

**MISHRA DHATU NIGAM LIMITED**

A Govt of India Enterprise

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

Corporate Identity Number: L14292AP1973GOI001660

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Tender Notice No.: MDN/PUR/15220061/ADVT/510/22-23, Date: 09.01.2023

End of Issue of Tender Documents up to:

09.01.2023 at 10:30 Hrs.

Receipt of Tender on or before:

31.01.2023 at 10:30 Hrs.

Opening of Tender Date:

31.01.2023 at 10:35 Hrs.

Sl. No	MATERIAL	Estimated Requirement	
	DESCRIPTION & SPECIFICATION.	Unit	Qty
1	Supply, Erection, Commissioning and Training of Butt Wire Welding Machine for 0.5 to 7mm along with Standard Accessories and Spares as per specification at Annexure-I	Set	02
2	Supply, Erection, Commissioning and Training of Butt Wire Welding Machine for 5 to 16mm along with Standard Accessories and Spares as per specification at Annexure-I	Set	02

List of Tender Documents:

S. No	Document Description	No. of Pages
	Invitation to Tender	
Annexure – I	Detailed Technical Specification	05
Annexure – II	Commercial Eligibility Criteria	01
Annexure – III	General Terms and Conditions of Indigenous offers	08
Annexure – IV	Procedure to be followed for submission of Bid	01
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Annexure – VII	Public Procurement (Preference to Make in India), Order 2017 – Revision	09
Annexure-VIII	Specimen Format of Bidder Security Declaration	01
Annexure-IX	Specimen Format of Vendor Declaration	01

EARNEST MONEY DEPOSIT: Rs.1,00,000/- (Rupees one lakh only).

For Complete details, refer General Terms and Conditions document Clause 17.

EMD Exemption: Procurement under this Bid is reserved for purchase from MSME, whose credentials are validated inline through Udyog Aadhar for that product category. If the bidder wants to avail the reservation benefit, the bidder must be the manufacturer of the offered product in case of bid for supply of goods. Traders are excluded from the purview of Public Procurement Policy for Micro and Small Enterprises. Relevant documentary evidence in this regard shall be submitted along with the bid in respect of the offered product or service.

SECURITY DEPOSIT: The successful tenderer/Bidder shall be required to furnish SD amount of 3% of purchase order value within 21 days from the date of Purchase Order in form of DD/Bank Guarantee from any nationalized / schedule bank encashable in India. SD shall be valid up to acceptance of material, with an additional claim period of three months.

In case Security Deposit 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.

For complete details, refer GENERAL TERMS AND CONDITIONS document clause No. 18

Special Instructions:

The technical bid and Price Bid shall include the following:

I). TECHNICAL BID:

- 1). Confirmation that you can supply the material as per tender specification without any deviation. Drawings, leaflets, etc. to be enclosed.
- 2). You shall furnish the above information as part of your technical bid failing which your offer is liable to be rejected.
- 3). Delivery period required for supply should be clearly mentioned.
- 4). Indicate your GST No. in your offer.
- 5). Validity of your offer shall be 180 days from the date of tender opening.

6). Payment Terms:

For Supply: 90% payment along with 100% taxes, within 30 days from the date of receipt and acceptance of the material at Midhani.

For Service: 90% payment along with 100% taxes, within 30 days from the date of erection and commissioning on indenter's certification.

Balance 10% payment of both supply and service shall be done after acceptance of the material at our end, on successful commissioning and against submission of Performance Bank Guarantee for 10% value of the order with valid till Guarantee / Warranty period.

- 7). The price shall be quoted on F.O.R. Midhani, Hyderabad.
- 8). Please indicate whether you are a Small or Medium Enterprise and produce necessary documentary evidence to claim benefit extended by Government of India.
- 9). Please indicate minimum order quantity (MOQ) as buyer reserves the right to vary the tender quantity.

II). PRICE BID:

- 1). Offer your firm lowest prices.
- 2). You should superscribe our Enquiry No. & Due date on the Envelope.
- 3). Tenders will be opened on the date and time indicated above in the presence of tenderers who choose to be present.

