

PROCUREMENT MANUAL 2020



Bharatiya Reserve Bank
Note Mudran Private Limited

Corporate Office, Bengaluru.

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List of Abbreviations used in this Manual

Note: For the purpose of this Manual, some designations wherever mentioned, would also include/cover some equivalent designations as mentioned in this chart.

Abbreviation	Term
AAEC	Appreciable Adverse Effect on Competition - as defined by Competition Act 2005 to identify anti-competition tactics
AGM	Assistant General Manager
AGM (F&A)	Assistant General Manager (Finance and Accounts)
AGM (MMD)	Assistant General Manager (Materials Management Division)
AM/DM (F)	Assistant Manager/ Deputy Manager (Finance)
BG	Bank Guarantee
BIS	Bureau of Indian Standards, earlier known as ISI
B/L	Bill of lading
BOC	Bid Opening Committee
BRBNMPL	Bharatiya Reserve Bank Note Mudran Private Limited
C&AG	Comptroller and Auditor General of India
CA	Competent Authority (used interchangeably with CFA at some places)
CBI	Central Bureau of Investigation
CC	Condemnation Committee
CEO	Chief Executive Officer
CFA	Competent Financial Authority (used interchangeably with CA at some places)
CIF	Cost, Insurance and Freight Included
CMIE	Centre for Monitoring Indian Economy
COTS	Commercially Off The Shelf (Stores)
CPA	Certified Public Account
CPSE	Central Public Sector Enterprises, see PSU also
CPWD	Central Public Works Department
CST	Comparative Statement of Tenders
CVC	Central Vigilance Commission
DACR	Deposit at Call Receipt
DBT	Direct Bank Transfer (Payment)
DC	Denial Clause
DD	Demand Draft
DGM	Deputy General Manager
DGM (P)	Deputy General Manager (Production) or equivalent officer of concerned department
DGS&D	Director General Supplies and Disposals
DoC	Directorate of Currency
DOP	Delegation of Power
DP	Delivery Period
ECS	Electronic Clearing System



Abbreviation	Term
EMD	Earnest Money Deposit
EOI	Expression of Interest (Tendering System)
ERV	Exchange Rate variations
FAS	Free Alongside Shipment
FEMA	Foreign Exchange Management Act
FOB	Free on Board
FOR	Free on Rail
FOT	Free on Truck / Transport
FPS	Foot Pound Second - British System of measurements
GC	Grievance Committee
GCC	General Conditions of Contract
GeM	Government e-Marketplace
GFR	General Financial Rules (Current Edition is of 2017)
GIT	General Instructions to Tenderers
GM	General Manager
GRN	Goods Receipt Note
GST	Goods and Services Tax
GTE	Global Tender Enquiry (used interchangeably with ICB at some places)
H1, H2 etc.	First Highest, Second Highest Offers etc. in Disposal Tenders
H1, H2	First Half Year and Second half year in Procurement Planning
IATA	International Air Transport Association
ICB	International Competitive Bidding (used interchangeably with GTE at some places)
ICC	International Chamber of Commerce
IEEMA	Indian Electrical Equipment Manufacturers Association
Incoterms	International Commercial Terms, 2000 (of ICC)
INR	Indian Rupees
IS	Indian Standard (Presently Called BIS standards)
ISI	Indian Standards Institute, now known as BIS
ISO	International Standards organization
ITJ	Indian Trade Journal
L1, L2 etc.	First or Second Lowest Offer etc.
LC	Letter of Credit
LME	London Metal Exchange (Indices / rates)
LOI	Letter of intent
LPP	Last Purchase Price, sometimes also called LPR-Last Purchase Rate
LTE	Limited Tender Enquiry
MD	Managing Director
MEA	Ministry of External Affairs
MGR (F)	Manager (Finance)



Abbreviation	Term
MHA	Ministry of Home Affairs
MIC	Marketing Intelligence Cell
MRN	Material Requisition Note (Indent)
MSE	Micro & Small Enterprises
MSME	Micro, Small & Medium Enterprises
NCB	National Competitive Bidding (used interchangeably with OTE at some places)
NIT	Notice Inviting Tender
NOC	No Objection Certificate
NSIC	National Small Industries Corporation
OEM	Original Equipment Manufacturer
OTE	Open Tender Enquiry (used interchangeably with NCB at some places)
P&F	Packing and Forwarding (charges)
PAC	Proprietary Article Certificate
PBG	Performance Bank Guarantee (Also see SD)
PO	Purchase Order
PQB	Pre-qualification Bidding
PQC	Pre-qualification Criteria
PR	Procurement Register
PSU	Public Sector Undertaking
PVC	Price Variation Clause
QAP	Quality Assurance Plan
RJR	Railway Receipt
RBI	Reserve Bank of India
RC	Rate Contract
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Qualification
RTI	Right to Information Act, 2005
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SD	Security Deposit (also see PBG)
SDC	Scrap Disposal Committee
SIT	Special instructions to Tenderers
SLTE	Special Limited Tender Enquiry
SO	Supply Order
SPC	Spot Purchase Committee
SPMCIL	Security Printing and Minting Corporation of India Limited
SSI	Small Scale Industry
STE	Single Tender Enquiry
STEC	Special Tender Evaluation Committee



Abbreviation	Term
TC	Tender Committee (used interchangeably with TEC at some places)
TEC	Tender Evaluation Committee (Used interchangeably with TC at some places)
TLD	Token Liquidated Damages
UCPDC	Uniform Customs and Practices for Documentary Credits
UNCITRAL	United Nations Commission for International Trade Law
YTD	(consumption in the) Year to Date



PART A: CHAPTERS



Chapter 1: Introduction

1.1 About This Manual

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL), an ISO 9001-2015 and ISO 14001-2015 Company, is a wholly owned subsidiary of Reserve Bank of India and is currently engaged in the business of printing bank notes for the Reserve Bank of India. The Corporate Office of the Company is at Bangalore and its printing units are at Mysore (Karnataka) and Salboni (West Bengal).

The Purchase functions in BRBNMPL are partly centralized at Corporate Office with respect to procurement of plant, machinery, tools and major raw materials required for production of notes like paper, ink, machine spares etc. Each unit procures all other materials as per the delegation of power given by the Board of Directors from time to time. Each unit is having a Materials Management Division, which is responsible for procuring the materials.

Public institution of BRBNMPL's magnitude have an overall responsibility to exercise their financial powers for making procurements in all stake holders' interest and also a wider accountability not only to bring in efficiency, economy, and transparency in its processes but also, to be fair and equitable in its treatment to suppliers by promotion of transparency in public procurement. To achieve these objectives and also to eliminate arbitrariness in a public procurement system, it is essential that the officials engaged in purchase be provided with all the required rules, regulations, instructions, directives, etc. in the form of a Manual. This Manual has been prepared keeping the same in view.

This procurement manual elaborates the principles of segregation of responsibilities between requisitioning and procurement entities by specifying several of such separate and distinct functions within the overall procurement system. The procurement manual underlines the best practices available to help the organization to procure goods and services that meet the specifications at best value for money and within the required time frame. This manual should be used as the definitive guide for procurement rules, and should be followed in letter and spirit. The GM/GM-in-Charge/O-I-C in the corporate office and Units are responsible for distribution of manual and the amendments.

1.2 Intent of the Manual

The intent / objective of the manual can be summarized as follows:

- (i) To attain best value for money taking into account principles of efficiency, economy and transparency. Best value for money implies the use of optimum criteria which incorporates total cost of ownership of the goods necessary to satisfy the long term goals of BRBNMPL, along with satisfactory performance in use.
- (ii) Robust contract monitoring and control mechanisms to ensure effective



assessment of all the options in specified circumstances throughout the life of the contract.

- (iii) Transparent and fair Procurement process, facilitating optimum competition possible in procurement of goods.
- (iv) Providing sufficient notice & opportunity to bidders and hence provide equal opportunity to market players to do business with the Company.
- (v) Ensuring proper diligence and accountability in all procurement decisions.
- (vi) Achieving a uniform, systematic, efficient and cost-effective procurement process. The process should also be in accordance with the applicable rules & regulations of the Government.

1.3 Amendments and Revisions to the Manual

This manual shall be referred for all procurements to be done in BRBNMPL. The authority for amendment to this manual shall be the Managing Director.

Amendment shall be effected by adopting the following procedures:

1. Amendment can be suggested by any Division / Section at the presses and shall be forwarded to Materials Management Division.
2. This shall be examined by the Materials Management Division who shall put up the proposal to General Manager/GM-in-Charge/O-I-C with its views. In case the General Manager/GM-in-Charge/O-I-C is satisfied with the suggestion, this will be forwarded to the Managing Director for consideration along with recommendations. In doing so, due consideration shall be given to the relevant procedures of EQMS Manual and CVC guidelines.
3. The proposals (refer *Annexure 24: Change Request Form*) received from one press will be sent to the other presses for their views on the proposed amendments. On receipt of the views the proposed suggestions will be put up to Managing Director for approval by the dealing officer at Corporate Office.
4. Copy of the approved amendment will be forwarded to the presses.
5. The amendment slip shall be inserted appropriately in the manual.
6. The dealing officer at the Corporate office and the DGM / AGM (MMD) at the presses will be responsible to update the manual as per the amendments issued from CO.
7. The manuals are verified every quarter by the auditing officer at the presses nominated by the GM/GM (I/C)/O-I-C and certificate issued by the auditing officer.
8. The GM/GM (I/C)/O-I-C will send a statement to Corporate Office that all the amendments of procurement manual are updated in all available copies of the manual at the Press.



1.4 Definitions

1.4.1 Procurement

The term "Procurement" refers to the process by which goods, services and works are acquired from third parties. This is a lifecycle process that covers from the initial purchase concept through to the end of the life (and disposal also in case of Goods/assets) of the purchased asset or service.

1.4.2 Bidder

"Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any eligible person or firm or company, including a **consortium** (that is an association of several persons, or firms or companies), participating in a procurement process with a Procuring Entity.

1.4.3 Supplier

Supplier is the party, which contracts to supply goods and services. The term includes his employees, successors, authorized dealers/representatives, stockists and distributors, other homologous terms are: Contractor, Vendor, Firm, Manufacturer, OEM, Bidder, Tenderer etc.

1.4.4 Contract

The proposal or offer when accepted is a promise, a promise and every set of promises forming the consideration for each other is an agreement and an agreement, if made with free consent of parties competent to contract, for a lawful consideration and with a lawful object is a contract. Other homologous terms are: Supply Order, Purchase Order, Supply Agreement, Work Order etc. This includes "Notification of Award".

1.4.5 Stores

The term "stores" applies generally to all articles and materials purchased or otherwise acquired including not only expendable, consumable, and issuable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, tools and machinery spares, instruments, furniture, equipment, fixtures etc. Other homologous terms are: goods, materials etc.

1.4.6 Competent Financial Authority

The Competent Financial Authority (CFA) is an authority duly empowered by the Board of BRBNMPL through Delegation of Powers (DoP) to sanction and approve expenditure from company accounts to a specified limit in terms of amount of such expenditure and availability of funds.

For purpose of this manual, a CFA is defined as the person/ body authorized to sanction purchase of goods and incur expenditure. It is also the responsibility of



the CFA to monitor that a demand is not split into small quantities for the sole purpose of avoiding the necessity of taking approval of the higher authority required for sanctioning the purchase of the original demand. Sometimes, "Competent Authority" may also be used for CFA.

In case of amendment in Delegation of Powers (DoP) during tender processing/ tender finalization/contract management, the CFA for approval and sanction of expenditure will be as per the prevailing DoP provision at the time of approval/ sanction.

1.4.7 Financial Powers

Financial power is the power vested in an authority by BRBNMPL Board or delegated to an authority to approve expenditure from the funds placed at the disposal of that authority. The CFA may authorize staff officers to sign the financial document on his behalf with the clear understanding that the accountability for the correctness of such documents remains with the CFA. No CFA can approve an expenditure involving amounts beyond his financial powers.

1.4.8 Purchase Indent

Purchase Indent (PI) is the basic document required by Materials Management Division for initiating procurement action. The PI is raised by the indenting or User Division furnishing, inter-alia, the details of material specification, description, quality, quantity, delivery schedule, reasons for procurement, probable sources of availability, details of last Purchase order number, rate, etc. The quantity and the delivery schedule should be suitably linked to rate of consumption and the production programme and taking into account the lead-time to procure.

1.4.9 Tender Committee (TC) / Tender Evaluation Committee (TEC)

These two terms are used interchangeably sometimes in this Manual, though the terminology prevalent in BRBNMPL is TEC.

1.4.10 Head of Division

Any officer in charge of any Division / Section or Department e.g. DGM / AGM.



Chapter 2: Procurement – Principles and Policies

2.1 Canons of Financial Propriety

There are fundamental canons of Financial Propriety for competent financial authorities (CFA) in Government and Public Sector that they must pay due regard to the following principles, while sanctioning financial expenditure: -

- (i) The expenditure should not prima facie be more than the occasion demands, and that every CFA should exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of his own money.
- (ii) No authority should exercise its powers of sanctioning expenditure to pass an order, which will be directly or indirectly to its own advantage.
- (iii) Public money should not be utilised for the benefit of a particular person or section of the community unless: -
 - a. The amount of expenditure involved is insignificant; or
 - b. A claim for the amount could be enforced in a Court of Law;
 - c. The expenditure is in pursuance of a recognised policy or custom;
- (iv) The amount of allowances, such as travelling allowances, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole, a source of profit to the recipients.

2.2 Code of Ethics

BRBNMPL as well as Bidders, Suppliers, Contractors, and Consultants under BRBNMPL contracts shall observe the highest standard of ethics and shall not indulge in any corrupt, fraudulent, collusive or coercive practice during the procurement or execution of such contracts in pursuit of this policy, for the purposes of this provision, the terms set forth below are defined as follows:

- (i) "Corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution;
- (ii) "Fraudulent practice" means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;
- (iii) "Collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Purchaser, designed to establish bid prices at artificial, non-competitive levels; and
- (iv) "Coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract.



A particular violation of ethics may span more than one of above mentioned unethical practices. The following policies will be adopted in order to maintain the standards of ethics during procurement:

- (i) A proposal for award will be rejected if it is established that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the Contract in question.
- (ii) A contract will be cancelled if it is established at any time that BRBNMPL representatives/ officials have directly or indirectly, engaged in corrupt, fraudulent, collusive or coercive practices during the procurement or the execution of that contract.
- (iii) In case any individual staff is found responsible, suitable disciplinary proceedings should be initiated against such staff under the BRBNMPL Service Rules and Standing Orders. The existing provisions under the Indian law including the instructions of Central Vigilance Commission should be followed in this regard.
- (iv) Firms or individuals shall be banned / blacklisted after following due process, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a BRBNMPL contract, if it at any time establishes that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a BRBNMPL contract.

2.2.1 Integrity Pact (IP)

The Pre-bid Integrity Pact is a tool to help Governments, businesses and civil society to fight corruption in public contracting. It binds both buyers and sellers to ethical conduct and transparency in all activities from pre-selection of bidders, bidding and contracting, implementation, completion and operation related to the contract. This removes insecurity of bidders, that while they themselves may abjure bribery, but their competitors may resort to it and win contract by unfair means. The Government have mandated to incorporate Integrity Pact, depending on the nature of procurements/contracts, above a threshold value.

The pact essentially envisages an agreement between the prospective vendors/ bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/ bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process. In other words, entering into this Pact would be a preliminary qualification.

Integrity Pact (IP) would be implemented through an Independent External Monitor (IEM): IEM shall be appointed by BRBNMPL as per the guidelines and Standard Operating Procedure issued by Central Vigilance Commission. The IEM would review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. Name and contact



details of the Independent External Monitor should be listed in Notice Inviting Tender (NIT).

In tenders meeting the criteria of threshold value / nature of procurement:

Integrity Pact clause and format shall be included in the Bid Document as Section XX. Each page of such Integrity pact proforma would have to be duly signed by Purchaser's competent signatory. All pages of the Integrity Pact will have to be duly signed by the same signatory who is duly authorized to sign the bid and to make binding commitments on behalf of his company and to be submitted along with the technical bid. Any bid not accompanied by Integrity Pact duly signed by the bidder shall be considered to be a non-responsive bid and shall be rejected straightway.

Role/Functions of IEM: The Monitor would not be subject to instructions by the representatives of the parties and should perform his/her functions neutrally and independently. He/she would review independently and objectively, whether and to what extent parties have complied with their obligations under the Integrity Pact. For this purpose, he/she would have access to all contract documents/books of accounts of the bidders in case of any allegation of violation of any provisions of the Integrity Pact or payment of commission, whenever required. The IEM will have the option to participate in such meetings among the parties related to the project provided such meetings could have an impact on the contractual relations between the parties. Ideally, IEM should meet once every quarter to take stock of ongoing tendering process. The IEM would examine all complaints received by him/her and give his/her recommendations/views to BRBNMPL, at the earliest. The Monitor would also inform BRBNMPL, if he/she notices or have reason to believe, a violation of the Integrity Pact. He/she may also send his/her report directly to the Central Vigilance Commission, in case of suspicion of serious irregularities requiring legal/administrative action. IEM should be invariably cited in the NIT.

However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be examined by the IEM, who would look into the records, conduct an investigation, and submit his/her recommendations. The recommendations of IEM would be in the nature of advice and would not be legally binding. IEM may not be equated with consultants. His/her role is independent in nature and the advice once tendered would not be subject to review. The role of the Chief Vigilance Officer (CVO) of BRBNMPL shall remain unaffected by the presence of IEM. A matter being examined by the IEM can be separately investigated by the CVO, if a complaint is received by him or directed to him by the CVC.

2.3 Basic Aim of the Procurement Function

The basic aim of the procurement function is to ensure five essential parameters in every procurement decision (these are called the 5 R's of Procurement):

- (i) Right quality



- (ii) Right quantity
- (iii) Right 'Price & Value' for money
- (iv) Right 'Time & Place' of delivery
- (v) Right source of supply.

2.4 Laws / Guidelines governing Procurement

While India has no separate legislation for the specific purpose of public procurement, there exist various rules, legislations & directives which guide public procurement process, key among them being:

- (i) The Constitution of India
- (ii) General Financial Rules (GFR) 2017, Government of India (GOI) and Delegation of Financial Powers Rules, 1978
- (iii) Ministry of Finance, GOI, Manual for Procurement of Goods and Services, 2017
- (iv) Indian Contracts Act, 1872
- (v) Sale of Goods Act, 1930
- (vi) The Central Goods And Services Tax Act, 2017; The Integrated Goods And Services Tax Act, 2017; The Union Territory Goods And Services Tax Act, 2017
- (vii) Arbitration and Conciliation Act, 1996 read with the Arbitration and Conciliation (Amendment) Act, 2015
- (viii) Competition Act, 2002 as amended with Competition (Amendment) Act, 2007
- (ix) The Information Technology Act, 2000 (IT Act, regarding e-Procurement and e-Auction, popularly called the Cyber Law), The Information Technology (Amendment) Act, 2008 and subsequent amendments
- (x) The Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy (EXIM Policy), 2015
- (xi) Foreign Exchange Management Act (FEMA), 1999 and FEMA (Current Account Transactions) Rules, 2000
- (xii) Central Vigilance Commission Act, 2003 and CVC guidelines related to public procurement
- (xiii) Right to Information (RTI) Act 2005
- (xiv) Micro, Small and Medium Enterprises Development (MSME Development) Act, 2006
- (xv) Prevention of Corruption Act, 1988
- (xvi) Indian Companies Act, 2013
- (xvii) Insolvency and Bankruptcy Code, 2016
- (xviii) CPWD Works Manual 2019
- (xix) Standard Operating Procedures for CPWD Works Manual 2019

These guidelines and directives have been appropriately incorporated into this manual.



2.5 Special obligations of Public Procurement

Over and above the principles of Procurement, Public Procurement places onerous obligations on the Public Procurement Organizations which distinguish Public procurement from Procurements done by Private Organizations.

2.5.1 Equality for Bidders

Right of equality before law (Art. 14) and the Right to carry out any profession (Art. 19 (1) g), are as follows: -

"FUNDAMENTAL RIGHTS

Right to Equality

§14. Equality before law: The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India.

§19. Protection of certain rights regarding freedom of speech, etc., -

1) All citizens shall have the right: -

- (i) to freedom of speech and expression;
- (ii) to assemble peaceably and without arms;
- (iii) to form associations or unions;
- (iv) to move freely throughout the territory of India;
- (v) to reside and settle in any part of the territory of India;
- (vi) to practice any profession, or to carry on any occupation, trade or business."

These have been interpreted by Courts in such a way, so as to ensure that every citizen of India has a right to get equal opportunity to bid for and be considered for a government/public contract. However, this provision does not debar the organization from laying down reasonable eligibility or prequalification criteria for selection of successful bidders in a contract. Thus a Public Procurement Organization should be ready to prove in court that no bidder has been denied equal opportunity to bid and be considered for the concerned contract.

2.5.2 Transparency and Disclosures of Procurement Decisions

Under the Right to Information Act, 2005 (RTI Act); every citizen has the right to demand transparency and information in Public Dealings including Procurements. Thus a Public Procurement Organization should be ready to provide Documented Record of its Procurement Decisions to general public who may not be conversant with intricacies of Public Procurement.

2.5.3 External Accountability

Apart from internal accountability to which even Private Sector Procurements are



subject to, Public Procurements are answerable and accountable to a number of external organizations, like Parliament and Parliamentary Committees, CVC, CBI, C&AG, Concerned Ministries etc. Thus a Public Procurement Organization has to conduct its procurements and keep records in such a way that the decisions can be explained to Organizations who may not be fully conversant with peculiarities of its operations.

2.6 Fundamental Principles of Public Buying

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making procurement must conform to the following yardsticks: -

- (i) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (ii) Offers should be invited following a fair, transparent and reasonable procedure;
- (iii) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (iv) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (v) At each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

2.7 Purchase Policy

2.7.1 Public Procurement Policy for Micro and Small Enterprises (MSEs)

In order to help promote inclusive national economic growth by providing long-term support to small and medium enterprises and disadvantaged sections of society and to address environmental concerns, BRBNMPL shall follow the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 along with its amendments, if any, or any other procurement policy laid down by Government of India from time to time. *(Copy of the order along with amendments enclosed as Annexure 33a)*

Micro and Small Enterprises (MSE) must, along with their offer, provide proof of their being registered as MSE (indicating the terminal validity date of their registration) for the item tendered, with any agency mentioned in the notification



of the Ministry of Micro, Small and Medium Enterprises (Ministry of MSME), indicated below:

- (a) District Industries Centres;
- (b) Khadi and Village Industries Commission;
- (c) Khadi and Village Industries Board;
- (d) Coir Board;
- (e) National Small Industries Corporation;
- (f) Directorate of Handicraft and Handloom; and
- (g) Any other body specified by the Ministry of MSME for authentication such as Udyog Aadhaar Memorandum/Acknowledgment.

To enable wider dispersal of enterprises in the country, particularly in rural areas, BRBNMPL shall procure items reserved for procurement exclusively from MSEs. Presently 358 (three hundred and fifty-eight) items have been reserved for exclusive purchase from Micro and Small Enterprises (*Annexure 33b*).

Micro & Small Scale Enterprises/Startup Companies have to submit a declaration and undertaking along with their offer as per *Annexure 33c: Declaration & Undertaking by Micro & Small Scale Enterprises/Startup Companies*.

Product Reservation/Purchase Preference provision shall invariably be part of the Notice Inviting Tender (NIT) and General Instructions to Tenderers (GIT)

2.7.2 Public Procurement Policy (Preference to Make in India)

In order to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, BRBNMPL shall follow the Public Procurement (Preference to Make in India) Order, 2017 notified by Government of India. (*Copy of the order enclosed as Annexure 34*)

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 Tender (NIT) or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

2.8 Life Cycle Cost

While the value of a product covers all components of value over the “Whole-Of-Life” (WOL), the costs incurred on the product should also take into consideration the total of various elements of costs incurred over WOL of the product. For this purpose, future costs are discounted to present value. For example, it would not be prudent to buy a cheap car, which has a very high cost of operating. This is called variously as WOL or “Total Cost of Ownership” (TCO) or “Life-Cycle-Cost” (LCC). The last is a preferred nomenclature in procurement and is defined as the total of all costs associated with a product, service, or capital equipment that are incurred over its expected life. Typically, these costs can be broken into four broad categories:



- (i) **Procurement price:** The amount paid to the vendor/contractor for the product, service, or capital equipment;
- (ii) **Acquisition costs:** All costs associated with bringing the product, service, or capital equipment into operation at the customer's location. Examples of acquisition costs are sourcing, administration, freight, taxes, and so on;
- (iii) **Usage costs:** In the case of a product, all costs associated with converting the procured part/material into the finished product and supporting it through its usable life. In the case of a service, all costs associated with the performance of the service that is not included in the procurement price. In the case of capital equipment, all costs associated with operating the equipment through its life. Examples of usage costs are inventory, conversion, wastage, lost productivity, lost sales, warranty, installation, training, downtime, and so on; and
- (iv) **End-of-life costs:** All costs incurred when a product, service, or capital equipment reaches the end of its usable life, net of amounts received from the sale of the remaining product or the equipment (disposal value) as the case may be. Examples of end-of-life costs are obsolescence, disposal, clean-up, and project termination costs.



Chapter 3: Procurement – Roles and Responsibilities

3.1 Introduction

The current Chapter outlines the roles of various departments and key officials involved in the procurement of goods at BRBNMPL and its Units. It also details the functions of the committees in the context of procurement.

3.1.1 Strengthening of Materials Management Division (MMD)

The MMD should be strengthened by taking the following steps:

- (i) Preferably one AGM or equivalent officer should be deputed to Materials Management Division. This should be done on a rotation basis periodically.
- (ii) A market intelligence cell should be incorporated in the Materials Management Division as elaborated in Para 3.4.
- (iii) DGM (MMD) shall remain the head of the procurement section. AGM (MMD) / DGM (MMD) shall be the member Secretary of all relevant Committees. He will discharge all functions to get the committee meeting convened, minutes issued and follow up etc.

3.1.2 Centralized Procurement

Centralized Procurement should be done for items of critical requirement for more than one unit identified by GM/GM (I/C)/O-I-C at CO and GM/GM (I/C)/O-I-C of units concerned. The demand for these items should be estimated and tenders for such planned procurement should be finalized preferably by January of the previous financial year. These items include paper and ink for printing. Other materials can be included as and when required in this list and CO will decide the inclusion of such items. The list of items to be procured centrally will be released by CO, BRBNMPL.

3.1.3 Common Procurement for BRBNMPL and SPMCIL Presses

Joint Procurement Committee (JPC) of BRBNMPL and SPMCIL decides the quantity of raw materials like CWBN Paper, Colour-Shift Intaglio Ink etc. to be procured for BRBNMPL and SPMCIL based on the prospective indent of RBI and directives from RBI/Gol. Based on the decision taken by JPC, common tender shall be floated either by BRBNMPL or SPMCIL following their respective manuals. However, separate agreements shall be entered into by BRBNMPL and SPMCIL with the suppliers. The JPC also approves items identified by the Presses for common procurement by designated Presses.



3.1.4 Procurement by Materials Management Division

Ideally the Materials Management Division should consolidate requirements of all user departments and then float tender for annual procurement. Annual procurement should be done by the Materials Management Division for the following types of items: -

- (i) Items used by more than one department
- (ii) Regularly consumed throughout the year and procured in large quantities requiring large storage facilities or storage at different locations.

