lowest Landed Cost arrived shall be the "Start Price" for Reverse Auction:

(A) Conditions in Tender for preparing "Tender BOQ sheet":

1. Exchange Rate considered is as on Tender Publishing Date. Exchange rates as on Price bid opening date shall be updated before Reverse Auction.
2. Initially, Freight Charges equivalent to USD___/MT or ___/Container Load shall be loaded for all FOB/FCA Offers (based on last Purchase Order freight rates). However, Final Freight charges shall be loaded by MIDHANI during evaluation after taking from contracted CHA i.e., at present M/s. Balmer Lawrie & Co Ltd., on case-to-case basis before Reverse Auction.
3. Initially, Local Freight Charges & Clearance Charges equivalent to INR___/MT or ___/Container Load shall be loaded for all Import offers (except DDP/FOR basis). However, Final charges shall be loaded by MIDHANI during evaluation before Reverse Auction as per MIDHANI CHA agreement.
4. Initially, Customs Duty shall be considered standard as per CBIC tariffs, without consideration of any concessional duties applicable. However, Actual Duties (after Concessions, if any, subject to confirmation of submission of required Documents in the Techno-Commercial bid) shall be loaded by MIDHANI during evaluation before Reverse Auction.

Note: These values are subject to variation as per tender terms & conditions and final rates for L1 calculation shall be updated before Reverse Auction.

With the above conditions, tender Bill of Quantities (Price Bid) sheet shall be prepared at the time of publishing the tender to arrive at Landed Cost against each participating bidder.

Due to difference in concessional Customs Duty % and actual Customs Duty %, situation may arise that in some cases the RA start price may be higher than the Landed Cost amount calculated based on initial offer price.

However, in no case, Bidder can increase their initial offer price during RA. In such case MIDHANI has right to consider the initial offer price only at the time of release of Purchase Order (PO) MIDHANI has right to cancel the tender.

(B) Evaluation:

Once Techno-Commercial bids are opened, Actual values shall be loaded as below:

- i. Exchange rates are frozen as on final scheduled Techno-Commercial bid opening date;
- ii. Ocean Freight, In-land Haulage & clearance charges shall be considered based on mode of shipment and port of loading in consultation with CHA;
 - Applicable Ocean freight rates shall be taken from CHA, case to case basis.
 - Clearance charges will be loaded based on number of shipments and as per CHA contract rates by MIDHANI during evaluation before RA.
- iii. Bidder-wise concessional Customs duties applicable (if any) shall be frozen.

Post technical evaluation, since the actual rates to be loaded are frozen as indicated above at (i), (ii), (iii), bidder-wise reverse calculation sheets shall be prepared by Purchase dept, vetted by Finance dept and shared to all the Foreign Bidders by Purchase dept prior to Reverse Auction.

(C) Reverse Auction:

Reverse Auction shall be conducted on the lowest Landed Cost and shall start from the RA Start price (given by NIC System). Based on the Calculation sheets sent by MIDHANI (e-mail), Bidders shall participate in RA entering their final Landed Costs and L1 bidder shall be decided. Post RA, Original Quoted Prices of all qualified bidders also shall be available along with their final Landed Prices in the RA. A detailed comparative chart shall be prepared for prices (a) before RA and (b) After RA before processing the file for PO placement.

Framework for implementation of 'Make-II' Procedure at MIDHANI

Introduction:

1. The 'Make' procedure for "Indigenous Design, Development and Manufacture" (IDDM) of Department of Defence production has been simplified under sub-category 'Make-II' with an objective of wider participation of Indian industry, impetus for MSME / start-ups sector, simplified implementation, and timely induction of Indian inputs. In this sub-category, no Government funding is envisaged for prototype / sample development purposes but provides assurance of orders on successful development and trials of the prototype / sample. Number of industry friendly provisions such as relaxation of eligibility criterion, minimal documentation, provision for considering proposals suggested suo-moto by industry etc. have been introduced in the Make-II Procedure.
2. Indian vendors as detailed in **Annexure-I** to this framework, are eligible for participation for prototype / Sample development process.
3. Projects under this framework will involve prototype / sample development of equipment / system / material or their upgrades or their sub-systems / sub-assembly / assemblies / components / material, primarily for import substitution / innovative solutions, for which no funding will be provided by Midhani for prototype / sample development purposes.
4. Projects with estimated cost of prototype / sample development phase not exceeding Rs. 75 Lakh will be earmarked for MSMEs / Startups. However, if no MSME / Startup expresses interest for such proposal, the same may be opened up for all.