Yours faithfully,

For Mishra Dhatu Nigam Limited


DGM (Materials)
के.राजकुमार / K.RAJKUMAR
उप महा प्रबंधक (सामग्री)
Dy.General Manager (Materials)
मिश्र धातु निगम लिमिटेड/Mishra Dhatu Nigam Limited
कंचनबाग, हैदराबाद-58 / Kanchanbagh, Hyd-58

ANNEXURE-1

S. No.	Material Code	Description	Qty
1	CG93-100-01639	Wire Butt welding machine for 0.5 to 7 mm	2 Unit
2	CG93-100-01640	Wire Butt welding machine for 5 to 16 mm	2 Unit

Technical specifications for Wire Butt welding machine for 0.5 to 7 mm

- 1.1 The Butt welding machine shall be supplied complete with 4-wheeled trolley type stand, in-built annealing units, in-built rod/wire shearing unit, in-built grinding unit, and all other electrics and standard accessories.
- 2.1 Butt welding of wire diameter of the range mentioned below:
 - a) Steel 0,5 - 7 mm dia. / 0.020 - 0.276 " dia.
 - b) Stainless Steel 0,5 - 6 mm dia. / 0.020 - 0.236 " dia.
- 3.1 Nominal capacity: 2,0 kVA Minimum
Connection voltage / frequency: (3 phase+N) 415 V \pm 5% V / 50 Hz \pm 3% Hz.
- 4.1 The machine should have following features:
 - a) Clamping force: Eccentric clamping device, manually operated
 - b) Upsetting force: Upset pressure spring
 - c) Capacity welding: Step switch with 10 steps
- 5.1 Thermically admissible maximum number of welds/hour with the biggest wire diameter weldable on this unit should be : 20 (steel) / 10 (non-ferrous)
- 6.1 Simple single lever adjustment for all mechanical welding parameters with step switch recommendation per position should be provided. The welding process should be released by the right-hand side switch lever.
- 7.1 Basic machine should be Designed as movable execution on two fixed castors and two swivel castors with stopper, with benches on both sides to fix accessories.
- 8.1 One set of clamping jaws for the complete range is included in the scope of supply
- 9.1 Machine has to be supplied with a suitable rating transformer of high electrical efficiency.

Welding and annealing control :

- 10.1 The Welding/annealing process is to be controlled by a program. The programs should use power and time values to achieve an annealing and welding result that can be accurately reproduced to obtain high process reliability.
- 11.1 Manual Push Buttons has to be provided for critical commands like emergency stop , start of weld etc.,
- 12.1 Minimum 7" display shall be provided for operator interface. PDA interface, Ethernet interface has to be provided.
- 13.1 An integrated USB connection should allow simple and quick exchange of programs.
- 14.1 Additional function preheating for big cross-sections shall be provided.

Annealing Length

Standard annealing device suitable for steel shall be provided (preferably for low carbon content)

Protective cover

Protective cover made of plexiglass, manually operated (no electric interrogation)

Lever shears (Wire shear)

Wire shear fixed on the work bench has to be provided for cutting the wire ends properly to provide sound welding joint

Cutting range for steel wires (according to strength of the wire):

up to abt. 1200 N/mm^2 / 168 ksi = max. 7 mm / 0.276 "

up to abt. 1600 N/mm^2 / 224 ksi = max. 6 mm / 0.236 "

up to abt. 1850 N/mm^2 / 259 ksi = max. 5 mm / 0.197 "

Grinding motor

- a) 3 phase Grinding motor minimum 0,25 kW with grinding wheel of grain C46 for grinding steel and non-ferrous metals.

Make of Motor: Siemens/ ABB/Crompton Greaves or any other reputed make.

- b) All the drives, switchgear and electrical components shall be of Make: Siemens/Schneider/ABB or any other reputed make.

