

**MISHRA DHATU NIGAM LIMITED**

A Govt of India Enterprise

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

Corporate Identity Number: L14292AP1973GOI001660

Phone: 040 – 24184685, Fax: 040 – 24340764

E-mail ID: haribabu.kandregula@midhani-india.in, website: www.midhani-india.in

Tender Notice No.: MDN/PUR/21230048/CG/ADVT/575/23-24, Date: 09.02.2024

Receipt of Tender on or before:

08.03.2024 at 10:30 Hrs.

Opening of Tender Date:

08.03.2024 at 10:35 Hrs.

Sl. No	MATERIAL	Estimated Requirement	
	DESCRIPTION & SPECIFICATION.	Unit	Qty
1	Supply of LPG Decanting Compressor of Corken Make, Model:491 with accessories like flame proof motor, mechanical liquid trap, four-way valve, suction strainer, base frame, inter connecting piping etc	No.	01
2	Supply of LPG Decanting Pump of Corken Make, Model:2000Z	No.	01
3	Supply of Bypass valve Model B166B1, Make: Corken	No.	01
4	Charges for commissioning of Decanting Compressor and Decanting Pump	No.	01
5	Charges for Supervision of Erection of Decanting Compressor, Decanting Pump	No.	01

List of Tender Documents:

S. No	Document Description	No. of Pages
Invitation to Tender		
Annexure – I	Detailed Technical Specification	08
Annexure – II	General Terms and Conditions of Indigenous offers	08
Annexure – III	Procedure to be followed for submission of Bid	01
Annexure – IV	Specimen Format of Bank Guarantees	07
Annexure – V	Public Procurement (Preference to Make in India), Order 2017 – Revision	09
Annexure-VI	Specimen Format of Vendor Declaration	01

EARNEST MONEY DEPOSIT: NIL

SECURITY DEPOSIT: The successful tenderer/Bidder shall be required to **furnish SD amount of 10% of purchase order value** within 21 days from the date of Purchase Order in form of DD/Bank Guarantee from any nationalized / schedule bank encashable in India. SD shall be valid up to acceptance of material, with an additional claim period of three months.

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

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

Special Instructions:

The technical bid and Price Bid shall include the following:

I). TECHNICAL BID:

- 1). Confirmation that you can supply the material as per tender specification without any deviation. Drawings, leaflets, etc. to be enclosed.
For technical clarification Kindly Contact: Shri N. Kuppa Swamy, Sr. Mgr (Utilities) Contact No: 040-2418-4451. E-Mail ID: utilities@midhni-india.in
- 2). You shall furnish the above information as part of your technical bid failing which your offer is liable to be rejected.
- 3). Delivery period required for supply should be clearly mentioned.
- 4). Indicate your GST No. in your offer.
- 5). Validity of your offer shall be **180 days** from the date of tender opening.

6). Payment Terms:

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

For Service (Erection and Commissioning, if applicable): 70% shall be against Commissioning on Indentor's certification and 30% against submission of PBG for 10% value of the order valid till Guarantee period (if applicable). Taxes shall be paid as applicable against each Invoice. Balance 30% payment of both supply and service shall be done after acceptance of the material at our end, successful commissioning and against submission of Performance Bank Guarantee (PBG) for 10% value of the order valid till Guarantee period (if applicable). (Bank Guarantee format at Appendix – 16a)

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

For Commercial clarifications Kindly Contact Shri. K. Hari Babu, **E-mail ID:** haribabu.kandregula@midhani-india.in

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

II). PRICE BID:

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

**Yours faithfully,
For Mishra Dhatu Nigam Limited**


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

SPECIFICATIONS

1. SCOPE OF SUPPLY:

Scope of Supply includes design, manufacturing, supply and commissioning of LPG Vapour Compressor and Unloading Pumps/Transfer Pumps at M/s Midhani Site.

1. The LPG Line Pressure to be maintained in the main line is 1.5 Bar (g)
2. The scope of work includes supply, supervision of erection and commissioning of Vapour compressor and liquid un-loading/transfer pump and its accessories.
3. The scope of supply for decanting compressor shall include supply of compressor with accessories such as flame proof motor, mechanical liquid trap, four-way valve, suction strainer, base frame, inter connecting piping to the existing system.
4. The scope of supply for decanting pump shall include supply of decanting pump with flame proof motor and base frame etc.

