

**Mishra Dhatu Nigam Limited**  
**A Govt. of India Enterprise**  
**P.O. Kanchanbagh, Hyderabad – 500058 (Telangana), India**  
**Phone: 040-2434001 (10 lines), 24184453, Fax: 040-24340764**  
**Website: www.midhani-india.in**

**Tender Notice No: MDN/PUR/46217018/OF/ADVT/146/2021-22**

**Date: 27.08.2021**

**Issue of Tender Documents up to : 27.08.2021 @ 17:30 Hrs.**

**Receipt of tender on or before : 07.09.2021 @ 10:30 Hrs.**

**Opening of Tender Date : 07.09.2021 @ 11:00 Hrs.**

***Rolling of SS 316LN Material***

**List of Tender documents:**

	<b>Pages</b>
<b>1. Scope of Work</b>	<b>2</b>
<b>2. Terms &amp; Conditions</b>	<b>5</b>
<b>3. Bidder Security Declaration</b>	<b>1</b>
<b>4. Form of Bank Guarantee in lieu of Security Deposit</b>	<b>2</b>

**Note: Any Corrigendum/Addendum/Date of Extension, if any to the above tender would appear only on the MIDHANI website ([www.midhani-india.in](http://www.midhani-india.in))**

**Tender details:**

**Rolling of SS 316LN Material**

Sl. No	Material Specification	Input Quantity requirement (MT)	Delivery required
1.	Conversion of forged & ground billets of stainless steel into wire rod coils of size 9.0 mm dia.  Input size(mm): Dia 100-150mm SQR X 4000-6000mm L  Output Size(mm): Dia 9.0mm coils	20 MT	MIDHANI shall issue complete input material in one lot. Rolling work shall be completed within 20 days from the date of receipt of input material at supplier's end.

**Note:** Bidders shall quote prices on input Kg basis.

**Security Deposit:** Successful Bidder SD @ 2.5% of the order value shall be submitted within 21 days from the date of PO or 10 days from the date of issue of 1<sup>st</sup> batch of input material whichever is later, through online payment. In case SD is not submitted within 21 days from the date of Purchase Order or 10 days from the date of issue of input material whichever is later, interest @ 12% p.a. shall be levied for the period of delay beyond 21 days from the date of order or 10 days from the date of issue of input material whichever is later. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor.

**Note:** All Central PSU and Govt. departments are exempted from submission of SD.

SD may be submitted through online mode (RTGS/NEFT) or BG as per format enclosed at Annexure – IV to tender document and in Indian Currency from a Nationalized Bank or Scheduled Bank encashable in India.

The security deposit shall be valid till completion of supply of batch quantity with a claim period of 3 months from the date of expiry of Bank Guarantee and shall remain binding notwithstanding such variations, alternations or extensions of time as it may be made, given, conceded or agreed to between the Contractor and Purchaser.

The Security Deposit furnished by the successful tenderer shall be subject to the terms & conditions of the contract/PO finally concluded between the parties. The Purchaser will not be liable for payment of any interest on the security deposit or any depreciation thereof. Security Deposit shall be refundable after material is received and accepted.

Note: Bidders are requested to contact Mr. K Ravikiran, contact:040 2418 4208 email: [kravikiran@midhani-india.in](mailto:kravikiran@midhani-india.in) for any technical clarifications/quarries and Mr. SujanMondal, contact:040-24184453,email:[smondal@midhani-india.in](mailto:smondal@midhani-india.in) for any commercial clarifications/quarries (if any).

for Mishra Dhatu Nigam Limited

  
सुजान मंडल / SUJAN MONDAL  
प्रबंधक (क्रय) / Manager (Purchase)  
मिश्र धातु निगम लिमिटेड / Mishra Dhatu Nigam Limited  
कान्छनबाग, इंदूरमार्ग-58 / Kanchanbagh, Hyderabad-58.

