

## eProcurement System for PSUs under MoD

Midhani

## Tender Details

Tenders

Date : 01-Mar-2023 04:19 PM

Print

## Basic Details

Organisation Chain	MIDHANI		
Tender Reference Number	MDNPUR46227047/EAdvT/627/22-23		
Tender ID	2023_MDN_92334_1		
Tender Type	Open Tender	Form of contract	Tender cum Auction
Tender Category	Works	No. of Covers	2
General Technical Evaluation Allowed	No	ItemWise Technical Evaluation Allowed	Yes
Payment Mode	Offline	Is Multi Currency Allowed For BOQ	No
Is Multi Currency Allowed For Fee	No	Allow Two Stage Bidding	No

## Payment Instruments

Offline	S.No	Instrument Type
	1	R-T-G-S
	2	NEFT
	3	Bank Guarantee

## Cover Details, No. Of Covers - 2

Cover No	Cover	Document Type	Description
1	Fee/PreQual/Technical	.pdf	TECHNO-COMMERCIAL BID
		.xls	ATC(AGREED TERMS AND CONDITIONS)
		.pdf	PRE CONTRACT INTEGRITY PACT
2	Finance	.xls	PRICE BID (BOQ- BILL OF QUANTITY)

## Tender Fee Details, [Total Fee in ₹ \* - 0.00]

Tender Fee in ₹	0.00		
Fee Payable To	NIL	Fee Payable At	NIL
Tender Fee Exemption Allowed	No		

## EMD Fee Details

EMD Amount in ₹	2,00,000	EMD through BG/ST or EMD Exemption Allowed	Yes
EMD Fee Type	fixed	EMD Percentage	NA
EMD Payable To	MISHRA DHATU NIGAM LIMITED	EMD Payable At	MISHRA DHATU NIGAM LIMITED

Click to view modification history

## Work / Item(s)

Title	Conversion of Titanium Scrap into Ferro Titanium
Work Description	Conversion of Titanium Scrap into Ferro Titanium
Pre Qualification Details	Please refer Tender documents.
Independent External Monitor/Remarks	NA
	No

<b>Show Tender Value in Public Domain</b>					
<b>Tender Value in ₹</b>	0.00	<b>Product Category</b>	Job Works	<b>Sub category</b>	NA
<b>Contract Type</b>	Tender	<b>Bid Validity(Days)</b>	90	<b>Period Of Work (Days)</b>	NA
<b>Location</b>	MISHRA DHATU NIGAM LIMITED	<b>Pincode</b>	500058	<b>Pre Bid Meeting Place</b>	NA
<b>Pre Bid Meeting Address</b>	NA	<b>Pre Bid Meeting Date</b>	NA	<b>Bid Opening Place</b>	MISHRA DHATU NIGAM LIMITED
<b>Should Allow NDA Tender</b>	No	<b>Allow Preferential Bidder</b>	No		

**Critical Dates**

<b>Publish Date</b>	01-Mar-2023 04:30 PM	<b>Bid Opening Date</b>	24-Mar-2023 11:30 AM
<b>Document Download / Sale Start Date</b>	01-Mar-2023 04:30 PM	<b>Document Download / Sale End Date</b>	23-Mar-2023 11:30 AM
<b>Clarification Start Date</b>	NA	<b>Clarification End Date</b>	NA
<b>Bid Submission Start Date</b>	01-Mar-2023 04:30 PM	<b>Bid Submission End Date</b>	23-Mar-2023 11:30 AM

**Tender Documents**

NIT Document	S.No	Document Name	Description	Document Size (in KB)	
	1	Tendernotice_1.pdf	NIT	871.18	
Work Item Documents	S.No	Document Type	Document Name	Description	Document Size (in KB)
	1	BOQ	BOQ_101753.xls	BOQ	227.00
	2	Tender Documents	Annexure-I.pdf	ANNEXURE-I	635.69
	3	Tender Documents	Annexure-II.pdf	ANNEXURE-II	704.29
	4	Tender Documents	ATC.xls	ATC	23.00
	5	Tender Documents	Declaration.pdf	DECLARATION	184.00
	6	Tender Documents	GST.pdf	GST	421.55
	7	Tender Documents	Integrity.pdf	INTEGRITY PACT	1091.67
	8	Tender Documents	MAKEININIDA.pdf	MAKE IN INDIA	4328.44
	9	Tender Documents	RA.pdf	REVERSE AUCTION GUIDELINES	341.46
	10	Tender Documents	SD_Formats.pdf	SD FORMATS	421.68

**Bid Openers List**

S.No	Bid Opener Login Id	Bid Opener Name	Certificate Name
1.	s.mondal@midhani.gov.in	SUJAN MONDAL	SUJAN MONDAL
2.	rajkumar@midhani-india.in	K Raj Kumar	RAJKUMAR KODI
3.	satyanarayana.sk@midhani-india.in	Satyanarayana Sarikonda	SARIKONDA SATYANARAYANA