D) TECHNICAL SPECIFICATION FOR DECANTING LPG COMPRESSOR:

Model	491
Make	CORKEN (USA)
Packing Arrangement	Inlet pressure above atmospheric (A)
Crank case style	Pressure lubricated (M)
Valves	Liquid relief suction (3)
Piston rings and packing	PTFE (F)
Gasket material	Aluminium (B)
O-Ring material	Buna N (A)
Intercooler	Not applicable, as single stage (N)
Flywheel	Standard (S)
Piston rod Coating	Nirotec (N)
Bore of Cylinder	101.6 mm
Stroke	76.2 mm
Piston displacement	
Minimum @400 RPM	17.2 CFM (29.2 m ³ /hr)
Maximum @ 825 RPM	35.5 CFM (60.3 m ³ /hr)
Maximum working pressure	24.1 bar

Maximum allowable outlet temperature	177°C
Bare unit weight with flywheel	176.9 kg
Material Specification	
Head Cylinder	Ductile iron ASTM 536
Cross head guide, crank case, fly wheel, bearing carrier, cross head	Grey iron ASTM A 48, Class 30
Valve seat, bumper, plate	Ductile Iron
Valve Spring	Inconel

II) TECHNICAL SPECIFICATION FOR DECANTING LPG PUMP:

Model No.	Z2000
Make	CORKEN (USA)
In let	2" NPT
Out let	2" NPT
Max. Differential pressure	8.3 bar
Max. Operating pressure	28.6 bar
Max pump speed	780RPM
Flow Rate Provided	Approx. 250 LPM @ 2-3 bar differential @ 780 RPM
Temperature	Max: 107 Degree C: Min : -32 Degree C
Material Specifications:	
Case, head, rotor, relief valve cap, bearing cap	Ductile iron ASTM A536
Cam, Side Plate	Grey Iron ASTM A 48, Class 50
Welding flange	Steel
Seal Seat	Silicon Carbide
Seal metal parts	Steel
Shaft	8620 Steel
Vanes and Vane drivers	Advanced polymers
Relief valve spring	Stainless steel
Relief valve	Stainless steel
Bearing	Steel

Thrust bearing	Steel
O Rings	Buna N
Retainer rings	Steel

5. INSPECTION AND TESTING:

- a. Inspection and Testing of the equipment such as pump and motor shall be carried out by MDNL or an authorized agent of MISHRA DHATU NIGAM LTD. at the works of supplier/OEM before dispatch of material to ensure conformity of the same with the acceptable criteria of technical specification including performance testing of the compressors at OEM site/Midhani plant, authenticated manufacturing drawings.
- b. MDNL reserves the right to verify the quality program and entire product characteristics to assure the intended and specified quality of the product.

6. DELIVERY:

- c. Delivery shall be completed **within 05 months** from the date of placement of purchase order.
- d. Commissioning of Decanting Compressor, Decanting Pump shall be completed within **01 Month** from the date of site clearance
- e. Unless requested by purchaser, supplier shall dispatch material with all its attachments, documents, etc as a single lot with logical identification of packing.
- f. All material shall be packed suitable for prevention of damage during transit and deterioration during storage.

7. PAINTING:

The painting of the equipment, accessories, and base frame shall be as per manufacturer's standards. However, vendor to provide the details in the offer. Protection of non painted surfaces and machined surfaces have to be taken care by the vendor against rusting.

8. PERFORMANCE GUARANTEE/WARRANTY:

- i. The vendor shall give guarantee/warranty for the entire manufacturing, supply and satisfactory performance of the entire of the package for 18 months from the date of delivery or 12 months from the date of commissioning whichever is earlier for round the clock operations.

- ii. The warranty shall cover faulty manufacturing/material/workmanship. All replacement under the warrantee shall be done by the vendor free of cost.
- iii. The vendor is solely responsible and accountable for any defects and subsequent delays in supply due to design/inspection.

9. ACCEPTANCE CRITERIA:

The party has to show the performance of the electrical heated vaporizers, Decanting Compressor, Decanting Pump for its rated output as per our specification at Equipment manufacturer's site for acceptance from our end during commissioning period.