## ANNEXURE-I

### **DETAILED SPECIFICATION FOR CONVERSION OF FORGED & GROUND BILLETS OF STAINLESS STEEL INTO WIRE ROD COILS OF SIZE 9.0 MM DIA**

**1. Grade: SS 316LN**

Nominal Composition (%): C- 0.024 -0.03, Mn: 0.6-3, Cr: 17-18, Ni: 12 Mo: 2.3

**2. Input Size:** 100 - 150 mm sq. X 4000 – 6000 mm long billets or any other size required by the party. MIDHANI will deliver at job workers premises free of cost forged fully ground, crack free surface, ultrasonically sound billets under Current Central Excise Rules

**3. Input Quantity :** 20 MT.

**4. Tolerance on Input Quantity :** ( ±10 % )

**5. Output :** Wire Rod Coils Dia 9.0 mm

**6. Tolerance on output size :** +/- 0.25 mm on dia

**7. Surface quality :** Free from rolling defects like fins, cracks, laps etc.

**8. Furnace :** Electric / Gas Fired(LPG) Furnace in calibrated condition having good temperature and atmosphere control.

**9. Rolling :** In the Mill Welding / Ragging should not there in any roll pass.

**10. Rolling Temp :** 1200 - 1250°C. Finish Rolling Temperature shall be above 850°C and.

**11. Post Rolling Cooling:** Fast. (water quenching to be done)/ Air cool.

**12. Quality Control:** There should be good quality control coverage; measuring instruments are to be in calibrated condition. Copy of relevant log sheets should be handed over to MIDHANI.

**13. Conversion & Inspection:** Conversion & Inspection should be carried out in the presence of MIDHANI Officials. The schedule to be informed in advance to MIDHANI to depute representatives to witness the same.

**14. Identification:** Proper identification of the material to be maintained with grade, heat nos. etc.

**15. Acceptance Criteria:** Output size with tolerance of +/- 0.25mm

Should be free from embrittlement phases & Rolling Defects: fins, cracks, laps etc

**16. Rejection & Scrap Generation:**

The Party should indicate the **limits for generation of scrap/cobbles** (maximum % on input weight). They should also indicate limits (maximum % on input weight) for the rejection due to non-conformity with reference to size / shape or surface defects arising during conversion.

**Process Loss: %age = Input – (output + scrap + cobbles + rejection) x 100**

**INPUT**

The scrap, cobbles, rejection etc generated during conversion shall be kept separately and to be returned to MIDHANI along with the finished material. Process loss (%age max. on input weight) may be indicated. Total material balance to be submitted by the party.

**17. Transportation:** To and fro transportation of the material along with the scrap, rejections etc in MIDHANI scope.

**18. BIDDER EVALUATION:** Lowest Bidder shall be evaluated after necessary loading of scrap cost towards excess process loss, to and fro transport charge(which is in MIDHANI a/c), input material cost towards excess rejection.

**19. DELIVERY PERIOD:** MIDHANI shall put best possible effort to issue complete material in one lot. Work shall be completed within 20 days from the date of receipt of input at supplier's end.

**20. Qualification criteria:**

1. Vendor shall have in-house facilities for heating / rolling of stainless steel. If in house facilities are not available consortium is allowed with the sub vendor having in-house facilities however vendor shall submit to MIDHANI the consortium/ PO etc. documents of the sub vendor to whom the work is being offloaded

2. Vendor is required to have knowledge of processing stainless steel rolling (Previous experience of similar job executed PO /inspection certificates etc to be submitted).

## TERMS AND CONDITIONS FOR JOBWORKS

**1. PAYMENT TERMS :**

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

Compliance to GST Return and e-invoicing shall be as per annexures enclosed.

- 2. SECURITY DEPOSIT (SD):** Successful Bidder SD @ 2.5% of the order value shall be submitted within 21 days from the date of PO or 10 days from the date of issue of 1<sup>st</sup> batch of input material whichever is later, through online payment. In case SD is not submitted within 21 days from the date of Purchase Order or 10 days from the date of issue of input material whichever is later, interest @ 12% p.a. shall be levied for the period of delay beyond 21 days from the date of order or 10 days from the date of issue of input material whichever is later. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor.