However, for goods which are not covered in annual tender, Materials Management Division should do need based procurements of such goods through appropriate mode of procurement subject to financial limits specified for such modes of procurements. These procurements may be done by the Materials Management Division generally for the following types of items:

- (i) Items not covered in annual tender.
- (ii) Items for which requirements are not commonly encountered and hence not planned in annual tender.
- (iii) Items for which future demand could not be anticipated at the time of annual tender.

3.1.5 Procurement by User department:

In situations when emergency procurement is absolutely necessary to address specific requirement of goods, user department should procure such goods through emergency procurements through LTE / Spot Purchase subject to financial limits specified for such modes of procurements - duly keeping DGM (MMD) informed about the reasons of such purchase at their level.

Materials Management Division should do the following as a precautionary measure to avoid emergency procurement: -

- (i) At the beginning of the year, the Materials Management Division will ask all the user departments, through a written inquiry, to submit a list of goods required for operations.
- (ii) The Materials Management Division should update the list for annual procurement by adding goods that have been procured through emergency procurement in the past three years.
- (iii) Possibility of execution of suitable rate contract should be explored to avoid any requirement of making emergency purchases at User department.



3.2 Organization Structure¹:

Please refer to abbreviations portion to view equivalent authority under the generic Designation.

3.2.1 General Manager (GM) / General Manager-in-Charge [GM (I/C)] / Officer-in-Charge (O-I-C)

- (i) The GM/GM (I/C)/O-I-C are the Principal Executive Officer of the unit / division and oversee the day-to-day operations of the unit / division of BRBNMPL.
- (ii) GM/GM (I/C)/O-I-C is the final administrative approving authority for all procurements up to the limit as per DOP decided by the Board and is member representative in Tender Evaluation Committee.
- (iii) GM/GM (I/C)/O-I-C are responsible for reviewing the list of empanelled bidders.
- (iv) Deviations to General Terms and Conditions and any deviation in GIT and GCC of the SBD, if any should be approved by him for procurements requiring approval up to his level. SIT and SCC of the SBD shall invariably be approved by the GM/GM (I/C)/O-I-C for procurements requiring approval up to his level.
- (v) GM/GM (I/C)/O-I-C is over all responsible for ensuring compliance of instructions regarding security items as per para 5.12.
- (vi) GM/GM (I/C)/O-I-C should supervise the administrative actions of procurement officials and staff.
- (vii) He is responsible for taking certain procurement decision on behalf of higher level CFAs with concurrence of DGM/AGM (F& A), as laid down in Para 3.6.4.
- (viii) In all proposals in connection with Procurement going to CO, BRBNMPL, he should record his approval with the concurrence of DGM/AGM (F & A) and ensure harmonization of divergence in views between Departments before the proposal is put up to CFA. All proposals sent to CO should come with his specific recommendations.

3.2.2 Deputy General Manager [DGM (MMD)]

- (i) DGM is the administrative approving authority for all procurements up to the limit as delegated through this manual as per DOP.
- (ii) He is responsible for periodic review of indents, plan for procurement and updating ARS.
- (iii) He is member of the relevant Tender Evaluation Committees.

¹ Please refer to abbreviations to view equivalent authority



- (iv) He is responsible for the entire activity of procurement.

3.2.3 Deputy General Manager / Assistant General Manager [DGM / AGM (F & A)]

- (i) He should supervise all financial approvals and payments of contractor/supplier bills in time.
- (ii) He is member of the Tender Evaluation Committee.
- (iii) He should concur any deviation in the GIT and GCC of the SBD and specifically record his observations on SIT and SCC.
- (iv) He should vet all agreements before their release.
- (v) He should ensure availability of all important documents and contract compliance (e.g. inspection reports, purchase order) before release of payment to suppliers.
- (vi) As laid down in Para 3.6.4, certain Post Contract decision are taken by GM/GM (I/C)/O-I-C on behalf of higher level CFAs, with his concurrence.
- (vii) In all proposals in connection with Procurement going to CO, BRBNMPL, he should give his concurrence, before the proposal leaves the Unit.
- (viii) Responsible for Safe custody of EMD, SD and ensure their validity as per contract

3.2.4 Deputy General Manager - Production - DGM (P) and Deputy General Manager - Maintenance - DGM (M)

- (i) He would be responsible for approving annual procurement plan for his department.
- (ii) He participates in various committees. He delegates subordinates' responsibility for technical evaluation of tender and inspection of goods for certain items as mentioned in this manual.
- (iii) He would be responsible to make available inspection reports on time.
- (iv) He is responsible for timely preparation and submission of Indents of Materials in his jurisdiction.
- (v) He is responsible for procurement for the items within his capacity as CFA as per DOP.

3.2.5 Assistant General Manager [AGM (MMD)]

- (i) AGM (MMD) is responsible for planning, aggregating and procuring goods required for functioning of BRBNMPL unit.
- (ii) He supervises the administrative actions of all officers and staff of the Stores and Purchase functions.
- (iii) He is also responsible for exercising administrative power on issues like finalization of procurement plan, initiate timely procurement, monitoring of



stages of tenders, compliance to timelines stipulated in the tender, ensuring validity of tender offer, amendment of contract, and acceptance of deviation after seeking approval of competent authority

- (iv) He is also a member secretary in BOC and TEC as mentioned in Para 3.3.1 and 3.3.2.
- (v) He should ensure availability of material as and when required and avoid stock out situations.
- (vi) In case of procurement of goods, AGM (MMD) shall be responsible for the execution of the contract with the successful bidder.
- (vii) He is responsible for all aspects of contract management, taking appropriate approval wherever required as per Para 3.6 and Chapter 11 & 12.
- (viii) He is responsible for ensuring compliance of all laid down procedures in all procurements.
- (ix) On completion of contractual obligations, initiate action for release of EMD/SD.

3.3 Committees

3.3.1 Bid Opening Committee (BOC)

Role & Mandate: The key role and mandate of the Bid Opening Committee (BOC) has been detailed at para 8.9.2.

Composition: The Bid Opening Committee shall comprise of one officer from MMD, one officer from the Finance department and one officer from User section (as per Annexure 28). A standing committees should be constituted for opening of bids and a particular day of the week (e.g. Wednesday) shall be fixed for opening of bids. The committee approved for a particular day shall open the bid due to be opened on that day. Committee shall be constituted for every quarter with the approval of GM/GM (I/C)/O-I-C.

3.3.2 Tender Evaluation Committee (TEC)

Role and Mandate: Tender Evaluation Committee (TEC) members, wherever required shall be approved by GM/GM (I/C)/O-I-C or higher authority. Approval shall be accorded on the recommendation of AGM (MMD). The key role and mandate of the TEC will be as follows:

- (i) The TEC will check whether the participating bidders satisfy the eligibility criteria in respect of the Tender Notice and declare the eligible parties (responsive tenders). Price Bids of only the eligible bidders shall be processed for evaluation thereafter. The evaluation criteria for evaluating the tender should be predetermined and included in the tender documents.
- (ii) To evaluate the techno-commercial responses of the bidders and ensure that they meet user requirements in a comprehensive manner, in cases where two bid system is used.



- (iii) To mark the scores of the bidders as per the tender terms and conditions.
- (iv) To rank the bids by scores / marks awarded on prices and identify the preferred bidder to be considered for approval by the competent authority.
- (v) Make comparative statement in case of price/Financial Bid.
- (vi) The TEC shall have the mandate to carry out the evaluation of all eligible tenders and select the preferred bidder, duly monitoring compliance of laid down purchase procedures in all stages of the tender, reasonability of estimates and bids (e.g. ascertaining whether rates are fair or not) and, if required, associated technical details of the tender.
- (vii) To prepare a report and forward its findings to the competent authority.
- (viii) To handle, scrutinize and review any complaints received against the tender and give suitable recommendation in their report.

Composition: Composition of Tender Evaluation Committee shall be as per *Annexure 28: Composition of Bid Opening and Tender Evaluation Committees (Item A)*

AGM (MMD) should be member secretary of the committee. The specific composition of the committee will be value-based as well as depend upon the nature of procurement.

3.3.3 Special Tender Evaluation Committee (STEC)

In case of joint procurement which needs approval of Board of Directors of BRBNMPL or in cases where procurement involves non-BRBNMPL units, a Special Tender Evaluation Committee (STEC) may be constituted by MD, BRBNMPL in consultation with SPMCIL. For the joint procurement of goods and services for BRBNMPL and SPMCIL, the committee will evaluate and do the necessary processing.

3.3.4 Condemnation Committee (CC)

CC members wherever required shall be approved by GM/GM (I/C)/O-I-C. Approval shall be accorded on the recommendation of DGM / AGM (MMD). Condemnation Committee shall decide whether the goods recommended for disposal by competent authority or inventory audit, should be disposed of, or retained in inventory, and categorize disposable items as scrap/surplus/obsolete/condemned/unserviceable/unusable items with reasons for disposal and condemn capital and security items.

Role & Mandate: The key role and mandate of the Condemnation Committee (CC) are as follows.

- (i) Evaluate users' request for disposal against available data on book value.
- (ii) Decide whether the goods recommended for disposal by competent



authority or inventory audit, should be disposed of, or retained in inventory, and categorize disposable goods into surplus/unserviceable/condemned/obsolete/unusable/scrap with reasons for disposal.

- (iii) The Committee will recommend condemnation of capital and security items and CFA, on the basis of recommendation of the committee, shall issue Condemnation Certificate as acceptance to the condemnation report. In case of Security/sensitive items/machinery, CC shall ensure that such scrap is properly cut/destroyed and then issue a 'Fit for Disposal Certificate'.
- (iv) The capital items identified by Modernization / Performance Review committee or any other committee as fit for buy-back, need not come under the Role & Mandate of CC.

Composition: Composition of Condemnation Committee is given at *Annexure 28: Composition of Bid Opening and Tender Evaluation Committees (Item B)*

3.3.5 Scrap Disposal Committee (SDC)

SDC members, wherever required shall be approved by CFA or GM / GM (I/C) / O-I-C. Approval shall be accorded on the recommendation of AGM (MMD). Scrap Disposal Committee shall recommend disposal of items categorised as scrap / condemned / surplus/ obsolete / unusable / unserviceable items and the disposal process.

Role & Mandate: The key role and mandate of the SDC are as follows: -

- (i) Prioritize disposal of surplus/scrap/condemned/obsolete/unserviceable/unusable items across the Unit and advice appropriate write down from books of A/c
- (ii) Consider and approve recommendations of the TEC in selecting preferred bidder for disposal tenders.

Composition: Composition of Scrap Disposal Committee would be as per *Annexure 28: Composition of Bid Opening and Tender Evaluation Committees (Item D)*

3.4 Market Intelligence Cell

Market Intelligence Cell (MIC) should be created under the AGM (MMD) and it shall be assigned with following tasks:

- (i) To gather and compile information on the prices of end products and input raw materials.
- (ii) In relation to the existing items on rate contracts and empanelment for new products proposed to be brought, MIC will collect the names of possible sources with a view to improve participation by the industry in BRBNMPL purchases;
- (iii) To maintain data base on past contracts showing details of items procured, their



essential spec(s), unit rate, quantity, total value, mode of procurement, number of tenders received, number of tenders considered acceptable, reasons for exclusion of overlooked tenders, un-negotiated rates of L1 and contract rates in order to help in ascertaining reasonability of prices of future procurements.

- (iv) Data on price trends and price indices for various items will also be compiled to the extent feasible.
- (v) They will ensure inter-unit sharing of price indices and price database as indicated in Para 10.13.4
- (vi) To consider suggesting new items for inclusion of the rate contracts;
- (vii) To search and identify market developments in existing products so that improvements in quality are also factored into the NIT.
- (viii) Any other related functions.

3.5 Time Limit for Procurement & Accountability

The ill-effects of delay in processing and clearance of various procurement activities needs no emphasis. The decentralization of decision making mechanism and delegation of financial powers are aimed at facilitating faster decision making and obtaining best value for money. However, the delegation of powers also implies "authority with accountability". Every individual in the chain of the procurement process is accountable for taking action in a specified time period so that the requirements are met on time. The timelines for procurement are given in *Annexure 1: Time Frame for Procurement*.

3.6 Work & Responsibility Sharing when Higher authority is CFA

3.6.1 Introduction

In a multi-unit organization like BRBNMPL, sometimes Competent Financial Authority (CFA) has to be delegated at higher levels (or Special Tender Evaluation Committee referred in Para 3.3.3). Since the main functions of higher levels are Direction, Management, and Supervision across the matrix of different departments - these levels cannot be expected to go into nitty-gritty of the facts of the proposal, but have to approve the decisions based on logical rigor/ consistency, taking into account the Factual / Technical issues brought out by expert at lower levels. A check list as well as certificates shall be submitted by TEC to CFA as part of proposal giving and confirming all relevant details of the proposal which are essential for informed decision making.

3.6.2 Techno-Economic Decisions

Therefore as far as Techno-Economic decisions are concerned, the basic work and fundamental responsibility for factual, technical and logical rigor/ Consistency would still remain with the concerned officials of the Unit, despite a concurrence / approval by the CFA at higher level — except when the CFA has enforced a *suo moto* (without referring such changes back to the concerned



officials of the unit for reconsideration) alteration / deletion / addition in the Techno-economic submission of the concerned officials of the Unit. CFA at Higher levels would have supervisory responsibility for logical rigor/ consistency only in such matters. Within the responsible Unit there would be internal sharing of such work and responsibility depending on the internal preparation, review and approval of such decisions.

Common use items of BRBNMPL and SPMCIL such as currency paper, security inks, etc. shall be handled by JPC (Joint Procurement Committee) comprising of members from both BRBNMPL and SPMCIL. As and when equipment and machinery of similar usage is to be procured by BRBNMPL or SPMCIL, both organization may consult each other and decide about procurement after giving due cognisance to the requirements and inputs of the other. Concerned Unit, in case of processing of common requirement of more than one units of BRBNMPL (or SPMCIL/RBI) would be the nodal unit nominated by CO, BRBNMPL for the item. The nodal unit will associate other concerned units in such decisions or processing of the case. STEC will be the committee for review/evaluation of such tenders

3.6.3 Committee Decisions

However, in case of Tender Evaluation Committee (TEC) Decisions, all TEC members and CFA / constituents of CFA will have collective responsibility for decisions taken by them, except for dissent, in which case it will be as per Para 10.15.

3.6.4 Contract Management Decisions

At post-contract stage also the responsibility would be shared jointly between the proposal initiating Department and the CFA (including associated Finance and other constituents) on the line similar to TEC / TC decisions.

In case of drafting / issue of contract / Amendments, the responsibility would be shared by the drafting / signing / financial vetting officials.

All contract management actions shall be done with the approval of CFA. Where CFA is MD or Board, such actions and contract management in general will be done by the GM/GM (I/C)/O-I-C of the concerned unit with the concurrence of CFO - keeping in mind para 3.6.6.

3.6.5 Higher Level Decisions

All proposals to CO, BRBNMPL should be sent only with the concurrence of AGM/DGM (F & A) and approval of GM/GM (I/C)/O-I-C of the concerned unit.



GM/GM (I/C)/O-I-C of the unit should record his approval with comments and ensure harmonization of divergence in views between Departments of his unit as far as feasible before the proposal leaves the Unit. In case CFA is MD or Board of Directors, the proposal shall be recommended by GM/GM (I/C)/O-I-C for approval of Corporate Office. For the procurement of CO, proposals shall be submitted to GM/GM (I/C)/O-I-C, MD or Board as the case may be.

3.6.6 Stages at which approval of Higher Level CFA shall be required

Stages at which approval of higher CFA may be taken: Approval of CFA at higher level may be taken at following stages, to avoid discovery of an anomaly at a very late stage:

- (i) At Specification finalization stage, in case of Machinery / Plant and in case of change of regular specification for other raw material / consumable / security items
- (ii) At PQC formulation stage in case of deviation from standard documents
- (iii) PQB Tender Finalization Stage
- (iv) At tender Document stage if there is a change/deviation from standard Bidding Documents / GCC / SCC used in past.
- (v) At procurement tender finalization stage of techno-commercial and financial bidding.

All aspects of Contract Management are to be done by AGM (MMD) taking approvals of appropriate CFA in accordance with Chapters 11 and 12. However approval of next higher authority than CFAs for approval of procurement may be taken for following decisions:

- (i) Termination of Contract
- (ii) Amendment to Contract other than Extension of DP.
- (iii) Waiver or change of modality or Agency of Inspection.
- (iv) Removal from registration list or banning / Blacklisting of Firms.

In the cases where CFA is Board of Directors /MD, MD's approval shall be taken for the above.



Chapter 4: Types and Modes of Procurement

Section I - Types of Procurement

At BRBNMPL procurements can be categorized into following types from budgetary point of view:

4.1 Capital Procurement

Expenditure of a capital nature shall be an expenditure with the object of increasing assets of material and it should include charges for first construction and equipment of a project as well as charges for immediate maintenance of the work while not yet open for service.

4.2 Revenue Procurement

Revenue procurement should bear all subsequent charges for maintenance and all working expenses; these include all expenditure on working and upkeep of operations. The revenue procurement, therefore, is for items and equipment including replacement equipment (functionally similar) assemblies/sub-assemblies and components to maintain and operate already sanctioned assets in the service, the necessity of which have been established and accepted.

4.3 Indigenous Procurement

Procurement from indigenous sources is called indigenous procurement. Proper loading criteria for all taxes, duties and other expenses involved in procurement of an item need to be applied to provide level playing field to the indigenous manufacturers. Payments against indigenous procurement are normally made in Rupee terms.

4.4 Foreign Procurement (Import)

For such equipment and assets, which are of foreign origin, items required to maintain and operate the equipment also need to be procured from suppliers abroad. Payment against foreign procurement is made in foreign currency through a Letter of Credit (LC) or Direct Bank Transfer (DBT)

Section II - Modes of Procurement

4.4A Classification of various modes of Procurement: -

- (i) Open Tenders
 - (a) Open Tender Enquiry (OTE) / National Competitive Bidding (NCB); and
 - (b) Global Tender Enquiry (GTE) / International Competitive Bidding (ICB)
- (ii) Procurement through Selected Suppliers
 - (a) Limited Tender Enquiry - LTE (up to Rs. 25 lakh); and
 - (b) Special Limited Tender Enquiry (SLTE above Rs. 25 lakh under special circumstances)
 - (c) Limited Enquiry by inviting sealed quotations for purchases below Rs.2.5 lakh



- (iii) Nomination Basis Tenders
 - (a) Proprietary Article Certificate (PAC); and
 - (b) Single Tender Enquiry (STE) without PAC
- (iv) Procurements without Calling Tenders
 - (a) Withdrawals against Rate Contracts (RC);
 - (b) Direct Procurement without Quotation;
 - (c) Direct Procurement by Local Purchase Committee;
 - (d) Direct Procurement by Spot Purchase Committee; and
- (v) Procurement through Government e-Marketplace (GeM)

Details of various mode of procurement are given below: -

4.5 Proprietary Article Purchase

4.5.1 Certain items, particularly equipment and spares, are the Proprietary product of a manufacturing firm. Such items are only available with that firm or their dealers, stockists or distributors as the detailed specifications are not available for others to manufacture the item. In such situations, a Proprietary Article Certificate (PAC) is issued by an officer one level above the CFA or by GM/GM (I/C), whichever is lower, in case GM/GM (I/C) or any officer below the level of GM/GM (I/C) is CFA, in favour of the original equipment manufacturer (OEM) and items procured on PAC basis from that particular firm or their authorized dealers or distributors. In case MD or Board is the CFA, PAC is issued by MD. Once a PAC is signed, the powers of procurement are the same as in normal conditions as per the delegation of powers (DoP). While PAC is issued only in respect of the concerned OEM, the item may be bought from any supplier listed in that particular PAC provided supplies are accompanied by a proper manufacturer certification. PAC once issued will be valid for one year from the date of issue unless cancelled earlier. Certification to be issued for PAC procurement is given in *Annexure 21: Certificate for Proprietary Article Item*.

4.5.2 PAC bestows monopoly and obviates competition. Hence, PAC status must be granted after careful consideration of all factors like fitness, availability, standardization and value for money. Even if last procurement was on PAC basis, the next PAC certificate may not be signed without a fresh review.

4.5.3 It is clear that PAC certificate will be given only when this item is manufactured only by the recommended firm (clause 6(a) of the PAC certificate) but there are two different circumstances:

- (i) There may be no other firm who manufactures similar or alternative items (Clause 6(b) in PAC certificate).
- (ii) There may be other firms manufacturing similar or alternative items but no other make / brand is considered to be suitable for reasons that may be recorded. This also can be for two types of reasons:



- a. There could be tangible reasons (Clause 6(c1) in PAC certificate) - like in case of spares for specialized Machines, it is necessary to buy spares from OEM only for reasons of warranty and so as not to endanger the functioning of the machine.
- b. There could be other reasons which may not be tangible (Clause 6(c2) in PAC certificate).

4.5.4 In situations like Clauses 6(b) and 6(c1) in the PAC certificate, which are PAC situations beyond any doubt, the powers of purchase at all level would be same as their maximum purchase powers under normal circumstances.

4.5.5 Situation like clause 6(c2) in the PAC certificate is prima-facie a PAC situation but research and exploration of market may be necessary before next procurement cycle. In such cases powers of Purchase would be same as in case of STE. For such items if two consecutive purchases have been done on PAC basis, the third procurement must be done by normal tender route to explore the market.

4.5.6 In certain unavoidable cases, the CFA may have no alternative but to waive off payment of SD for procurement on a proprietary basis with reasons being recorded.

4.6 Single Tender Enquiry (STE) without PAC

A tender invitation to one firm only without a PAC certificate is called a single tender. This mode should be resorted to only under following conditions:

- (i) On the grounds of existing or prospective emergency relating to operational or technical requirements, to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.
- (ii) For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery / equipment (on the advice of Maintenance Dept. and approved by the competent authority), the required goods are to be purchased only from a selected firm.
- (iii) The reasons for single tender enquiry (STE) and selection of a particular firm must be recorded and approved by an officer one level above the CFA or by GM/GM (I/C), whichever is lower, in case GM/GM (I/C) or any officer below the level of GM/GM (I/C) is CFA, prior to single tendering. In case MD or Board is the CFA, approval is accorded by MD. Purchases on STE basis should be made from reputed firms after determining reasonableness of rates. A quarterly report of all such purchases finalized during the quarter shall be prepared and sent to CO for submission to MD.



4.7 Global Tender Enquiry (GTE) / International Competitive Bidding (ICB)

ICB/GTE is similar to open tendering but involves participation of foreign firms in the bidding process. ICB/GTE procedures should be adopted in following situations if any of the conditions mentioned below is true:

- (i) Non-existence of a local branch of the global principal of the manufacturer / supplier.
- (ii) Requirement for compliance of specific international standards in technical specifications.
- (iii) Absence of sufficient number of competent domestic bidders likely to comply with the required technical specifications.
- (iv) Goods contracts exceeding the threshold of Rs. Twenty-Five (25) Crore.

Terms & Conditions

- (i) ICB/GTE tenders shall be openly advertised and copy of the NIT should be sent to commercial attachés in foreign embassies of the prospective bidders in India and/or to Indian embassies in relevant foreign countries and posted on BRBNMPL website and online edition of Indian Trade Journal (ITJ) (refer para 8.8.1).
- (ii) All interested bidders shall be allowed to submit bids and pre-qualification criteria shall be used to determine responsive tenders
- (iii) ICB/GTE tender documents must be in English and the price should be asked in Indian Rupees or in any freely convertible currency.
- (iv) ICB/GTE tender documents must contain technical specifications which are in accordance with national requirements which are also based on an international trade standard.
- (v) The bidding period shall not be less than *four (04) weeks* from the date of tender.
- (vi) Relevant INCOTERMS should be included in the tender.

4.8 Open Tender Enquiry (OTE) / National Competitive Bidding (NCB)

NCB/OTE procedures should normally be adopted for all annual tenders in any of the following situations:

- (i) All common use items with clear technical specifications.
- (ii) Items which are ordinarily available in open market but is found necessary to evaluate competitive offers to decide the most suitable and economical option available.
- (iii) Goods contracts exceeding the threshold of Rs. Twenty-Five (25) Lakhs.

Bidders already registered with BRBNMPL are also free to participate in NCB. NCB is normally a two-stage bidding, first stage of which evaluates credential of bidders.



Terms & Conditions

- (i) All interested parties should be allowed to bid for the tender and pre-qualification criteria shall be used to determine responsive tenders.
- (ii) Invitations to bid shall be advertised in at least one widely circulated national (amongst top 5 newspapers by circulation) and local newspaper of wide publication (with circulation of over 2 Lakh copies), on BRBNMPL website and online edition of ITJ (refer para 8.8.1).
- (iii) Deadline for submission of bids shall be at least *thirty (30) days* from the date of tender. Extension of deadline of submission shall not be allowed without prior concurrence of GM/GM (I/C)/O-I-C when:
 - (a) for the first request from the bidders for extension if it is longer than eight (8) weeks; and
 - (b) for all subsequent requests from the bidders for extension irrespective of the period;
 - (c) Re-tendering shall not be carried out without the prior concurrence of the GM/GM (I/C)/O-I-C or CFA.

4.9 Limited Tender Enquiry (LTE)

LTE procedures should be adopted, for procurements when estimated value of procurement is above Rupees Two lakh fifty thousand (Rs.2,50,000) and up to Rupees Twenty-Five Lakhs (Rs.25,00,000).

Prospective bidders for LTE should be selected in a non-discriminatory manner from its registered bidders' data-base and it should also select a sufficient number of suppliers or contractors (at least six) to ensure effective competition.

Terms & Conditions

- (i) The minimum number of suppliers to whom LTE should be sent is six. In case less than six approved suppliers are available, LTE may be sent to available approved suppliers with approval of the competent authority duly recording the reasons.
- (ii) In case it is proposed to exclude any registered / approved supplier, detailed reasons like failure in supply should be duly recorded and approval of competent authority be taken before exclusion.
- (iii) Adequate time should be given for submission of quotes, which should not be less than *three weeks*. Longer period (six weeks) could be given in case of import of the materials and in complex cases, if justifications are given and approved by CFA.
- (iv) In limited tendering, suppliers or contractors should be selected from whom to solicit tenders in a non-discriminatory manner and it shall select a sufficient number of suppliers or contractors to ensure effective competition.



- (v) Before resorting to limited tendering, it would be essential to ensure that the demand is not split into small quantities for the sole purpose of avoiding the necessity of taking approval of the competent authority required for sanctioning the purchase of the original demand or for avoiding NCB mode of Procurement.

4.9A Special cases when Estimated Value of Procurement is more than Rs. 25 Lakhs [Special Limited Tender Enquiry (SLTE)]

Limited Tender enquiry may also be adopted for Estimated Value of Procurement above Rs. Twenty-Five (25) Lakhs in following special cases: -

- (i) Existing or prospective urgency for operational or technical requirements certified by the officers designated in Annexure 28 (Item C).

OR

Government policy designates procurement from specific agencies.

OR

There is a delay in getting required security clearance from Government.

OR

It is not in the public interest to procure goods through advertised tender enquiry.

AND

- (ii) There are no eligible vendors apart from the existing vendors or the sources of supply are definitely known and are limited.

The tendering process would be exactly same as in case of normal LTE described above. Powers to sanction processing procurement on LTE basis in such special cases would be as laid down in Annexure 28 (Item C) based on a certificate of urgency signed by the officers designated therein since the development of panel of suppliers and consolidation of panels is likely to take some time and it is likely that there would be an urgent requirement to procure goods. In such cases, purchase may be done by sending enquiries/bidding documents to the known firms which are established and who have been security cleared, wherever applicable.