**Tender Properties**

<b>Auto Tendering Process allowed</b>	No	<b>Show Technical bid status</b>	Yes
<b>Show Finance bid status</b>	Yes	<b>Show Bids Details</b>	No
<b>BoQ Comparative Chart model</b>	Normal	<b>BoQ Compative chart decimal places</b>	2
<b>BoQ Comparative Chart Rank Type</b>	L	<b>Form Based BoQ</b>	No
<b>Bidders Elimination Process Required</b>	No	<b>Allow Preferential Bidder Elimination Process Required</b>	No
<b>Minimum Bidder for Elimination</b>	3	<b>Number of Bidder to Eliminate</b>	1
	No		

Adopt Tender Cum Auction New Process	
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**Tender Inviting Authority**

<b>Name</b>	DGM (I/c Purchase)
<b>Address</b>	MISHRA DHATU NIGAM LIMITED PO - Kanchanbagh HYDERABAD - 500058

**Tender Creator Details**

<b>Created By</b>	K Raj Kumar
<b>Designation</b>	Deputy General Manager (Purchase)
<b>Created Date</b>	01-Mar-2023 04:05 PM

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# MISHRA DHATU NIGAM LIMITED

## e-Procurement NOTICE INVITING TENDERS (NIT)

### DETAILS OF TENDER

1.	ORGANISATION	Mishra Dhatu Nigam Limited
2.	DEPARTMENT	Purchase
3.	NIT NUMBER	NIT/627
4.	TENDER REFERENCE NUMBER	MDN/PUR/46227047/E-Advt/627/22-23
5.	NAME OF WORK	Conversion of Titanium Scrap into Ferro Titanium
6.	PERIOD OF COMPLETION	As per Annexure – I.
7.	EARNEST MONEY DEPOSIT	Rs. 2,00,000/-
8.	BIDDING TYPE	OPEN
9.	BID CALL NO.	1 <sup>st</sup> Call
10.	TYPE OF QUOTATION	<b>JOB WORK</b>
11.	BID VALIDITY	90 Days.
12.	OFFICER INVITING BIDS	GM(Commercial)
13.	BID OPENING AUTHORITY	<b>GM(Commercial)</b>
14.	ADDRESS	MISHRA DHATU NIGAM LIMITED PO - Kanchanbagh HYDERABAD - 500058
15.	CONTACT DETAILS	For any techno-commercial clarifications Sri Sujan Mondal Ph. 040-2418 4453 E-Mail: <a href="mailto:smondal@midhani-india.in">smondal@midhani-india.in</a>  For e-Procurement portal related clarifications  Ms Manali Hingrajiya Ph. 040-2418 4535 Email: <a href="mailto:h.manali@midhani-india.in">h.manali@midhani-india.in</a>

### e-TENDER NOTICE

1. Tenders are invited on-line on the website <http://eprocuremidhani.nic.in> from the eligible bidders having Class III, Digital Signature Certificate (DSC) issued from any agency authorized by Controller of Certifying Authority (CCA), Govt. of India. For Digital Signature Certificate (DSC) issuer details Please Refer [www.cca.gov.in](http://www.cca.gov.in) website, FAQ- How do I get a Digital Signature Certificate (DSC) ?.

For supply of the following items:

MATERIAL Description	Estimated Requirement		Delivery Required
	Quantity	Units	
Conversion of Titanium Scrap into Ferro Titanium	200000	Kgs	As per Annexure-I

### 2. Time Schedule of Tender

Sl.	Particulars	Date	Time
		(DD/MM/YYYY)	(Hrs. Mins)
a	Tender e-Publication date	01/03/2023	16:30
b	Bid submission end date	23/03/2023	11:30
c	Bid Opening date	24/03/2023	11:30

### DOCUMENTS TO BE UPLOADED BY THE BIDDER

Technical Bid in Cover One		
Sl No	File Type	Document Description
1	.pdf	TECHNO-COMMERCIAL BID
2	.xls	ATC(AGREED TERMS AND CONDITIONS)
3	.pdf	PRE CONTRACT INTEGRITY PACT

Technical Bid in Cover Two		
Sl No	File Type	Document Description
1	.xls	PRICE BID (BOQ- BILL OF QUANTITY)

### **INSTRUCTIONS TO THE TENDERS**

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

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

c. In case the Tender Committee finds that there is some error/omission in scanning & uploading the Technical Cover document by a bidder, the same will be specified on-line under shortfall documents by Evaluator normally within short duration of Technical-bid (Part-I) opening, indicating the start date and end date giving specific time for on-line submission by bidder. The bidder will get the intimation about this through a standard system generated e-mail and will re-upload the same within specified period. No additional time will be allowed for on-line submission of document.