10. DOCUMENTS TO BE SUPPLIED:

a. DOCUMENTS TO BE SUBMITTED ALONG WITH OFFER:

- i. Technical Particulars of the Decanting Pump, Decanting Compressor as per the format given in Annexure-II.
- ii. Preliminary GA Drawings indicating the overall dimensions.
- iii. Attested tender documents along with offer.
- iv. Catalogues if any.

b. DOCUMENTS TO BE SUBMITTED AFTER PLACEMENT OF ORDER

- i. Civil Foundation Layout Drawing within one month after placement of purchase order for information only.
- ii. QAP is to be submitted within one month after placement of purchase order for information only.

c. DOCUMENTS TO BE SUBMITTED DURING SUPPLY OF EQUIPMENT:

- i. Operation and maintenance manual
 - 03 Sets.
- ii. A part list shall be included showing part nomenclature, seller's part number
 - 03 Sets.
- iii. Material Test Certificates
 - 03 Sets

11. SPECIAL INSTRUCTION TO TENDERER:

- d. The supply items shall meet the requirements stipulated in this technical specifications, standards & data sheets.
- e. The supplier shall furnish the technical particulars of Decanting Compressor and Decanting Pump as per the format given in Annexure-II.
- f. Only those tenderers offering all items shall be considered.
- g. Dealers/traders must furnish a letter of valid authorization from the original equipment manufacturer.

12. BATTERY LIMITS:

- h. The erection of Liquid Inlet to the system, Vapour outlet from system, Drain pipe line, Bypass Pipe line, Erection Decanting Compressor, Decanting Pump and its connected piping is in MIDHANI's Scope.
- i. Electrical Supply to the Control Panel is in M/s Midhani Scope.
- j. Civil Foundation is in M/s Midhani Scope if required, but the party has to provide the foundation layout drawing.
- k. Tools, Tackles, Consumables required for commissioning of compressor and pump is in M/s Midhani Scope.
- l. Unloading of the equipments at site is in M/s Midhani Scope.

13. ELIGIBILITY CRITERIA:

- 1. Tenderer shall have experience of having successfully carried out or received orders for supply and commissioning of Decanting Compressor and Decanting Pumps and other accessories from any organization for similar supplies in the past, which experience should be any one of the following:
 - a. Similar Capacity or More Capacity of Decanting Compressor and Decanting Pump supplied to the any organization.
- 2. Following Supporting documents to be provided for substantiating eligibility:
 - a. Purchase Order Copy for the similar supplies from the organizations where they have supplied the items mentioned at 1 a.

- b. Satisfactory Performance Certificate from Authorized Person for the Same above Purchase Order copy.

ANNEXURE-II

DATA SHEET FOR DECANTING LPG COMPRESSOR:

Model	
Make	
Packing Arrangement	
Crank case style	
Valves	
Piston rings and packing	
Gasket material	
O-Ring material	
Intercooler	
Flywheel	
Piston rod Coating	
Bore of Cylinder	
Stroke	
Piston displacement Minimum @400 RPM Maximum @ 825 RPM	
Maximum working pressure	
Maximum allowable outlet temperature	
Bare unit weight with flywheel	
Material Specification	
Head Cylinder	
Cross head guide, crank case, fly wheel, bearing carrier, cross head	

Valve seat, bumper, plate	
Valve Spring	

DATA SHEET FOR DECANTING LPG PUMP:

Model No.	
Make	
In let	
Out let	
Max. Differential pressure	
Max. Operating pressure	
Max pump speed	
Flow Rate Provided	
Temperature	
Material Specifications:	
Case, head, rotor, relief valve cap, bearing cap	
Cam, Side Plate	
Welding flange	
Seal Seat	
Seal metal parts	
Shaft	
Vanes and Vane drivers	
Relief valve spring	
Relief valve	
Bearing	
Thrust bearing	
O Rings	
Retainer rings	

ANNEXURE-III

PRICE BID FORMAT:

S NO	Description	Qty	Unit Price	Total Price
1	Supply of LPG Decanting Compressor of Corken Make, Model:491 with accessories like flame proof motor, mechanical liquid trap, four-way valve, suction strainer, base frame, inter connecting piping etc	01 No		
2	Supply of LPG Decanting Pump of Corken Make, Model:2000Z	01 Nos		
3	Supply of Bypass valve Model B166B1, Make: Corken	01 No		
4	Price of the commissioning of Decanting Compressor and Decanting (Lumpsum)	01 No		
5	Price for Supervision of Erection of Decanting Compressor, Decanting Pump (Lumpsum)	01 No		
	GRAND TOTAL (Sum of 1 to 5) (in Rupees)			

Note: 1. Price bid shall be sent in separate sealed envelope. Mark in **BOLD “PRICE BID”** on the envelope.