4.9B Limited Enquiry by inviting sealed quotations for purchases below Rs.2.5 lakh

The Procurement of goods / services in which the estimated value is up to Rupees Two lakh fifty thousand (Rs.2,50,000), may be done as Limited Enquiry by inviting Sealed Quotations from Registered and/or Prospective Bidders with due approval of the GM/GM (I/C)/O-I-C. However, it can be adopted for one-time delivery only (and not staggered delivery). A prescribed format for Invitation for such Limited Enquiry is specified in *Annexure 32: Invitation for Limited Enquiry*.



4.10 Express Tenders

In the case of urgencies of operational or technical reasons a Tender needs to be floated with short opening time. In such case tenders may be floated giving not less than 10 working days for tender opening. However tender issuing officer should ensure that tenders reach all the target group of Tenderers. The reason for calling this type of tender should be recorded and approval should be taken from GM/GM (I/C)/O-I-C if the value of the procurement is less than the approving limit of GM/GM (I/C)/O-I-C, otherwise from the Managing Director (MD).

4.11 Direct Procurement: Purchase of Goods/Services without Quotation

This procedure should be adopted, for procurements in any or all of the following situations: -

- (i) Requirement is urgent but was not covered in annual tender.
- (ii) Requirement is for off-the-shelf goods of simple and standard specifications.
- (iii) Goods contracts not exceeding the threshold (for each requirement) of Rs.25,000 (Rupees Twenty Five Thousand) for each case
- (iv) To keep a better control, an annual ceiling of Rs. 8 lakh may be fixed for each Division/Cost centre (such as Administration, Printing, Pre-Printing, Finishing, Maintenance – Plant/Utility/Civil, etc.) for such a mode of procurement. Each Division/Cost centre should maintain records to monitor such limits.

Examples of procurement are Bearings, nuts and bolts etc.

AGM / DGM of user section can initiate and complete this purchase after filling *Annexure 2: Purchase without Quotation Format*. Cash payment may be made for the amount up to Rs. Five thousand (5000) and above Rs. 5000 cheque payment/Online Bank Transfer may be made.

Terms & Conditions

- (i) In cases of urgent need for the goods (less than seven days' notice period), the reasons for urgency shall be documented and approval sought from competent authorities before initiating direct contracting.
- (ii) The procurement officer shall prepare a list of items for proprietary procurement that may be procured through direct contracting and this list shall be approved by competent authority.

4.12 Direct Procurement: Purchase of Goods by Local Purchase Committee

Purchase of goods valued above Rs.25,000 (Rupees Twenty-Five thousand) and up to Rs.2,50,000 (Rupees Two lakh fifty thousand) only on each occasion may be made on the recommendations of duly constituted local purchase committee consisting of three members as follows:



One member from the user department / administration / technical / engineering, one member from finance and accounts department and one member from purchase. Materials Management Division representative shall act as member secretary of the committee. Different committees shall be constituted at unit level for different types of purchases. Such purchases shall be approved by concerned CFA as per DoP.

Before recommending placement of purchase order, the members of the committee will jointly record the certificate given in *Annexure 3: Purchase Certificate Format*.

For specific types of items from PSUs, like oil sector PSUs, there is no cap on the amount of purchase which can be made using this mode.

Terms & Conditions

- (i) The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Reputed Shopping Malls may also be included in the market survey. Reputed internet shopping portals may also be explored.
- (ii) Summary Quotations shall be solicited from as many different suppliers as possible but in any case not less than three.
- (iii) Depending on circumstances, quotations may be submitted via email, telex or fax if so specified.
- (iv) Before resorting to local procurement, it would be essential to ensure that the demand is not split into small quantities for the sole purpose of avoiding the necessity of taking approval of the higher authority required for sanctioning the purchase of the original demand or for avoiding LTE or NCB mode of Procurement.
- (v) Annual review of such procurement shall be done to ensure that in future procurements are done by following normal tender.
- (vi) This mode of procurement is described in parlance of procurement of goods; however, in principle, it is equally applicable to contingency expenditure on small works/services also.

4.13 Direct Procurement: Purchase of Goods by Spot Purchase Committee (SPC)

For items involving aesthetic evaluation like in wooden furniture, works of Decoration/ Art, cutlery / fine china, household / kitchen / hospitality / home or office Electronics etc. items required for corporate use where specifications cannot be drawn and these cannot be effectively purchased through tendering process. Such items may be procured (more than Rs 2.50 lakhs but up to Rs.15 lakhs* in each case) as a very special case by a Special Purchase Committee known as the Spot Purchase Committee (SPC) who will physically go to the known showrooms / dealers / Shopping Malls in appropriate markets for such items and identify models / part numbers that will suit from three or more vendors. These vendors will be asked to submit sealed



quotations for such identified products on the spot / by hand at a later time. Reputed internet shopping portals may also be explored. Thereafter the SPC would finalize and place Purchase orders on the selected vendor for the selected model of item. SPC would be nominated by concerned GM/GM (I/C)/O-I-C. SPC should, inter alia, include officers of level competent to procure items of this value, besides the DGM / AGM (MMD) & Finance Officers, any one or more of the Technical Officers as per need & nature of item under purchase.

** However, for specific type of items such as uniforms etc., wherein, the limit per employee has been fixed by Corporate Office, there would be no cap on the amount of purchase which can be made using this mode.*

Before recommending placement of purchase order, the members of the committee will jointly record the certificate given in *Annexure 3: Purchase Certificate Format*.

4.14 Rate Contracts (RC)

RC procedures should be adopted for procurements in following situations:

- (i) Commonly used goods of low value needed on recurring basis by various user departments.
- (ii) Goods for which Rate Contract is convenient to operate economically.

However, RC should not be operated in following situations:

- (i) In case of goods of low value and which are required by the users in very small quantities, rate contracts should not be concluded.
- (ii) Rate Contract may not be resorted to for the scarce / critical / goods in perpetual short supply.

Examples of RC based procurement are Auto spares, Towels, Brooms etc.

Rate contract of DGS&D or any other agency approved by Government such as Kendriya Bhandar and NCCF may also be operated. In case items are not covered in such RCs or if it is decided to have own RC then it should be finalized through open tendering adopting NCB procedures. As far as feasible termination period of different RC should be fixed in such a way so that tax rate changes during annual budget of the Government are avoided since any adverse effect may frustrate the RC. Moreover, termination period of RCs of different items should be staggered so that work load is evened out during the year. RC essentially is an agreement with the supplier at a specified price and terms & conditions (as incorporated in the agreement) during the period covered by the Rate Contract. No quantity is mentioned nor is any minimum commitment guaranteed in the Rate Contract. The Rate Contract is in the nature of a standing offer from the supplier firm. BRBNMPL is entitled to withdraw/cancel the Rate Contract by serving an appropriate notice to supplier. Additional General Instructions to Tenderers (GIT) and Special Conditions of Contract (SCC) for Tenders for RC are laid out in the SBD.



Terms & Conditions

- (i) Rate Contracts shall be awarded to the firms who are registered for the goods in question and fulfil the laid down eligibility and qualification criteria including availability of ISI mark, service centres across the country etc., Suitable stipulations are to be incorporated in the tender enquiry documents to this effect,
- (ii) In respect of new items being brought on rate contract for the first time where there is no registered supplier (for the subject items), the requirement of registration can be relaxed with the approval of competent authority. The award of such rate contracts will, however, be subject to the suppliers' satisfactory technical and financial capability.
- (iii) Some of the bidders (who are otherwise registered for the subject goods) may also be holding current rate contracts and / or held past rate contracts for the required goods. Their performance against such earlier/current rate contracts shall be critically reviewed before they are considered for award of new rate contracts.
- (iv) Specific performance and achievement criteria as on a selected cut-off date is to be evolved for this purpose and incorporated in the tender enquiry document. The bidders will be asked to furnish the relevant details (along with their tenders). Their performance and achievement should be judged against the past/ current rate contracts. These criteria are to be evolved and decided by the purchasing department during procurement planning stage for incorporation in the corresponding tender documents.
- (v) The Materials Management Division should post the descriptions, specifications and other salient details of all the rate contracted goods, appropriately updated, on its web site and forward a paper copy for use by the procuring user departments

4.15 Repeat Orders

Repeat Order is an extraordinary exceptional process and is not normally resorted to. Repeat orders against a previous order may be considered for approval by the respective CFA under exceptional circumstances subject to the following stipulation. (CFA in this case would be as per the delegation of power for STE for the value of additional Repeat order quantity.): -

- (i) It should be exercised only in extra-ordinary unforeseeable cases of existing and prospective emergency for which there is not enough time to procure the material by processing the procurement case in the normal manner
- (ii) In case of security items, if there is a delay in finalizing a tender due to non-receipt of security clearance from relevant Govt. Department, a Repeat Order may be exercised.
- (iii) Items ordered have been delivered successfully, in the original contract.
- (iv) Original order did not cover urgent/emergent demand.



- (v) It is not placed to split requirement to avoid sanction of the next CFA.
- (vi) That there is no falling trend in prices for this item as evidenced from the fact that in the intervening period neither orders have been placed at rates lower than this contract nor any tender has been opened where such rates have been received even though tender is not yet decided. If no tender has been handled in the intervening period, then other means of price evaluation may be used as detailed in Para 10.13.1.
- (vii) The firm is prepared to hold the same prices terms and condition including delivery schedule as per requirement.
- (viii) The requirement is for stores of identical nature/specification, nomenclature etc. Minor improvements in spec(s) or phasing out of products due to obsolescence should not be precluded from purview of repeat order.
- (ix) It is placed within 6 months from the date of last supply against previous order and only once.
- (x) Repeat order quantity is to be normally restricted to a maximum of 50% of last order quantity, both in case of indigenous procurement and import orders. In case of SO/Contract where option clause has been availed of, total of both option and repeat order quantity should not exceed 50% of the originally ordered quantity. However only in case of Existing or prospective urgency for operational or technical requirements certified by the officers designated in Annexure 28 (Item C) repeat orders beyond 50% of the last ordered quantity can be placed.
- (xi) The original order placed should be on the basis of lowest (negotiated) price and was not on delivery preference.
- (xii) Repeat Order should not be exercised in case of Development orders.
- (xiii) This provision could be exercised in case of PAC/Single Vendor OEM case.
- (xiv) However, where multiple vendors are available, necessary care should be taken in exercising Repeat Order so that the original tender decision of splitting quantities and differential pricing is not upset or vitiated. Other things being equal, repeat order should first be considered on the vendor with lower rate.

Exercise of Repeat Order provision should be a rare occasion. Since the circumstances of operation of Repeat Order are unforeseeable, provision for repeat order should not be made as a matter of course in the Tender as these clauses have an impact on price. In the absence of a clause in the Tender, repeat order exercise may be treated as procurement under Single Tender basis.

- (xv) Terms and Conditions for placement of repeat orders beyond 50% of the previous contract.
 - The orders shall be placed only under emergency situation as provided in Clause 4.9.1, and to prevent the loss of production or to prevent any severe impact on the performance of the Company created due to factors beyond the control of the Company.

AND



- In such cases the approval of MD shall be taken before placement of such orders.

AND

- A quarterly report of all such purchases finalized during the quarter shall be prepared and sent to CO for submission to MD.

AND

- A quarterly report of all such purchases finalized during the quarter shall be prepared and submitted to the Board in the ensuing meeting for information.

4.16 Procurement through Government e-Marketplace (GeM)

The procurement of Goods and Services can be done using the Government e-Marketplace (GeM) portal. The procuring authorities will certify the reasonability of rates. The GeM portal may be utilized for direct on-line purchases as per the applicable provisions.

- (i) Up to Rs.25,000/- (Rupees Twenty-five thousand) through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period;
- (ii) Above Rs.25,000/- (Rupees Twenty-five thousand) and up to Rs.5,00,000/- (Rupees Five lakh) through the GeM Seller having lowest price amongst the available sellers (excluding Automobiles where current limit of 30 lakh will continue), of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be utilised even for procurements less than 5 lakh;
- (iii) Above Rs.5,00,000/- (Rupees Five Lakh) through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding Automobiles where current limit of 30 lakh will continue);
- (iv) The above mentioned monetary ceiling is applicable only for purchases made through GeM;
- (v) The reasonableness of prices may be ascertained before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, BRBNMPL's own Last Purchase Price; etc.
- (vi) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying/bidding/reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.
- (vii) It may be noted that unlike Rate Contracts, the responsibility of reasonableness of rate for procurements from GeM portal does not lie with DGS&D. It is the responsibility of the Procuring Entity to do due diligence for ensuring reasonableness of rates.



Section III – Other Procurements with special features

4.17 Handling Procurement in urgencies / Emergencies and Disaster Management

Any unforeseen event such as war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine restrictions, strikes, lockouts, general breakdown in administration and/or law & order, national emergencies declared by Govt., unforeseen situations (like demonetization) where there are no precedents in the recent past, natural calamities or acts of God such as floods, earthquakes, cyclones etc., can be broadly classified as Urgent/emergent and Disaster Management situations.

For the provisions of this clause to take effect, such situations have to be necessarily declared as an “Emergency Situation” by the MD by a **written decree**.

Once 'Emergency' is declared by a written decree, Procurement Manual will not apply and full authority will vest with whoever is holding the charge to take suitable decisions.

4.18 Buy Back offer

When it is decided to replace an existing old item(s) with a new/better version, the existing old item may be traded while purchasing the new one by issuing suitable bidding documents for this purpose. The condition of the old item, its location and the mode of its handing over to the successful bidder are also to be incorporated in the bidding document. For Security-Sensitive machines, handing over may be done as per Para 14.8 (vii) and the same should be incorporated in the tender. Further, the bidder should be asked to quote the prices for the item which will be taken into account for L1 determination. The capital items identified by Modernization committee / Performance Review committee or any other committee as fit for buy back need not again go through the condemnation process as per clause 3.3.4.

4.19 Turnkey Contract

In case the Plant and Equipment consists of a number of machines which work in tandem or if it includes services/works to be done by third party, an all-encompassing Turnkey contract may be a better alternative. In the context of procurement of goods, a turnkey contract may include the manufacture, supply, assembly, installation / commissioning of equipment (or a group of plant and machines working in tandem – even though some of the machines may not be manufactured by the supplier himself) and some incidental works or services. Generally, in the tender enquiry documents for a turnkey contract, the purchase organization specifies the performance and output required from the plant proposed to be set up and broadly outlines the various parameters it visualizes for the desired plant. The inputs and other facilities, which the purchase organization will provide to the contractor, are also indicated in the tender enquiry document. The contractor is to design the plant and quote accordingly. The responsibility of the contractor will include supplying the required goods, machinery, equipment etc. needed for the plant; assembling, installing and erecting the same at



site as needed; commissioning the plant to meet the required output etc., as specified in the tender enquiry documents.

4.20 Annual Maintenance Contract (AMC)

- (i) Some goods, especially sophisticated equipment and machinery need proper maintenance for trouble-free service. For this purpose, the purchase organisation may enter into a maintenance contract. It must, however, be kept in mind that maintenance contract is to start after the expiry of the warranty period, during which period the goods are to be maintained free of cost by the supplier;
- (ii) The maintenance contract may be entered into either with the manufacturer / supplier of the goods or with a competent and eligible firm, not necessarily the manufacturer / supplier of the goods in question. The purchase organisation should decide this aspect on case to case basis on merit;
- (iii) If the maintenance contract is to be entered into with the supplier of the goods, then suitable clauses for this purpose are to be incorporated in the tender enquiry document itself and while evaluating the offers, the cost component towards maintenance of the goods for specified number of years is also to be added in the evaluated tender value on overall basis to decide the inter se ranking of the responsive tenderers. Equipment with a lower quoted price may carry a higher maintenance liability. Therefore, the total cost on purchase and maintenance of the equipment over the period of the maintenance contract should be assessed to consider its suitability for purchase. While evaluating the tenderers for maintenance of goods covering a longer period (say, three to five or more years depending on the life-span of the equipment), the quoted prices pertaining to maintenance in future years are to be discounted (as per DCF technique) to the net present value as appropriate for comparing the tenders on an equitable basis and deciding the lowest evaluated responsive tender;

A typical example of DCF technique applied for 10 years considering a discount factor of 8% is given below: -

Year	1	2	3	4	5
Discount factor	1.00	0.92593	0.85734	0.79383	0.73503
Year	6	7	8	9	10
Discount factor	0.68058	0.63017	0.58349	0.54027	0.50025

- (iv) However, if the maintenance contract is to be entered into with a competent and eligible supplier separately, then a separate tender enquiry is to be floated for this purpose and tenders evaluated and ranked accordingly for placement of the maintenance contract. Here, the supplier of the goods may also quote and his quotation, if received, is to be considered along with other quotations received;
- (v) The details of the services required for maintenance of the goods, the required period of maintenance and other relevant terms and conditions, including payment terms, are to be incorporated in the tender enquiry document. The terms of payment for the maintenance service will depend on the nature of the goods



to be maintained as well as the nature of the services desired. Generally, payment for maintenance is made on a half-yearly or quarterly basis;

- (vi) A Service Level Agreement (SLA) may be incorporated in complex and large maintenance contracts. SLA should indicate guaranteed levels of service parameters like - %age uptime to be ensured; Performance output levels to be ensured from the equipment; channel of registering service request; response time for resolving the request, Channel for escalation of service request in case of delay or unsatisfactory resolution of request, monitoring of Service Levels etc. This would include provision of help lines, complaint registration and escalation procedures, response time, percentage of uptime and availability of equipment, non-degradation in performance levels after maintenance, maintenance of an inventory of common spares, use of genuine spares, and so on. The maintenance contract may also include penalties (liquidated Damages) for unacceptable delays in responses and degradation in performance output of machines, including provisions for terminations;
- (vii) It should be indicated in the bid documents, whether the maintenance charges would be inclusive of visiting charges, price of spares (many times, consumables such as rubber gasket, bulbs, and so on, are not included, even though major parts may be included), price of consumables (fuel, lubricants, cartridges, and so on). If costs of spares are to be borne by the Procuring Entity, then a guaranteed price list should be asked for along with the bids. It should also be clarified, whether room/space, electricity, water connection, and so on, would be provided free of cost to the contractor. The bidding document should also lay down a service level agreement to ensure proper service during the maintenance period;
- (viii) A suitable provision should be incorporated in the tender enquiry document and in the resultant maintenance contract indicating that the prices charged by the maintenance contractor should not exceed the prevailing rates charged by him from others for similar services. While claiming payment, the contractor is also to give a certificate to this effect in his bill;
- (ix) If the goods to be maintained are sophisticated and costly, the tender enquiry document should also have a provision for obtaining performance security. The amount of performance security will depend on the nature of the goods, period of maintenance, and so on. It generally varies from two and a half to five per cent of the value of the equipment to be maintained;
- (x) Sometimes, during the tenure of a maintenance contract, especially with a longer tenure, it may become necessary for the purchase organisation to withdraw the maintenance contract due to some unforeseen reasons. To take care of this, there should be a suitable provision in the tender document and in the resultant contract. Depending on the cost and nature of the goods to be maintained, a suitable notice period (say one to three months) for such cancellation to come into effect is to be provided in the documents. A model clause to this effect is provided below:

“The purchaser reserves its right to terminate the maintenance contract at any time after giving due notice without assigning any reason. The contractor will not be entitled to claim any compensation against such termination. However, while



terminating the contract, if any payment is due to the contractor for maintenance services already performed in terms of the contract, these would be paid to it/him as per the contract terms”.



Chapter 5: Procurement Planning and Indenting materials

Section I Procurement planning

5.1 Procurement Planning:

Procurement planning should include the following activities:

- (i) Finalization of annual requirements
- (ii) Deciding on the mode of procurement
- (iii) Review of the procurement plan at pre-defined intervals

For items such as paper and ink for which multiyear contract is entered into, planning for multi years (3-5 years) should be undertaken in the final year of the existing contract.

5.2 Finalization of annual requirements

The first step in procurement planning is the finalization of the annual requirements. Annual requirement is finalized at the beginning of the year considering following parameters:

- (i) Production target of the year
- (ii) Analysis of past consumption data of last 3 years.
- (iii) Consolidation of requirements raised by all user departments.
- (iv) Estimation of requirement based on new projects
- (v) Current stock level.
- (vi) Inclusion of new items for procurement

Based on the above analysis a procurement plan is prepared for incorporation in BRBNMPL budget. The activities for the plan of current year that should be undertaken as a part of procurement planning:

- (a) Store sends consumption related figures for the last three years to all the user departments by first week of August of the previous year.
- (b) In reply, each user department then forwards its time-linked requirements for the following year (with at least half yearly requirements break-up) to the Purchase Section by first week of September of the previous year
- (c) The AGM (MMD) collates all the data and compiles the aggregate requirements and submits them for approval to the competent authority by second week of October of the previous year.
- (d) After approval, the Materials Management Division finalizes the procurement plan by last week of October of the previous year.
- (e) Finance department can use this data for budgeting purposes.



- (f) It is desirable that order should be placed with the vendor clearly defining the requirements for two half-year blocks. After a mid-year review, the quantity for the second block may be revised within a range of $\pm 5\%$. Further deviations would require competent authority's approval.

A standard template for annual requirement finalization is provided in *Annexure 4: Annual Requirement Finalization*.

5.3 Review of the procurement plan

A mid-year review of the annual procurement plan should be undertaken. In this review, the quantities procured should be compared to the actual consumption during the period. Purchase/Store department should send the consumption data for the last six months to the user departments asking them to re-look at the proposed requirement for the next six months. This modified demand is then sent back to the Materials Management Division, Necessary adjustments in contract execution may be made based on the modified requirements plan furnished by user departments. Advancement and postponement of delivery period if thus called for may be negotiated with the Vendors, without levy of LD or Denial Clause. If review so indicates Option clause may also be exercised.

5.4 Deciding on Mode of Procurement

After finalization of procurement plan, the mode of procurement for goods / services should be decided. Any one of the modes of procurement outlined in Chapter 4 above may be resorted to depending on nature and expected value of procurement of the item and/ or type of requirement. A onetime exercise should be carried out by a taskforce comprising user department officials, stores and finance officials for classification of all existing items procured annually in any one of the categories given in chapter 4, subject to the approval from competent authority. On addition of any new item to the list of procurement, AGM (MMD) shall decide the mode of procurement for the same with approval from competent authority.

Section II Indenting of material

5.5 ABC Categories of Items - Pareto principle

The **Pareto principle** (also known as the 80-20 rule) states that, for inventory / procurement, roughly 80% of the value of inventory/ procurement comes from 20% of the items stocked / purchased. Based on this, items are normally classified into A, B and C categories as follows: -

1. "A Category Items" inventory/ procurement will typically contain items which are 20% of total items but account for 80% of total value, and
2. "B Category Items" inventory/ procurement will typically contain items which are 30% of total items but account for next 15% (81% - 95%) of total value, and
3. "C Category Items" inventory/ procurement will typically contain items which are 50% of total items but account for next 5% (96% - 100%) of total value.



Normally buffer levels, permitted inventory levels and types/ modes of procurement are decided based on such categorization. A onetime exercise may be done for common items by BRBNMPL, CO and for local items by the concerned units to categorize items in such categories.

5.6 Indenting of Material

User Department may initiate a Material Requisition (Purchase Indent). The process starts with filling up the Material Requisition Form. If the information provided is not adequate, the requisition will be returned to originator. The Material Requisition Form should be signed by the originator and must include a work order number and/or an account number. Template of Material Requisition Form is given in *Annexure 16: Material Requisition Note*. In case of ARS (Automatic Recoupment Store) items the indent is raised by Stores Division.

5.7 Preparation of Indent: Quantity

The quantity of requisition should be mentioned on the requisition form. It should be noted that one-time exercise should be undertaken to determine reorder level and lot size for all materials. The requisition sought should be verified against the procurement planning as discussed in Paras above.

5.8 Units of Quantity

Units of quantity are a very important parameter of an Item. Some items may be manufactured in Metric Tons but may be used in units of numbers or units of lengths (for example Steel Sheets/ structural). It is important to buy an item in units, which has transparency. For example, it's more transparent to buy steel structural in Units of weight, since they have a tolerance in weight per unit of length, which works normally to the disadvantage of buyer, if these are bought in units of length. The Buying and issuing units of an item may be different but should be standardized.

It is also necessary to round off calculated quantity to nearest Wagon Load / Truck load to economize on transportation. It is important to gather information in regard to Transportation Loads of every item

5.9 Specifications

The specifications are the detailed qualitative requirements of the item being procured and should indicate the material composition, physical, dimensional and performance parameters, tolerances if any, manufacturing process where applicable, test schedule, preservation and packing etc. Under the Standards of Weight and Measures Act, 1956, the metric system of weights and measures was introduced. Accordingly, no contract should be concluded in FPS system in respect of the description of stores, drawings, specifications, or rate per unit since such an action would contravene the provisions of law and the resultant contract would be liable to be held as void.

Normally, the following types of specifications are relevant to items: -



5.9.1 PAC Specifications

These are available only with the PAC firm and are protected by the intellectual property right. Hence, PAC specifications are normally not available with BRBNMPL and firm's certificate of quality is accepted. However, essential characteristics required for inspection should be made available.

5.9.2 Branded Product

The specification for branded commercial product is not available with BRBNMPL or the inspecting agency and these are to be accepted at the firms guarantee. In specifying branded products CVC recommends to use the clause 'or equivalent'. Eg. XYZ bulbs or equivalent.

5.9.3 Industrial Specification

There are standard industrial specifications like the IS, BS, available for sale in the market. Every purchase agency and the inspection authority should acquire such specifications and hold with them for reference to ensure quality standards of the product being procured.

5.9.4 Ad-hoc Specifications

There are items for which industrial specification is not available. In such cases, the indenter must indicate the general parameters, normally the dimensional and performance parameters to enable procurement and inspection. Such ad-hoc specifications must be broad enough to permit wider participation by the suppliers and should not be restrictive so that adequate competition is not obviated.

5.9.5 As per Sample

Refer Para 5.10 and 5.12.

5.9.6 Common Use items

There are a large number of items used, which are common use items freely available in open market. However, as the quality of products of various manufacturers vary widely. Such items should be procured from reputed manufacturers capable of meeting quality standards of the items.

5.9.7 Specifications of Integrated Vs Sub-systems of Production Lines:

The decision to purchase complete production lines, having several work stations/ machines/ sub-systems, or sub-systems separately should be vested in the specifications Committee to be constituted by the competent authority in BRBNMPL, comprising of members representing different departments in the relevant fields. The specifications to be drawn by Specifications Committee



should be broad based and vendor neutral. Before recommendations of the specifications are tendered, they have to receive the approval of the competent authority according to the delegation of powers.

5.10 Approval of Indent (Purchase Proposal)

All Indents will have to be approved by the Head of the Unit where indent is generated. Administrative approval and expenditure sanction should be accorded by the CFA as per the amount / value of the proposal as per DoP.

5.11 Estimated Rate

Estimated rate in the indent is a vital element in various procurement processes, approvals and establishing the reasonableness of prices at the time of evaluation of the bids and therefore, should be worked out in realistic and objective manner on the basis of methods described in Para 10.13.1, including taxes and duties etc. wherever applicable based on the tender terms.

5.12 Products Requiring Security Clearance

5.12.1 Criteria of classifying security/sensitive and non-security/non-sensitive machinery / items:

General guidelines:

- (i) **Non-Security, Non-Sensitive machines / equipment:** These machines / Equipment are available in open market. They don't have any special features or special arrangements, permanent or temporary for printing / manufacturing security documents / items. Such machines may be classified as 'Non-security, Non-Sensitive Machinery'.
- (ii) **Security Sensitive machines / equipment:** These machines / equipment are specially designed and manufactured for printing / manufacturing security documents / security products. They will have permanent or temporary arrangements for printing / producing (intermediate or final) security Products. Such machine may be classified as 'Security Sensitive Machinery'.
- (iii) **Security Sensitive Items:** The material or substrate itself or the material on which or by which the security features are being printed are to be considered as 'Security Sensitive Items'.