9. **Security Deposit:** Successful Bidder SD @ 3% of the order value shall be submitted within 21 days from the date of PO or 10 days from the date of issue of 1<sup>st</sup> batch of input material whichever is later, through online payment. In case SD is not submitted within 21 days from the date of Purchase Order or 10 days from the date of issue of input material whichever is later, interest @ 12% p.a. shall be levied for the period of delay beyond 21 days from the date of order or 10 days from the date of issue of input material whichever is later. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor.
10. **Modification and Resubmission of Bid:** The bidder may modify and resubmit the bid on-line as many times as he/she may wish, only before the deadline of submission of tender.
11. **Firm Price:** Price quoted shall be firm and fixed (based on mutual agreement between MIDHANI and vendor) till complete execution of order.
12. **PRICES:** Prices quoted must be FIRM till delivery as per agreement, otherwise the offer will be rejected. The destination point for delivery of materials will be as follows:

Item Sl. No.	Quantity	Consignee	Destination Point (Place of delivery of materials)
All items	Full Quantity	AGM (store)	AGM (store)
		Mishra Dhatu Nigam Limited	Mishra Dhatu Nigam Limited
		PO - Kanchanbagh	Central Stores
		HYDERABAD - 500058, INDIA	PO - Kanchanbagh HYDERABAD - 500058, INDIA

The bidder will be responsible for safe arrival of materials to the destination points as mentioned above. However, the unloading and stacking of materials will be the responsibility of the consignee. The bidders should quote their **unit rate** on FOR MIDHANI basis in a specified BOQ format. The L1 bidder will be decided on quoted price as defined at point 5. Non submission of any price component by bidder will be taken as 'zero' by the system, the evaluation will be done accordingly and that price element will be assumed to



be included in the basic price quoted by the bidder. Bidders are requested to indicate CGST/SGST/IGST Tax separately in ATC format clause no 9.

13. After evaluation of Techno-commercial bid, all the bidders will get the information regarding status of their eligibility along with the date of Price-bid opening on their personalized dash board and also by system generated e-mail. It will be the bidder's responsibility to check the status of their Bid on-line at least once daily, after the opening of Techno-commercial bid till opening of the Price-bid. No separate communication will be made to the bidder in this regard.

14. The Bidder, who's Bid has been accepted, will be notified of the award on-line and also by registered post by the employer prior to expiration of the bid validity period. The L-1 bidder will get the information regarding award of work on their personalized dashboard on-line. On receipt of Letter for Acceptance (LOA)/Work Order of the tender issued by the MIDHANI, the successful tenderer shall execute contract agreement in the company's prescribed form for the due fulfillment of the contract. Failure to enter into the required contract within the specified period in the work order shall entail cancellation of LOA/work order and forfeiture of the Earnest Money. The written contract to be entered into between the contractor and the MIDHANI, shall be the foundation of the rights of both the parties and the contract shall not be deemed to be executed until the contract is signed by both the parties i.e. Contractor and the MIDHANI.

15. **Cost of Bidding:** The bidder shall bear all costs associated with the preparation and submission of his bid and the Employer will in no case be responsible and liable for those costs.

16. **Currencies of Bid and Payment:** The unit rates shall be quoted by the Bidder entirely in Indian Rupees only.

17. It is the bidder's responsibility to comply with the system requirement i.e. hardware, software and internet connectivity at bidder's premises to access the e-tender website. Under any circumstances, MIDHANI shall not be liable to the bidders for any direct/indirect loss or damages incurred by them arising out of incorrect use of the e-tender system or internet connectivity failures.

18. **One Bid per Bidder:** Each Bidder shall submit only one Bid, either individually, or as a partner in a partnership firm or a partner in a Joint Venture or a public limited firm. A Bidder who submits or participates in more than one Bid (other than as a subcontractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder's participation to be disqualified.

19. **Laws Applicable:** The Contract (order) placed for supply covered by this tender shall be governed by the laws of Government of India for the time being in force.

20. **Force Majeure:**

a) Unforeseeable causes beyond the control and without any fault or negligence of either party which effect delay or failure to fulfill this agreement partially or wholly shall be regarded as force majeure and shall include causes such as Act of God, War Fires, Floods, Epidemics, Quarantines , Govt. Restrictions Strikes, Earth Quake. etc.

b) The occurrence of case of force Majeure shall be notified by the party affected by it to the other party immediately by cable/fax and confirmed by registered air mail letter, stating the nature of occurrence accompanied by a certificate issued by Chamber of Trade/Commerce or by the Ministry of Shipping, Government of India, New Delhi as the case may be . The same procedure shall be observed when the case of force majeure ceases.

21. The MIDHANI reserves the right to postpone the date of receipt and opening of tenders or to cancel the tenders without assigning any reason whatsoever.

Signature Not Verified

Digitally signed by RAJKUMAR KODI  
Date: 2023.03.01 16:02:41 IST  
Location: PSUs of Ministry of Defence-  
DEFPSU

**DETAILED SPECIFICATION AND SCOPE OF WORK FOR CONVERSION OF  
TITANIUM ALLOY SCRAP INTO FERRO TITANIUM**

1. Midhani is having titanium alloy scrap with appx chemistry as 6 % aluminum and 4 % vanadium & balance titanium mostly in the form of solids/turnings/chips/contaminated titanium sponge.
2. MIDHANI will issue the Vendor scrap in the above available forms and vendor has to make Ferro titanium with the scrap
3. The titanium alloy scrap provided by MIDHANI has to be melted with suitable steel to make Ferro titanium aiming the composition given below.