Development Process steps:

5. The development & procurement process under this scheme would involve the following functions:-
 - i. Formulation of Proposal by Indigenization Committee (IC).
 - ii. Approval of proposal by C & MD.
 - iii. Issue of Expression of Interest (EoI).
 - iv. Evaluation of EoI responses.
 - v. Award of Project Sanction Order
 - vi. Design and Development of Prototype / sample
 - vii. Solicitation of Commercial Offer.
 - viii. Trials & evaluation of prototype / sample
 - ix. Commercial negotiations by Price Negotiation Committee (PNC).
 - x. Award of Procurement Contract / Purchase Order.

Formulation of Proposal:

6. Based on Indigenization plan of MIDHANI, MIDHANI will identify the potential Make-II projects. List of projects shall be hosted on MIDHANI / Make in India websites, along with Project brief, inviting the willingness of Industry to participate in the aforesaid potential projects.

Approval of proposal:

7. Indigenization Committee (IC) will formulate the proposal indicating the quantities required, estimated project cost (Cost of development of prototype / sample and cost of subsequent procurement) and technical specifications / preliminary specifications. In Case technical specifications are not known, the same will be formulated by Indigenization Committee. The quantities for the subsequent procurement will be structured around following considerations:
 - i. Visibility of orders.
 - ii. Economic viability of the project.
8. Approval for the proposal shall be obtained from C&MD for quantities required, Estimated Project Cost (Cost of development of prototype / sample and cost of subsequent procurement) & Technical/ Preliminary specifications. Following would be highlighted while seeking approval:
 - i. Estimated development cost & procurement cost.
 - ii. Quantities required post the successful development of prototype / sample.
 - iii. Acceptability of Multiple Technological Solutions, if any
 - iv. Single vendor situation for cases where an innovative solution has been offered by an individual or a firm.
9. Approval for proposals will be valid for six months. For cases where EOI is not issued within six months from accord of approval, C&MD will revalidate the approval after due justification by IC.
10. Indigenization Committee shall, inter-alia, carry out the following important functions: -
 - i. Preparing of EOI.
 - ii. Evaluation of EOI responses.
 - iii. Issue of Project Sanction Order.
 - iv. Monitoring and reporting of aspects relating to prototype / sample development including generation of Intellectual Property.
 - v. Any other responsibilities as entrusted by the C&MD.

Issue of Eoi:

11. Purchase department shall get the Eoi hosted at MIDHANI / Make in India Website formulated by IC, inviting Company (ies) to participate in development process. The Eoi will contain the following:
 - i. Technical specifications / Preliminary specifications
 - ii. Scope of the project including number of Prototypes / samples required.
 - iii. Time frames and critical activities.

- iv. Cost sharing mechanism for trials may be specified with the objective to facilitate the development process.

Or

List of trials / items / facilities / consumables that will be provided free of cost and also specify 'number of times' such free trials will be allowed.

- v. Quantities in procurement phase.
- vi. Acceptability of Multiple Technological Solutions, if any and splitting of procurement quantities between L1 & L2 etc.
- vii. Details of Evaluation Criteria for assessment of EOI response.

Evaluation of Eol responses:

- 12. Responses to Eol shall be evaluated as per criteria given in Eol and shall be approved by the Competent Authority. All the shortlisted companies will be called Development Agencies (DAs).
- 13. Project shall be progressed ahead, even if only one Eol respondent is found meeting the evaluation criteria.
- 14. Project Sanction Order with 'Nil' financial implications shall be issued after obtaining approval of C&MD.

Time Overrun:

- 15. The approval of extension of timelines for any 'Make-II' project may be accorded by C&MD, on recommendations of IC. In case, only one vendor has offered the prototype / sample within timelines stipulated in the Project Sanction Order, the other DAs will not be accorded more than two time-extensions, and thereafter, the case will be progressed as resultant Single Vendor Case (SVC).

Design and Development of Prototype / Sample:

- 16. Indigenisation Committee (IC) will act as the primary interface for DA(s) during the design and development stage and will facilitate the following: -
 - i. Provision of requisite professional inputs / documentation / samples to industry.
 - ii. Providing clarifications related to functional or operational aspects of the equipment.
 - iii. Coordinate trials including provisioning of trial range / platforms / test facilities / consumables, etc., as mentioned in the Eol.

Solicitation of Commercial offers:

- 17. A commercial Request for Proposal (RFP) for 'Procurement phase', as per their extant procedure, will be issued to all DAs for submission of their commercial offer prior to commencement of trials.

18. The quantities in Procurement phase cannot be reduced from the quantities indicated in EoI issued for the prototype / sample development phase.

User Trials & evaluation:

19. User trials would be carried out by Midhani to validate the performance of the prototype / sample offered by DA / DAs.
20. Projects, where prototype / sample of only a single firm / individual clears the trials, shall be progressed as resultant single vendor.