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES**1. DEFINITIONS:****PURCHASER:**

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

TENDERER:

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

SUCCESSFUL TENDERER/SUPPLIER/CONTRACTOR:

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

2. The Tenderer shall indicate/furnish the following in his offer (if applicable):
 - a. Manufacturer's Name & Address.
 - b. Country of origin of goods.
 - c. Delivery period.
 - d. Mode of packing.
 - e. Net weight and Gross weight.
 - f. Technical Literature / Catalogue/Specifications.
 - g. Details of Shelf life, if any, applicable for the goods offered.
 - h. Your Banker's Name, Address & Details.
 - i. A confirmation that the price quoted is your lowest export price and is the same as you would normally quote to Government department and other favored customers.
 - j. HSN Code for all the Items quoted along with applicable GST Rates.
 - k. TARIFF HEAD UNDER H. S. (HARMONISED SYSTEM).
3. Any Order resulting from this invitation to tender shall be governed by our General Terms and Conditions of Contract and the supplier quoting against this enquiry Shall be deemed / to have read and understood the same.
4. Where counter terms and conditions have been offered by the Tenderer, the purchaser shall not be governed by these unless specific acceptances have been given in writing in the order by the Purchaser
5. The offer should be complete in all respects. Full particulars and descriptive literature and drawings should be forwarded along with the quotation. The make of the items offered should be clearly specified. Materials should be offered strictly confirming to our specifications. The deviations if any, should be clearly indicated in the quotation. Test certificates must be produced, wherever required where stipulated samples should be forwarded along with the quotation. Material confirming to IS will be preferred.
6. **PRICES:**

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES**7. TAXES:**

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

8. RIGHT OF ACCEPTANCE:

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

9. INSPECTION:

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

10. PACKING:

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

11. TO RECOVER LIQUIDATED DAMAGES:

Liquidated Damages shall be levied against Suppliers/Contractors in the event of unsatisfactory, delayed or non supply of materials/execution of Contract beyond the date of delivery/completion of job. LD is leviable at the rate of 1% of the total order/contract prices per week or part there of subject to a maximum 10% of the order/contract prices including taxes & duties without prejudice to the right of the purchaser to take any other action. The amount shall also be recoverable from any other contract on account of the supplier. The payment or deduction of such damages shall not relieve the contractor from his obligations to complete the work or from any other of his obligations and liabilities under the contract. MIDHANI shall issue GST Invoice/Debit Note for the LD deducted on the name of Supplier/Contractor against which GST credit may be availed, if applicable

12. RISK PURCHASE:

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

13. GUARANTEE:

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

14. VALIDITY:

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

15. ADDENDA TO TENDER DOCUMENTS:

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

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

17. EARNEST MONEY DEPOSIT (EMD):

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

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

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

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

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

EMD Exemption:

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

EMD is exempted for Micro & Small Enterprises(MSEs) registered with DIC/NSIC/KVIC/Udyog Aadhar Memorandum (UAM)issued by MoMSME or any other body specified by Ministry of MSME.

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

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES**Note:**

- (i) In case more than one MSE enterprise quotes same price, the supply/order shall shared proportionally (to tender quantity) if tender can be split.
- (ii) If the MSE who have quoted lowest rate among the MSEs in the price band of L-1 + 15% do not agree to match the rate of L-1 of the tender, then the next ranked MSE bidder who has quoted within the price band of L1+15% in order shall be given chance to match the rate of L-1 for award of the quantity/order.
- (ii) All Central PSU's & Government departments / Authorities as well as Original Raw Material Manufacturers may be exempt from submission of EMD in all tenders.

18. SECURITY DEPOSIT (SD):

The successful tenderer/Bidder shall be required to furnish SD as specified in tender (NIT) within 21 days from the date of Purchase Order. In case Security Deposit is not submitted within the stipulated time as above, interest @ 12% p.a. shall be levied for the period of delay beyond the stipulated time. Interest as above may be either deposited by the supplier / contractor or recovered from any amounts due to the supplier / contractor.