Items requiring security clearance and not requiring security clearance are communicated by MoF as and when the list is updated and our procurement action is guided by the same.

5.12.2 Precautions in Procurement

- (i) Whenever a proposal is prepared, the Security Clearance Status and the period of its validity may be brought out therein.



- (ii) Utmost secrecy should be maintained about any information pertaining to these items. The specifications, drawing etc. of these items should never be publicly published in any form including News Paper or on the Web. Only controlled number of copies of such documents would be prepared. Each copy should carry the copy number.
- (iii) During the process of procurement, Tender Documents and the specifications/ drawings of such items would be issued only to Vendors having security clearance within the validity of such clearance. The tender documents / specifications thus issued should be prominently marked with the name of the recipient, so that it shows if any copies are made thereof. More sophisticated methods like watermarking the name of the recipient may be used to the extent feasible.
- (iv) Results of the Pre-Qualification Bids would not be disclosed to even the successful bidders unless the security clearances are received.

5.12.3 Precautions in Disposal:

Precautions to be taken in segregation, marking, cutting and disposal of such items are detailed in Chapter 14 of this manual which may be strictly followed.



Chapter 6: Sourcing and Supplier Appraisal

6.1 Empanelment of vendors

It is recommended to have an empanelled vendor's database for all procurement of work/services valued up to Rs.25 Lakhs or for emergency/calamity situation. The vendors registered with the Central Purchase Organization as "Registered Suppliers" may also be considered as registered suppliers for BRBNMPL. The list of empanelment may be referred to while floating limited tender/ local purchases/ direct contracting/ rate contracts. For such tenders, it may be possible to skip bidder qualification so as to avoid unnecessary repetition/duplication of records thereby saving time, especially in case of emergency procurement.

All empanelled vendors should be allocated a unique registration number. This registration number can also be the basis for sub-classification of vendors into A / B / C categories based on technical and financial capabilities. The Category A suppliers may be engaged for supplies of higher value.

Annual review of empanelled vendors should be done to eliminate vendors whose performance is not satisfactory. Potential new vendors may also be added to empanelment list every year based on their satisfying the eligibility criteria.

Empanelment of vendors should be undertaken through EOI. The stages to be followed together with applicable guidelines have been detailed in Para 6.2 to 6.7.

6.2 Invitation of Expression of Interest

In keeping with the main objective of procuring the right material from the right source, the Materials Management Division shall organise registration of suppliers with a planned market survey for source selection. Advertisement in leading newspapers for registration of suppliers will be resorted to with a broad based approach to develop alternative potential sources. New sources are tried out for performance with trial / development orders placed and proven sources should be included in the list of approved sources. It is imperative to ensure that more than one source is established for each item. The validity of vendor registration shall be reviewed every 3 years from the date of registration.

The first process for empanelment of vendor is invitation for Expression of Interest (EOI). An advertisement calling "Invitation for Expression of Interest" should be published. A prescribed format for Invitation for Expression of Interest is specified in *Annexure 12: Invitation for submission of EOI*.

The invitation to EOI document shall contain following information:

- (i) Copy of the advertisement
- (ii) Objectives and scope of requirement: This may include brief description about



objectives and broad scope of the requirement. This may also include the validity period of empanelment.

- (iii) Instructions to the Suppliers: It may include instructions regarding nature of supply, fees for empanelment (if any), last date of submission, place of submission and any other related instructions.
- (iv) Eligibility Criteria: Invitation to EOI should clearly lay down the eligibility criteria which shall be applied for short listing.
- (v) Formats for submission: This section shall specify the format in which the suppliers are expected to submit their EOI.

The copies of the EOI document should be made available to the interested supplier in hard copy form as well as on the website. A prescribed format for Application for Empanelment is specified in *Annexure 13: Application for Empanelment*.

6.3 Short List of Suppliers

The suppliers shall be evaluated for short listing, inter-alia, based on their past experience of supplying goods in similar context, financial strength, technical capabilities etc. Each supplier will be assigned scores based on weightages assigned to each of the criteria in EOI.

Sl. No.	Criteria	Weightage*
1	Past Experience of The firm of supplying goods	aaa*
2	Financial Strength of the Bidder	aaa*
	Turnover figures of last three years	aaa*
	Net Profit figures of last three years	aaa*
3	Quality Accreditations	aaa*
4	Manufacturing capabilities/ tie-ups	aaa*
5	After Sales Support Infrastructure	aaa*
6	Product Support	aaa*

* Weightages shall be conveyed separately after assessment of requirement and profile of the potential suppliers.

All suppliers who secure the minimum required marks (normally 50%) should be short listed. The minimum qualifying requirement shall be specified in the EOI document. Alternatively, EOI document may specify minimum qualifying requirement for each of the criteria i.e. minimum years of experience, minimum number of assignments executed, minimum turnover etc. Under such circumstances, all suppliers who meet the minimum requirement, as specified, will be short listed. The short lists shall normally comprise at least four firms.



6.4 Removal from the Approved List

Whenever a vendor is found lacking in performance in terms of response, delivery compliance, capacity, quality standards or ethics, the vendor may be removed from the approved list with the approval of the competent authority namely the GM/GM (I/C)/ O-I-C after giving performance notice.

Removal from approved list may also be warranted in following cases:

- (i) Termination of the contract due to default or insolvency on part of the supplier declared by a court of law
- (ii) Non-performance or performance below specified standards such as repeated delays in delivery (more than once during a contract period), low quality of goods (rejection of goods more than two times during a contract period), non-delivery etc. during the period of delivery specified in the purchase order
- (iii) In case liquidated damages have been claimed against the supplier more than twice, during a contract period
- (iv) In case the firm is banned/ blacklisted by any PSU or Government.

Besides, there may be registered firms who may have ceased to exist or may have been acquired by or merged with another firm, may have switched over to other sector of business operation or indulged in unethical business practices and influence peddling. Such firms should be removed from the list of approved vendors. Whenever a firm is removed from the lists of approved vendors, their registration stands cancelled. Such removal must be promulgated to all units so that any unit of BRBNMPL conducts no further business relation with such firms who have failed to supply satisfactorily even though SOs were placed on them during a three-year period.

6.5 Ban and Blacklisting

When the misconduct and moral turpitude of a firm justifies imposition of ban on business relation with the firm or ultimately its blacklisting, this action should be taken by the appropriate authority after due consideration of all factors and circumstances of the case, after giving due notice and opportunity to the firm to present its case. Due to Constitutional provisions, this has to be done on lines similar to disciplinary proceedings. Ban for a specified period of time may be imposed by keeping MD informed.

Firms or individuals should be banned / blacklisted including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a BRBNMPL contract in the following cases:

- (i) If any of the bidder(s) is found presenting misleading / false information / documents in the tender forms, statements etc.
- (ii) If a firm submits fraudulent un-encashable Financial Instruments stipulated under the Tender and Contractual conditions.
- (iii) If a firm violates the Code of Ethics (Para 2.2) and directly or through an agent,



engages in corrupt, fraudulent, collusive or coercive practices in procurement or execution of Contract.

- (iv) Cartel formation or quotation of Pool / coordinated rates leading to "Appreciable Adverse Effect on Competition" (AAEC) as identified under the Competition Act, 2002.
- (v) Deliberate attempts to pass off inferior goods or short quantities.
- (vi) Violation of Fall Clause by Rate Contract holding Firms.
- (vii) Attempts to influence BRBNMPL's decisions on scrutiny, comparison, evaluation and award of Tender.



Chapter 7: Tendering Systems

Section I Two Bid Tender System

7.1 Two Bid Tender System:

For procurement of commercially off the shelf (COTS) stores, where qualitative requirements and technical specifications are clear, single bid system may be followed. Other cases two bid system needs to be followed: -

- (i) The tenderers should be asked to bifurcate their quotations in two parts first part, called the Techno-commercial Bid, containing the relevant technical details of the equipment/ machinery etc. quoted by them with reference to the specification and allied technical details incorporated in the tender enquiry documents and, in the second part, called the Financial Bid, the price quotation along with other allied issues.
- (ii) The Techno-commercial Bid and the Financial Bid should be sealed by the Tenderer in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed with tender number, the officer receiving tender and the name of the Tenderer.
- (iii) These details regarding submission of bids should also form a part of the General and Special Instructions to tenderers (GIT & SIT) in the tender documents,
- (iv) The Techno-commercial Bids are to be opened in the first instance, at the prescribed time & date by the Bid Opening Committee and the same will be scrutinized and evaluated by the Tender Evaluation Committee with reference to parameters prescribed in the tender documents.
- (v) Thereafter, in the second stage, the Financial Bids of only the technically acceptable offers (as decided in the first stage above) are to be opened for further scrutiny, evaluation, ranking and placement of contract. Other Financial Bids should be returned unopened to the respective bidders under Registered AD/ Reliable Courier or any other mode with proof of delivery.
- (vi) CVC has suggested that technical specification and techno-commercial conditions should be modified, if required in a pre-bid conference in two bid tender and it would be desirable not to invite fresh Financial Bid after opening of Techno-commercial Bids.
- (vii) PQB, EOI, Techno-commercial or financial bids shall be opened in the presence of willing bidders after giving them due notice about the date, time and venue of opening of bids.

Section II Pre-Qualification Bidding (PQB)

7.2 Background:



Prequalification Bidding (PQB) is a procedure for selection of competent tenderers by using a Prequalification Criterion (hereinafter referred as PQC), prior to the issue of the "Invitations to Tender". The crux of PQB is in locating suppliers with proven skills essentially required for the supply of items / works / Services so as to ensure fair and wider competition among such a set of suppliers. CVC stipulates that PQB should meet the norms of Transparency, Fairness & Maintenance of competition.

7.3 Knife-Edge Balancing Act:

These PQC Criteria should be un-restrictive enough so as not to leave out even one capable supplier (otherwise it can lead to higher price of procurement/works/services) but on the other hand should be restrictive enough so as not to allow even one incapable supplier to get in and thus vitiate fair competition for capable suppliers to the detriment of the buyer's objectives. A misjudgement in either direction has serious consequences for the buying organization and is stressed by CVC.

7.4 PQB only as an exception:

Since aim of Public Procurement is to generate widest possible competition in its Tenders, PQB should be done as an exception under specified circumstances. It should not be a normal mode of Procurement of Goods (as opposed to works tenders) where an Eligibility Criteria Clause as part of Single / two-part tendering should suffice.

7.5 Categories of Procurement where PQB is Desirable or Undesirable

7.5.1 Desirable Categories

In following categories of procurements, PQB shall be called for by BRBNMPL for procurement of Goods:

- (a) **Security items:** Raw Material and Plant & Machinery / Equipment of Security and Sensitive Nature, where the specifications can be shared only with PQC compliant bidders who are cleared by security agencies.

PQB Procedures for procurement of CWB paper and Ink:

1. Whenever required, the PQB exercise for adding firms to the vendor base will be undertaken to enlist the vendors. The PQB will contain the criteria for
 - **Experience** – The bidders must have supplied similar product to at least two countries during the last five years.
 - **Capability** – The Bidders shall have the capability for incorporation of features, testing facilities etc.
 - **Net worth** – The net worth should not be negative and should not have eroded more than 30% year-on-year in the last three years and



- **Security requirement**

The details of the firms, who have qualified in these criteria, not having valid security clearance and those whose security clearance is expiring within a year, will be forwarded to MoF for obtaining security clearance. The firms which are security cleared from the ministry will be enlisted in the vendor list for supply of material in this category.

2. The tenders will be issued only to the firms who are enlisted in the vendor list. As and when new firms are cleared by the ministry the firm will be included in the vendor list. The firms so included are eligible for consideration for tender issued subsequent to their inclusion in the vendor list. If any vendor from the list is denied security clearance by the ministry at a later stage the name of the firm will be removed from the vendor list and will not be eligible to participate in the subsequent tender unless the security clearance is granted by the ministry again.
3. The tender will contain the qualification criteria related to
 - Experience and past performance,
 - Capability, equipment and manufacturing facility
 - Financial standing for turnover, profit and loss and Net worth.

In addition to above basic criteria the firms are required to qualify in other technical requirement is as detailed in the tender document.

4. The firms qualifying in the above criteria will be considered for opening of price bid and normal evaluation procedure as enumerated in the manual will be followed.
- (b) **Non-security items:** For non-security items exceeding estimated cost of more than Rs.25 lakhs and proposed to be procured through open tender, the PQB criteria shall be followed for short-listing before technical bids are opened. To reduce the lead time for procurement of items, PQB, Technical and financial bids shall be invited at one go (Single Stage in three packets containing PQB, Technical bid and Commercial bid).
- (c) **Development Tenders or Exceptional One-Off cases:** Development of sources of items where BRBNMPL finds it necessary to develop more sources or desires to develop indigenous sources for imported proprietary / non-proprietary items – only in those cases where BRBNMPL has the specifications / drawings (henceforth referred as Development Tender).

7.5.2 Undesirable Categories

In the following categories of procurement, PQB need not be done.

- Where Specifications of the items to be procured are not available.
- Where procurement can be done through Limited Tender Enquiries.
- When procurement is to be done through a sample.



7.6 Separate PQB or Combining it with Procurement tender

For non-security category of items to reduce the lead time for procurement of items, the buyer may apply post qualification by requiring bidders to submit the information pertaining to their qualification together with their bids (i.e. as three packet systems: PQB, Techno-commercial, Financial packets), provided the Time, Effort and Money required of the bidder to participate in a tender is not very high.

In this event, it will be necessary to ensure that a bidder's risk of having its bid rejected on grounds of qualifications is remote if due diligence is exercised by the bidder during bid preparation. For that purpose, clear-cut, fail-pass qualification criteria need to be specified by the buyer in both the Invitation for Bids as well as the Bidding Document in order to enable bidders to make an informed decision whether to pursue a specific contract and, if so, either as a single entity or in joint venture.

7.7 PQB Procedures

7.7.1 Advertisement and Notification

The Invitation for Prequalification Bidding (PQB) shall be processed (Advertised, Bid Document Preparation and Evaluation etc.) in the same manner as a normal ICB or NCB (as the situation calls for) tender, ensuring widest possible coverage.

The PQC (based on *Annexure 29: Prequalification Criteria Summary*) and the evaluation criterion should be notified clearly in the Bid-Documents. The Bid Documents should also indicate complete schedule of Items for which this PQB is being done, including approx. likely quantity of requirements.

Principal manufacturers/OEMs, manufacturers under license or their authorized dealers/distributors/representatives who are exclusively appointed by the principal manufacturers/OEMs to represent them in the country shall be eligible to apply or to take part in the bid. One Principal manufacturer/OEM can authorize only one dealer/distributor/representative for a particular tender. Similarly, one authorized Dealer/Distributor/Representative can represent only one Principal manufacturer/OEM in a particular tender. There can be only one bid from either:-

1. The Principal manufacturer/OEM directly; or
2. Any of its branch/division/subsidiary; or
3. Authorized Dealer/Distributor/Representative on behalf of the Principal manufacturer/OEM

Note

- (i) In a tender, either the Principal manufacturer/OEM or its authorized Dealer/Distributor/Representative can bid but both cannot bid simultaneously in the same tender.
- (ii) In case the bidder is an authorized Dealer/Distributor/Representative, except in case of Commercially-Off-the-Shelf (COTS) items, then



- (a) the bidder should have been associated as authorised Dealer/Distributor/Representative of the same or other Principal Manufacturer/OEM for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 31st March (or any other year ending followed in relevant country) of the previous financial year; and
- (b) the principal manufacturer/OEM should furnish a legally enforceable tender-specific authorisation in the prescribed form (Section XIV of SBD) assuring full guarantee and warranty obligations as per the general and special conditions of contract and to abide by other tender terms and conditions. The letter of authorisation should be signed by a person competent and having the power of attorney to legally bind the manufacturer; and
- (c) the principal manufacturer/OEM should meet all the pre-qualification criteria without exemption.
- (iii) For commercially off the shelf (COTS) items with clear and standard specifications, a valid dealership certificate will have to be submitted.
- (iv) A minimum period of 45 days may be allowed for submission of Prequalification Bids. In the case of urgency, duly approved by competent authority, time limit may be reduced to 30 days.

7.7.1 (A) In case of procurement of CWBN paper eligibility for participation and explanation for bidder, holding/parent Company shall be as below: -

The manufacturers of CWBN paper alone ("**Manufacturers**") shall be eligible to apply or to take part in the bid. In case a Manufacturer fulfils all the eligibility criteria as specified in this PQB except the eligibility criteria relating to financial standing (**Net worth & Profit/Loss**), such Manufacturer can rely on the financial standing of its Holding Company/Parent Company (as defined below), provided that such Holding Company/Parent Company

- (a) gives its written consent permitting the Manufacturer to rely on its financial standing;
- (b) gives a written confirmation to BRBNMPL stating that it has not given its consent to any other Manufacturer to rely on its financial standing and that it will not permit any other Manufacturer to rely on its financial standing; and
- (c) gives an undertaking to BRBNMPL that it has not submitted and will not submit a bid (either jointly or severally) in response to the PQB.

An entity will be deemed as a Holding Company/Parent Company of the Manufacturer if and only if such entity

- (i) is validly registered as an incorporated company under the applicable jurisdictional laws; and



- (ii) holds more than 50% of the voting share capital of the Manufacturer; and
- (iii) Has the right to nominate majority directors on the board of the Manufacturer and has pursuant to such right appointed majority directors on the board of the Manufacturer. Concurrently, the entity for which the Holding Company/Parent Company fulfils the above criteria shall be construed as the Subsidiary of such Holding Company/Parent Company.

Manufacturer of CWBN paper cannot rely on the financial standing / credentials of the Holding Company/Parent Company if the Manufacturer does not fulfil the other eligibility criteria like experience, past performance and capacity/capability to satisfy the technical requirements.

Manufacturer shall not be entitled to utilize the manufacturing facilities of the Holding Company/Parent Company or any third party for supply of CWBN paper. It is further clarified that the Manufacturer must ensure that all manufacturing of CWBN paper will only be undertaken in its own facilities and not in the facilities of the Holding Company/Parent Company or any other third party.

There shall be only one bid from each Group. The reference to term 'Bidder' shall mean a reference to the Manufacturer alone even in case of a joint bid with its Holding Company/Parent Company and the term 'Bidder' shall not mean a reference to the 'Holding Company/Parent Company'. Even if the Bidder proposes to rely on the financial standing of its Holding Company/Parent Company, such bid shall be construed as one single bid from the Group by the Manufacturer jointly along with its Holding Company/Parent Company. If it is found that more than one company from a Group has submitted separate bids either jointly with another Bidder or on its own, then all Bidders from such Group who have submitted the bids shall be disqualified and all their respective bids shall be rejected.

The Bidder is required to submit a self-declaration that they are not engaging any agents for participation in this tender. In case the Bidder is relying on the financial credentials of its Holding Company/Parent Company, the Holding Company/Parent Company is also required to submit a self-declaration that they are not engaging any agents for participation in this tender.

7.7.2 Evaluation

- (a) Pre-Qualification Criteria for PQB to be done in the following cases have been prescribed in the Annexure
 - (i) Procurement of Plant & Machinery / Equipment
 - (ii) Procurement of items Other than Plant & Machinery / Equipment
 - (iii) Development tender or Exceptional one-off cases.



- (b) Evaluation shall be strictly done as per the criteria prescribed. It should be clarified in the PQB Documents that bidders have to submit documents in support of eligibility criteria. Supporting documents submitted by the bidder must be certified as follows:
 - (i) All financial data should be certified by certified accountants e.g. Chartered Accountants (CA) in India and Certified Public Accountant / Chartered Accountant in other countries.

Certification of CA is required only for procurements where the total turnover of the firm to qualify for bid is more than ₹5 crore. In order to ensure the eligibility of the bidder, against the financial criteria where the turn over requirement is less than ₹5 crore following documents are required to be submitted along with the bid.

- The bidders are required to provide the Xerox copies of supply orders executed by the firm or the certificate issued by the customers to that effect.
 - The bidders will be required to submit a self-certified statement of their turnover, net worth and profit and loss.
 - The bidders are also required to submit the IT returns as enumerated in the procurement manual.
- (ii) All experience, past performance and capacity / capability related/ data should be certified by the authorized signatory of the bidder firm. The credentials regarding experience and past performance to the extent required as per eligibility criteria submitted by bidder should be verified from the parties for whom work has been done.
- (c) PQC credentials and data called for may be verified and evaluation may be done strictly as per notified criteria. In case relaxation is considered necessary, re-tendering may be done. Decision making should not be left to the Tender Evaluation Committee.
 - (d) Decision of the PQB shall be conveyed to the successful bidders. However, in the case of Security Products, PQB results shall be conveyed to successful bidders only after receipt of security clearance from competent authority.

7.7.3 Subsequent Procurement tender

It is desirable that the gap of time between Prequalification Approval and floating of the linked main procurement Tender is less than 6 months. Prequalification Approval would normally be valid only for the immediate next Procurement Tender.



Only Pre-Qualified Bidders are to be allowed to quote in the related immediate next Procurement tender and all other bids may be treated as unsolicited offers which are normally rejected.

7.8 PQC Summary Table:

A summary of PQC is laid down in Tabular form separately for machinery and plant and for items other than machinery and plant, for different categories of items (as per para 7.5.1 above) It has been Tabulated as *Annexure 29: Prequalification Criteria summary* for these categories of procurements.

Section III Tenders Involving Samples

7.9 Existing Guidelines:

As per the existing guidelines on Public Procurement of Goods, purchase is to be done as per drawing / standard / specification etc. and purchase as per sample should not be normally done. How to comply with these guidelines in various situations involving samples is detailed in following Paras.

7.10 Indeterminable Characteristics:

In certain specifications, there may be built in sample clause. Usually such clauses are stipulated to illustrate indeterminable characteristics such as shade/tone, size, make-up, feel, finish, workmanship etc. In some specification there may not be a sample clause but such indeterminable characteristics may not be specified and may be left to be agreed to between seller and buyer. In either case, supply is to be in conformity with an agreed sample in such respects only, whereas for the remaining characteristics the supplies must be in conformity with the laid down Drawings /specifications. In such cases also CVC recommends that calling for sample along with tender and deciding the Tender on the basis of evaluation of Sample may not be done. Procurement of such items should be decided on the basis of detailed specifications/ Drawings and no sample is to be called or evaluated along with the bids. In addition, if desired a Purchaser's sample may be put on display for prospective Tenderers, indicating the example of desired indeterminable characteristics, which final supplies from successful Bidder(s) will have to meet in addition to meeting the Specifications/Drawings. If required, in addition to or instead of Purchaser's Sample, provision for submission of a pre-production sample to the inspection agency/ User by successful bidder(s) may be stipulated for indeterminable characteristics, before giving clearance for bulk production of the supply.

7.11 Specifications Not Known:

There are occasions when items, normally PAC products, cannot be procured from the original manufacturer. In such situations, if possible, either

- (a) A substitute similar usable item - for which specification / drawings can be obtained be procured as per specification in-lieu, or
- (b) Wherever it is feasible, Procurement may be done as per Specifications / Drawings to be developed through:



- in-house technical capability or
- Through other agencies / consultant.

7.12 Indigenization and Development Tenders:

Cases of Indigenization and Development Tenders where specifications/ Drawings are not available and cannot be even prepared through means described in Para 7.11 b) - are detailed in following Paras. However, it may not be feasible to prepare a list of such items and we may go on case to case basis and by precedence. In such a case also no samples are to be called along with bids thus there is no evaluation of samples during the tender. If necessary, Purchaser's samples may be displayed for prospective bidders. If further considered necessary, the successful bidders may be asked to submit pre-production sample before regular production is allowed.

7.13 Purchaser's Sample:

In cases, where it is decided to display Purchaser's sample, it may be displayed for prospective Tenderers (with or without stipulation of submission of pre-production sample by the successful Bidder, before bulk manufacture). In the Tender enquiry, the methodology and Tests that will be done should be made clear for ensuring compliance of Supplies (and Pre-production sample, if indicated) with the Purchaser's sample. Such Purchaser's samples would also have to be later provided to successful bidders for guidance.

7.14 Pre-production sample:

Where pre-production samples are required to be approved under the terms of the contract before bulk manufacture is permitted, the Contractor shall submit the sample (free of cost if Contract does not specify explicitly any cost for these) to the Inspecting Officer/ or the nominated authority mentioned in the contract within the time specified in the acceptance of tender. If the Contractor is unable to do so, he must apply immediately to the Office issuing the acceptance of tender for extension of time stating the reasons for the delay. If the Purchaser is satisfied that a reasonable ground for an extension of time exists, he may allow such additional time as he considers to be justified (and his decision shall be final) with or without alteration in the delivery period stipulated in the acceptance of tender and on such conditions as he deems fit. In the event of the failure of the Contractor to deliver the preproduction sample by the date specified in the acceptance of tender or any other date to which the time may be extended as aforesaid by the Purchaser or of the rejection of the sample, the Purchaser shall be entitled to cancel the contract and, if so desired, purchase or authorize the purchase of the stores at the risk and cost of the Contractor (except in case of Development / Indigenization Contracts - where this provision is not there). In such an event, in case of Security Items where urgency develops due to such delays, not more than one year's requirement may be procured against this "Risk & Cost" tender from existing pre-qualified and security cleared firms, with the approval of BRBNMPL HQ. Therefore, Performance Security (SD) should be called for in all cases of Security / Sensitive Items, even in case of Development/ Indigenization Tenders.



7.15 Testing of Samples:

7.15.1 Testing Procedures and Declarations:

If any technical test is envisaged, then the procedure shall be prescribed in the tender for the method and process of testing. The technical test, wherever involved for the item of procurement, should be carried out by way of adopting a specific transparent system and strictly as per the procedure prescribed in the tender document.

7.15.2 Validation / Prolonged Trials

In case of certain pre-production samples, it may be necessary to do validation or extended trial before their performance can be declared satisfactory which should be made clear in the Tender and Contract Documents. This can be for example in Machine/ Spares used in the Production line where performance during prolonged production run may be required to verify the output claimed by the vendor.

This may also be relevant during the process of Development or Indigenization contracts.

Such Validations may only be done on pre-production samples that too during first Supply order of the vendor. This should be declared in the Bid Documents, indicating the Parameters Settings and duration of Validation Tests which should be objective Tests with measurable / repeatable results. If the duration of validity Trials is in terms of mileage/ output levels an outer time limit may also be fixed. Normally the period of validation should not be more than 3 months. It should also be indicated whether the Permission to start bulk production will have to wait full validation or it can go on in parallel.

7.15.3 Testing Laboratories:

Tests from External Testing Authorities may be done in accordance with provisions of Para 12.7.2. Some tests may only be possible in BRBNMPL units. TEC may monitor such in-house tests to ensure transparency and objectiveness.

7.15.4 Failure of Samples:

- (i) In case of Development of Sources or in case of Indigenization of Imported items, firms may be given three chances to make improvements, in a transparent and equitable manner. Such chances shall be given with a reasonable time-frame and it should not be left open-ended. The reasons of failure of sample of one bidder may be shared with all bidders while hiding the identity (without violating any IPR involved) of the Bidder of failed sample.
- (ii) In case of Pre-production samples, firm may be given one more chance if the first sample does not come up to the Contract requirement. However, this shall be done without re-fixation of Delivery Time.