Commercial Negotiations by Price Negotiation Committee (PNC):

21. The Estimated cost at the time of approval will be calculated on the basis of last purchase price or the Market price of the imported item being substituted. Negotiation shall be carried out as per existing Purchase Policy. For products, which are being developed under 'Make-II' as an import substitute and their prices are known, no benchmarking & no negotiation will be carried out, even in single vendor cases, if the offered price is lower than estimated cost by 20% or more. However, in such cases, the Competent Financial Authority (CFA) will satisfy himself / herself that the price of the selected offer is reasonable with respect to the approved cost and consistent with the quality required.
22. After PNC, the extant procurement procedure of Midhani would be followed and the Procurement contract / Purchase Order would be signed as per financial powers. The Pre-Contract Integrity Pact (PCIP) shall also be signed with DA.

Multiple technological solutions:

23. In cases involving large quantities and where multiple technological solutions are acceptable, an option may be provided in the EoI and subsequently in the Commercial RFP for the 'procurement' phase for procurement of specified quantities (in the ratio of 70:30) from L2, L3 etc vendors who have successfully developed the prototype / product, on the condition that this L2, L3 etc vendors accepts the price and terms & conditions quoted by the L1 vendor.
24. In case, multiple technological solutions are not acceptable, the successful other vendors will be issued a certificate indicating that the product has been successfully trial evaluated, to facilitate such vendors to explore other markets and remain in the production of the product.

Long Term Contracts:

25. In case the quantities required for an item to be indigenized are small and do not make economic case for incurring development/indigenization cost, MIDHANI may project the demand of the said item over a longer period of up to 10 years to make it economically attractive for the industry to invest in its development/indigenisation. However, no commitment with respect to quantities can

be given. MIDHANI shall enter into a long term MOU instead of PO/Contract with the successful bidder.

26. Appropriate Price variation clause shall be incorporated to take care of price variations over a period of time. In addition, relevant exchange rate variation shall also be applicable.
27. Items for which international benchmark indices are available (LME/MB etc), the price shall be based on such index. For non index based items, international price shall be discovered through tendering at appropriate intervals and the price shall be based on the ratio of international price and the price quoted by the bidder at the start of the MOU.

Intellectual Property Rights (IPRs):

28. DA and MIDHANI shall be co-owner of Intellectual Property generated during the development of project and each of the co-owners will have independent rights to exploit the IP rights, to his own benefit, without the consent of co-owner.

Project Management, Review and Monitoring:

29. The progress of the project would be monitored by Indigenization Committee (IC) on regular basis. MIDHANI may engage services of independent consultants / experts for assessing the physical and / or financial progress of the project.
30. Review of the projects shall be carried out on Quarterly basis and Quarterly Report shall be sent to DDP.

Foreclosure:

31. No Foreclosure of the Project will be done after issue of Project Sanction Order, other than for reasons of default / non-adherence to Project Sanction Order by Vendors. However, if rates quoted by the DA in procurement phase are found to be abnormally high, MIDHANI will reserve the right to foreclose the procurement process.
32. All deviations on matters concerned with 'Make-II' cases not covered under this framework, shall require prior approval of C&MD.
33. Any grievance during the process shall be redressed through extant mechanism existing at MIDHANI level.

Indicative Eligibility Criteria for responding to EoI

1. All the entities (except start-ups / MSMEs) satisfying all of the following criteria shall be considered as an eligible 'Indian Vendor' for evaluation of EoI:-

- i. Public limited company, private limited company, partnership firms, limited liability partnership, one Person Company, sole proprietorship registered as per applicable Indian laws. In addition, such entity shall also possess or be in the process of acquiring a license / development of products if the product under project requires license as per DIPP's licensing policy.
- ii. The entity has to be owned and controlled by resident Indian citizens; entity with excess of 49% foreign investment will not be eligible to take part in Make-II.

2. Criteria for Start-ups:

- i. Start-ups recognized by Department of Industrial Policy & Promotion (DIPP) under the eligible Domain / Category as per **Annexure-II**, shall be eligible to participate.

Categories & Domains of Start-Ups eligible for participation in Make-II

| Sl. No | Category |
|---------------|-----------------|
| (i) | Engineering |
| (ii) | Manufacturing |
| (iii) | Research |
| (iv) | Government |

| Sl. No | Industry Domain |
|---------------|------------------------|
| (i) | Raw materials |
| (ii) | A.I |
| (iii) | IT Services/IOT |
| (iv) | Capital Equipment |
| (v) | Green Technology |
| (vi) | Defence & Aerospace |
| (vii) | Material Manufacturing |

SOP for dealing Strategic / Confidential Procurements in MIDHANI

1.0 BACKGROUND

MIDHANI is procuring Intermediate / Finished products directly from bidders instead of procuring Raw material and processing internally, in view of the following one or more reasons:

- Commercial advantage / Cost effective measure.
- In-house facilities are occupied (or) not available.
- Customer requirements (Nomination procurements, short delivery etc) (or) Customer directive.