Technical specifications for Wire Butt welding machine for 5 to 16 mm

- 1.1 The Butt welding machine shall be supplied complete with 4-wheeled trolley type stand, in-built annealing units, in-built rod/wire shearing unit, in-built grinding unit, and all other electrics and standard accessories.
- 2.1 Butt welding of wire diameter of the range mentioned below:
 - a) Steel 5 - 16 mm dia. / .197-.630"
 - b) Stainless steel 5 - 14 mm dia. / .197-.551"
- 3.1 Nominal capacity: 20 kVA minimum
Connection voltage / frequency: 415 V \pm 5% V / 50 Hz \pm 3% Hz
- 4.1 The machine should have following arrangements:
 - a) Clamping force: Eccentric clamping device manually operated: (Right-hand clamping side adjustable in vertical plane should be provided).
 - b) Upsetting force: Upset pressure spring
 - c) Capacity welding: Step switch
- 5.1 Simple single lever adjustment for all mechanical welding parameters with step switch recommendation per position should be provided. The welding process should be released by the right-hand side switch lever.
- 6.1 Transparent plexiglass protective cover (short) should be provided with no electric interrogation
- 7.1 Should be designed as movable execution on two fixed castors and two swivel castors with stopper, with benches on both sides to fix accessories.
- 8.1 One set of clamping jaws for the complete range is included in the machine price.

Welding and annealing control

- 1.1 The Welding/annealing process is to be controlled by a program. The programs should use power and time values to achieve an annealing and welding result that can be accurately reproduced to obtain high process reliability.
- 2.1 Manual Push Buttons has to be provided for critical commands like emergency stop , start of weld etc.,
- 3.1 Minimum 7" display shall be provided for operator interface. PDA interface, Ethernet interface has to be provided.
- 4.1 An integrated USB connection should allow simple and quick exchange of programs.
- 5.1 Additional function preheating for big cross-sections shall be provided.

Annealing Length:

Standard annealing device suitable for steel shall be provided (preferably for low carbon content)

Abrasive wheel cutter on mechanic vice

Abrasive wheel cutter should be mounted on mechanic vice (electrical neutral will be provided by Midhani) for cutting of the wire ends

Grinding Motor

- a) Three phase Grinding motor of minimum 0,75 kW with grinding wheel of grain C46-for grinding steel and non-ferrous metals.

Make of Motor: Siemens/ ABB/Crompton Greaves or any other reputed make.

- b) All the drives, switchgear and electrical components shall be of Make: Siemens/ Schneider/ABB or any other reputed make.

1. Drawings and catalogue (to be submitted along with the equipment)

- 1.1) Party to give details like make, specification and dimensional drawings etc of all normal wear out/consumable parts including material handling system.
- 2.1) Standard operating procedure to be provided.
- 3.1) **Catalogues of all bought out items.**(like, Heating elements, Control panels, Motors, Bearings, seals, circlip, fasteners, couplings).
- 4.1) As built electrical schematic drawings of control panel.PLC or any other software program if used shall be provided.
- 5.1) Parameter list of the drives if used any has to be provided.
- 6.1) **Digital Documentation** in English for Machine operating and Maintenance Manual, Electrical & pneumatic Diagrams, Licensed Software, programs and Full Spare parts list with recommended stock spare to be supplied along with the machine.
- 7.1) Recommended stock spares list shall be provided.
- 8.1) Party has to submit the detailed dimensional assembly drawings and its individual mechanical/ electrical dimensional drawings of all parts

2. Tooling and consumables

One set of essential tools like Allen keys, spanners that are to be used for wire drawing machine to be provided along with the equipment