	Chemistry (Wt%)						
Grade	Ti	C (Max)	Si (Max)	Al (Max)	Mn (Max)	P (Max)	S (Max)
FeTi 70	65.0-75.0	0.25	2.00	5.0	1.5	0.05	0.05

4. The contractor has to ensure minimum 120 % yield (Output Ferro titanium/input MIDHANI titanium alloy scrap). If contractor fails to achieve the yield, then the difference in the yield shall be converted into weight of Ferro titanium. The value of Ferro titanium shall be prevailing price (Rs per Kg) & equivalent amount (weight of Ferro titanium x prevailing price of Ferro titanium) will be recovered from contractor.
5. **Output Quantity : 200 MT ( vendor has to quote on output Kg basis)**
6. The raw material such as steel and other elements required for melting is in supplier's scope.
7. The turning, if required can be compacted/bailed for easy addition (Suppliers scope) .solid scrap pieces, if required to be cut into small pieces suitable to their furnace is also in supplier's scope.
8. A test certificate of chemical & sieve analysis for each heat/lot is to be provided. the heat/lot size shall be maximum 1000 kg. Sampling and analysis method are as per IS 1468:2000. Party has to provide sample from each batch. MIDHANI shall carry out analysis and the same shall be final for acceptance.
9. MIDHANI representative may be present at your work for witnessing of melting. The supplier has to maintain proper records for all activities & submit them to MIDHANI along with supply of material.
10. The material is to be supplied in as crushed and screened lumps. The lumps size range shall be **10-50 mm**  
size tolerance >60 mm-Nil;  
50-60 mm=10% max;  
5 to 10 mm= 5 % max.  
< 5mm -Nil

11. The material is to be packed in steel container /drum with quantities of 500-600 Kg with suitable preservation to avoid deterioration during transit and storage.
12. The container/steel drum shall be marked with grade MDN FeTi 70 and Lot/melt No, Drum No , Net weight and gross weight.
13. The contractor has to provide test reports (Chemical & sieve analysis report) along with the each supply.
14. The inspection of the material shall be done by MIDHANI (MDN) officials or MDN nominated agency at supplier's agency.
15. Loading and transportation of titanium alloy scrap from MIDHANI and return of Ferro titanium to MIDHANI shall be in supplier's scope.
16. Delivery should start within 30 days from the date of receipt of scrap at suppliers end . The supplier should supply minimum 40MT/Month based on issue of input scrap is issued by MIDHANI; the total quantity shall be completed within 5 Months.
17. The suppliers has to lift the complete quantity of titanium scrap as per PO as early as possible. The supplier has to make proper arrangement for storing the scrap.
18. The payment shall be made on output weight produced by the supplier.
19. The order may be split between L1 & L2 in the ration of 60: 40 If L2 matches the L1 Price.
20. Quantity Enhancement: MIDHANI Reserves the right to increase the quantity by 100 % within PO validity period.

**VENDOR TECHNICAL CQUALIFICATION CRITERIA:**

1. Vendors who have executed similar order in the past for MIDHANI are qualified by default.
2. New vendors shall be manufacturers of Ferro titanium and shall have in-house facilities.(List of facilities, proof of order/ supply etc to be submitted).
3. If required, for new vendors MIDHANI will verify the manufacturing facilities before price bid opening. Bid will be opened only after qualifying technically.

## TERMS AND CONDITIONS FOR JOBWORKS

**1. PAYMENT TERMS :**

Payment will be made within a period of 30 days from the date of receipt, acceptance and completion of material accounting in MIDHANI.

**2. EARNEST MONEY DEPOSIT:**

All bidders shall submit EMD amount of Rs. 2,00,000/- along with techno-commercial bid in the form of Electronic Transfer / Bank Guarantee (As per format attached.) In absence of which techno-commercial bid is liable for rejection.

MSME / SC & ST / All Central PSU and Govt. departments are exempted from submission of EMD

**3. SECURITY DEPOSIT (SD):**

Successful Bidder SD @ 3% of the order value shall be submitted within 21 days from the date of PO or 10 days from the date of issue of 1st batch of input material whichever is later, through online payment. In case SD is not submitted within 21 days from the date of Purchase Order or 10 days from the date of issue of input material whichever is later, interest @ 12% p.a. shall be levied for the period of delay beyond 21 days from the date of order or 10 days from the date of issue of input material whichever is later. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor.

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

**4. INDEMNITY BOND :**

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

**5. YIELD:**

Vendor has to ensure minimum 120% yield (Output Ferro Ti / Input MIDHANI Ti Scrap). If vendor fails to achieve the yield, then the difference in the yield shall be converted into weight of Ferro Ti. The value of Ferro Ti (i.e., Weight of Ferro Ti X Prevailing price of Ferro Ti/Kg) will be recovered from vendor.