Risk(s) involved with these procurements and how to mitigate the Risk(s):

With Make-In-India (MII) initiative, competitors are focusing (or) concentrating more on what MIDHANI is doing. Sharing / publishing the confidential information viz., technical specifications, processes etc., to outsiders is a threat to MIDHANI. Hence, it is very important to have a proper document in this aspect which insulates MIDHANI from future risks.

| RISK | MITIGATION |
|---|---|
| Losing the Business in the absence of proper SOP / documentation in cases of Confidential Procurements. | Defining the criteria for Confidential / Strategic procurements and to create a SOP for these procurements, in-line with Government guidelines and to incorporate the same in the Procurement Process to safeguard the interest of MIDHANI. |

2.0 OBJECTIVE

To define, confidential procurements and to create an SOP in-line with broad Government guidelines and to incorporate the same in the Procurement Process, to enable the Management for decision making.

3.0 SCOPE

This procedure is applicable for all cases of strategic / confidential procurements.

4.0 RESPONSIBILITY

A committee consisting of dealing officials from Indenting department, Marketing department, Finance department & Purchase department are responsible to raise an Indent under this category of procurement.

5.0 ACCOUNTABILITY

Head of Purchase Department

6.0 DEFINITIONS

Strategic Information: The strategic information / goals refers to what an Organization wants to achieve in the short term or long term. The following is the broad guideline to formulate strategic information:

External input:

Macro-economic environment, what competitors are doing, change in Government policies, etc.

Internal input: Company vision and mission, top management input, audit and feedback, past learning, short term / long term plans, future challenges, etc.

Confidential information: If disclosure of any information, whether technical or scientific, in the form of samples, models or otherwise, documents, drawings, designs, process, trade secret, proprietary technology, IPRs or any other information, causes damage to the Organisation, then that information should be classified as the “Confidential information”.

In specific cases (including nomination cases), where strategic issues are involved on the basis of confidentiality should also be classified as the “Confidential information”.

7.0 PROCUREMENT PROCEDURE

Indent / Purchase requisition:

- Classifying the Indent under the “Strategic / Confidential” category is very important and it is the responsibility of the committee as mentioned at para (4) above.
- While raising the Indent, the committee should clearly furnish the adequate justification in writing, for procuring the required materials under Strategic / Confidential nature on the Indent that fit into the definitions given at para (6) above.
- Irrespective of Indent value, Chairman & Managing Director is the competent authority for approving these Indents. Prior financial concurrence needs to be obtained before the final approval.

- Since the Tender information is kept secret, Source selection and making the Indent estimation should be very transparent and accountable.
- **Value-Chain climbing** is a concept wherein, the supplier becomes a competitor after gaining enough expertise to make the products and compete in the same market with Organization. Hence, during the selection of Sources, the risk of suppliers to become the potential competitor to MIDHANI in future need to be assessed by the committee and such sources should not be included in Suggested Sources.
- Single Tender procurement shall be done only in cases of Customer Nominated procurements and from Government agencies. In all other cases of procurement, Limited Tender procedure shall be followed.
- Considering the secrecy of the information involved, no Open Tender / Advertisement Tender shall be adopted for these Indents and Indents shall be raised in Manual mode only.

Publishing the Tender / Methods for Calling Tender :

- Procuring these Goods & Services and hosting them on web (or) advertising will not safeguard the legitimate commercial interest of MIDHANI.
- Once the committee justifies that the required materials are to be procured under Strategic / Confidential nature and the same is approved by the Competent Authority i.e., Chairman & Managing Director, Purchase Department shall float the tender to the approved sources only in Manual mode of Tendering.

Evaluation of Bids:

Evaluation of Bids is one of the most significant areas of Purchase and the process must be transparent. All tenders are to be evaluated by the committee strictly on the basis of the terms and conditions incorporated in the tender document. No tender enquiry condition (especially the significant/ essential ones) should be overlooked/ relaxed while evaluating the tenders. The aim should be to ensure that no tenderer gets undue advantage at the cost of other tenderers and/ or at the cost of Procuring Entity i.e., MIDHANI. Information relating to evaluation of tenders should be confidential and not shared with persons not officially connected with the process.

Confidentiality of Process:

Information relating to the examination, clarification, evaluation and comparison of bids, and recommendations for the Award of a Contract, shall



not be disclosed to bidders or any other person not officially concerned with the process until the award to the successful bidder has been announced.

8.0 Signing of Non-Disclosure Agreement (NDA):

Disclosure of Confidential information from one party (the Disclosing Party) to the other party (the Receiving Party) shall be under the agreement in writing called “Non-Disclosure Agreement”.