3. Acceptance Criteria:

- 3.1 **Two years normal operational & Maintenance spares** for electrical, mechanical, and controls to be offered along with quantities in Technical Bid
- 3.2 **Hard and soft copies of all drawings** (Electrical, Mechanical and Pneumatics) five set of drawings along with full details of Toolings /spares, operation, maintenance manuals, Full Spare List with recommended stock spares etc., shall be provided
- 3.3 **Digital Documentation** in English for Machine operating and Maintenance Manual, Electrical & pneumatic Diagrams, Licensed Software, programs and Full Spare parts list with recommended stock spare to be supplied along with the machine
- 3.4 **Pre Dispatch Inspection (PDI)**
The equipments shall be inspected at supplier's works by the representative of the MIDHANI and cleared before shipment. The suppliers shall give advance intimation so that the inspection can be arranged in time. The tenderer shall indicate in the offer, the types of pre-shipment inspection tests that shall be arranged at their works before clearance of the equipment for dispatch. Pre-shipment inspection tests shall include trail runs with wires of different grades.
- 3.5 **Joint Inspection** will be carried out by the firm's representative(s) and MIDHANI's representative(s) on receipt of machine.
- 3.6 **Provisional Acceptance tests** will be carried out after erection and commissioning at site which will include welding of Midhani grades of various sizes. The welded wire shall be able to take 20 to 25% area reduction after welding.

- 3.7 **Warranty:** The machine shall be **guaranteed** for trouble free performance for a period of **20 months** from the date of completion of Provisional Acceptance Tests of the equipment at MIDHANI including replacement of defective parts.
- 3.8 Machine shall meet all the Technical specifications and shall work satisfactorily for the intended purpose after erection and commissioning. Final Acceptance Certificate shall be issued after 12 months of Provisional Acceptance Certificate and fulfilling the above conditions.
- 3.9 **Training** shall be offered to **Four persons (Operations & Maintenance) at Supplier's Works**. The training shall include operation, maintenance, trouble shooting etc., for a minimum four man days
- 3.10 Erection and commissioning charges shall be offered separately along with duties if any Electrical power requirements and floor area to be indicated in the technical bid.

4. Delivery period:

16 weeks from the date of issue of P.O., excluding PDI.

5. Tender evaluation criteria:

- Tender to be submitted by Original Equipment manufacturer (OEM) only
- Supplier shall have supplied at least two Butt welding machines of similar (or) higher capacity during last 2 years. **Copy of the Contract/Order & other documentary evidence for successful commissioning to be submitted.**

6. The price to be quoted shall be as follows:

S. No	Description	Basic Price	GST	GST (%)	Freight	Total
1	Basic Machine along with Standard Equipment					
2	Standard Accessories with detail descriptions and Quantity					
3	Spares					
4	Two Years Operating Spares with line wise Description & Quantity					
5	Two Years Maintenance Spares with Line wise Description & Quantity					
6	Packing (sea worthy) & forwarding for. MIDHANI					
7	Erection, Commissioning & Training at MIDHANI					

Commercial Eligibility Criteria:

Sl. No	Criteria	Documents required for confirmation
01	<p>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer</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>For (a):</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>For (b): 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>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer</p> <p>Should have a minimum annual turnover of <u>Rs. 2.06</u> Crores for each financial year of previous three financial years</p>	Audited annual accounts
03	<p><u>Positive Net Worth/Solvency:</u></p> <p>Bidder (sole)/Lead Consortium Partner/Original Equipment Manufacturer should have Positive Networth in each of the previous three financial years</p> <p>(or)</p> <p>Should submit solvency certificate of Rs. 22.85 Lakhs, issued not earlier than 06 months from the date of tender.</p> <p>Note: Solvency certificate issued by nationalized or scheduled bank from INDIA in original.</p>	<p>Audited annual accounts</p> <p>(or)</p> <p>Certificate from a certified chartered accountant for networth of the company issued not more than 06 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	Bidder (sole)/All Consortium Partners Should have PAN/ TAN/TIN/GST registration or Relevant Tax Registration of Foreign parties	<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	Bidder (sole)/All Consortium Partners Unconditional acceptance of all commercial terms and conditions.	Self certificated document to be submitted

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

1. 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, 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.

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.

2. The Tenderer shall indicate/furnish the following in his offer (if 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.
 - k. TARIFF HEAD UNDER H. S. (HARMONISED SYSTEM).

3. 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.

4. 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

5. The offer should be complete in all respects. Full particulars and descriptive literature and drawings should be forwarded along with the quotation. The make of the items offered should be clearly specified. Materials should be offered strictly confirming to our specifications. The deviations if any, should be clearly indicated in the quotation. Test certificates must be produced, wherever required where stipulated samples should be forwarded along with the quotation. Material confirming to IS will be preferred.