**Note:** All Central PSU and Govt. departments are exempted from submission of SD.

- 3. BID SECURITY DECLARATION:** Bidders should provide bid security declaration (as per annexure-III) accepting that if they withdraw or modify their bids during the period of validity, they shall be suspended for a period of 2 Years.

**4. 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.

- 5. PROCESS LOSS:** Scrap/cobbles/rejection generated shall be returned back to MIDHANI with suitable material accounting challan wise. Allowed maximum process loss on input weight shall be calculated by bidder. If the agreed process loss exceeds the allowed %, equivalent scrap cost for the exceeded scrap qty shall be recovered from party.

- 6. REJECTIONS:** The processing has to be carried out as per Scope of Work. If the Material is rejected due to faulty workmanship of supplier, conversion charges shall not be paid. Recovery of input material cost shall only be done when the rejected quantity exceeds the allowed agreed rejection %. All rejected material shall be returned back to MIDHANI.

**7. INSURANCE:**

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

**8. PRICES:**

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

- 9. TRANSPORT:** To and Fro transportation shall be in the scope of MIDHANI at our own cost.
- 10. DELIVERY:** As per annexure-I.
- 11.** Tenderers shall submit their quotes in clear terms without any vague expressions.
- 12. MSE UNITS:** **Confirm whether you are MSE UNIT or MSE UNIT owned by SC/ST Entrepreneur.** If yes, Please submit latest valid documentary proof for extending benefits as per Government guidelines.
- 13.** Tenderers are requested to submit their offers according to Purchaser's Terms & Conditions.
- 14.** 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.
- 15. INSPECTION:** As per annexure-I
- 16. VALIDITY:** The final price offered shall be valid for 1(one) year from the date of placement of order.
- 17. 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.
- 18. ARBITRATION:** Any dispute or difference whatsoever arising between the parties out of or in connection with the Order/Contract or the breach thereof shall be settled by bilateral discussions failing which they shall be settled by Arbitration in accordance with the Rules of Arbitration of the International Centre for Alternative Dispute Resolution (ICADR) as per ICADR Arbitration Rules 1996 and the award made in pursuance thereof shall be binding on the parties. The language of arbitration shall be English and the place of arbitration shall be Telangana, India.
- 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.
- 19. 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, Telangana.
- 20. RISK PURCHASE:** If the Contractor shall fail to complete the assigned work within the time prescribed in the tender/contract thereof, the Purchaser reserves the right to get the job done through other sources at the Contractor's cost & risk.

**21.**Tenders not conforming to Purchaser's terms & conditions shall be summarily rejected.

**22.**COUNTER TERMS & CONDITIONS: Where counter terms & conditions have been offered by the tenderer, the Purchaser shall not be governed by these unless specific acceptance has been given in writing in the order by the Purchaser.

**23.**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.

**24.** 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.

**25.**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.

**26.**LIQUIDATED DAMAGES FOR DELAY IN EXECUTION OF CONTRACT: If the Contractor shall fail to complete the assigned work within the time prescribed in the Contract thereof, or extended time thereof, the Contractor shall be liable to pay the Purchaser as liquidated damages for such default, but not as a penalty, a sum calculated at the rate of 1% (One percent) of the Contract Price per week of delay, subject to a maximum of 10% (Ten percent) of the Contract Price. The Purchaser may, without prejudice to any other method of recovery, deduct the amount of such damages from any money in his 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.

**27.**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.

**28.**NO CLAIM OR 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.

**29.**TENDER OPENING: The Tender will be opened in the presence of tenderers or their authorized representatives, who choose to be present. The representative should produce an authorization letter from the tenderer for attending the Tender opening.



**30. CANCELLATION / SHORT CLOSURE OF CONTRACT:**

The purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of one month 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) Purchaser reserves the right to cancel the Purchase Order/ contract on its own under exceptional circumstances.