- (iii) Authority to accept / Reject Samples: Final Acceptance/ Rejection of samples may be done by the TEC.

7.16 Handling and Preservation of Samples:

7.16.1 When a contract is concluded on the basis of an approved sample/ purchaser's sample the same shall bear seals/signatures of the approval of the different agencies as appropriate. The Samples thus bearing the seals/signatures shall serve as guide for inspection against the particular contract as given in its scope.

7.16.2 In all such cases AGM (MMD) should issue suitable local instructions to guide procurement, inspection, receipt and account of samples. It should be ensured that sealed and signed samples are available in the following manner:

- (i) One sample with the stores officer nominated by AGM (MMD) for incoming inspection, record and dispute resolution.
- (ii) One sample with the supplier to guide manufacture (in case of Purchaser's sample)
- (iii) One sample with the inspecting Authority to guide inspection.

Sealed samples intended to guide supplies against orders placed should not as a rule be sent to firms, except in cases of procurement to Purchaser's sample. Where it is necessary to show a sealed sample to a firm it shall be done through the AGM (MMD).

7.16.3 The examination of the condition and correctness of seals of samples is of great importance. If a sample bears a seal of doubtful character or otherwise open to question the same shall be immediately brought to the notice of all concerned failing which the responsibility for the defect shall lie on the person in charge of the samples at the time when the defect is noticed.

7.16.4 Unless otherwise directed samples sealed at Unit and issued to stores shall be returned after the order is completed.

7.16.5 Sample shall be issued for departmental use only. The AGM (MMD) shall be responsible for maintenance and accounting for the samples registered and issued for departmental use.

Section IV Indigenization and Development Tenders

7.17 Indigenization and Development Tenders

These are tenders with special dispensations to develop adequate sources or Specifications/ Drawings and also to indigenize manufacturing of certain items for strategic reasons. These are dealt with in separate chapter 16.



Section V Expression of Interest Tenders (EOI)

7.18 Expression of Interest Tenders

These are tenders to identify suppliers interested in registration with BRBNMPL or for Development / Indigenization of Items. These are detailed in Chapters 6 and 16.

Section VI Tenders for Disposal of Scrap

7.19 Tenders for Disposal of Scrap

Such tenders are for Sale of Scrap material lying at various locations. Details are discussed in Chapter 14: Disposal.



Chapter 8: Pre-Tender Stage and Bid Opening

8.1 Introduction

Tender documents should be prepared in order to provide clear technical and commercial terms of reference for the proposed procurement. The standard bidding documents attached with the manual should be used for details. The preparation of the following parts of the tender document shall be emphasized during the preparation of the tender document:

- (i) Invitation for bids / Notice Inviting Tender (NIT)
- (ii) General and Special Instructions to Tenderers (GIT & SIT)
- (iii) Forms of bid, qualification information, technical specifications including drawings (if any)
- (iv) Terms and Conditions of contract
- (v) Payment terms (detailed in Chapter 9)
- (vi) Forms of security
- (vii) Delivery Schedules

The checklist for tender preparation is given in *Annexure 23: Check points for Tender Enquiry*. BRBNMPL's Standard Bidding Documents for procurement of goods is given in SBD section of the manual

Terminology for Tendering Documents in USA and International Procurement like, RFP and RFQ has nowadays become prevalent even in Indigenous procurement. These terminologies unfortunately are used quite differently. World Bank and Asian Development Bank use RFQ and RFP terminology but do not use RFI term (for which they use EOI). However common usage is as follows:

- (i) **RFI - Request for Information (approx. like Expression of Interest - EOI Tender)**

An open enquiry that spans the market seeking broad data and understanding.

- (ii) **RFQ - Request for Qualification (approx. like PQB)**

An opportunity for potential suppliers to get short listed for subsequent procurement tender. Lays down precise Qualification Criteria for short listing of Vendors, to whom RFP would be issued.

- (iii) **RFP - Request for Proposal (approx. Tender floated to target suppliers like after the RFI or RFQ)**



8.1.1 Tender Fee

Tender documents should preferably be sold or available for download up to the date of opening of tenders and this should be clearly indicated in the documents. The organisation should also post the complete tender document in the website (*except cases where confidentiality is required, for reasons of national security*) and permit prospective tenderers to make use of the document downloaded from the website.

The tender document fee should be as low as possible considering the cost/effort of preparing documents. *In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.* The Procuring Entity may decide not to take any charges for the tender documents, in view of prevalence of downloading of tender documents. The cost of the tender document is to be submitted by online bank transfer or in the form of a demand draft/banker's cheque/pay order. Firms that are eligible for exemption from the tender document fee such as MSEs and Startups, have to submit documents in support of this exemption. Although the Procuring Entity is the best judge to decide or waive the document cost, following table could be used as a starting point:

Cost of Tender document	
Estimated value of tender	Tender Document Cost
Below Rs. 25 lakh	Rs.500 incl. applicable taxes
Rs. 25 lakh to Rs. 2 crore	Rs. 1,500 incl. applicable taxes
Rs. 2 crore to Rs. 25 crore	Rs. 2,500 incl. applicable taxes
Rs. 25 crore to Rs. 50 crore	Rs. 5,000 incl. applicable taxes
Above Rs. 50 crore	To be decided on case to case basis

8.2 Standard Bidding Documents (SBD)

The Standard Bidding Document has been grouped under different broad sections in order to make the system transparent, comprehensive, efficient and user-friendly. The broad sections of the document are:

- Section I : Notice Inviting Tender (NIT)
- Section II : General Instructions to Tenderers (GIT)
 - Part I : General Instructions applicable to all types of tenders
 - Part II : Additional general instructions applicable to specific types of tenders
- Section III : Special Instructions to Tenderers (SIT)
- Section IV : General Conditions of Contract (GCC)
- Section V : Special Conditions of Contract (SCC)
- Section VI : List of Requirements
- Section VII : Technical Specifications
- Section VIII : Quality Control Requirements



- Section IX : Qualification/ Eligibility Criteria
- Section X : Tender Form
- Section XI : Price Schedule
- Section XII : Questionnaire
- Section XIII : Bank Guarantee Form for EMD
- Section XIV : Manufacturer's Authorization Form
- Section XV : Bank Guarantee Form for Performance Security
- Section XVI : Contract Form
- Section XVII : Letter of Authority for attending a Bid Opening
- Section XVIII: Shipping Arrangements for Liner Cargoes
 - A : In respect of CFR/CIF/Turnkey/FOR contracts for imports
 - B : In respect of FOB/FAS contracts for imports
- Section XIX : Proforma of Bills for Payments
- Section XX : Pre-Contract Integrity Pact

A reading of the sections of the tender document, in the above order will make it amply dear about the purpose and instructions behind the same. However, some broad guidelines for preparing this document (viz. Standard Bidding document) are provided in the subsequent paragraphs. While formulating SIT and SCC and other special conditions, care should be taken not to violate any instruction/ directive contained in the Procurement Manual and approval of the competent authority must be taken.

8.3 Invitation for Bids / Notice Inviting Tender (NIT)

This model format is to be used for publishing the Tender Notice. The Invitation for Bids specifies minimum acceptable functional, technical and contractual requirements, and the evaluation criteria governing the award of a contract. NIT should be brief but should contain sufficient details for a prospective Bidder to decide whether to participate in the tender or not and if he decides to participate how to go about that. Potential suppliers are provided copies of the Invitation for Bids and requested to submit bids compliant to all given requirements by a specified date. A prescribed format for Notice Inviting Tender is given in BRBNMPL's Standard Bidding Documents for procurement of goods. This section of SBD may be modified if the situation so warrants.

8.4 General and Special Instructions to Tenderers (GIT and SIT)

General Instructions to Tenderers (GIT) contain all the relevant information as well as guidance to the prospective tenderers for preparation and submission of a responsive bid. The GIT clearly states the payment terms, date, time and venue for obtaining, submitting and opening the bids. It also states the qualification criteria and award criteria. This section is to be included unchanged in every Tender Document. Any changes warranted by special circumstances are to be indicated in the Special Instructions to Tenderers (SIT). The format for preparing SIT along with corresponding cross-reference with GIT provision is available in SBD. It is also indicated therein that the provisions in the SIT will supersede the corresponding provisions in the GIT.



Clauses and Topics of GIT that indicate a possibility for variation in their provisions through SIT are listed for guidance in the SIT Proforma.

8.4.1 Eligibility

If considered desirable, eligibility criteria may be stipulated in the Bid Documents. The bidder has to ensure that he provides convincing proof of having fulfilled these criteria.

8.4.2 Clarification of Bidding Documents

A prospective bidder requiring any clarification of the bidding documents shall notify to BRBNMPL in writing, well before the due date of submission of the bids, and response will be sent in writing to the clarifications sought not later than 21 days prior to the date of opening of the tenders. Copies of the query and clarification shall be sent to all prospective bidders who have received the bidding documents,

8.4.3 Pre-Bid conference

If found necessary, Technical specification and techno-commercial conditions of the tender should be fine-tuned in a pre-bid conference in two bid tender and in those single-bid tenders where Technical Specification is considered to be sophisticated.

8.4.4 Amendment of Bidding Document

At any time prior to the date of submission of bids purchaser may, whether at his own initiative or in response to a clarification requested by a prospective bidder, may modify bid documents by amendments. The amendments shall be uploaded in the website and notified in writing by registered / speed post or by fax / telex / e-mail, followed by copy of the same by registered post to all prospective bidders. In order to afford prospective bidder a reasonable time to take the amendment into account in preparing their bids, purchaser may, at his discretion, extend the deadline for submission of bids.

If at the time of publication of the amendment, the number of days left for tender opening are less than the following period, it may be extended so that at least following number of days are available to the bidders:

- (i) GTE/ICB : 21 days
- (ii) OTE/NCB : 14 Days
- (iii) Others : 7 Days

8.4.5 Bid Validity

A bid shall remain valid for 90 days in case of single bid tender system and 120 days in case of two-bid system, unless otherwise specified in SIT, from the date



of submission of offer. A bid valid for shorter period can be rejected, as being non-responsive. In exceptional circumstance the consent of the bidder may be requested for an extension to the period of bid validity. Such requests should be made much before the expiry of the bid validity. Such requests shall be made in writing. The bid security provided shall also be suitably extended. A bidder accepting the request and granting extension shall not be permitted to modify his bid. Bidding documents should be made carefully and re-tendering should be resorted to sparingly.

8.4.6 Late Bids

A tender, which is received after the specified date and time for receipt of tenders will be treated as late" tender and will be ignored.

8.4.7 Modification; Alteration & Withdrawal of Bids

The bidder, after submitting its bid is permitted to submit alterations/ modifications to its tender so long such alterations/ modifications are received duly sealed and marked like original tender, upto the date & time of receipt of tender. Any amendment/ modification received after the prescribed date & time of receipt of tenders are not to be considered. The bidder may also withdraw his bid after submission provided that the written notice of withdrawal is received prior to deadline prescribed for submission of bids. A withdrawal notice may be sent by fax but followed by a signed confirmation copy by post not later than the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity specified. Withdrawal of a bid during this period will result in forfeiture of Bidder's bid security (EMD) and other sanctions.

8.4.8 Authorized Dealers/Distributors/Representatives of suppliers

Principal manufacturers/OEMs, manufacturers under license or their authorized Dealers/Distributors/Representatives who are exclusively appointed by the principal manufacturers/OEMs to represent them in the country shall be eligible to apply or to take part in the bid. One Principal manufacturer/OEM can authorize only one Dealer/Distributor/Representative for a particular tender. Similarly, one authorized Dealer/Distributor/Representative can represent only one Principal manufacturer/OEM in a particular tender. There can be only one bid from either:

1. The Principal manufacturer/OEM directly; or
2. Any of its branch/division/subsidiary; or
3. Authorized Dealer/Distributor/Representative on behalf of the Principal manufacturer/OEM

Note

- (i) In a tender, either the Principal manufacturer/OEM or its authorized Dealer/ Distributor/Representative can bid but both cannot bid simultaneously in the same tender.



- (ii) In case the bidder is an authorized Dealer/Distributor/Representative, except in case of Commercially-Off-the-Shelf (COTS) items, then
 - (a) the bidder should have been associated as authorised Dealer/Distributor/Representative of the same or other Principal Manufacturer/OEM for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 31st March (or any other year ending followed in relevant country) of the previous financial year; and
 - (b) the principal manufacturer/OEM should furnish a legally enforceable tender-specific authorisation in the prescribed form (Section XIV of SBD) assuring full guarantee and warranty obligations as per the general and special conditions of contract and to abide by other tender terms and conditions. The letter of authorisation should be signed by a person competent and having the power of attorney to legally bind the manufacturer; and
 - (c) the principal manufacturer/OEM should meet all the pre-qualification criteria without exemption.
- (iii) For commercially off the shelf (COTS) items with clear and standard specifications, a valid dealership certificate will have to be submitted.

8.5 Forms of bid & qualification information

BRBNMPL's Standard Bidding Documents (SBD) along with the relevant forms for tender submission, Performance Bank Guarantee, Letter of Authority for attending bid opening, Manufacture's Authorization Form and Contract Form shall be enclosed. The tender should clearly define the qualification criteria based on which proposals will be considered as responsive.

8.6 Terms & Conditions of the Contract

The General conditions of contract (GCC) to be used for contracting for procurement along with Form of Contract are given in BRBNMPL's Standard Bidding Documents for procurement of goods. These terms and conditions are general and should be used unchanged with all types of contracts.

Special conditions of Contract (SCC) of contract may be included in the tender documents, depending upon the need, and with the prior approval of competent authority. The GCC / SCC shall also clearly specify the mode of procurement. The format for preparing SCC along with corresponding cross reference with GCC provision is available in this section. It is also indicated therein, the provisions in the SCC will supersede the corresponding provisions in the GCC. Clauses and Topics of GCC that indicate a possibility for variation in their provisions through SCC are listed for guidance in the SCC Proforma.



8.7 Forms of Security

Provisions of this Para would not be applicable to Tenders of Value up to Rupees One Lakh fifty thousand (Rs.1,50,000).

8.7.1 Earnest Money Deposit

Earnest Money Deposit (EMD) is also known as Bid Security. To safeguard against a bidder's withdrawing/altering its bid during the bid validity period in the case of advertised or limited tender enquiry, EMD is to be obtained from all the bidders along with their bids.

- (i) Amount of EMD should ordinarily be 2% of the estimated value of the goods or services to be procured rounded off to nearest thousands of Rupees. Depending on the type of goods or services to be procured, total value of procurement and urgency of requirement, the exact amount of EMD should be decided. In indigenous procurements, it may be capped at Rs 5 Lakhs for tenders up to Rs.10 Crores and 1% for the tender of more than Rs.10 Crores, denominated in Indian Rupees.
- (ii) The tenderers who are currently registered and, will continue to remain registered during the tender validity period with Central Purchase Organisation (CPO) or as a Micro and Small Enterprise (MSE) as defined in MSEs Order 2012 issued by Ministry of Micro, Small and Medium Enterprises (MSME) or as a Startup as recognised by Department for Promotion of Industry and Internal Trade (DPIIT), may be exempted from payment of earnest money with the approval of competent authority. A tenderer falling in these categories should furnish certified copy of valid registration details (registration with CPO or as a MSE or as a Startup, as the case may be).

Micro & Small Enterprises must attach Registration Certificate issued by DIC / KVIB / KVIC / Coir Board / NSIC / Directorate of Handicrafts and Handlooms, or any other body specified by MSME for authentication such as Udyog Aadhaar Memorandum / Acknowledgment.

- (iii) The earnest money shall be furnished in one of the following forms:
 - (a) Account Payee Demand Draft from any scheduled commercial bank in India.
 - (b) Banker's cheque from any scheduled commercial bank in India
 - (c) Online Bank Transfer (*Proof of online transfer should be submitted along with the tender papers and confirmed through F & A*)
 - (d) Other Electronic Modes of Payment
 - Debit Card powered by RuPay
 - Unified Payments Interface (UPI) (BHIM-UPI)
 - Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)



- (e) Bank Guarantee issued/confirmed by any scheduled commercial bank in India in the proforma given in Section XIII of SBD in case the amount is more than Rs.5 lakh and in case of foreign bidders in GTE/ICB tenders (in equivalent foreign exchange amount)
- (iv) The demand draft or banker's cheque shall be drawn on any commercial bank in India, in favour of the authority to be specified in SBD (NIT). In case of bank guarantee, the same is to be provided from any commercial bank in India as per the format specified under Section XIII in these documents.
- (v) EMD may be waived with CFA's approval in case of Indigenization/ Development Tenders.
- (vi) In case of separate PQB tender before floating Procurement Tenders, EMD may be taken only once from the successful Bidders and EMD may not be asked from them in the Procurement Tender again. The EMD clause in PQB tender should cover this aspect.
- (vii) The EMD should remain valid for a period of 45 days beyond the final tender validity period.

Forfeiture of Earnest Money Deposit

EMD of a bidder will be forfeited, if the bidder withdraws or amends its tender or impairs or derogates from the tender in any respect within the period of validity of its tender. Further, if the successful bidder fails to furnish the required performance security within the specified period, its EMD will be forfeited.

Refund of Earnest Money Deposit

EMD furnished by all unsuccessful bidders should be returned to them without any interest whatsoever within 15 days of determination of bidders as unsuccessful after opening of Price Bid.

The successful bidder's bid security (EMD) can be adjusted against the SD or returned as per the terms of the tender document. The balance can be deducted from the supplier's bill/invoice before release of payment. Unlike Procurement of Works, in Procurement of Goods, the concept of taking part of Performance Guarantee as money retained from first or progressive bills of the supplier is not acceptable.

8.7.2 Performance Security

In case of contracts for Works/Services and Capital equipment/Capital spares, in order to ensure due performance of the contract, Performance Security [also called Performance Bank Guarantee (PBG) and Security Deposit (SD)] is to be obtained from the successful bidder who has been awarded the contract. In case of contracts for Goods other than Capital equipment/Capital spares, the need for the Performance Security shall depend on the market conditions and commercial practices for the particular kind of goods. Performance Security is to be obtained from every successful bidder irrespective of its registration status etc. SD/PBG may be received after the verification by AGM (F&A) / designated officer in



adherence with said terms and conditions. Performance Security should be for an amount of 10% of the value of the contract.

Performance Security may be furnished in the form of an Account Payee Demand Draft from any scheduled commercial bank in India or Bank Guarantee issued/confirmed by any scheduled commercial bank in India in an acceptable form safeguarding BRBNMPL's interest in all respects. In case of GTE/ICB tenders, the Performance Security should be in the same currency as the contract and must conform to Uniform Rules for Demand Guarantees (URDG 758).

The successful bidder's bid security (EMD) can be adjusted against the SD or returned as per the terms of the tender document. The balance can be deducted from the supplier's bill/invoice before release of payment. Unlike Procurement of Works, in Procurement of Goods, the concept of taking part of Performance Guarantee as money retained from first or progressive bills of the supplier is not acceptable.

Security is to be furnished by a specified date (generally 21 days after notification of the award) and it should remain valid for a period of 60 days beyond the date of completion of all contractual obligations of the contractor, including warranty obligations. Performance security is to be forfeited and credited to BRBNMPL's Account in the event of a breach of contract by the contractor, in terms of the relevant contract. Performance Security should be refunded to the contractor without any interest, whatsoever, after it duly performs and completes the contract in all respects but not later than 60 days of completion of all such obligations under the contract. A model format of Bank Guarantee for obtaining Performance Security is provided at *Annexure 5: Bank Guarantee for Performance Security*.

8.8 Publication of Tenders

8.8.1 Media for Publicity

Following procedure may be adopted to publish various types of tenders for publication of tenders for different modes of procurement:

SI No	Mode of Procurement	Inter-national News-paper	National News-paper	Local Verna cular News-paper	Online Indian Trade Journal (ITJ)	BRBNMPL Website	Information to embassy
1	ICB (see Note 1)	Min 1	Min. 2 (1 English & 1 Hindi)	Min. 1	Yes	Yes	Yes
2	NCB (see Note 2)						
	(a) Between Rs.2.5 - Rs.5 Lakhs	No	No	Yes	No	Yes	No



SI No	Mode of Procurement	Inter-national News-paper	National News-paper	Local Verna- cular News- paper	Online Indian Trade Journal (ITJ)	BRBNMPL Website	Information to embassy
	(b) Between Rs.5 - Rs.25 Lakhs	No	Yes	Yes	No	Yes	No
	(c) Above Rs.25 Lakhs	No	Min. 2 (1 English & 1 Hindi)	Min. 1	Yes	Yes	No
3	Invitation to EOI	No	Min.2 (1 English & 1 Hindi)	Min.1	Yes	Yes	No
4	Limited Tendering (see Note 3)	No	No	No	No	Yes	No

Note 1: ICB tenders should also be published in International press at least 6 weeks prior to the deadline of submission of bids, in addition to national newspaper(s) of wide circulation. Copies of the tender enquiry may be sent to the Indian embassies abroad as well as the foreign embassies in India. The selection of embassies would depend on the possibility of availability of the required goods/services in such countries.

Note 2: In NCB, in addition to publication of advertisements, notices may be sent by Registered Mail / Reliable Courier / Other Recorded Method to BRBNMPL's registered vendors of the item / category and also to past successful suppliers, drawing their attention to the NCB.

Note 3: In limited tendering, direct written enquiries along with detailed specifications of requirements should be sent by Registered Mail/ Reliable Courier / Other Recorded Method to BRBNMPL registered bidders without open advertisement. To avoid situations where some of selected prospective bidders may not receive the Bid-Documents by post/courier, the Tender Notice may also be put up on website with a note that:

"This notice is being published only as an abundant precaution and is not an open invitation to quote in the Tender. Participation in this tender is by invitation only and is limited to the selected BRBNMPL's Registered Bidders for the item, who have been sent this Tender by Post/ Courier. Unsolicited offers are liable to be ignored."

Note 4: It is mandatory to upload all tender enquiries above Rs.2.5 lakhs, corrigenda thereon and details of bid awards on the Company's website. These instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for Pre-Qualification/Registration or any other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party. These instructions would not apply to Purchase of goods without quotations or Purchase of goods by purchase committee.



Individual cases where confidentiality is required, for reasons of national security, would be exempted from the mandatory uploading requirement. The decisions to exempt any case on the said grounds should be approved by the CFA.

8.8.2 Guidelines for Publicity

Following guidelines may be followed by the officer inviting tender, regarding publicity of tenders:

- (i) In addition to publication of advertisements, attention of known reputed suppliers, BRBNMPL registered vendors and also past/ current successful suppliers may also be drawn wherever possible.
- (ii) Request for release of advertisement should be sent well in advance so that adequate time is available for release through press.
- (iii) Newspapers cuttings in each case should be collected and kept on record as a proof of publicity actually achieved as far as possible.
- (iv) Full details of the dates on which advertisement have actually appeared in the Newspapers should be indicated while sending cases to higher authorities
- (v) Wherever applicable, for publication of tender notices in national newspaper, widely circulated publication in English and Hindi shall be chosen, preferably also having a local edition, with circulation of over two Lakh copies or the one amongst top 7 newspapers by circulation (as per the latest available NRS/ IRS survey)
- (vi) Depending on the target vendors, local/vernacular newspapers with circulation of over one Lakh copies or one amongst top three newspapers by circulation (as per the latest available NRS/ IRS survey) shall be selected.
- (vii) Selection of Newspaper may be reviewed every 3 years.
- (viii) Print out of the tenders published in the website shall be kept in the file and also shown to TEC.

8.8.3 Economy in Publicity

For economy in cost, following guidelines should be kept in view:

- (i) As far as possible, combined tender notice may be issued for all the works to be awarded around the same time.
- (ii) The official designation and address of the relevant officers should not to be repeated at the end.
- (iii) Based on media consumption for the last three years, media buying for the entire year should also be initiated.
- (iv) Advertisement in newspapers may be brief and shall give reference to BRBNMPL website.



- (v) The cost of publication of Newspaper advertisements should not exceed 2% of the estimated value of the tender (NCB/ICB). If the cost of advertisement exceeds 2% of estimated tender value, then, approval of the Managing Director shall have to be obtained. Efforts should be made to combine newspaper advertisements for multiple tenders in order to reduce cost.

8.9 Tender Submission & Bid Opening

8.9.1 Receipt & Custody of Tenders

Following key guidelines shall be followed for receipt and custody of bids:

- (i) Receipt and custody of bids shall be done in a transparent manner to maintain credibility of the process.
- (ii) Materials Management Division shall maintain a Tender Box for receiving the bids and the box should be locked by officers and other authorized personnel nominated by the Competent Authority.
- (iii) The location of Tender Box should be such as to facilitate easy access to bidders
- (iv) For oversized bids which cannot be dropped into Tender Boxes, the officials authorized to receive the bid shall provide a receipt signed by them with date and time to the bearer of the bid.
- (v) Bids received by courier shall be deposited in tender box by the Dispatch section till the date & time of bid opening,
- (vi) In cases where the tender is required to be submitted by hand, it may be ensured that the names and designation of at least two officers are mentioned in the bid documents. The information about these officers should be displayed at the entrance reception of the premises where the tenders are to be deposited so as to ensure convenient approach for the bidders.
- (vii) Bulky tenders which cannot be dropped in the Tender Box can be accepted by Dispatch section. While taking delivery of such bulky tender(s), the officer who receives the tender(s), will sign on the cover; duly indicating the date and time of receipt of the tender(s).

8.9.2 Procedures to be followed during Bid Opening

- (i) The Committee will meet on suitable days fixed by the units. In case of holiday, the committee will meet on the next working day.
- (ii) Bid Opening Committee should Collect Bids from Tender Box kept at security gate at prescheduled time
- (iii) The BOC will prepare a list of the representatives attending the tender opening and obtain their signatures on the same. The list will also contain



the representatives' names and the corresponding bidders' names & addresses and the authority letters brought by the representatives. This list will also be signed by BOC members with date & time.

- (iv) BOC should ensure the bid envelopes are duly sealed and untampered. Before opening each bid, envelop should be held up for all participants, to see that it is in sealed and untampered condition.
- (v) All the tenders received on time shall be opened in the presence of Bid Opening Committee and the tenderers or their authorized representatives (who have submitted regular tenders) at the prescribed time, date and place. The authorized representatives, who intend to attend the tender opening, are to bring with them letters of authority from the corresponding tenderers. Key role and mandate of Bid Opening committee is detailed at Para 3.3.1, which may be strictly followed,
- (vi) Ensure all mandatory requirements (e.g. EMD, specific supporting documents etc.) as specified in the bid-documents are fulfilled.
- (vii) The Bid Opening Committee is to announce the salient features of the tenders like description and specification of the goods, quoted price, terms of delivery, delivery period, discount if any, whether EMD furnished or not and any other special feature of the tender for the information of the representatives attending the tender opening.
- (viii) After opening, every tender shall be numbered serially (say 3/14 – if it is the third bid out of 14 total), initialled and dated on the first and last pages and any other relevant pages, by the Bid Opening Committee. Each page of the price schedule or letter attached to it shall also be initialled with date, particularly the prices, delivery period etc., which shall also be circled and initialled with date. Any other page containing significant information should also be dealt with similarly. Blank tenders, if any, should be marked accordingly by the tender opening officials.
- (ix) The original (and duplicate, if any) copies in a tender set are to be marked accordingly by the tender opening panel.
- (x) Alterations / overwriting / use of whitener / columns left unfilled in tenders, if any, made by the tenderers, shall be initialled with date & time by the officials opening the tenders to make it perfectly clear that such alterations were present on the tenders at the time of opening. Wherever any erasing or cutting is observed, the substituted words should also be encircled and initialled with date & time to make clear that such erasing/ cutting of the original entry was present on the tender at the time of opening.
- (xi) An on-the-spot report containing the names of the tenderers (serial number wise) salient features of the tenders, as read out during public opening of tenders will be prepared by the tender opening officers duly signed by them with date & time.
- (xii) The tenders, which have been opened, the list of the representatives attending the tender opening and the on-the spot report are to be handed over to the nominated purchase officer and acknowledgement obtained for the same.