6. PRICES:

Price Basis: FOR Midhani, Hyderabad basis shall be quoted. The prices must be 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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

7. TAXES:

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

8. RIGHT OF ACCEPTANCE:

The purchaser does not bind himself to accept the lowest or any other tender and reserves the right of accepting the whole or any part of the tender or portion of the quantity offered. Within a period of six months from the date of completion of the order, the Purchaser further reserves the right to place order on the successful tenderer for an additional upto 100% of the original ordered quantity.

9. INSPECTION:

The Purchaser reserves the right to get the Stores inspected before commencement of supplier/ or on arrival at our factory by an inspecting officer authorized by the Purchaser. The Tenderer should be in a position show and/ or send samples of material on demand.

10. PACKING:

The stores should be securely packed and properly marked to avoid loss or damage in Transit by Rail /Road.

11. TO RECOVER LIQUIDATED DAMAGES:

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. MIDHANI shall issue GST Invoice/Debit Note for the LD deducted on the name of Supplier/Contractor against which GST credit may be availed, if applicable

12. RISK PURCHASE:

The supply of all items must be completed satisfactory and within the specified period in the order failing which, the Purchaser reserves the right to purchase stores from other sources at the suppliers cost and risk.

13. GUARANTEE:

The supplier shall guarantee the store supplied in respect of good design, quality and workmanships for a period of 12 months from the commissioning or 18 months from the date of supply whichever is earlier.

14. VALIDITY:

The offer should be valid for a minimum period of 180 days from the date of opening of tender.

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

15. 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.

16. In case the item offered is covered by DGS & D Rae Contract, the rate should be as per R/C and a copy of R/C should be enclosed with the offer.

17. EARNEST MONEY DEPOSIT (EMD):

Tenderer/Bidder are required to furnish EMD of amount specified in tender (NIT) Through Online or in the form Bank Guarantee (BG) is acceptable.

All Bidders are requested to Submit the "EMD & Security Deposit "online through the below Link: <http://ebs.in/midhani/public/> (or)

Visit Midhani website <http://www.midhani-india.in> > Purchase > Tenders > TENDER FEE, EMD FEE(EARNEST MONEY DEPOSIT) AND SECURITY DEPOSIT - ONLINE PAYMENT

In case of EMD/SD in the form of Bank Guarantee(BG), bidder shall submit BG as per format in the tender document,

- i. In Indian Currency – from a Nationalized Bank or Scheduled Bank encashable in India.
- ii. In Foreign Currency – from SBI, Frankfurt/ SBI, New York / any Nationalized Bank or Scheduled Bank encashable in India.
- iii. EMD Bank guarantee shall be valid for a period of 90 days.
- iv. Security Deposit Bank guarantee shall be valid till material is received and accepted at Midhani.

EMD Exemption:

(I) 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.

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.

Purchase Preference: The following Purchase preference procedure is followed as per Ministry guidelines for award of quantity/order

Type of Tender	Price quoted by MSE	Finalization of tender
(i) If tender can be split	L-1	Full order on MSE
(ii)If tender can be Split	Not L-1 but with in L1+15%	20% order on MSE subject to matching with L-1 price
(iii)If tender cannot be split	L-1	Full order on MSE
(iv)If tender cannot be split	Not L-1 but within L-1 +15%	Full order on MSE subject to matching with L-1 Price

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

Note:

(i) In case more than one MSE enterprise quotes same price, the supply/order shall be shared proportionally (to tender quantity) if tender can be split.

(ii) If the MSE who have quoted lowest rate among the MSEs in the price band of L-1 + 15% do not agree to match the rate of L-1 of the tender, then the next ranked MSE bidder who has quoted within the price band of L1+15% in order shall be given chance to match the rate of L-1 for award of the quantity/order.

(ii) All Central PSU's & Government departments / Authorities as well as Original Raw Material Manufacturers may be exempt from submission of EMD in all tenders.

18. SECURITY DEPOSIT (SD):

The successful tenderer/Bidder shall be required to furnish SD as specified in tender (NIT) within 21 days from the date of Purchase Order. In case Security Deposit 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.