**6. REJECTIONS:**

The processing has to be carried out as per Scope of Work and specification and as per instruction given by MIDHANI after placement of order. In case of any material does not meet specification, vendor shall be responsible for the same. In that case, conversion charge shall not be paid and equivalent titanium scrap cost shall be recovered from the party.

**7. INSURANCE:**

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

**8. PRICES:**

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

**9. TRANSPORT: To and Fro transportation shall be in the scope of vendor at their own cost.**

10. **DELIVERY:** Based on availability of Ti Scrap at MIDHANI and arrangement of Vehicle by supplier, scrap shall be issued in batches and the same shall be delivered within 30 days from the date of lifting from MIDHANI.
11. Tenderers shall submit their quotes in clear terms without any vague expressions.
12. **MSE UNITS:** Confirm whether you are MSE UNIT or MSE UNIT owned by SC/ST Entrepreneur. If yes, Please submit latest valid documentary proof for extending benefits as per Government guidelines.
13. Tenderers are requested to submit their offers according to Purchaser's Terms & Conditions.
14. The Purchaser is not bound to accept the lowest or any tender or to assign reasons for its non-acceptance. The Purchaser also reserves the right to accept the tender either in whole or in part.
15. **INSPECTION:** As per annexure-I
16. **VALIDITY:**  
The final price offered shall be valid for 1(one) year from the date of placement of order or completion of ordered quantity whichever is earlier.
17. **REPEAT ORDER :**  
Within a period of six months from the date of completion of the order, the Purchaser further reserves the right to place repeat order on the successful tenderer for an additional quantity upto 100% of the original ordered quantity.
18. **ARBITRATION:**  
Any dispute or difference whatsoever arising between the parties out of or in connection with the Order/Contract or the breach thereof shall be settled by bilateral discussions failing which they shall be settled by Arbitration in accordance with the Rules of Arbitration of the International Centre for Alternative Dispute Resolution (ICADR) as per ICADR Arbitration Rules 1996 and the award made in pursuance thereof shall be binding on the parties. The language of arbitration shall be English and the place of arbitration shall be Telangana, India.
- In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/Port Trusts inter se and also between CPSEs and Government dept./Organizations (Excluding disputes concerning Railways, Income Tax, Customs & Excise Dept.), such disputes or differences shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/ 2013- DPE(GM)/FTS-1835 dated 22/5/2018 or the latest DPE Guidelines issued from time to time.
19. **JURISDICTION:**  
All questions, disputes or differences arising under, out of or in connection with the contract shall be subject to the exclusive jurisdiction of court within local limits of Hyderabad, Telangana.
20. **RISK PURCHASE:**  
If the Contractor shall fail to complete the assigned work within the time prescribed in the tender/contract thereof, the Purchaser reserves the right to get the job done through other sources at the Contractor's cost & risk.
21. Tenders not conforming to Purchaser's terms & conditions shall be summarily rejected.

**22. COUNTER TERMS & CONDITIONS:**

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

**23. RESPONSIBILITY FOR PERFORMANCE OF CONTRACT:**

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

**24. GENERAL DIRECTION OF THE WORK:**

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

**25. SUB LETTING OR SUB-CONTRACTING OF CONTRACT:**

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

**26. LIQUIDATED DAMAGES FOR DELAY IN EXECUTION OF CONTRACT:**

If the Contractor shall fail to complete the assigned work within the time prescribed in the Contract thereof, or extended time thereof, the Contractor shall be liable to pay the Purchaser as liquidated damages for such default, but not as a penalty, a sum calculated at the rate of 1% (One percent) of the Contract Price per week of delay, subject to a maximum of 10% (Ten percent) of the Contract Price. The Purchaser may, without prejudice to any other method of recovery, deduct the amount of such damages from any money in his due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligations to complete the work or from any other of his obligations and liabilities under the Contract.

**27. ADDENDA TO TENDER DOCUMENTS:**

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

**28. NO CLAIM OR COMPENSATION FOR SUBMISSION OF TENDER:**

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

**29. TENDER OPENING:**

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

**30. DISTRIBUTION OF ORDER:**

Based on MIDHANI requirement, order may be split between two parties in 60: 40 ratio according to original ranking L1, L2, L3.

In case more than one party has the same rank, then their share will be added and equally distributed.

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

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

- a) If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the Purchaser.
- b) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser.
- c) Purchaser reserves the right to cancel the Purchase Order/ contract on its own under exceptional circumstances.

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

**32. DIVERSION OF ORDER QUANTITY:**

During execution of contract, if the performance of a particular supplier is not upto the mark, MIDHANI reserves the right to divert such quantities to other reliable supplier(s) after observing necessary commercial formalities.