- (xiii) Money documents should be handed over to AM (F&A) / DM(F&A) for safe custody and monitoring as per Para 10.17.8.
- (xiv) In case of samples which accompany the bid, proper codification needs to be done on samples as well
- (xv) Prescribed format for letter of authority for attending bid opening is given in *Annexure 7: Letter of Authority for attending a Bid Opening*.
- (xvi) Prescribed format for bid opening attendance sheet is given in *Annexure 8: Bid Opening Attendance Sheet*



Chapter 9: Payment Terms and Price Variations

9.1 Payment Terms and Price Variations

The elements of price included in the quotation of a bidder depend on the nature of the payment terms. It is, therefore, necessary that, the tender documents should clearly specify the terms of payment to enable the bidders to frame their quotations properly in a meaningful manner.

- (i) Where the price has several components like price of the goods, costs for installation & commission, operators' training etc. the bidders should be asked to furnish the cost break-up indicating the applicable prices for each such component along with the overall price. The payment schedule & terms will be linked to this cost break-up. Refer Para 9.8 and 9.10.
- (ii) Milestones for partial payment should be clearly defined in case of annual contracts of large value, and the same shall be clearly specified in the tender documents.
- (iii) The tender documents should also specify the currency in which the tenders are to be priced.
- (iv) Unless otherwise specified, usual payment term is 100% on receipt and acceptance of goods by the Materials Management Division and on production of all required documents by the supplier.
- (v) As far as possible, the payment terms and the schedule given therein should be adhered to. Any foreseen payment delays should be communicated to the suppliers in advance.
- (vi) Release of payment and settlement of final bill will be done only after the concurrence of DGM (F & A) & DGM (MMD) or any other designated officer in his absence.

9.2 Firm Price vis-à-vis Variable Price

- (i) For short term contracts where delivery period does not extend beyond 18 months, contract should normally be concluded with firm and fixed price by inviting tenders accordingly.
- (ii) However even for shorter deliveries Price Variation clause may be stipulated for items with non-ferrous and other Raw Materials prone to short term price volatility especially for critical or High Value Items otherwise there is a possibility of failure of contract or the purchaser having to pay more prices in a situation of fall in prices.
- (iii) For High Value (more than Rs.3 Crore) Tenders with deliveries longer than 18 months a Price Variation Clause may be provided to protect Purchaser's interests also.



- (iv) Where it is decided to conclude the contract with variable price, an appropriate clause incorporating, inter-alia, suitable price variation formula should also be provided in the tender documents. In the price variation clause, the price agreed upon should specify the base date viz., the month and year to which the price is linked, to enable variations being calculated with reference to the price indices prevailing in that month and year.
- (v) A formula for calculation of price variation that has taken place between the base level and the scheduled delivery date is to be included in the price variation clause. The variations are to be calculated periodically by using indices published by Governments/ Chamber of Commerce/ London Metal Exchange (LME)/ any other neutral and fair sources of Indices. Suitable weights are to be assigned to the applicable elements viz., fixed overheads & profits, material and labour in the price variation formula. If the production of the goods needs more than one raw material, then the input cost of material may be further sub-divided for different categories of material, for which cost indices are published.
- (vi) The price variation formula is also to stipulate a minimum percentage of variation of the contract price, only above which the price variation will be admissible (e.g., where the resultant increase is lower than, say, 2% of the contract price, no price adjustment will be made in favour of the supplier).
- (vii) The Price Variation Clause should provide for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both. In cases of highly volatile indices like Non-ferrous etc., this upper limit may be dispensed with the approval of CFA. The buyer should ensure a provision in the contract for benefit of any reduction in the price in terms of the Price Variation Clause being passed on to him. An illustrative PV clause is placed at *Annexure 27: Formula for Price Variation Clause*.
- (viii) The Raw Materials used in manufacture of stores are procured some weeks before its submission for inspection. This period is called the Time Lag for Price Variation. It applies both for Base Date and Date of Supply. This should be stipulated in the Price Variation Clause as is done in *Annexure 27: Formula for Price Variation Clause*.
- (ix) Where advance or stage payments are made, there should be a further stipulation that no price variations will be admissible on such portions of the price, after the dates of such payment.
- (x) Where deliveries are accepted beyond the scheduled Delivery Date subject to levy of liquidated damages as provided in the Contract, the liquidated damages (if a percentage of the price) will be applicable on the price as varied by the operation of the Price Variation Clause.
- (xi) No upward price variation will be admissible beyond the original Scheduled Delivery Date for defaults on the part of the supplier. However downward price variation would be availed by the purchaser as per the Denial Clause in the letter of extension of DP.
- (xii) In respect of contracts providing for price variation, care should be taken to finalize price before final payment is made, after obtaining necessary data and documents in support of claims for escalation, if any. Where no such claims are



submitted by the Suppliers, it would need to be examined whether there has been downward trend in the cost which forms the basis of variation as per the formula incorporated in the contract such as price of input material like steel, non-ferrous metals etc. At any rate undertaking should be obtained from the contractor to the following effect. In case it becomes necessary to make final payment before they have submitted required data / documents related to price variation clause.

"It is certified that there has been no decrease in the price of Price Variation Indices and in the event of any decrease of such indices during the currency of this contract we shall promptly notify the same to the purchaser and offer requisite reduction in the contract rate ".

- (xiii) Notwithstanding the above formalities, it should be appreciated that it is in the interest of the purchaser to be vigilant about downward variation and it is therefore the basic responsibility of the purchase officers to make sure that the benefits of downward variation, wherever the same occurs are fully availed of.

9.3 Exchange Rate Variation (ERV)

In case of delivery period exceeding one year from the date of contract involving substantial import content, foreign exchange variation clause needs to be provided. The offer of the tenderer should indicate import content and the currency used for calculating import content. Base Exchange rate of each major currency used for calculating FE content of the contract should be indicated. The base date of ERV would be contract date and variation on the base date can be given up to the midpoint manufacture, unless firm has already indicated the time schedule within which material will be imported by the firm. In case delivery period is refixed / extended, ERV will not be admissible, if this is due to default of the supplier.

9.3.1 Documents for claiming ERV:

- (i) A bill of ERV claim enclosing working sheet
- (ii) Banker's Certificate/debit advice detailing F.E. paid and exchange rate prevailing on the date as applicable.
- (iii) Copies of import order placed on supplier
- (iv) Invoice of supplier for the relevant import order

9.4 Statutory Duties and Taxes on Domestic Goods

- (i) The duties and taxes including Goods and Services Tax levied by the Government on domestic goods vary from product to product.
- (ii) As a general policy, the statutory variations in such duties & taxes are to be allowed during the period from the date of tender to the date of acceptance of the tender (i.e. placement of contract) and during the original/ re-fixed delivery period of the contract so that both the supplier and BRBNMPL are equally compensated for rise or fall in the prices of the goods on account of such



statutory variations. (Note: Re-fixed delivery period means the fresh delivery period which is arrived at by recasting the original contractual delivery period after taking care of the lost period, for which the supplier was not responsible.)

- (iii) In the tender enquiry conditions, the tenderers, wherever applicable, should be asked to specifically state in their offer whether they intend to ask for the duties and taxes as extra over and above the prices being quoted. In the absence of any indication to this effect by the tenderers, it is to be assumed that the prices quoted include these elements and no claim for the same or statutory variations thereon will be entertained after opening of tenders and during the currency of the resultant contract.
- (iv) However, where the Tenderer in its quotation mentions that the prices are exclusive of statutory duties & taxes and the same will be payable extra, this condition should be incorporated in the resultant contract in clear terms.
- (v) Sometimes, the Tenderer, in its tender mentions that its quotation includes current rates of taxes and duties as applicable and statutory variations, if any at the time of supply will be applicable. This condition may be acceptable. However, correctness of the taxes and duties quoted by a Tenderer as applicable during that period is to be verified while considering its tender. Also, only statutory variations, and not any other type of variations are allowed.
- (vi) Goods and Services Tax is not leviable on transactions of sale in the course of import. Categories of cases constituting sale in course of Import are: -
 - a. Where the movement of goods from the foreign country to India is occasioned directly as a result of the sale.
 - b. Where the Indian supplier acts as an authorized Dealer/Distributor/ Representative of the foreign manufacturer in the agreement of the sale.

9.5 Duties, taxes and other levies of Local bodies

- (i) In case, the goods supplied against contracts placed by BRBNMPL are exempted from levy of duties, taxes and other Levies of Local bodies, the suppliers should be informed accordingly by incorporating suitable instructions in the tender enquiry document and in the resultant contract. Wherever required, the suppliers should obtain the exemption certificate from the Materials Management Division to avoid payment of such levies and taxes.
- (ii) In case, where such payments are not exempted (in spite of exemption certificate), the supplier should make the payment to avoid delay in supplies and forward the receipt of the same to the Materials Management Division for reimbursement and, also, for further necessary action.

9.6 Custom Duty on Imported Goods

- (i) In respect of imported goods, the tenderers shall also specify separately the total amount of custom duty included in the quoted price. The tenderers should also indicate correctly the rate of custom duty applicable for the goods in question and the corresponding Indian Customs Tariff Number.



- (ii) Where customs duty is payable, the contract should clearly stipulate the quantum of duty payable etc. in unambiguous terms. The standard clauses to be utilized for this purpose are to be incorporated in the tender enquiry documents.

9.7 Duties / Taxes on Raw Materials

BRBNMPL is not liable for any claim from the supplier on account of fresh imposition and/or increase (including statutory increase) of Customs duty, Goods and Services Tax or any other similar duties and taxes on raw materials and/or components used directly in the manufacture of the contracted goods taking place during the pendency of the contract, unless such liability is specifically agreed to in terms of the contract. A clause to this effect should also form a part of the tender documents

9.8 Terms of Payment for Domestic Goods

- (i) Where the terms of delivery is FOR dispatching Station, the payment terms depending on the value and nature of the goods, mode of transportation etc. maybe 60% to 90% on proof of dispatch and other related documents and balance on receipt at site and acceptance by the consignee (Stores section).
- (ii) Where the terms of delivery is delivery at site/FOR destination, usual payment term is 100% on receipt and acceptance of goods by the consignee (Stores section) and on production of all required documents by the supplier.
- (iii) Where goods to be supplied also need installation and commissioning by the supplier, the payment terms are generally as under:
 - a. For a contract with terms of delivery as FOR dispatching station
 - i. 60% on proof of dispatch along with other specified documents
 - ii. 30% on receipt of the goods at site by the consignee (Stores section) and balance
 - iii. 10% on successful installation and commissioning and final acceptance by the consignee (User department).
 - b. For a contract with terms of delivery as Delivery at site / FOR destination
 - i. 90% on receipt and acceptance of goods by the consignee (Stores section) at destination and on production of all required documents by the supplier
 - ii. 10% on successful installation and commissioning and final acceptance by the consignee (User department).

Note: Generally, (especially for goods requiring installation and commissioning at site by the supplier), the desirable terms of delivery are FOR destination / Delivery at site, so that the supplier remains responsible for safe arrival of the ordered goods at the site. Therefore, unless otherwise decided, Ex-works or FOR dispatching station terms should be avoided.



9.9 Modes of Payment for Domestic Goods

Payments to suppliers are usually made by account payee cheque or through ECS only. In case any other mode of payment is to be decided, concurrence should be sought from the Finance and Accounts Department before contracting. Gradually, efforts may be made so that all payments should eventually shift to ECS payments.

9.10 Terms of Payment for Imported Goods

The usual payment terms, unless otherwise directed by Competent Authority, are indicated below:

- (i) Cases where Installation, Erection and Commissioning (if applicable) **are not the responsibility of the supplier** - 90% net FOB/FAS/CFR/CIF/CIP price is to be paid against invoice, shipping documents, inspection certificate (wherever applicable), manufacturers' test certificate, etc. and balance 10% on receipt of goods and after its suitability is ascertained by the consignee (User department).
- (ii) Cases where Installation, Erection and Commissioning are the responsibility of the supplier - 80% to 90% net FOB/FAS/CFR/CIF/CIP price will be paid against invoice, inspection certificate (where applicable), shipping documents etc. and balance within 21 - 30 days of successful installation and commissioning at the consignee's premises and final acceptance by the consignee (User department).
- (iii) The amount of LC should be equal to total amount and be released as per the clauses mentioned above.
- (iv) For revenue purchases, payment should be made on receipt of the material and post inspection. However, if the goods are procured under manufacturer's own quality certification, inspection is not required. In FOB cases, payment needs to be made on receipt of invoice, inspection certificate (where applicable), shipping documents etc.

9.11 Modes of Payment for Imported Goods

It should be ensured that the imports into India are in conformity with the Export Import Policy in force, FEMA (Current Account Transactions) Rules, 2000 framed by Government of India vide Notification No G.S.R. 381(E) dated 03 May 2000 and the directions issued by Reserve Bank of India under Foreign Exchange Management Act (FEMA) from time to time.

Normal banking procedures shall be followed and provisions of Uniform Customs and Practices for Documentary Credits (UCP) should be adhered to while opening Letters of Credit for import into India.

A. Letter of Credit (LC)

9.11.1 What is an LC

A letter of credit is a written understanding given by the buyer's bank (the issuing bank) on behalf of and at the request of its customer (the applicant) routed



through the agency of a bank in the seller's country (advising bank) to the seller that it (issuing bank) guarantees to pay the seller for the goods within a specified time provided that the conditions laid down in documentary credit are fully satisfied,

9.11.2 Reasons for using LC

In international trade, buyer and seller being located in different countries may not know each other well. The two countries will have different legal systems, currencies, trade and exchange regulations. Due to this fact both the Buyer and Seller, need some conditions to be fulfilled, to suit their requirements, before releasing the payments and goods respectively. The buyer and seller want the following: -

- (i) Seller would want: -
 - (a) To be paid as soon as he ships the goods
 - (b) An assurance that he will be paid by the buyer or his bank as per contractual obligations.
 - (c) Convenience of receiving payments in his own country.
- (ii) Buyer would want: -
 - (a) To pay for the goods only after they are shipped by the seller.
 - (b) An assurance that seller will ship the goods ordered for and deliver them in time

For suppliers having more than three years of relationship with BRBNMPL, procurement department should make efforts to avoid payment through LC. As a policy LC should be used only in procurements instances where it cannot be avoided.

9.11.3 Forms of LC used in BRBNMPL

Forms of LC used in BRBNMPL are enumerated below: -

9.11.3.1 Irrevocable letter of credit

When the issuing Bank gives a definite, absolute and irrevocable undertaking to honour its obligations provided the beneficiary complies with all the terms and conditions such a credit is known as an irrevocable letter of credit. That means that the letter of credit cannot be amended, cancelled or revoked without the consent of the parties to the letter of credit. This gives the beneficiary definite protection.

9.11.3.2 Revolving letter of credit

In such credits, the amount is restored, after it has been utilized, to the original amount. Such credits are used when the buyer is to receive partial



shipment of goods at specific intervals for a long duration. It can be cumulative or non-cumulative in nature. It avoids opening letter of credit for each and every consignment. For procurement of goods such as security paper or raw material where there is staggered supply, the payment can be done using revolving letter of Credit.

9.11.4 Payment through letter of credit

The letter of credit mechanism works as follow: -

- (i) The issuing bank is requested to open an LC
- (ii) Issuing Bank conveys LC through Advising bank
- (iii) Advising bank advises the credit to beneficiary
- (iv) Beneficiary after complying with terms and conditions against stipulated documents gets the value either from the Advising bank or Nominated bank as per the terms of LC.
- (v) After passing on the value, negotiating Bank claims reimbursement from the opening Bank or nominated bank as per the terms of LC.
- (vi) Ultimately opening Bank recovers the amount from the applicant. It is the definite commitment of Opening Bank to reimburse to the negotiating bank whether applicant provides the value of negotiation or not.

9.11.5 Essential Elements of LC

Following essential elements are to be clearly stipulated while opening LC: -

- (i) Type of LC
- (ii) Name and address of applicant and beneficiary
- (iii) Amount of credit and currency
- (iv) Validity of LC
- (v) Latest shipment date (delivery date as per contract)
- (vi) Basis of delivery (FOB/FCA/CIF/)
- (vii) Contract No. and date
- (viii) Shipment from To
- (ix) Consignee and ultimate Consignee
- (x) Part shipment allowed/not allowed
- (xi) Documents required to be produced by the beneficiary for release of payment from LC
- (xii) LD Clause
- (xiii) Any other special instructions



9.11.6 Documents to be provided by the Seller

Paid shipping documents are provided to the Bank by the Supplier as proof of dispatching goods as per contractual terms so that the supplier gets his payment from LC. The Bank forwards these documents to the Buyer for getting the goods/stores released from Port/Airport. Documents include: -

- (i) Clean on Board Airway Bill/Bill of Lading (B/L)
- (ii) Original Invoice
- (iii) Packing List
- (iv) Certificate of Origin from Seller's Chamber of Commerce
- (v) Certificate of Quality and current manufacture from OEM
- (vi) Dangerous Cargo Certificate, if any.
- (vii) Insurance Policy of 110% if CIP/CIF contract.
- (viii) Performance Bond/Warranty Certificate
- (ix) Authenticated signature of the supplier or his authorized representative should be available with the bank and verified by them before releasing LC payment.

9.11.7 Extension of LC

Following points should be checked before initiating the case for extension of LC:

- (i) Extension of delivery date in the contract and corresponding amendment in LC for latest date of shipment.
- (ii) Performance Bank Guarantee (PBG) extension.
- (iii) Onus of charges for LC extension.

9.11.8 Amount of LC

The payment using LC should follow the clauses as mentioned in Para 9.8 and 9.10 above.

B. Direct Bank Transfer (DBT)

9.11.9 Documents Needed for DBT

A transferable credit is a credit under which the Beneficiary may request the bank authorized to pay, incur a deferred payment undertaking, accept or negotiate or in the case of a freely negotiable credit, the bank specifically authorized in the credit as a transferring bank to make the credit available in whole or in part to one or more than one beneficiaries. Direct Bank Transfer shows high degree of trust between parties. It should be ensured that the payment is released only after receipt of the following: -



- (i) Clean on Board Airway Bill/Bill of Lading² (B/L)
- (ii) Original Invoice
- (iii) Packing List
- (iv) Certificate of Origin from Seller's Chamber of Commerce
- (v) Certificate of Quality and current manufacture from OEM
- (vi) Dangerous Cargo Certificate, if any.
- (vii) Insurance Policy of 110% if CIP / CIF contract.
- (viii) Performance Bond / Warranty Certificate
- (ix) Authenticated signature of the supplier or his authorized representative should be available with the bank and verified by them before releasing LC payment.

For contracts below USD 50,000.00, DBT payment terms should be insisted upon.

9.11.10 Specified time limit and Delivery Schedule for Imports

The normal delivery schedule for spares procurement should be as follows:

LC Payments: Six months from the date of signing of contract which will include:

- (i) Obtaining export license and giving notification of readiness for opening of LC by seller - 45 days.
- (ii) Obtaining Foreign Exchange Release and opening of LC through CDA by buyer - 45 days
- (iii) Validity period of LC - 90 days. The LC will be opened three months prior to the expiry of delivery period only.
- (iv) In case the spares under procurement are in large quantity or their technical production cycle is long as specified by the seller in the RFP, then the LC shall be opened for more than one quarter as agreed by the TPC

DBT Payments: Preferably within three months of signing of the contract

9.11.11 Payment of Air Freight Charges

Goods that are required to be air lifted are to be dispatched through Air India/Indian Airlines / IATA approved airlines only on a 'Charge forward basis'. All air freight charges, which are shown on the relevant consignment note as chargeable to the consignee, are to be paid in Rupees.

² A bill of lading is a document issued by a Shipping Lines to a consignor, acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee who is usually identified.



9.12 Advance Payment to Suppliers

- (i) Ordinarily, payments for goods should be released to the supplier only after the supplies are made and services have been rendered. However, it may become necessary to make advance payments in the following types of cases:
 - a. Advance Payments in case of Development and Indigenization Contracts.
 - b. Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment. etc.
 - c. Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.
 - d. Advance payments may be admissible in cases of direct contracting.
 - e. In exceptional cases where suppliers insist on full / partial advance for PAC items or in case of new suppliers who insist on full / partial advance, advance payments up to 100% can be made against proforma invoice with due approval of CFA on case to case basis.
- (ii) The specific terms of advance payment must be included in the tender documents
- (iii) While making any advance payment as above, adequate safeguards in the form of a bank guarantee, and so on, should be obtained from the firm. Further, such advance payments should generally be interest bearing and a uniform rate of interest @ 10% should be considered. Hence, bank guarantee @ 110% of the advance payment should be obtained.
- (iv) If it is decided to provide advance payment, only a minimum reasonable amount should be incorporated upfront in RFP up to the 15% of the contract value or in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract; against Bank Guarantee. Advance exceeding 15% would require approval of MD & GM/GM (I/C)/CFO but should in no case exceed 30%.
- (v) The Advance Payment should be adjusted in full, wherever possible/ set-off pro-rata against the successive payments due to the supplier as per the Clause incorporated in the Tender.
- (vi) Where advance or stage payments are made, no price variations, if stipulated in the contract will be admissible on such portions of the price, after the dates of such payment.

9.13 Intermediate Payments

Intermediate payment should normally not be agreed to except in case of Fabrication contract, Turn-key Contracts or Development and Indigenization contract where strong justification exists for the same. If it is found justified to allow intermediate payments in such contracts, this should be brought out in the Tender Documents. The intermediary payments, if any, should be spread over the period of execution of the projects/contract and made in suitable instalments keeping in view various stages of



development/manufacture. These stages should be pre-determined and it should be ensured that the payments made are in consonance with work actually performed by the firm/contractor and linked to verifiable milestones viz. Preliminary Design Reviews, Detailed Design Review, purchase of raw materials and realization of prototype etc. The quantum of payment will generally not exceed 50% of the estimated expenditure incurred by the contractor up to that stage. About 20 to 25% amount as last instalment should be released only after the completion of the project or rendering of the services/supplies to the entire satisfaction of the authority placing the order.

9.14 Documents for Payment

- (i) The documents, which are needed from the supplier for release of payment, are to be clearly specified in the contract.
- (ii) The paying authority is also to verify the documents received from the supplier with corresponding stipulations made in the contract before releasing payment.
- (iii) While claiming payment, the supplier is also to certify in the bill that the payment being claimed is strictly in terms of the contract and all the obligations on the part of the supplier for claiming this payment have been fulfilled as required under the contract.
- (iv) There should also be a suitable provision for verification of the authenticity of the person signing the invoice etc. for claiming the payment.



Chapter 10: Tender Evaluation and Award of Contract

10.1 Tender Evaluation

In any purchase decision, the core issues to be decided by the CFA are whether the offered items meet the essential tender requirements, prices being charged are reasonable and the procedures followed are proper, fair and transparent. This responsibility is not discharged merely by selection of cheapest offer but must conform to the following yardsticks of financial propriety: -

- (i) Whether the offers have been invited in accordance with the governing rules and after following fair and reasonable procedures in prevailing circumstances.
- (ii) Whether the authority is satisfied that the selected offer will adequately meet the requirement for which it is being procured.
- (iii) Whether the price of the offer is reasonable and consistent with the quality required.
- (iv) Above all, whether accepted offer is the most appropriate one taking all relevant factors into account and keeping with the standards of financial propriety.

Evaluation of tenders is one of the most significant areas of Purchase Management. The entire process of tender evaluation and placement of contract must be transparent. All the aspects, which are to be taken into account for evaluating the tenders including the method to be adopted for evaluation of tenders and the techniques for determining the lowest evaluated responsive tender for placement of contract are to be incorporated in the tender enquiry document in clear and comprehensive manner without any ambiguity and/ or confusing stipulations therein, so that the interested tenderers can formulate their competitive offers in a meaningful manner and participate in the tendering process with confidence.

All the tenders are to be evaluated strictly on the basis of the terms & conditions incorporated in the tender enquiry document (based on which offers have been received) and the terms, conditions etc. stipulated by the tenderers in their tenders. No new/ hitherto undeclared condition should be brought in while evaluating the tenders. Similarly, no tender enquiry condition (specially the significant / essential ones) should be overlooked/relaxed while evaluating the tenders. The aim should be to ensure that no Tenderer gets undue advantage at the cost of other tenderers and / or at the cost of BRBNMPL. The process of tender evaluation proceeds as follows:

10.2 Preliminary Examination

The Bid Opening Committee will forward all the tenders to the TEC nominated for further evaluation. In this context, it should be ensured that no tender is rejected by the Bid Opening Committee at the tender opening stage; they are to open all the tenders as received and send them to the TEC. Prescribed format of checklist for preliminary examination is given in *Annexure 9: Checklist for Preliminary Examination*.



10.3 Conditions under which Tenders can be declared Unresponsive

All the tenders so received will first be scrutinized by the TEC to see whether the tenders meet the basic requirements as incorporated in the tender enquiry document and to identify the unresponsive tenders, if any. The tenders, who do not meet the basic requirements, are liable to be treated as unresponsive and ignored. However, sufficient opportunity shall be provided to the tenderer to fulfil the tender requirements before rejecting the same. The following are the important points, for which a tender may be declared as unresponsive and to be ignored, during the initial scrutiny: -

- (i) The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document.
- (ii) The Tenderer is not eligible as per qualification criteria
- (iii) The tender validity is shorter than the required period.
- (iv) Required EMD (format, amount, validity etc.) has not been provided or exemption from EMD is claimed without acceptable proof of exemption.
- (v) Tenderer has not agreed to give the required performance security.
- (vi) The goods quoted are sub-standard, not meeting the required specification etc.
- (vii) The Tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
- (viii) Against a schedule in the List of Requirement (incorporated in the tender enquiry), the Tenderer has not quoted for the entire requirement as specified in that schedule. (Example: In a schedule, it has been stipulated that the Tenderer will supply the equipment, install and commission it and also train BRBNMPL's operators for operating the equipment. The Tenderer has however, quoted only for supply of the equipment).
- (ix) The Tenderer has not agreed to some essential condition(s) incorporated in the tender enquiry.
(Example: Some such important essential conditions are terms of payment, liquidated damage clause, warranty clause, dispute resolution mechanism, applicable law and any other important condition having significant bearing on the cost / utility / performance of the required goods, etc.)

10.4 Non-conformities between the figures and words

Sometimes, non-conformities / errors are also observed between the quoted prices in figures and that in words. The same is to be taken care of as indicated below:

- (i) If, in the price structure quoted for the required goods, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of BRBNMPL there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
- (ii) If there is an error in a total corresponding to the addition or subtraction of



subtotals, the subtotals shall prevail and the total shall be corrected; and

- (iii) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (i) and (ii) above.

If there is such discrepancy in an offer, the same is to be conveyed to the Tenderer with target date on the above lines and if the Tenderer does not agree to the observation of BRBNMPL, the tender is liable to be ignored.

10.5 Discrepancies between original and additional copies of a Tender

Sometimes discrepancies are also observed between the original copy and the other copies of the same tender set. In such a case, the text etc. of the original copy will prevail. Here also, this issue is to be taken up with the Tenderer in the same manner as above and subsequent actions taken accordingly.