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.

19. MAKE IN INDIA:

Public Procurement (Preference to Make in India) Clause:

Purchase preference will be granted as per Public Procurement (Preference to Make in India), Order-2017 as amended, issued by DPIIT/Ministry of Commerce and Industry.

This tender notice/RFP complies with Public Procurement (Preference to Make in India), Order 2017 by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry Government of India issued vide letter No. P-45021/2/2017-B.E-II dated: 15th June'2017 and as amended. (For latest updates refer to www.dpiit.gov.in). The following is add-on information. However it is mandatory to refer website www.dpiit.gov.in for latest update prior to responding for this tender. Brief of recent amendment issued vide letter No: P-45021/2/2017-PP (BE-II) dated: 16th Sept'2020 is given below.

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

(a) Types of Suppliers:

Class – I Local Supplier : Local content = 50% Minimum

Class – II Local Supplier : Local content = 20% Minimum and less than 50%

Non-Local Supplier : Local content = Less than 20%

(b) Margin of purchase preference = 20%

(c) Preference (s):

- i. "Class-I Local Supplier" is only eligible to bid irrespective of bid value for which Nodal ministry has declared there is sufficient local capacity available for the tendered stores/service.
- ii. "Class-I Local" Supplier and "Class-II Local Supplier" as defined under the order shall be eligible to bid for procurements 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 Supplier' and "Class-II Local Suppliers'.
- iii. Works includes Engineering, procurement and construction (EPC) contracts and services include system integrator (SI) contracts

(d) L1-Declaration Methodology for divisible goods or works:

- i. Among all qualified bids, Lowest bid is termed as L1
- ii. If L1 = Class-I Local Supplier, full quantity will be awarded to L1;
- iii. If L1 bid is not Class-I local supplier, 50% of the order quantity shall be awarded to L1 and balance 50% quantity will be awarded to the lowest bidder among the "Class-I Local Suppliers" to match the L1 price and subject to his quoted price falling within 20% of L1 price; If fails to match, the same will be offered to next higher bidder among Class-I Local Suppliers and so on. In case some quantity left uncovered on class-I local suppliers, such balance quantity shall be awarded to L1.

(e) L1-Declaration Methodology for non-divisible goods or works:

- i. Among all qualified bids, Lowest bid is termed as L1
- ii. If L1 = Class-I Local Supplier, order will be awarded to L1
- iii. If L1 = Not a Class-I Local Supplier then order will be awarded to the lowest bidder among the "Class-I Local Suppliers" to match the L1 price subject to his quoted price falling within 20% of L1 price.
- iv. If fails to match, the same will be offered to next higher bidder among Class-I Local Suppliers and so on.
- v. In case none of the Class-I Local Suppliers matches the L1 Price, then order shall be awarded to L1.

(f) Verification of Local Content:

- i. The Class-I Local Supplier / Class-II Local Supplier need to provide percentage of local content, location(s) of value addition and self-certification to this effect along with their technical bidding document.
- ii. For procurement value more than Rs. 10 Crores, the Class -I Local Supplier / Class-II Local Supplier need to provide percentage of local content, location(s) of value addition and certification to this effect obtained from Statutory Auditor / Cost Auditor (for companies) or from Practicing Cost Accountant or Practicing Chartered Accountant (for other than companies) along with their technical bidding document.
- iii. In case any Bidder provides false certification with respect to local contents etc, bidder or their successor(s) can be debarred up to two years as per

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

provisions of GFR along with such other actions as may be permissible under law.

Note: For complete details, please refer Public Procurement (Preference to Make in India) Order 2017 P-45021/2/217-PP (BE-II) revision dated: 16th Sept'2020 (Enclosed)

20. 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.

21. LOWEST TENDER NOT NECESSARY TO BE ACCEPTED:

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.

22. 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.

23. LOADING IN CASE OF COMMERCIAL DEVIATIONS:

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.

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.

24. 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.

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

25. 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.

26. 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.