On receipt of notice for short closure, the contractor shall cease all further work, except for such work as may be specified in the notice for the sole purpose of protecting that part of the stores already executed. Further, the liability of MIDHANI in such cases will be limited to the extent of the cost as assessed by MIDHANI, in its opinion, till the point of short closure.

**31. Make in India:**

Purchase Preference to 'Class-I local supplier' as per Public Procurement (Preference to Make in India) Order 2017 revised dated 16/9/2020 (Attached along with this tender) and Notifications shall be provided:

**Note:** The local content requirement to categorize a supplier as class-I local supplier is minimum 50%. For Class-II local supplier the local content requirement is minimum 20%. Nodal Ministry/Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as Class-I local supplier /Class-II local supplier. For the items for which the Nodal Ministry has not prescribed higher minimum local content notification under the order, it shall be 50% and 20% for class-I local supplier/ Class-II local supplier respectively.

As per clause 9 (a) & 9 (b) of the order, suppliers has to specify the percentage of local content and provide self certification (For value less than 10 Crores) that the item offered meets the local content requirement for Class-I/Class-II local supplier as the case may be and also give the details of the location(s) where the local value addition is made. For value greater than 10 Crores certificate for local content to be provided from statutory auditor or cost auditor of the company (In case of companies) or from a practicing Chartered Accountant or practicing Cost Accountant in case of suppliers other than companies.

**32. MSE (MICRO AND SMALL ENTERPRISES) and Start Up UNITS:**

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 DIC/ NSIC/KVIC/ Udyog Aadhar Memorandum (UAM) issued by MoMSME 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 20% 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
- v) Vendors to intimate the value of Goods & Services which are sub contracted by them from MSE's if any, pertaining to the tendered item(s).

**33.** 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 organisation have participated.

**34. 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.

**35. DEFINITIONS:**

**PURCHASER:** The term "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, Hyderabad-500 058. TS, India, and shall include its successors and assigns.

**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.

**CONTRACTOR:** The term "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.

No. P-45021/2/2017-PP (BE-II)  
Government of India  
Ministry of Commerce and Industry  
Department for Promotion of Industry and Internal Trade  
(Public Procurement Section)

Udyog Bhawan, New Delhi  
Dated: 16<sup>th</sup> September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

**Subject: Public Procurement (Preference to Make in India), Order 2017– Revision; regarding.**

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] 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, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019 and Order No.P-45021/2/2017-B.E.-II dated 04.06.2020, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017" dated 16.09.2020 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, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

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'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' 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 that prescribed for 'Class-II local supplier' 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) 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'. 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.

(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.

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

**3B. Applicability in tenders where contract is to be awarded to multiple bidders -**  
In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.

b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.

c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers' / 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.

d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.

e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

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' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher

percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **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 the case of companies) or from a practicing cost accountant or 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 manner;
  - ii. 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);
  - iii. 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.

#### **10. 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 endeavour 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. **Reciprocity Clause**
  - i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

- ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
  - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
  - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
  - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

**10A. 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.

**11. Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

**12. Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

**13. 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.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

**14. Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or
- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

**15. Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

**16. Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman  
Secretary, Commerce—Member  
Secretary, Ministry of Electronics and Information Technology—Member  
Joint Secretary (Public Procurement), Department of Expenditure—Member  
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

**17. Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

**18. Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

**19. Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1<sup>st</sup> January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

**20. Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Rajesh Gupta)

Director

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## Bidder Security Declaration

Date:

From:

To: Mishra Dhatu Nigam Limited

Tender Reference Number:

Bid No. (if any):

We, the undersigned, declare that: We understand that, according to Midhani tender terms and conditions, bids must be supported by a Bid-Security Declaration. We accept that we will automatically be suspended from being eligible for bidding in any contract with Midhani for the period of time of 2 years without prejudice to Midhani right to take any other action as deemed fit in case we withdraw or change /amend our Bid during the period of bid validity .

Signature and seal:

Name:

In the capacity of:

Date:

Note: In case of a Joint Venture, the Bid-Securing Declaration must be signed by all partners to the Joint Venture that submits the bid.

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