**33. MAKE IN INDIA:**

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

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

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

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

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

If Tenderer happens to be a MSE as per Government Guidelines, necessary benefits in line with Government Guidelines issued from time to time shall be provided on submission of valid documentary proof to the satisfaction of the Purchaser. In case organization is an MSE Unit



owned by SC/ST Entrepreneur or owned by Women Entrepreneur, submit valid documentary proof for extending benefits as per Government guidelines. Benefits include

- i) EMD is exempted for Micro & Small Enterprises (MSEs) registered with DIC/ NSIC/KVIC/ Udyog Aadhar Memorandum (UAM) issued by MoMSME or any other body specified by Ministry of MSME.
- ii) Purchase Preference to MSE's shall be provided as given below.
  - a) In tenders, participating Micro and Small Enterprises quoting price within price band of L1+ 15 percent shall also be allowed to supply at least 20% requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise. In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).
  - b) In case of tender item is non-divisible and if Micro and Small Enterprises quoted price is within the price band L1+15% shall be allowed to supply total tender requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise.
- iii) "Vendors to intimate the value of Goods & Services which are sub contracted by them from the MSE's if any, pertaining to the ordered item(s)".
- iv) The benefits mentioned above are meant for procurement of goods produced and services rendered by MSE's. Traders are excluded from availing these benefits
- v) Vendors to intimate the value of Goods & Services which are sub contracted by them from MSE's if any, pertaining to the tendered item(s).

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

**36. 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.

**37. DEFINITIONS:**

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

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

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

AGREED TERMS & CONDITIONS			
Tender Ref NO.	MDN/PUR/46227047/E-Advt/627/22-23		
TENDER TITLE	Conversion of Titanium Scrap into Ferro Titanium		
Bidder Name:			
S.NO.	Tender Requirement	Vendor's confirmation/	REMARKS in Max 500 Characters
*1	Job has to be carried out as per Scope of Work and specification at Annexure-I without any deviation.	SELECT	
*2	Specify Agree/Disagree of eProcurement Notice Inviting Tender (NIT) and all the Terms and Conditions at Annexure-II to tender.	SELECT	
*3	Basis of quoted prices. FOR Midhani:To and Fro transport shall be in the scope of Vendor at their own cost.	SELECT	
*4	Payment terms-100% payment within 30 days from the date of receipt & acceptance of material in Midhani.	SELECT	
*5	Validity of Order:Payment will be made within a period of 30 days from the date of receipt, acceptance and completion of material accounting in MIDHANI.	SELECT	
**6	SPECIFY OFFER MAKE and PRODUCT SPECIFICATION		
**7	Delivery Schedule: As per Annexure-I		
**8	Indicate your GST No. C. E. REGN / E. C. C. No. HNS CODE No.		
**9	Indicate <u>Taxes and Duties</u> applicable with rate percentage.		
**10	Any Other Terms Condition/ Guarantee/ Price Variation/ Inspection		
*Confirm your acceptance of our terms (sl no 1,2, 3, 4 & 5) by selecting AGREE option , if DISAGREE enter your remarks in respective cell.			
** For Sl no 6, 7, 8, 9 & 10 enter only remarks in respective cell.			

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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.

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**Compliance to GST return and e-invoicing:**

1. The GST invoice to be submitted by registered supplier shall be in accordance with provisions of Sec 31 of CGST Act, 2017 and shall contain all particulars specified in rule 46 of CGST Rules including HSN/SAC codes.
2. Wherever E-invoice is applicable as per provisions of GST Act and notifications issued from time to time, bills will be processed only on submission of E-invoice (in addition to all other relevant documents). If E-invoice is not applicable, supplier is requested to submit the declaration on letter head signed by Authorized signatory in the attached format at Annexure-A.
3. Further to above, if the aggregate turnover of the supplier exceeds threshold limits as notified by Government of India at any future date, then E-invoice shall be applicable and the bidder has to comply with required provisions of GST Law.
4. Supplier need to give declaration whether he is filing GSTR-1 and GSTR-3B on monthly basis or quarterly basis. If supplier is filing /opted for GSTR-1 and GSTR-3B on Quarterly basis, supplier is requested to submit the declaration on letter head signed by Authorized signatory in the attached format at Annexure-B.
5. If the supplier is filing returns on monthly basis, payment will be made only after filing of GSTR-1 and GSTR-3B of the respective month including availability of invoice in GSTR-2B (It is to be noted that the Invoice will appear in GSTR-2B of corresponding month if the supplier files GSTR-1 within due dates mentioned in the Act).
6. If supplier is filing / opted for GSTR-1 and GSTR-3B on Quarterly basis, only the base amounts will be paid initially and release of GST amounts will be made only after quarterly filing of GSTR-1, GSTR-3B of corresponding months including availability of invoice in GSTR-2B (It is to be noted that the Invoice will appear in GSTR-2B of corresponding month if the supplier files GSTR-1 within due dates mentioned in the Act). After filing of GSTR-1 and GSTR-3B Supplier has to intimate the same to Purchase Department along with copies of GSTR-1 and GSTR-3B for onward intimation to Finance Department.
7. In case MIDHANI is unable to avail GST credit within time limit specified under the GST Act due to delay in filing and /or intimation regarding filing of GST returns by supplier or due to any other fault of supplier, corresponding GST amounts will not be paid to supplier.