27. CANCELLATION / SHORT CLOSURE OF 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) 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

28. 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.

29. 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.

30. COO (Country Of Origin) certificate to be issued by chambers of commerce to avail discount in preferential custom duty amount in Indian customs.

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

31. COUNTERFEIT PARTS:

MIDHANI requires its supplier to take steps to eliminate the counterfeit (or) suspect counterfeit materials/ parts/ components. We define Counterfeit work as items that are, or contain, unlawful or unauthorized reproductions, substitutions or alterations that have been knowingly mismarked, misidentified or otherwise misrepresented to be an authentic, unmodified material/ parts/ component from the original manufacturer. Unlawful or unauthorized substitution includes used items represented as new or the false identification of Grade, Serial number / Heat number, Lot number and date code or performance characteristics/Test certificate/Coc / CoA. Suppliers of raw materials/ parts/ components are used fulfilling Purchase orders of MIDHANI LTD. Distributors shall only purchase materials/ components directly from original manufacturers.

32. TRADE PRACTICES:

Supplier will, at all times, refrain from engaging in any illegal, unfair or deceptive trade practices or unethical business practices. Supplier shall at its expense obtain any and all permits, licences, authorizations, and/or certificates that may be required in any jurisdiction or by any regulatory or administrative agency in connection with its activities hereunder. Supplier shall ensure that its employees are aware of:

- Their contribution to product or service conformity
- Their contribution to product safety, and
- Their contribution to the importance of ethical behaviour.

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

ENVELOPE NO.1:

PART – I “TECHNO- COMMERCIAL BID ALONG WITH EMD”

ENQUIRY NO. MDN/PUR/15220061/ADVT/510/22-23

DATE: 09.01.2023

DUE DATE: 31.01.2023 AT 10:30 HRS.

To,
DGM (I/C PURCHASE)
MIDHANI, HYDERABAD - 500 058.

NAME OF THE TENDERER:

ENVELOPE NO.2:

PART - II “PRICE BID”

ENQUIRY NO. MDN/PUR/15220061/ADVT/510/22-23

DATE: 09.01.2023

To,
DGM (I/C PURCHASE)
MIDHANI, HYDERABAD - 500 058.

NAME OF THE TENDERER:

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

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

TENDER NO.---

ENQUIRY NO. MDN/PUR/15220061/ADVT/510/22-23

DATE: 09.01.2023

DUE DATE: 31.01.2023 AT 10:30 HRS.

CONTENTS:

- 1) TECHNO-COMMERCIAL BID
- 2) PRICE BID

To,
DGM (I/C PURCHASE)
MISHRA DHATU NIGAM LIMITED
PO: KANCHANBAGH,
HYDERABAD - 500 058.

NAME OF THE TENDERER:

Annexure – V

SPECIMEN FORMS OF

BANK GUARANTEES

1. BG FORMAT IN LIEU OF EMD
2. FORM OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT
3. PERFORMANCE BANK GUARANTEE

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 A.P. 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 fulfillment 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 (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 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 A.P. 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:

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: _____

-*-

- ¶ 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)

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)

Integrity Pact

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 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 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 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.

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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: 16th 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.

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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

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- 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-Convener 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.

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- 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.

.....Contd. p/8

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 1st 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 .

We understand this Bid-Securing Declaration shall expire if we are not the successful Bidder.

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.

**DECLARATION TO BE GIVEN BY VENDORS ALONG WITH BID (MANDATORY) ON THEIR LETTER HEAD
IN CASE THE VALUE OF PROCUREMENT IS MORE THAN 5 LAKHS**

Tender Ref No: With reference to the above mentioned RFP/Tender, we hereby confirm that we have read the Public Procurement (Preference to Make in India) Order No. P-45021/2/2017-PP (BE-II) revision dated 16/9/2020 and the updates and the percentage of local (Indian) content in the offered items/service is _____ and the place/places of value addition done is/are _____.

Signature with seal

Note: In cases of procurement for value in excess of 10 Crores the Class-I /Class-II local supplier shall be required to provide a certificate from statutory auditor or cost auditor (In 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.