10.6 Minor Infirmary / Irregularity / Non-Conformity

During the above preliminary examination, some minor informality and/ or irregularity and / or nonconformity may also be found in some tenders these may be waived provided the same does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the tenderers. Wherever necessary, observation on such 'minor' issues (as mentioned above) may be conveyed to the Tenderer by registered letter/ speed post etc. asking the Tenderer to respond by a specified date also mentioning therein that, if the Tenderer does not confirm BRBNMPL's view or does not respond at all by that specified date, its tender will be liable to be ignored. Depending on the outcome, such tenders are to be ignored or considered further. (Example: A tender enquiry stipulates, as an essential condition, that the Tenderer, along with its quotation, must also submit a certified copy of its latest income tax clearance certificate (ITCC). If a Tenderer does not provide this document, it may be asked for with target date as above. If, the Tenderer does not respond by that target date, its offer will be liable to be ignored). Details of all the tenderers, which have been declared unresponsive and ignored as per above analysis and, also, the grounds for their becoming unresponsive are to be accurately recorded in the purchase file.

10.7 Clarification of Bids/Shortfall Documents

During evaluation and comparison of bids, purchaser may, at its discretion ask the bidder for clarification of its bid. The clarification should be received within 7 days from the bidder after receipt of such requests. The request for clarification shall be in writing and no change in prices or substance of the bid shall be sought, offered or permitted. No post bid clarification at the initiative of the bidder shall be entertained.

The shortfall information/documents should be sought only in case of historical documents which pre-existed at the time of the tender opening and which have not undergone change since then. These should be called only on basis of the



recommendations of the TEC. (Example: if the Permanent Account Number, registration with tax authorities has been asked to be submitted and the tenderer has not provided them, these documents may be asked for with a target date as above). So far as the submission of documents is concerned with regard to qualification criteria, after submission of the tender, only related shortfall documents should be asked for and considered. For example, if the bidder has submitted a supply order without its completion / performance certificate, the certificate can be asked for and considered.

10.8 Tenderers Contacting BRBNMPL during Evaluation

From the time of submission of tender to the time of awarding the contract, if a tenderer needs to contact BRBNMPL for any reason relating to this tender enquiry and / or its tender, it should do so only in writing. It will be treated as a serious misdemeanour in case a tenderer attempts to influence BRBNMPL's decision on scrutiny, comparison, evaluation and award of the contracts. In such a case the tender of the tenderer shall be liable for rejection in addition to appropriate administrative actions being taken against that tenderer, as deemed fit by BRBNMPL, in terms of Para 7.5.

10.9 Techno commercial Bid, Scrutiny, evaluation and ranking of Tenders - General

TEC shall evaluate the techno-commercial bids. After the approval of CFA, the results of the Techno-commercial bid evaluation shall be announced (including informing the failed Bidders). Price bids shall be opened in the presence of technically qualified bidders, who are willing to attend the bid opening, at a pre-publicised date, time and place.

Evaluation of a tender will include and take into account the following:

- (i) Tenders of the tenderers, who do not meet the required qualification criteria prescribed in SBD Section IX, will be treated as unresponsive and will not be considered further.
- (ii) Normally, the comparison of the responsive tenders shall be on total outgo from BRBNMPL's pocket, for the procurement to be paid to the supplier or any third party, including all elements of costs as per the terms of the proposed contract, including any taxes, duties, levies etc., freight, insurance etc. Therefore, the comparison of the responsive tenders should normally be on the basis of CIF/FOR destination basis, duly delivered, commissioned, etc. as the case may be.
- (iii) In the case of goods offered from within India (goods manufactured in India or goods of foreign origin already located in India), Goods and Services Tax, which will be contractually payable (to the tenderer) on the goods, are to be added if a contract is awarded on the tenderer;
- (iv) In the case of goods of foreign origin offered from abroad, customs duty and other similar import duties / taxes, which will be contractually payable (to the tenderer) on the goods, are to be added if the contract is awarded on the tenderer.



- (v) The cost of operations, maintenance and disposal of the equipment over its life cycle may far outweigh the initial procurement cost over the life cycle of the capital equipment. Hence value for money becomes an important consideration – which can be addressed by way of appropriate Description, Specification, Contract conditions like inclusion of cost of supply of initial essential spares and total present value (as per DCF technique) of Annual Maintenance Contracts (AMC) or cost of spares for specified number of years within the estimated cost and also the evaluation criteria of procurement contract.

In the case of procurement of Capital Items having distinct cost benefits over a period of time, wherever applicable (machinery/equipment under continuous single/double shift operation), a suitable normalisation process which takes into account the efficiency of the machine in respect of productivity, consumption of major consumables, major spare parts, power consumption and such other factors etc. vis-a-vis the cost quoted by the bidder shall be taken into account to ensure the procurement of machineries with the most efficient system and latest technologies.

The normalisation process proposed for evaluation will be specified upfront in the tender document.

The bidders would be first ranked according to their Savings-to-Investment Ratio (SIR) relative to the L1 bidder over the life cycle of the machine (taken as 10 years). Where the SIR is more than one, the price quoted would be considered for calculation of Life Cycle Cost (LCC). The bidders with SIR more than one would then be ranked according to their LCC and the contract will be awarded to the bidder with the lowest LCC.

Any of the parameters mentioned below, if applicable, can be used for calculation of LCC depending upon the type of machinery/equipment to be procured:

- a. Ink consumption
 - b. Power consumption
 - c. Spare Consumption
 - d. Consumables
- (vi) Evaluation of tender will also take into account any additional factors, if any, incorporated in SIT in the manner and to the extent indicated therein.
- (vii) As per policies of the Government from time to time, the purchaser reserves its option to give price/purchase preferences as indicated in the tender document.
- (viii) In case the List of Requirements contains more than one schedule, the responsive tenders will be evaluated and compared separately for each schedule. The tender for a schedule will not be considered if the complete requirements prescribed in that schedule are not included in the tender. However, tenderers have the option to quote for any one or more schedules and offer discounts for combined schedules. Such discounts, wherever applicable, will be taken into account to determine the tender or combination of tenders offering the lowest evaluated cost for BRBNMPL in deciding the successful tenderer for each schedule, subject to that tenderer(s) being responsive.



- (ix) If the tenders have been invited on variable price basis, the tenders will be evaluated, compared and ranked on the basis of the position as prevailing on the day of tender opening and not on the basis of any future date.
- (x) BRBNMPL, through the above process of tender scrutiny and tender evaluation will determine to its satisfaction whether the tenderer, whose tender has been determined as the lowest evaluated responsive tender is eligible, qualified and capable in all respects to perform the contract satisfactorily. If, there is more than one schedule in the List of Requirements, then, such determination will be made separately for each schedule.
- (xi) The above mentioned determination will, inter-alia, take into account the tenderer's financial, technical and production capabilities for satisfying all the requirements of BRBNMPL as incorporated in the tender document. Such determination will be based upon scrutiny and examination of all relevant data and details submitted by the tenderer in its tender as well as such other allied information as deemed appropriate by BRBNMPL.

10.10 Techno commercial Bid, Scrutiny, evaluation and ranking of Tenders – ICB/GTE Tenders

Price Bid format specified in tender document shall be used as the template for evaluation of Financial Bids. Special aspects of evaluation of the financial offer in ICB/GTE tenders are:

10.10.1 Currency of bidding:

In ICB/GTE tenders, price in the quotation should be in the single currency as specified in the Tender Documents except for expenditure incurred in India which should be stated in Indian Rupees.

10.10.2 Evaluation of offers:

- (i) As per Government Policy Ministries/Departments/PSUs should ensure imports on FOB / FAS basis failing which necessary No objection certificate (NOC) should be obtained from Ministry of Surface Transport (Chartering Wing).
- (ii) The Foreign bidders are normally asked in the bid documents to quote both on FAS/FOB basis and also on CFR / CIF basis duly indicating the break-up of prices for freight, insurance, and so on, with purchasers reserving right to order on either basis. They should also to indicate the Custom Tariff Number/HS Code and the custom duty applicable in India. In the case of FAS/FOB offers, the freight and insurance shall be (after ascertaining, if not quoted) added to make up the CIF cost. In case they do not do so, the freight and insurance may be ascertained from the Shipping Agency and the marine Cover Agency. However, it also is normal practice to add 20% as notional sea-freight and 1.125% as notional insurance over FOB/FAS price to bring them to CIF price. Over CIF price, 1% is added as Port Handling Charges to arrive at Assessment Value. Custom Duty and other



similar import duties/taxes (help of Clearing Agent may be taken), if any, may be added on the assessment value to arrive at the "Landed Cost". Clearing Agency charges, Inland freight or any other charges as assessed may be added to make it Free on Rail (FOR) / Free on Truck (FOT) destination. FOR / FOT destination price for Domestic Offers may be calculated as in NCB/OTE Tenders. For bids with LC payment, likely LC charges (as ascertained from our Bankers) should be loaded.

- (iii) In ICB/GTE tenders all offers are to be converted to Indian Rupees based on the "Bill Currency selling" Exchange Rate on the date of tender opening (Financial Offer) from a source as specified in the tender document.
- (iv) In case both Indian and Foreign bidders have quoted in the Tender, the comparison of the offers would be done on the basis of FOR / FOT destination including all applicable taxes and duties (on the principle of total outgo from BRBNMPL's pocket).
- (v) In case there are no domestic bidders, comparison of offers can be done on the basis of CIF/ landed costs since rest of the costs would be same for all bidders.

10.10.3 Currency of payment:

The contract price will be normally paid in the currency / currencies in which the price is stated in the contract.

10.11 Consideration of Unsolicited offers in LTE

Unsolicited offers against Limited Tender enquiries should be ignored. However, under exceptional circumstances, where it is felt necessary to consider such offers, on account of inadequate competition, non-availability of suitable quotations from Registered suppliers, urgent demands, capacity / capability of the firms offering to supply the relevant items being known etc. and after verification of eligibility criteria, the acceptance should be at the level of CFA and in any case not below the rank of a DGM with the concurrence of GM/GM (I/C)/O-I-C.

10.12 Consideration of single offer received in LTE

When in response to a call for Limited Tenders (as distinct from single & Open Tenders under rules in force) only one tender is received, fresh tender should be invited except in urgent cases of purchases. The urgency has to be certified by DGM for all purchase up to Rs.50,000/- and by GM/GM(I/C)/O-I-C for purchases above Rs.50,000/-.

10.12.1 Consideration of Lack of competition in OTE/GTE and LTE

Sometimes, against open/limited tender cases, the Procuring Entity may not receive a sufficient number of bids and/or after analysing the bids, ends up with only one responsive bid – a situation referred to as resultant 'Single Offer'. Such situation of resultant 'Single Offer' is to be treated as Single Tender and restricted powers of Single Tender mode of procurement would apply. Even when only one



Bid is submitted, the process may be considered valid provided following conditions are satisfied:

- (i) The procurement was satisfactorily advertised and sufficient time was given for submission of bids;
- (ii) The qualification criteria were not unduly restrictive; and
- (iii) Prices are reasonable in comparison to market values.

In case of price not being reasonable, negotiations (being L1) or retender may be considered as justifiable.

10.13 Reasonableness of Prices

10.13.1 Price evaluation

Following are the various methods by which "Estimated Rate" in the indent or Reasonableness of Rates in the Tender can be analysed:

- (i) Estimated Rate in past Indents of the same goods;
- (ii) Last Purchase Price of this or similar or nearly equivalent requirements;
- (iii) Prevailing Market Price ascertained through a Market Survey or Budgetary quotations from one or more prospective suppliers or Published Catalogues or Maximum Retail Price (MRP) printed on the item is the main source for establishing estimated rate of item for which there is no historic data available;
- (iv) The estimates should be prepared on the basis of the number of budgetary quote(s) or BoQs received, which may even be one; and where more than one budgetary quote or BoQ is received, the estimate should be framed on an average of the quotes or BoQs which will reduce variations and fluctuations; outliers, if any, are to be ignored.
- (v) Costing analysis based on costs of various components / Raw materials of the Item;
- (vi) Price of a similar / nearly equivalent Item;
- (vii) Rough assessment from the price of the assembly / machine of which the item is a part or vice versa;
- (viii) Through Market Intelligence Cell (MIC) under AGM(MMD) (pare 3.4) or External Expert Costing Agencies;
- (ix) As a last resort, rough assessment from the opportunity cost of not using this item at all.

These methods are not mutually exclusive. These methods can be supplemented with escalations to cater for inflation, price increases of raw materials, Labour, Energy, Statutory changes, Price indices etc. to make them usable in conditions prevailing currently.



In case of various foreign currencies, the rate should be reduced to a common denomination of Indian Rupees.

10.13.2 Use of Market Intelligence Cells:

It is already envisaged in Para 3.4 to have a Market Intelligence Cell (MIC) under AGM (MMD) as a part of strengthening of Purchase function. Their services may be utilized for reasonableness of price, escalation clauses, cost verification where prices are fixed subject to a ceiling price as per details given therein.

10.13.3 Price Indices:

For price indices, internet should be accessed by officers dealing with purchases/ associated with Tender Evaluation Committee from important sites. In regard to price indices of indigenous items, website of Ministry of Industry <http://www.eaindustry.nic.in> should be accessed for the latest indices/trends. For metals and other minerals access <http://www.mmr.online.com> or www.metalprices.com (subscription required) or www.asianmetal.com (subscription required) for updates. The other useful sites are <http://www.tradintelligence.com> and www.cmie.com. The monthly report of CMIE (Centre for Monitoring Indian Economy). PROWESS Package of CMIE giving updates on performance of listed Indian companies, RBI monthly bulletin, Economic survey and its Appendix containing statistical tables are excellent reference material for market trends. The World Economic Outlook a monthly report from IMF, gives inputs on price trends of different countries. LME (London Metal Exchange) gives price trends of nonferrous details, which often show volatile trends. Organization/ Chamber of Commerce like IEEMA www.ieema.org (for Electrical Manufacturers) also publish regular data on Price Indices and Price Variations which can be subscribed to. Important publications like RBI Monthly Bulletin, GMIE'S monthly report, business/commercial newspapers etc should be subscribed to similarly.

A ready Database of important price indices derived from above sources may be kept updated for ready reference.

10.13.4 Data Sharing:

A system for data sharing and data networking must be put in place, among the Units in order to widen the procurement sources and obviate different prices being paid for the same item by different Units.

10.13.5 Last Purchase Price (LPP)

While using Last Purchase Price as the basis, following may be kept in view: -

- (i) The Last Paid Rate is the price paid in the latest successful contract. The Basic Price, Taxes, Duties, Transportation charges, P&F Charges to be indicated separately
- (ii) Where the firm holding the LPP contract has defaulted, the fact should be



highlighted and the price paid against the latest contract placed prior to the defaulting LPP contract, where supplies have been completed, should be indicated.

- (iii) Where the price indicated in the LPP is subject to variation, besides indicating the original price as of the LPP contract, the updated price as computed in terms of the price variation clause, may also be indicated.
- (iv) Where the supply against the LPP contract is yet to commence i.e. delivery is not yet due, it should be indicated, whether the contract holder is a past established supplier / new supplier.
- (v) In case of new supplier, the price paid against the previous contract as in the case of (ii) above should be indicated.
- (vi) In case the LPP is more than three years old, it cannot be taken as a real scale for comparison. However, such LPP can be used as an input for assessing the rates.
- (vii) In the case of wholly imported stores, the comparison of the Last Purchase Rate should be made with the net **C.I.F.** value at the current Foreign Exchange rate.
- (viii) It is natural to have marginal differences in prices obtained at different Units for the same item due to their different circumstances.
- (ix) The prices obtained are greatly influenced by Quantity, Delivery Period, Terms of the contract that may be kept in view.
- (x) Prices paid in emergencies or prices offered in distress sale are not accurate guidelines for future use. Such Purchase orders and Tender Evaluation Committee Proceedings should indicate that "These Prices are not valid LPP for comparison in future procurement".
- (xi) In case the rate received in the last purchase are abnormally high or low, TEC should clearly indicate the same in its recommendations.

10.14 Cartel Formation / Pool Rates

It is possible that sometimes a group of bidders quote same rate against a tender. Such Pool / Cartel formation is against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such and similar tactics to avoid/ control true competition in a tender leading to "Appreciable Adverse Effect on Competition" have been declared as an offence under the Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007. Such practices should be severely discouraged with strong measures. In case of evidence of cartel formation, detailed cost analysis may be done by associating experts if necessary, including the GM/GM (I/C)O-I-C. Besides, suitable administrative actions, like rejecting the offers, reporting the matter to Competition Commission, National Small Industries Corporation etc. should be initiated against such firms, on case to case basis, as decided by the competent authority. Such unhealthy practice may also be brought to the notice of the concerned trade associations requesting them, inter-alia to take suitable strong actions against such firms. New firms may also be encouraged to get



themselves registered for the subject goods to break the monopolistic attitude of the firms forming cartel.

10.15 Handling Dissent

10.15.1 Dissent among Tender Evaluation Committee

- (i) All Members of the Tender Evaluation Committee should resolve differences through personal discussion instead of making to and fro references in writing. In cases where it is not possible to come to a consensus and differences persist amongst members of Tender Evaluation Committee, the reasons for dissent of a member should be recorded along with majority's views on dissent note. The final recommendations should be that of Majority View. However, such situations should be rare. The CFA can overrule such dissent notes after recording reasons for doing so clearly. His decision would be final.
- (ii) The situations where all the TEC members have individual and dissenting views, there would be no Majority view. Such situations are not acceptable and the case should be referred back to TEC Committee for presenting a majority view through reconciliation or else the CFA's decision would prevail duly noting unsatisfactory handling by the Tender Evaluation Committee members.
- (iii) In cases where the CFA does not agree with a majority or unanimous recommendations of the Tender Evaluation Committee, he should record his views and firstly send it back to Tender Evaluation Committee to reconsider along the lines of CFA's views. However, if Tender Evaluation Committee after considering the views of CFA, sticks to their own earlier recommendations, CFA can finally decide the Tender as deemed fit duly recording detailed reasons. He will be responsible for such decisions. However, such situations should also be rare.

10.15.2 Dissent among CFA:

On lines similar to Para 10.15.1 above, dissent within CFA may be handled with tact and in a spirit of teamwork. However, in case of a dissent, the majority decision shall prevail as the decision of CFA, without reference to higher authorities.

10.16 Negotiations

10.16.1 Only as a rare exception

Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances.

If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is techno-commercially



responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate. In no case, including where a cartel/pool rates are suspected, should negotiations be extended to those who had either not tendered originally or whose tender was rejected because of unresponsiveness of bid, unsatisfactory credentials, inadequacy of capacity or unworkable rates. The circumstances where negotiations may be considered could be:

- a. Where the procurement is done on nomination basis (PAC and STE without PAC);
- b. Procurement is from single or limited sources;
- c. Procurements where there is suspicion of cartel formation which should be recorded;

Where the requirements are urgent and the delay in re-tendering for the entire requirement due to the unreasonableness of the quoted rates would jeopardise essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements. The balance bulk requirement should, however, be procured through a re-tender, following the normal tendering process.

10.16.2 On CFA's Approval

Before recommending negotiation, adequate care should be taken to re-scrutinize the rates received to avoid infructuous instances of negotiations. The decision whether to invite fresh tenders or to negotiate and in the latter case, with whom to negotiate, should be taken by the CFA after receiving the recommendations of the Tender Evaluation Committee. After the approval of CFA, negotiations shall be conducted by the Tender Evaluation Committee.

10.16.3 Counter-offers are Negotiations by other means

Normally all counter-offers are considered as negotiations by other means and the principles of negotiations should apply to such counter-offers. For example, counter Offer to L1, in order to arrive at an acceptable rate shall amount to negotiation. However, any counter-offer to L2, L3 etc. (at the rates accepted by L1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be negotiation.

10.16.4 Whom to Negotiate with

The negotiations will be held only with the lowest acceptable bidder (L1), who is technically cleared/approved for supply of bulk quantity and on whom the contract would have been placed but for the decision to negotiate.

10.16.5 Procedure for Negotiation

After the competent authority has decided to call specific bidder for negotiation, the following procedure should be adopted: -



- (i) It must be understood that if the period of validity of the original offer expires before the close of the negotiations, the original offer will not be available for acceptance. The period of validity of the original offer must, therefore, be got extended, wherever necessary.
- (ii) The Tenderer to be called in for negotiations should be addressed as per format of letter laid down in *Annexure 30: Format of Invitation and declaration for Negotiations*, so that the rates originally quoted by them shall remain open for acceptance in the event of failure of the contemplated negotiations.
- (iii) Before negotiation is started an attendance sheet may be signed by the parties present in the negotiations. Negotiations meeting should be started only after obtaining signed undertaking from the Negotiating Supplier as per *Annexure 30: Format of Invitation and declaration for Negotiations*.
- (iv) Revised bids should be obtained in writing from the selected tenderers at the end of the negotiations in format of letter laid down in *Annexure 31: Format of Revised Offer in Negotiations*. If necessary negotiating party may be given some time to submit their revised offer.
- (v) In case however, the selected Bidder prefers to send a revised bid instead of being present at the negotiation, the offer should be taken into account.
- (vi) The revised bids so obtained should be read out to those tenderers or such of the representatives of the tenderers as are present, immediately after completing the negotiations. In case a bidder does not submit the revised bid its original bids shall be considered.
- (vii) In no case, including where a cartel / pool rates are suspected, should negotiations be extended to those who had either not tendered originally or whose tender was rejected because of unresponsiveness of bid, unsatisfactory credentials, inadequacy of capacity or unworkable rates.

10.17 Award of Contract, Contract Execution and Disclosure

10.17.1 Recommendations for Award of Contract

Presses / CO inviting tender will award the Contract, subject to approval from the competent authority, to the bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily and the credentials have been verified. Any agreement required to be signed with the supplier shall be vetted by the Finance Representative of the Tender Evaluation Committee which process the case and it has to be approved by CFA. In case, CFA is higher than GM/GM (I/C)/O-I-C, it shall be approved by the GM/GM (I/C)/O-I-C concerned.

Price Negotiation with the tenderers should be severely discouraged. During procurement planning and before floating the tender notice, competent authority



may decide the expected cost of goods and thus determine reasonable and acceptable rates. A template of notification of award of contract is given in Annexure 11.

10.17.2 Variation of Quantities at the Time of Award

At the time of awarding the contract, the quantity to be procured must be re-judged based on the current data, since the ground situation may have very well changed. The tendered quantity can be increased or decreased by 25 (Twenty-Five) per cent for ordering, if so warranted. This may be mentioned in the tender documents upfront. Any larger variation may throw up issues about transparency.

10.17.3 Splitting of Contracts / Parallel Contracts

Parallel contracts, with more than one bidder (for the same goods/supplies) may be concluded in the following cases:

- (i) After due processing, if it is discovered that the quantity to be ordered is far more than what L1 alone is capable of supplying within the specified delivery period and there was no prior decision/declaration in the bidding documents to split the quantities, then the quantity being finally ordered may be distributed among the other bidders by counter offering the L1 rate in a manner that is fair, transparent and equitable based on objective data available in the bids e.g. eligibility data, quantity / delivery etc. as described at clause (b) and (c) below.
- (ii) In cases of critical / vital / safety / security / strategic / specific nature of the supplies / goods, large quantity under procurement, urgent delivery requirements and inadequate vendor capacity, it may be advantageous to decide in advance to have more than one source of supply. For such cases, specific permission should be sought from the competent authority. In such cases, the parallel contract clause should be added to the bid documents, clearly stating that BRBNMPL reserves the right to split the contract quantity between suppliers. The manner of deciding the relative share of lowest bidder (L1) contractor and the rest of the contractors/tenderers should be clearly defined, along with the minimum number of suppliers sought for the contract. In case of splitting in two and three, the ratio of 70:30; 50:30:20, respectively, may be used or a different ratio may also be justified..
- (iii) Before splitting the quantity, it should be ensured that the L1 price is reasonable. If it is not reasonable, negotiation with the L1 party may be carried out, if justifiable, with the approval of CFA.

The following guidelines are to be considered while opting for parallel contracts:

- (a) A tender may not be split into smaller quantities for the reason that one supplier may not be able to supply the entire quantity.
- (b) The lowest bidder L1 should be awarded at least 70% (in case of splitting in two) or 50% (in case of splitting in three) of the total contract value, as applicable or his spare supply capacity, whichever is lower. The ratio of



splitting given above is approximate and may be subject to limitation of order quantity and nature of goods/supplies.

- (c) For the rest of the contract quantity, the lowest rate accepted will be counter offered to L2 party (and L3 party in case of splitting in three). On acceptance of the counter offer, order will be placed on L2 party for 30% (in case of splitting in two or three) and on L3 party for 20% (in case of splitting in three) of the proposed quantity / value, as applicable or the spare supply capacity of the L2 / L3 bidder, whichever is lower. In case of non-acceptance of counter offer by L2 party (and L3 party in case of splitting in three), similar offer shall be given to L3 and L4 and so on.
- (d) In case it is decided in advance to have more than one source of supply and split the quantities, the proposed share of lowest bidder (L1) contractor and the rest of the contractors/tenderers should be clearly defined, along with the minimum number of suppliers sought for the contract, and the minimum supply capacity. It should also be mentioned upfront in the tender documents in such cases that the firms should not quote for less than 30% of the tendered quantity, otherwise their offer would be considered as unresponsive.

There may be cases when though the price of L1 is reasonable, there are inadequate numbers of responsive tenderers falling within the reasonable price band. To take care of such situation, special permission has to be taken from competent authority to resort to negotiation and counter offering, for the rest of the order quantity, as per the procedure indicated below:

- After determining the maximum quantity which can be supplied by the lowest bidder (L1), for the balance quantity being procured, the lowest rate accepted shall be counter offered to the second lowest bidder (L2). On acceptance of the counter offer, order will be placed on L2 party for remaining quantity / value or the spare supply capacity of the L2 bidder, whichever is lower, and so on for the other tenderers. In case of non-acceptance of counter offer by L2 party, similar offer shall be given to L3 and L4 and so on.

There may be a situation where parallel contracts are necessary but the price of even the lowest responsive bidder (L1) is not reasonable. In that case, the following procedure may be adopted:

- Price negotiations may be conducted with L1 in the first instance strictly as per CVC guidelines i.e. normally there should be no negotiation. Selection of contractors by negotiations should be a rare exception rather than the rule and may be resorted to only in the exceptional circumstances under the circumstances mentioned in para 10.16.1
- If L1 agrees to bring down the price to the desired level, contract may be concluded with it and that price counter offered to other responsive tenderers. If, however, L1 does not agree to reduce its price in the first instance itself, then Tender will have to be re-tendered, or the reasonableness of price may be re-examined by CFA.



10.17.4 Notification for Award of Contract (Letter of Intent) to Successful Bidder

Prior to the expiration of the period of bid validity, the successful Bidder will be notified in writing by registered letter/speed post/courier or by phone/fax/email, to be subsequently confirmed in writing by registered letter/speed post/courier, that its bid has been accepted. The Notification of Award of Contract (Letter of Intent) will constitute the conclusion of the Contract.

In respect of contracts for purchases valued Rs.2.5 lakh and above, where tender documents include the GCC, SCC and schedule of requirements, the Letter of Intent (LoI) will result in a binding contract. All delivery liabilities would be counted from the date of LoI.

Bid security of successful supplier shall be adjusted against the security deposit or returned as per the terms of the tender documents.

If, after notification of award, an unsuccessful Bidder wishes to ascertain the grounds on which its bid was not selected, it should address its request to purchaser. Purchaser will promptly respond in writing to the unsuccessful Bidder. However, purchaser need not go into confidential details in its reply which can be legally misused.