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

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

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

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

19. MAKE IN INDIA:

Public Procurement (Preference to Make in India) Clause:

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

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

(a) Types of Suppliers:

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

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

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

(b) Margin of purchase preference = 20%

(c) Preference (s):

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

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

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

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

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

(f) Verification of Local Content:

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES

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

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

20. NO CLAIM OR COMPENSATION FOR SUBMISSION OF TENDER:

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

21. LOWEST TENDER NOT NECESSARY TO BE ACCEPTED:

The Purchaser is not bound to accept the lowest or any tender or to assign reasons for its non-acceptance. The Purchaser also reserves the right to accept the tender either in whole or in part.

22. PRICE NEGOTIATIONS:

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

23. LOADING IN CASE OF COMMERCIAL DEVIATIONS:

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

The comparative assessment of offers received would be made on equal footing taking into account the financial implications for the deviations in terms and conditions. Conditional discounts offered by the tenderers for coverage within a shorter period for early inspection / payment etc., shall not be considered at the time of evaluation of tenders.

24. ARBITRATION:

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

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES**25. JURISDICTION:**

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

26. BANKRUPTCY ETC.:

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

- a. To terminate the contract forthwith upon coming to know of the happening of any such event as aforesaid by notice in writing to the Contractor or to the receiver / liquidator.
- OR
- b. To give such receiver, liquidator or other person the option of carrying out the contract subject to his providing guarantee up to an amount to be agreed for the due and faithful performance of the Contract.

27. CANCELLATION / SHORT CLOSURE OF PURCHASE ORDER:

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

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

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

28. REJECTED GOODS:

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

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

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

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

GENERAL TERMS AND CONDITIONS FOR INDEGENOUS SOURCES**31. COUNTERFEIT PARTS:**

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

32. TRADE PRACTICES:

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

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

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

ENVELOPE NO.1:

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

ENQUIRY NO. MDN/PUR/21230048/ADVT/575/23-24

DATE: 30.01.2024

DUE DATE: 27.02.2024 AT 10:30 HRS.

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

NAME OF THE TENDERER:

ENVELOPE NO.2:

PART - II “PRICE BID”

ENQUIRY NO. MDN/PUR/21230048/ADVT/575/23-24

DATE: 30.01.2024

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

NAME OF THE TENDERER:

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

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

TENDER NO.

ENQUIRY NO. MDN/PUR/21230048/ADVT/575/23-24

DATE: 30.01.2024

DUE DATE: 27.02.2024 AT 10:30 HRS.

CONTENTS:

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

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

NAME OF THE TENDERER:

Annexure – IV

SPECIMEN FORMS OF

BANK GUARANTEES

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

FORM OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT

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

(Name and Address of the Bank)

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

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

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

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

FOR AND ON BEHALF OF THE BANK WITHIN NAMED

BANK GUARANTEE TOWARDS PERFORMANCE BANK GUARANTEE

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

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

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

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

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

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

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

FOR & ON BEHALF OF THE BANK WITHIN NAMED

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

Udyog Bhawan, New Delhi
Dated: 16th September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

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

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

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

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

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

Now therefore the following Order is issued:

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

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

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

.....Contd. p/2

'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.

'L 1' 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.

.....Contd. p/3

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.

.....Contd. p/4

- (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

.....Contd. p/5

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.

.....Contd. p/6

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

10. Specifications in Tenders and other procurement solicitations:

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

d. Reciprocity Clause

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

.....Contd. p/7

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

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

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

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

.....Contd. p/8

13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
- 13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.
14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,
- a. reduce the minimum local content below the prescribed level; or
 - b. reduce the margin of purchase preference below 20%; or
 - c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

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

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.
16. **Standing Committee:** A standing committee is hereby constituted with the following membership:
- Secretary, Department for Promotion of Industry and Internal Trade—Chairman
 - Secretary, Commerce—Member
 - Secretary, Ministry of Electronics and Information Technology—Member
 - Joint Secretary (Public Procurement), Department of Expenditure—Member
 - Joint Secretary (DPIIT)—Member-Convenor

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

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

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

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

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

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



(Rajesh Gupta)

Director

Tel: 23063211

rajesh.gupta66@gov.in

**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.