**Annexure-A**

**TO BE PRINTED ON LETTER HEAD**

**To whomsoever, it may concern.**

We M/s. .... having PAN ..... and GSTIN Registration Number ..... hereby undertake that our Aggregate Turnover (as per Section 2(6) of Central Goods and Services Tax Act, 2017) for the previous financial year does not exceed the prescribed threshold (as on the date of this declaration) for generation a Unique Invoice Registration Number (IRN) and QR code as per the provisions of Central Goods and Services Tax Act, 2017 and rules thereunder ("GST Law").

Further, we also undertake that if the aggregate turnover of M/s. .... exceeds the current threshold or revised threshold notified by Government of India at any future date, then we shall issue invoice, Debit Note and credit note in compliance with the required provisions of GST Law (E-Invoice).

I/We .....acting on behalf of (Company name) ..... in the capacity of (designation) ..... and keep it indemnified against any losses, damages (or) costs which it suffers (or) incurs due to breach on our part of this declaration.

**LEGAL NAME :**

**TRADE NAME :**

**TAX PAYER TYPE :Regular**

Thanking you.

Yours Truly,

For M/s.....

Authorized Signatory Name:

Designation:

Stamp:

**Annexure-B**

**TO BE PRINTED ON LETTER HEAD**

**To whomsoever, it may concern.**

We M/s. .... having PAN ..... and GSTIN Registration Number ..... hereby confirm that our Aggregate Turnover (as per Section 2(6) of Central Goods and Services Tax Act, 2017) was not more than prescribed limit for Quarterly filing and we are anticipating that turnover for the Current Financial year also will be within the prescribed limit. Hence, we opt to file GSTR-1 and GSTR-3B returns on a Quarterly basis for the Financial year 2020-2021 (January 2021 onwards). We are hereby agreeing to file GSTR-1 and GSTR-3B on or before due dates as per provisions of GST Act and Rules thereunder. In case we revise option / required to file GSTR-1 and GSTR-3B on monthly basis, same will be intimated immediately and complied with.

Further, we also undertake that if the aggregate turnover of M/s. .... exceeds the current threshold or revised threshold notified by Government of India at any future date, then we shall file returns compliance with the provisions of GST Act or rules made thereunder.

I/We ..... acting on behalf of (Company name) ..... in the capacity of (designation) ..... and keep it indemnified against any losses, damages (or) costs which it suffers (or) incurs due to breach on our part of this declaration.

Our GST details as per GST Registration certificate are as below:

**LEGAL NAME :**

**TRADE NAME :**

Thanking you.

Yours Truly,

For M/s.....

(Authorized Signatory)

Name:

Designation:

Stamp:

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

Date:

To,

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

Sub: Procurement of \_\_\_\_\_ (Item description)

Ref: Tender no. & date: \_\_\_\_\_

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

Yours faithfully,

(BIDDER)

## **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)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is enclosed.
  - e. The Bidder(s)/ Contractor(s) will, when presenting their bid, disclose any and all payments made, are committed to or intend to make to agents, brokers or any other intermediaries in connection with the award of the contract.
  - f. Bidder(s) /Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

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

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

### **Section 4 – Compensation for Damages**

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

### **Section 5 – Previous transgression**

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

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

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

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

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

#### **Section 8 – Independent External Monitor**

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



Commissioner.

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

#### **Section 9 – Pact Duration**

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

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

#### **Section 10 – Other provisions**

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

#### **Section 11 - Independent Monitors**

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

##### **Address of IEMs are as follows:**

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

(For & On behalf of the Principal)

(For & On behalf of Bidder/ Contractor)

(Office Seal)

(Office Seal)

Place - .....

Date .....

Witness 1:

(Name &

Address)

Witness 2:

(Name & Address)

## **GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS**

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

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## **GUIDELINES ON DEBARMENT OF FIRMS FROM BIDDING - MIDHANI**

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

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

### **Definitions**

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

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

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

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

### **Debarment by a Single Ministry/ Department**

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

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

g. Ministry/ Department that issued the order of debarment can also issue an order for revocation of debarment before the period of debarment 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 firms has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them.

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

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

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

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

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

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

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

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

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

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

To

All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

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

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019 and Order No.P-45021/2/2017-B.E.-II dated 04.06.2020, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 16.09.2020 effective with immediate effect.