The tenderer(s) has to enter into a “Non-Disclosure Agreement”, with MIDHANI prior to issue of Tender. If the signed NDA is not submitted by tenderer(s) within the stipulated time, those tenderer(s) shall not be considered for issue of tender enquiry. Signing of NDA is mandatory in all these procurements. Format is enclosed at ANNEXURE.

9.0 GOVERNMENT GUIDELINES ON EXEMPTION FOR E-PUBLISHING

Various Government Guidelines giving the exemption for e-Publishing of tenders involving confidentiality, National security and Strategic importance are tabulated below:

| Source | OM No & Date | Clause No. & Content |
|--|---------------------------------------|--|
| Department of Expenditure, Ministry of Finance | OM No. 10/1/2011-PPC dated 30.11.2011 | <p>d. e-Publishing: Individual cases where confidentiality is required, for reasons of National Security or to safeguard legitimate commercial interest of CPSE's, would be exempted from the mandatory e-publishing requirement.</p> <p>As far as Ministries / Departments are concerned, decisions to exempt any case on the said grounds should be approved by the Secretary of the Ministry / Department with the concurrence of the concerned Financial advisor.</p> <p>In cases of CPSEs, approval of the Chairman & Managing Director with the concurrence of Director (Finance) should be obtained in each case to be exempted.</p> |
| CVC Manual, 2017 | Chapter - IX | 9.10 Leveraging Technology: In certain procurement cases where National Security and strategic considerations demand confidentiality, the Ministry / Department may exempt such cases from e-Procurement after seeking the approval of the Secretary of the Ministry / Department, with the concurrence of their internal Financial Advisor. |

| | | |
|--|---------------------------|--|
| | | All other procuring entities, not within the ambit of the instructions of Ministry of Finance, may suitably frame instructions to deal with e-Procurement, with the approval of competent authority. |
| GFR – 2017 | Rule no. 159 (ii) | e-Publishing: Individual cases where confidentiality is required, for reasons of national security, would be exempted from mandatory e-publishing. |
| Manual for Procurement of Works – 2019 | Appendix 3: e-Procurement | 1.0 (iv). In individual cases where National Security and strategic considerations demands confidentiality, Ministries / Dept’s may exempt such cases from e-Procurement after seeking the approval of concerned Secretary and with concurrence of Financial advisers. |

10.0 EXEMPTION FROM DISCLOSURE OF INFORMATION UNDER RIGHT TO INFORMATION ACT (RTI ACT), 2005

Information relating to Commercial Confidentiality, Trade Secrets, Intellectual Property, the disclosure of which would harm, is also exempted from disclosure under different Sections of RTI Act, which are reproduced below:

Section 8(1)(d) in The Right To Information Act, 2005

Exemption under Section 8 (1)(d) relating to commercial confidence, trade secrets itself had not made absolute embargo and if the competent authority is satisfied that larger public interest warrants disclosure, then such an information should be furnished.

Section 8(1)(e) in The Right To Information Act, 2005

Information available to a person in his fiduciary relationship, unless the competent authority is satisfied that the larger public interest warrants the disclosure of such information.

Section 9 in The Right To Information Act, 2005

Without prejudice to the provisions of section 8, a Central Public Information Officer or State Public Information Officer, as the case may be may reject a request for information where such a request for providing access would involve an infringement of copyright subsisting in a person other than the State.



11.0 JOB ROTATION:

Job Rotation of the officials involved in this procurement process, has to be carried out inline with the company Job Rotation Policy.

12.0 Other procedures viz., signing of Integrity Pact; Price Negotiations; EMD; Security Deposit; Award of Contract etc., shall be done in accordance with the Company Purchase Policy & Procedures.

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//By Email/By Post//

LETTER OF INTENT FORMAT (APPLICABLE FOR CONTRACTS)

Ref. No:
To

Date :

Kind Attn:

Email:

Dear Sirs,
Sub:

Ref:

- 1.0 This has reference to your Technical & Commercial offers, subsequent discussions, clarifications & confirmations and the final price offer for the subject item / work.
- 2.0 We are pleased to inform you that your offer for the subject item / work has been accepted by us and the subject item/work is hereby awarded to you at a total value of Rs. /USD _____, as applicable (in words only) including all taxes & duties, as per MIDHANI's terms & conditions of the tender. The above price includes GST component of Rs. _____ on which ITC is available on full amount.
- 3.0 The total time of completion for entire scope of work shall be _____ months from the date of LOI.
- 4.0 You are requested to contact Mr/Mrs. _____, MIDHANI for the subject Supply / work.
- 5.0 Security Deposit (SD) amount of Rs. / USD _____ (as applicable), shall be submitted within 21 days from date of issue of LOI. Placement / Signing of Contract shall be only after submission of SD amount to MIDHANI.
- 6.0 Kindly acknowledge the receipt of this Letter of Intent.

Thanking you,

Yours Sincerely,
For MISHRA DHATU NIGAM LIMITED,

HoD (Purchase)

Guidelines on Debarment of firms from Bidding - MIDHANI

Ref: Procurement Policy Division, Ministry of Finance, Department of Expenditure, Government of India OM dated 02.11.2021.

1. The Guidelines are classified under following two types:
 - (i) In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.
 - (ii) Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

Definitions

2. Firm: The term 'firm' or 'bidder" has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.
3. Allied firm: All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:
 - a. Whether the management is common;
 - b. Majority interest in the management is held by the partners or directors of banned/ suspended firm;
 - c. Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
 - d. Directly or indirectly controls, or is controlled by or is under common control with another bidder.
 - e. All successor firms will also be considered as allied firms.
4. The terms "banning of firm", 'suspension', 'Black-Listing' etc. convey the same meaning as of "Debarment".

Debarment by a Single Ministry/ Department

5. Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/ organizations, keeping in view of the following:
 - a. A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.
 - b. Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017.
 - c. A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid securing Declaration" etc.

- d. It shall not be circulated to other Ministries/Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public sector Undertakings (CPSUs) etc. of the Ministry/Department issuing the debarment order.
 - e. The concerned Ministry/Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
 - f. Secretary of Ministry/Department may nominate an officer at the rank of joint secretary/Additional secretary as competent authority to debar the firms.
 - g. Ministry/ Department that issued the order of debarment can also issue an order for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the order before expiry of debarred period should be done with approval of secretary concerned of Ministry/Department.
 - h. The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.
 - i. Debarment is an executive function and should not be allocated to vigilance department.
6. Code of integrity as contained in Rule 175 of the GFRs is reproduced as under:

No official of the procuring entity or a bidder shall act in contravention of the courts which includes

(i) Prohibition of

- (a) making offer, solicitation or acceptance of bribe, reward or gift on any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
- (b) any omission or mis-representation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
- (c) any collusion, bid rigging or anti competitive behavior that may impair the transparency, fairness and the progress of the procurement process.
- (d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.
- (e) any financial or business transaction between the bidder and any official of the procuring entity related to tender or execution process of the contract which can affect the decision of the procuring entity directly or indirectly.
- (f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.
- (g) obstruction of any investigation or auditing of a procurement process.
- (h) making false declaration or providing false information for participation in a tender process or to secure a contract.

(ii) Disclosure of Conflict of interest.

(iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of the sub-clause (i) with an entity in any country during the last three years or of being debarred by any other procuring entity.

7. It is possible that the firm may be debarred concurrently by more than one ministry/department.

8. Ministries/Departments at their option may also delegate powers to debar bidders to their CPSUs, attached offices/Autonomous bodies etc. in such cases, broad principles for debarment in para 5 as above are to be kept in mind. Debarment by such bodies like CPSUs etc., shall be applicable only for the procurements made by such bodies.

9. Similarly, Government e-Market place (GeM) can also debar bidders upto two years on its portal.

10. In case of debarments under para 8 as above, revocation the debarment orders before expiry of debarred period should be done only with the approval of chief executive officer of concerned CPSUs etc.,

Debarment across all ministries/Departments

11. Where a Ministry/Department is of the view that business dealings with a particular firm should be banned across all the ministries/departments by debaring the firm from taking part in any bidding procedure floated by the central govt. ministries/departments, the ministry/department concerned, should after obtaining the approval of the secretary concerned, forward to DoE a self contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the ministries/departments is in accordance with rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.

12. The firm will remain in suspension mode (i.e., debarred) during the interim period till the final decision taken by DoE, only in the ministry/department forwarding such proposal.

13. Ministry/Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that sufficient opportunity has not be given to the firm to represent against the debarment, such debarment requests received from ministries/department shall be rejected.

14. DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances.

15. No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/Departments/Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.

16. DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

Revocation of Orders

17. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order revocation.

18. A debarment order may be revoked before the expiry of the order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

Other provisions (Common to both types of debarment)

19. No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor

debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.

20. In case, any debar firm has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them.

21. Contracts concluded before the issue of the debarment order shall, not be affected by the debarment orders.

22. The department shall be automatically extended to all its allied firms. In case of joint venture/consortium is debarred all partners will also stand debarred for the period specified in debarment order. The names of partners should be clearly specified in the "Debarment Order".

23. Debarment in any manner does not impact any other contractual or other legal rights of the procuring entities.

24. The period debarment shall start from the date of issue of debarment order.

25. The order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.

26. Ordinarily, the period of debarment should not be less than six months.

27. In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, endeavor should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.