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

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

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

**Now therefore the following Order is issued:**

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

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

*'Class-I local supplier'* means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

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

*'Non - Local supplier'* means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order

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

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

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

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

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

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

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

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

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

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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

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

6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
  - a. The 'Class-I local supplier/' 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier/' 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
  - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier/' 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
  - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
  - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints
  - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
  - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
  - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
  - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
  - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted

**10. Specifications in Tenders and other procurement solicitations:**

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

**d. Reciprocity Clause**

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

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

**10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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## **General guidelines and Process Flow for e-Tender cum Auction:**

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

- A** E-Reverse Auction will be initiated after opening of price bids, as specified by Tender Inviting Authority (TIA) as detailed above.
- B** There will be no participation fees for e-Reverse auction.
- C** Upon opening of the price bids, a reverse auction platform will be created, displaying only the overall L1 price received (landed Price).
- D** L-1 Landed price/cost to the company will be the start bid price for tenders Goods. Bidder has to bid the landed price to MIDHANI in the reverse auction.
- E** The L1 price/start bid price is Landed / cost to the company price on which the auction will be initiated. At the end of reverse auction, the L1 bidder shall have to submit break up of prices conforming to the lowest landed rate quoted by him in the reverse auction.
- F** The L-1 Bidder after the reverse auction has to submit the breakup of Landed Price in the shortfall document. The detailed breakup of offered landed price uploaded by the bidder shall be considered and order if place shall be with the same breakup of prices. The L-1 bidder after reverse auction will be responsible to ensure that Landed rate as per the breakup of prices provided by him after the reverse auction & L-1 landed rate offered by him in the reverse auction is exactly same, otherwise it may be treated as withdrawal of offer and it will attract penal action. While giving breakup, the bidder will have to consider the same rate of taxes and duties as quoted while submitting the e-Price bid. In case the L-1 bidder fails to submit the breakup of landed price within 02 days, MIDHANI shall be at liberty to place order on the basis of breakup of the e-price bid submitted by the bidder along with the initial offer and same shall be binding on the bidder.
- G** Initial period of reverse auction will be two hours (Start date & time of auction shall be intimated online after opening of Bid). There will be auto extensions of time every time by ten minutes in case of any reduction recorded in the last ten minutes. The reverse auction will come to a close only when there is no further reduction recorded in the last ten minutes slot.
- H** System protects bid and bidder information till auction gets over and displays current L1 price only to the bidders.
- I** System provides bidder details along with bid documents at the end of reverse auction process.
- J** The log details of the entire reverse auction process will be generated by the system once the process of reverse auction is completed.
- K** If a bidder does not submit his bid in the Reverse Auction, the price quoted by him in the price bid

shall be considered as the valid price of that bidder. The status of the bidder (L1, L2 etc) shall be evaluated considering either the bid price submitted in Reverse auction or the Price quoted in the price bid, whichever is lower.

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

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

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

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

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

Q Conditional discounts shall not be considered. If a bidder offers a discount unilaterally after submission of bid, the discount shall not be considered for evaluation of offers but shall be availed if order is placed on such tenderer.

R If the lowest price received during reverse auction is unreasonable or it is unacceptable on ground of being too high or too low compared with estimated price, the management reserves right to seek justification of the price from lowest bidder.

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

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

U. Bidders in their own interest are advised to quote competitive rates while filling the Online Sealed Bid (OLSB). In the event of over whelming response against the tender, MIDHANI reserves the right to exercise the option of eliminating H-1 or/ H-1 or H2 bidders before RAP.

V. In case of RAP is not conducted on account of low response, MIDHANI shall obtain discounts off line in sealed form (over OLSBs). Both the OLSBs and discount letters shall be opened on the same day and L1 will be determined.

W. In case of RAP fails, i.e. no bids are received; MIDHANI may conduct price negotiation with the lowest bidder.

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**FORM OF BANK GUARANTEE IN LIEU OF EARNEST MONEY DEPOSIT**

1. This deed of guarantee executed on .....day 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 Fulfilment by the said Contractor(s) of the terms and conditions contained in the said agreement on production of a bank guarantee for Rs.....(Rupees..... only), we ..... (name of the bank, address) (hereinafter referred to as “The Bank”) at the request of ..... Contractor(s) do hereby undertake to pay Purchaser an amount not exceeding Rs ..... against any losses or damage caused to or suffered or would be caused to or suffered Purchaser by reason of any breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement.
3. We ..... (Bank) do hereby unconditionally and irrevocably agree and undertake to pay to Purchaser the amounts due and payable under this Guarantee without any demur, merely on a demand from Purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to on suffered by Purchaser by reason of breach by the said agreement or by reason of the contractor(s) failure to perform the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs .....
4. We undertake to pay Purchaser and money so demanded notwithstanding any dispute or disputes by the contractor(s) / supplier(s) in any suit or proceedings pending before any court of tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be valid discharge of our liability for payment there under 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

FORM OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT

11. This deed of guarantee executed on .....day 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).

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

13. 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 .....

14. 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 there under and the contractor(s) shall have not claim against us for making such payment.

15. 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.
16. 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.
17. 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.
18. This guarantee shall not be discharged due to the change in the constitution of the Bank or the contractor(s).
19. We ..... (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of Purchase in writing.
20. 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