28. All Ministries/Departments must align their existing debarment Guidelines in conformity with these Guidelines within two months of issued of these guidelines. Further, bidding documents must also be suitably amended, if required.

I. **Eligibility Criteria in case of Open Tenders (including GeM Tenders) above Rs. 40 lakhs / Expression of Interest (Eoi):**

Offers from Consortiums as well as from Authorised dealers/representatives on behalf of Original Equipment manufacturers (OEM) are allowed subject to the following (If applicable):

In case of Consortiums:

- Consortium agreement (Memorandum of Agreement) signed by legally authorised signatories of respective consortium members/partners, shall be valid till completion of the contract & Defect Liability Period and shall form part of the Contract.
- Consortium agreement clearly defining the roles and responsibilities of each party and signed by all the consortium members/partners shall be submitted along with the techno-commercial offers.
- BGs to be submitted by each member/partner for value of their respective scope of work and Order/Contract shall be signed by all members/partners of the Consortiums.
- Payments to be made to respective members/partners directly for their respective scope of work (ex: In case of INR payments to Indian Partners in the Consortium etc), which shall be indicated in the techno-commercial offer/authorised by the Lead Partner.
- Lead Partner of the Consortium shall be overall responsible for the execution of the Contract. The Leader and other Members of the Consortium shall be jointly and severally liable for the execution of the Contract, but will be liable for damages in proportion of the respective Contract Price.

In case of participation from Authorised Dealer/Associate/Authorised Representative of Original Equipment Manufacturer:

- Agreement clearly describing the roles and responsibilities of OEM and Associate jointly signed by OEM and the Associate along with the techno-commercial offer. Agreement shall be valid till completion of the contract / order and Defect Liability Period, in case contract/order is awarded to them.
- OEM to submit Authorisation/Undertaking along with the above said agreement which shall read thus

“We are appointing the Project Associate/Authorised Representative _____ who are authorised to submit/participate in the tender on our behalf, use our credentials, conduct discussions/negotiations for the tender and also sign the Contract/Purchase Order on our behalf.

We stand responsible against the actions of our Associate/Representative pertaining to this tender. We shall take the responsibility of technical suitability as per tender/purchase order/contract (if placed), establishment of performance guarantee during commissioning and Warranty/Guarantee during defect liability/Guarantee/Warranty period.”

- Contract shall be signed between the Associate and MIDHANI, however agreement between OEM and the associate(s) shall be an integral part of the Contract.

Offers shall be considered subject to fulfilling of the eligibility criteria as below:

Eligibility Criteria:

| Sl. No | Criteria | Documents required for confirmation |
|--------|---|---|
| 01 | <p><i>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer</i></p> <p>a) Should have been established and operating for a period of at least 05 years prior to the date of Tender.</p> <p>b) Should be a Manufacturer of the Equipment.</p> | <p><u>For (a):</u></p> <ul style="list-style-type: none"> - Certificate of Incorporation issued by the Registrars of Companies "OR" - Certificate of Registration by Registrar of Firms "OR" GST Registration in case of proprietary firms "OR" - Relevant Registration/Incorporation Certificate issued by Concerned State authorities in case of Foreign Firms with proof of address. <p><u>For (b):</u> Self Certified Document that the Company is not a Trading Company</p> <p>Note: Other partners/associate/representative of OEMs shall also submit relevant certificates of Incorporation/Registration certificate.</p> |
| 02 | <p><u>Annual Turnover</u></p> <p><i>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer</i></p> <p>Should have a minimum average annual turnover of <i>(1.2 Times the estimate value) *(12/Delivery period in months)</i> for previous three financial years.</p> | Audited annual accounts |
| 03 | <p><u>Positive Net Worth/Solvency:</u></p> <p><i>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer</i></p> <p>Should have Positive Networkth in each of the previous three financial years</p> <p>"OR"</p> <p>Should submit solvency certificate for <i>40% of the estimate value</i> issued not earlier than 6 months from the date of Tender.</p> | <p>Audited annual accounts</p> <p>"OR"</p> <p>Certificate from a Practicing Chartered Accountant for networth of the company issued not more than 6 months before the date of tender with seal and Membership Number mentioned on the certificate in Original.</p> <p>"OR"</p> <p>a) In case of Indian parties it should be issued by nationalized or scheduled bank from INDIA in Original.</p> <p>b) In case of foreign parties it should be issued by Nationalized or schedule bank from India having a branch in the foreign land or countersigned by Nationalized or schedule bank of India in Original.</p> |
| 04 | <p><i>Bidder (sole)/All Consortium Partners</i></p> <p>Should have PAN/ TAN/TIN/GST registration or Relevant Tax Registration of Foreign parties</p> | <p>a) Copy of registration certificates for Indian parties.</p> <p>b) In case of foreign parties, relevant tax registration certificate from the countries where the company is registered.</p> |

| | | |
|----|---|--|
| 05 | <p>Technical Experience: <i>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer</i> Should have supplied and commissioned at least 01 machine of similar type and same or higher capacity in the last 10 years (to be decided on case to case basis).</p> | <p>Copy of the Contract/Order & other documentary evidence for successful commissioning to be submitted.</p> <p>Parties have to give the details of previous supplies and contact person full details for reference.</p> |
| 06 | <p><i>Bidder (sole)/All Consortium Partners</i> Unconditional acceptance of all commercial terms and conditions.</p> | <p>Self certificated document to be submitted</p> |

II. **Standard Eligibility Criteria in case of Open tenders for Raw Materials including GeM tenders for above Rs. 40 lakhs:**

II (1) Offers from Traders as well as from Authorised agent/dealer/distributors/representatives on behalf of Original Manufacturers (OM) are allowed subject to the following:

- Authorization letter duly signed by the Original Manufacturer to be submitted along with Techno-Commercial bid by the Authorised agent/dealer/distributor/representative/Traders. Authorisation letter shall be valid on the date of opening of tender.
- Authorization letter shall be valid till completion of the Contract / Purchase Order, in case of award of Contract.
- Taking OM Authorization letter is NOT APPLICABLE for NICKEL, COBALT, MOLYBDENUM AND SCRAP procurements.

NOTE: Subsequent to Purchase Order placement if the supplier wants to supply the material from any other OM whose material was earlier has been accepted, the same can be considered by MIDHANI. In this regard, necessary supporting documents to be submitted by the supplier to MIDHANI for verification. On confirmation from MIDHANI only the supplier shall proceed for supplies subject to there is no financial impact due to change in OM. Change of OM after Purchase Order placement is not applicable if MIDHANI is getting the Basic Customs Duty benefit such as under APTA agreement etc., since the same was considered while preparing the landed cost calculation and arriving L-1.

II (2) Offers shall be considered subject to fulfilling of the eligibility criteria as below (Applicable to all new vendors to MIDHANI):

| Criteria | Supporting documents |
|--|---|
| <p><u>Supply experience:</u> Bidder (Original Manufacturer or their authorized agent/dealer/distributor/representative etc.) or their OM, should have supplied similar raw material* in previous five (5) years, prior to the date of tender, for atleast 20% of the tendered quantity (in single or multiple supply orders).</p> | <p>Purchase Order (or) Contract along with Delivery Challan/Invoice copy mentioning the Purchase Order/Contract number as proof of supply.</p> <p>In case of Foreign vendor, Bill of Lading (B/L) document as a proof of previous supply experience shall be submitted along with PO / Contract in place of Delivery Challan.</p> |

(*)

(a) Similar Raw materials include material with same Technical Specification (or) higher as of the Tender.

(b) In case Bidder is unable to submit the supporting documents exactly matching MIDHANI tendered specification i.e., where composition of minor / trace / gas elements is not available, bidder shall submit the supporting documents with material purity of the main element upto 5%.

For example, if the tendered item is pure Nickel metal of 99.9% minimum Nickel then the bidder can submit the past supplies upto 94.9% minimum in the main element.

For Ferroalloys e.g., Ferrosilicon the main element shall be silicon and for High/Low Carbon Ferro Chrome Chromium shall be main element.

(c) In case if bidder is submitting the supporting document as per (b) above, bidder's confirmation for supply of tendered Raw material as per tendered specification shall be submitted along with Techno-Commercial bid. Quotations received without these documents are liable for rejection.

II (3) In cases of procurement of Scrap products: Under Supply / Technical experience, the following to be obtained

"Party shall submit previous Purchase Order copies (for minimum 20% quantity in the last 05 years) for supplying Steel / Alloy scarp material".

II (4) In cases of Semi-finished / Intermediate product requirements: Under Supply / Technical experience, the following to be obtained:

"Only Original Manufacturers of the materials can participate in the tender. Party shall submit previous Purchase Order copies (for minimum 20% quantity in the last 05 years) for supplying similar material. Party shall also submit the Self-certified document along with Company brochure proving the manufacturing capability".

II (5) Submission of OM Test Certificate: Bidder need to indicate OM names / Sources of Supply and shall submit the TC of OM for the offered product / material with all the elements along with quotation. (or) In case of non-submission of OM TC with all the above elements, bidder confirmation to supply the material as per MIDHANI tender specification shall be obtained by Purchase department.



Contact us:
Mishra Dhatu Nigam Limited
Corporate Office,
P.O. Kanchanbagh, Hyderabad – 500 058