The results identifying the bid and lot numbers and the information as per CVC Proforma circulated by CVO BRBNMPL shall be published on BRBNMPL's Web Site. The details of award of contract and name of the successful tenderer should be mentioned mandatorily in the notice board/bulletin/website of the Company. In case publication of such information is sensitive from commercial or security aspects, dispensation may be sought from publishing of such results by obtaining sanction from the CFA.

The template for Notification for Award of Contract (Letter of Intent) is given in *Annexure 11: Notification of Award of Contract (Letter of Intent)*.

10.17.5 Signing of Agreement / issue of Supply Order

- (i) Agreement shall be entered into by the CFA. Wherever CFA is GM/GM (I/C) or higher authority, GM/GM (I/C) shall sign the agreement.
- (ii) It should be ensured that the contract is unambiguous and transparent i.e. there is no scope for any interpretations other than those already been agreed to between the parties. The very first requirement for ensuring a trouble free contract management is placement of contract with unambiguous and transparent terms & conditions, which have already been agreed to by both BRBNMPL and the supplier in black & white.
- (iii) It should also be ensured by TEC that any deviation / variation quoted by the Supplier in his bid are not left un-discussed and ruled upon in the TEC otherwise there may be delay in acceptance of contract by the supplier.



- (iv) Supply Order or Agreement shall be issued / entered strictly as per approval of competent authority.
- (v) The procurement cases submitted for approval to the Corporate Office are generally approved with or without modifications in the Supply Order/Agreement. In case where no modification in the proposal is directed by the competent authority, presses shall issue supply order or enter into an agreement strictly in accordance with the conditions of the tender. All such agreements/supply orders shall not be referred back to the Corporate Office for further approval.
- (vi) However, cases where modifications are suggested to be incorporated in the agreement/supply order, these shall be included in the supply order / agreement mutatis mutandis. In these cases, also Supply Order / Agreement need not be referred to the Corporate Office. In case of any doubt or issue related to different interpretation of the modifications directed by the approving authority, the proposed changes shall be incorporated in the Supply Order/Agreement and it shall be sent to the Corporate Office for the approval of only relevant clause(s)".

10.17.6 Performance Security

Materials Management Division is to ensure that the supplier receiving the contract furnishes the required Performance Security in the prescribed form by the specified date (as per Para 8.7.2), failing which necessary action including forfeiture of the Earnest Money Deposit is to be taken against the supplier.

10.17.7 Acknowledgement of Contract by Successful Bidder and Execution

Promptly after the successful Bidder is notified that its bid has been accepted, the Bidder will be sent the Contract Form provided in the Bidding Documents, incorporating all agreements between the parties. The supplier should acknowledge and unconditionally accept, sign, put the date and return the contract form within 15 days from the date of issue of contract. While acknowledging the contract, the supplier may raise some issues and / or ask for some modifications against some entries in the contract, such aspects shall be immediately looked into for necessary action and, thereafter, supplier's unconditional acceptance of the contract obtained. If both the parties (viz. BRBNMPL and the supplier) simultaneously sign the contract across the table, further acknowledgement from the supplier is not required.

In respect of contracts for purchases valued Rs.2.5 lakh and above, where tender documents include the GCC, SCC and schedule of requirements, the Letter of Intent (LoI) will result in a binding contract. All delivery liabilities would be counted from the date of LoI.



10.17.8 Safe Custody & Monitoring of EMD, Performance Security & Other Instruments

After the bid opening, Bid Opening Committee (BOC) should hand over Money documents to Mgr (F&A)/DM (F)/AM (F) along with complete detail of its validity, requirement and time period and likely date of refund. On receipt it will be credited to BRBNMPL account by depositing it in the bank, if it is a DD or Bankers' Cheque and to be kept in safe custody of Finance Department and timely release of such money should be ensured by DGM/AGM (F&A) at the Presses and AGM/DGM (F&A) at Corporate Office. There should be a separate register maintained by finance department for money documents received. This register should have a one page for each week of the year and Money Documents should be entered on the page relating to the week, when its validity is lapsing. There should also be an index to the register sorted as per tender opening date, so that Money Value Documents of Tenders opened on a date can be cross connected with the page on which it is listed in the register. In case of extension of the validity of the Money document, it will be re-entered at a new page with appropriate changes in the index. AGM (MMD) shall intimate about the completion stage of tender to facilitate release of financial instruments. Financial instruments shall be made available to AGM (MMD) for onward release to the supplier / tenderer.

Status of pages in this register relating to next three months should be updated and reviewed on every Monday of each week to ensure that money documents are not pending any status change. Review should include all Bank Guarantees and other instruments expiring in next 3 months, along with a review of the progress of the corresponding contracts. Extension of Bank Guarantees and other instruments, where warranted, should be sought immediately and implemented within their validity period. AGM (MMD) and Finance Officer concerned take all necessary actions on time for extension or encashment or refund of EMDs and Performance Securities, as the case may be.

10.18 Rejection of Tenders

Purchaser would justify in rejecting of all tenders when none of the tenders are substantially responsive. As per CVC guideline re-tendering should be done if L1 bidder withdraws offer. However, the lack of competition should not alone be the criterion, on the basis of number of bids received, for rejection. Tenders rejected due to inadequate competition should be re-tendered. If all tenders are rejected, the causes justifying the rejection shall be reviewed and suitable revisions to the conditions of contract may be considered, before inviting new tenders.

Approval for re-tendering should be done with the approval of CFA after recording reasons / proper justification in writing. Purchaser should revisit technical and commercial terms of the tender before re-tendering and also consider wider publicity to receive sufficient number of responses. Before re-inviting the tenders the specifications may be reviewed for revision, if any.



Chapter 11: Contract Management

Section I Contract Management

11.1 Contract Management

Contract Management involves monitoring the implementation of a contract after it is placed to ensure timely completion of all the supplies and related services shown in the contract as per terms & conditions incorporated therein. Contract Agreement and expenditure sanction shall be prepared strictly as per tender and approved by CFA / designated officer.

11.2 Amendment to Contract

- (i) Many a times, due to various reasons, changes and modifications are needed even in a duly concluded contract. Requests for such changes and modification mostly emanate from the supplier. Once a contract has been concluded, the terms and conditions thereof will generally not be varied. However, where this becomes necessary / inescapable any modification will be carried out with the prior concurrence of the appropriate Competent Authority with Finance concurrence.
- (ii) No amendment to the contract should be made that can lead to vitiation of the Tender Decision or bestows an undue advantage on the contractor.
- (iii) AGM (MMD) may receive a request for amendment in the conditions of the contract from the supplier. Immediately on receiving such a contract amendment request, AGM (MMD) shall examine the same and take action as necessary with the approval of the competent authority. Any amendment to contract terms requested by the supplier may have, inter alia, financial impact and/ or technical impact and/ or legal impact.
- (iv) Therefore, before agreeing to the request of the supplier, AGM(MMD) should scrutinize the issue on its merits to ensure that the requested amendment will not have any adverse effect on BRBNMPL. All possible impacts (positive or negative) should be recorded and presented to the competent authority.
- (v) Financial concurrence should be obtained before issuing any amendment having financial implications/repercussions from GM/GM (I/C)/O-I-C. Further, if legal opinion is considered necessary before issuing the proposed amendment the file should be routed through the GM/GM (I/C)/O-I-C with his opinion / remarks for legal consultation.

11.3 Safeguards for Handing over BRBNMPL Materials / Equipment to Contractors

Whenever stores are required to be issued to the firm/contractor for fabrication or prototypes or sub-assemblies are issued for guidance in fabrication, these should be issued against appropriate Bank Guarantee. In addition to the Bank Guarantee,



appropriate insurance may be asked only where it is considered necessary. For low value items of less than Rupees One Lakh (Rs.1,00,000), or for sending spares for repairs to the OEMs, this stipulation of BG may be waived.

11.4 Payment to the Supplier

It shall be ensured that all the payments due to the firm including release of performance security are made on priority basis without avoidable delay as per tender / contract conditions.

11.5 Safe Custody, Monitoring and Return of Securities and Other Instruments

Proper procedure for safe custody, monitoring and return of bank guarantees and other instruments is laid down in para 10.17.8 and may be followed accordingly.

11.6 Closure of Purchase File

On completion of all activities against a contract, the purchase file should be preserved for a period of five years in the record room and then destroyed after expiry of the applicable mandatory retention period with the approval of the competent authority. However, BRBNMPL at its discretion may retain some of the important records for future reference in storage places.

11.7 Contract Enforcement

The office / authority inviting tender shall be responsible for monitoring and enforcement of provisions of the contract. When the goods are procured by the Materials Management Division, the AGM (MMD) shall be the officer responsible. He shall see to it that the terms and conditions of the contract are not breached by either the supplier or BRBNMPL, so as not to discharge the contract. In case of any problem, he shall approach his immediate superior.

11.8 Imposition of sanctions

Sanctions may be imposed on any of the bidder(s) for presenting misleading/ false information in the tender forms, statements etc. Such sanctions will include blacklisting those bidders from all BRBNMPL units for a period not less than two years from the date of opening of the tender.

If at any time during the currency of the contract, the supplier encounters conditions hindering timely delivery of goods, he shall promptly inform the concerned officer in writing about the same and its likely duration and make a request to the department for extension of the schedule accordingly. On receiving the supplier's communication, AGM (MMD) shall examine the situation and, on approval from competent authority, may agree to extend the delivery schedule, with or without liquidated damages for completion of contractor's contractual obligations. A note of extension shall be made in the respective procurement file and computerized records.



11.9 Vendor Performance Monitoring

AGM(MMD) shall ensure proper monitoring of vendors' performance after signing of the contracts. Monitoring should ensure that vendors adhere to contract terms, performance expectations are achieved (like timely deliveries, quality of goods supplied, adherence to proper procedure for submitting invoices, etc.) and any problems/ issues are identified and resolved in a timely manner. Without a sound monitoring process, there can be no assurance that buyer has received what was contracted for. It shall be ensured that the copy of performance monitoring report (Approving Authority *Annexure 17: Vendor Evaluation*) is made available to supervisory officers as per Para 6.4 of this manual for proper enforcement of the contract. The procedures governing such performance monitoring shall be formulated. Copies of the report should also be provided to the Tender Evaluation Committee and the Tender Evaluation Committee as well as for assessing the past performance of the bidders whose bids are being evaluated by these committees.

11.10 Risk in Goods - The Concept of "Passing of Title of Goods"

As per the concept of "Passing of Title of Goods" in Procurement Contracts, the risk in Goods (damages, loss, shortages etc.) is the responsibility of person who holds the Title of Goods at that point of time. This may be different from actual physical possession of such Goods. Normally unless otherwise defined the Title of Goods passes from supplier to purchaser in accordance with the delivery terms, as explained in the chart in *Annexure 25: Incoterms*.

Section II Liquidated Damages

11.11 Liquidated Damages

Compensation of loss on account of late delivery where loss is pre-estimated and mutually agreed to is termed as the Liquidated damage (LD). Law allows recovery of pre estimated loss provided such a term is included in the contract and there is no need to establish actual loss due to late supply [Malla Baux Vs. UO1 (1970)]. The legal position with regard to claim for liquidated damages is as follows: -

- (i) Whatever the quantum of the loss sustained, the claim cannot exceed the sum stipulated in the contract.
- (ii) Only reasonable sum can be calculated as damages, which in a given situation may be less than the sum stipulated.
- (iii) What is reasonable sum, depends on fact.
- (iv) Court may proceed on the assumption that the sum stipulated reflects the genuine pre-estimates of the parties as to the probable loss and such clause is intended to dispense with proof thereof
- (v) The distinction between penalty and LD has been abolished by the Indian Contract Act and in every case, the Court is not bound to award more than "reasonable compensation" not exceeding the amount so named.



11.12 Force Majeure Clause (FM)

If such a clause is provided in the contract, the legal concept of "Force Majeure" absolves / mitigates the contractual obligations for delay/ performance of contract, in case it is due to circumstances/ forces beyond the control of either party. Notwithstanding the punitive provisions contained in contract for delay or breach of contract, the supplier would not be liable for imposition of any such sanction so long as the delay and/ or failure of the supplier in fulfilling its obligations under the contract is the result of an event covered in Force Majeure Clause. Action and time periods relating to FM clause are detailed in the GCC.

11.13 Quantum of LD

As a general rule, if the contractor fails to deliver the stores or any instalment thereof or fails to perform the services within the DP or at any time repudiates the contract before expiry of such period, the CFA without prejudice to the right of BRBNMPL to recover damages for breach of contract may recover from the contractor as agreed LD and not by way of penalty a sum equivalent to 0.5% of the prices of any stores or services which the contractor has failed to deliver within the period agreed for delivery in the contract, for each week or part thereof during which the delivery of such stores or services may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. The total damages shall not exceed value of 10% of undelivered goods. The LD cannot exceed the amount stipulated in the contract. [NC Sanyal Vs. Calcutta Stock Exchange (1971)]. In contracts governed by any type of Price Variation Clause (PVC, ERV or Statutory variations) the liquidated damages (if a percentage of the price) will be applicable on the price as varied by the operation of the Price Variation Clause.

11.14 Waiver of LD and Levy of Token LD

- (i) There should normally be no system of waiver of Liquidated Damages and imposition of Token Liquidated Damages for delayed supplies in supply contracts. System of waiver of Liquidated Damages and imposition of Token Liquidated Damages for delayed supplies in supply contracts will strictly be an exception rather than rule.
- (ii) The CFA who has approved the tender has full powers to grant extensions in Delivery period with levy of LD or waiver of LD or levy of token LD (10% of the full LD applicable) in respect of contracts entered into under his own powers.
- (iii) When waiving LD or levy of Token LD, the reasons for doing so must be fully recorded on the relevant files with finance concurrence. Normally following guidelines may be relied upon for waiver of LD or levy of Token LD:
- (iv) Even in case no loss nor any inconvenience is caused due to Delays (as certified by the indenter), extension may be granted with levy of Token LD (10% of 0.5% per week) along with application of Denial Clause, since the very fact of processing the case for extension is an inconvenience.
- (v) In case loss is suffered due to delays which can be quantified, LD may be levied



along with Denial Clause, upto the value of loss or the stipulated % age (0.5% per week of delay), whichever is lower.

- (vi) In case loss is incurred but cannot be quantified or if no loss is incurred but inconvenience is felt (which cannot be quantified), Token LD (10% of 0.5 % per week) may be levied, along with Denial Clause.
- (vii) Wherever extensions to contracted delivery period are granted subject to the levy of LDs, a copy of extension letter should invariably be endorsed to the indenter asking him to indicate clearly whether any loss or inconvenience (which cannot be quantified) has been suffered by him on account of belated supplies within a target date be specified in the endorsement.
- (viii) When firms apply for extension of contract delivery period and it is decided to extend the same subject to recovery of liquidated damages for delay in supplies, contractors must be given a warning to this effect in writing at the time of granting extensions. It is not correct to grant extensions without any mention of the liquidated damages if it is proposed to recover such charges eventually.
- (ix) It is also not correct to grant extension of delivery period by merely stating that the extension is granted "without prejudice to the rights of the purchaser under the terms and conditions of the contract" as this would mean that all the options given in the conditions of contract would be available to the Purchaser on the expiry of the extended delivery period and would not amount to exercise of the option to recover liquidated damages from the original date of delivery period to the date of actual supply.
- (x) Liquidated damages accrue only in case of delayed supplies. Where or in so far as no supplies have been made under a contract, upon cancellation, recovery of only the loss occasioned thereby can be made, notwithstanding the fact that prior to the cancellation one or more extensions of the delivery period with reservation of right to liquidated damages were granted.
- (xi) Government Establishments / Departments, as distinct from Public Sector Undertakings, undertaking contract work should not be dealt with as ordinary contractors and they should not generally be penalized for late delivery in terms of the conditions of the contract and claims for loss on re-purchase should not be enforced against them. Serious cases of defaults should, however, be brought to the notice of the Head of the Department or the State Government concerned.
- (xii) Relaxations allowed to Government Establishments / Departments, as above will not apply to Public Sector Undertakings as a matter of course. Each case should be decided on merits and the decision to waive the recovery of liquidated damages or risk purchase expenditure should be taken as per Para 11.14 and 11.24.
- (xiii) In the case of educational or development contracts, liquidated damages are not leviable. However, the nature of such contracts should be declared at the time of agreement.
- (xiv) In case of non-severable contracts (please refer to Para 11.21) where staggered deliveries have been indicated, it may happen that supplies are not received according to the delivery schedule. In such cases, having regard to the fact that



the deliveries indicated under the contract are non-severable, no question of liquidated damages or enforcement of Risk purchase on the original contractor would arise so long as there has been no delay on the part of the original contractor in the completion of supplies with reference to the total delivery period.

11.15 Denial Clause (DC)

Since delay in delivery is a default by the seller, buyer may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above Levy of Liquidated Damages) in the letter conveying extension of delivery period. In denial clause any increase in statutory duties and/or upward rise in Prices due to PVC clause and/or any adverse fluctuation in Foreign Exchange are to be borne by the seller during the extended Delivery period, while Purchaser reserves its right to get any benefit of downward revisions in Statutory Duties PVC and Foreign Exchange Rate. Thus PVC, other variations and Foreign Exchange clauses operate only during the original delivery period. Denial Clause is incorporated in *Annexure 26: Format for Extension of Delivery Period*.

Section III Delivery Schedules & Extension of Delivery

11.16 Period of Delivery

The period for delivery of the ordered goods and completion of any allied service(s) thereof (like installation and commissioning of the equipment, operators' training, etc.) are to be properly specified in the contract with definite dates and the same shall be deemed to be the essence of the contract. Delivery terms stipulated in contracts should be specific in terms of quantities / instalments and the period / time / indicated to the point of date, month and year. Vague and ambiguous terms such as 1,000/5,000 Nos, per month, "2/16 weeks from the date of receipt of order", 'immediate', 'ex-stock', "as early as possible", 'off the shelf, approximately' and the like should be scrupulously avoided as these will not be legally binding. Delivery schedule may be decided so as to meet the procurement requirement plan discussed under Chapter 3 of this manual.

11.17 Delivery Schedule

In case of items like raw-material which are delivered throughout the year, a delivery schedule of monthly rate of supply should be specified. It is usual in such cases that there is slight deviation from such monthly rate of supply. It should be clarified in such cases that the variation in periodic rate of supply beyond +/- 10% in any calendar month; or +/- 7% cumulative in any calendar quarter; or +/- 5% cumulative in any calendar year - would be considered as delay in delivery attracting imposition of LD.

11.18 Terms of Delivery

The terms of delivery are decided depending on the nature of goods to be purchased, transportation facility available, location of the prospective suppliers etc. Terms of delivery, inter alia, determine the delivery point of the ordered goods from where stores department is to receive / collect the goods. It also decides the legally important issue



of when the 'titles of the goods' have passed to the purchaser. The delivery period is to be read in conjunction with the Delivery Terms. Therefore, the delivery is taken to have been done at the time when goods reach the delivery point as per the delivery terms. Please refer to *Annexure 25: Incoterms* for details. The supplier should give delivery schedule in prescribed format, if the supplier is required to submit different types of goods under the same contract, to facilitate easy and timely inspection. A prescribed format for delivery schedule is given in *Annexure 6: Delivery Schedule*.

11.19 Acceptance of the stores dispatched after the expiry of delivery period.

- (i) If the contractor makes supplies locally after the expiry of delivery period, the supplies should not be accepted unless the contractor has obtained extension in delivery period from the Purchaser with or without any penal clause.
- (ii) As regards the supplies from outside contractors, if the contractor dispatches the stores after the expiry of delivery period, the consignee should after the receipt of the R/R send an intimation to the contractor stating that the action taken by him in dispatching the goods after the expiry of delivery is at his own risk and responsibility and that the consignee is not liable for any demurrage, wharfage and deterioration of goods at the destination station and in his own interest and contractor should get extension in delivery period from the purchasers. This communication should be in accordance with Para 11.20 below. A copy of the communication sent to the contractor should also be sent to the purchaser.
- (iii) In case of imports the contractor must not dispatch consignment after expiry of delivery period without taking prior extension of Delivery period. In any case the terms of LC should be such that if there are dispatches beyond the delivery period, payment should be denied without levy of full LD and without formal extension of Delivery period by the purchaser.
- (iv) The Consignee / Store may exercise their discretion in accepting supplies in respect of orders valued up to Rs.3,00,000 on application by the supplier provided the initial delivery period does not exceed six months. In other cases, prior extension of the delivery period from the purchase officer is necessary.

11.20 Extension of Delivery

- (i) According to legal advice if stores are accepted after the expiry of the delivery date of a particular instalment without extension in delivery period being given, reserving our rights to levy liquidated damage, the Purchaser will not be legally entitled to claim the liquidated damages.
- (ii) Extension in delivery when granted should only be done in writing in the laid down proforma given in *Annexure 26: Format for Extension of Delivery Period*.
- (iii) No extension of delivery date is to be granted as a matter of routine unless it is specifically asked for by the supplier. Extension of delivery date amounts to changing the terms of the original contract and such an extension can be only with the consent of both the parties (i.e. the purchaser and supplier).
- (iv) However, in a few cases it may be necessary to grant extension of delivery period



suo moto in the interest of the administration because of the sources of supplies being limited or as otherwise inescapable. In such cases it is necessary to obtain an acceptance absolute or unqualified to all the terms and conditions of the extension from the supplier.

- (v) No correspondence should be entered into with the supplier after expiry of the contract delivery period which has the effect of keeping the contract alive. When it is necessary to obtain certain information regarding past supplies etc., it should be made clear that calling for such information is not intended to keep the contract alive and does not waive the breach and that is without prejudice to the rights and remedies available to the purchaser under the terms of the contract.
- (vi) The extension of delivery dates may be sanctioned with or without Liquidated damages/ Denial Clause as per Para 11.14 of the procurement Manual by authorities specified therein provided: -
 - (a) That the rate in the contract was not accepted against other lower tenders in consideration of the date of delivery;
 - (b) That there is no falling trend in prices for this item as evidenced from the fact that in the intervening period neither orders have been placed at rates lower than this contract neither any tender has been opened where such rates have been received even though tender is not yet decided.
 - (c) Note: In cases of certain raw material supplies, where prices are linked to Price variation clause, extension may be granted even in case of falling trend in price indices, since purchasers' interests are protected by the pricing mechanism. It should however be ensured that extensions are done with Denial clause.

11.21 Extension of delivery period in entire/severable contracts

- (i) Unless otherwise agreed, the buyer of goods is not bound to accept delivery thereof by instalments. Such contracts where instalments are not specified are known as 'Entire contracts'. Even non-delivery of a part quantity can lead to a breach of contract. However, variation of 5% of the contract quantity is normally exempted in the Contract Conditions.
- (ii) Contracts where there is clearly laid out instalment deliveries' mentioning exact dates and each instalment is paid for separately are known as Severable Contracts. In severable contracts delay or breach of one instalment does not affect other instalment, since each instalment is considered as a separate contract.
- (iii) The legal position however is not very straightforward since mere mention of monthly / quarterly rate of delivery (this is called delivery schedule) is not sufficient to make it a severable contract. However, instalments specifying exact dates (i.e. 310 nos. by 20th June 2010 etc.) would be amounting to severable contract.
- (iv) In the case of severable contracts (i.e.) contracts providing delivery in instalment and not merely a delivery schedule, extension in delivery period are necessary for each instalment separately as according to legal advice if stores are accepted



after the expiry of the delivery date of a particular instalment without extension in delivery period being given, reserving our rights to levy liquidated damage, the Buyer will not be legally entitled to claim the liquidated damages.

- (v) In the case of an entire contract providing delivery schedule it is not however, necessary to grant extension in delivery period in the case of delay in intermediate instalments and such extension would be necessary only in case of delay beyond the final date for completion of delivery.

Section IV Option Clause

11.22 Option Clause

- (i) Under this clause, the Purchaser retains the right to place orders for additional quantity up to a maximum of 25% of the originally contracted quantity at the same rate and terms of the contract. CFA's approval should be taken for exercising the option clause based on the value of contract with increased quantity. In case the recalculated value of the contract goes beyond the delegation of powers of original CFA, approval of CFA for the enhanced value may be taken.
- (ii) Normally in case of Raw Materials / Consumables of regular and year-on-year recurrent requirements, all tenders of value above Rs.50 Lakhs should invariably include this clause. However competent authority may approve inclusion of such clause in lower denomination tenders if such items concerned have a history of frequent disruptions in continuity of supplies. The clause may be on following lines:

“The Purchaser reserves the right to increase the ordered quantity by 25% at any time, till final delivery date of the contract, by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of Delivery Period”.

11.23 Conditions governing Option Clause:

- (i) Additional demands should be available for coverage and over-provisioning may be avoided by keeping informed the officers concerned with provisioning/ tender evaluation for the next cycle of procurement.
- (ii) There should be no declining trend in the price of the stores as evidenced from the fact that no orders have since been placed at lower rates and no tender has been opened since where offers have been received at lower rates even if not finalised.
- (iii) If option clause exists, during provisioning of next cycle and during the tender evaluation in next cycle of procurement, application of option clause must be positively taken into account. The contract management authority must also keep a watch on the Delivery against contract, if other conditions are satisfied option clause must be exercised.
- (iv) Option clause is normally exercised after receipt of 50% quantity, but if the D/P is going to expire and other conditions are fulfilled, it can be exercised even earlier.



- (v) Option clause shall be exercised during the currency of the contract such that the contractor has reasonable time/notice for executing such increase and can be exercised even if the original ordered quantity is completed before the original last date of delivery.
- (vi) In case the DP as originally fixed in the contract expires and extension is given to the firm to supply the balance quantity of materials outstanding, the percentage indicated in the option clause will be applicable only in respect of the balance quantity which was outstanding and in respect of which the DP extension has been granted.
- (vii) If not already agreed upon DP shall be fixed for the additional quantity on the lines of D/P in the original order. This will satisfy the requirement of giving reasonable notice to the vendor for exercising option clause.
- (viii) The quantum of 'Option Clause' will be excluded from the value of tenders for the purpose of determining the level of CFA in original Tender.
- (ix) There should be no option clause in the Development orders.
- (x) This provision could be exercised in case of PAC / Single Vendor OEM case.
- (xi) However, where multiple vendors are available, necessary care should be taken in exercising Option Clause, so that the original tender decision of splitting quantities and differential pricing is not upset or vitiated. Other things being equal, option quantity should first be considered on the vendor with lower rate.

Section V Termination of Contracts

A contract may be terminated by competent authority in the following cases: -

11.24 Cancellation of Contract for Default

Without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, the contract may be terminated in whole or in part:

- (i) If the supplier fails to deliver any or all of the stores or services within the time period(s) specified in the contract, or any extension thereof granted.
- (ii) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted.

11.25 Options in Terminating Contracts

In the event the contract is terminated in whole or in part; recourse may be taken to any one or more of the following actions:

- (i) The Performance Security is to be forfeited.
- (ii) Upon such terms and in such manner as it deems appropriate, goods or services similar to those undelivered, may be procured, and the supplier shall be liable for all available actions against it in terms of the contract (popularly called risk purchase).



- (iii) However, the supplier shall continue to perform the contract to the extent not terminated.
- (iv) Before cancelling the contract and taking further action, it may be desirable to obtain legal advice.

11.26 Termination of Contract for Insolvency

In the event the supplier becomes bankrupt or otherwise insolvent or loses substantially the technical or financial capability (based on which he was selected for award of contract) or liquidation proceedings are commenced against it by a third party or by own volition, at any time, the contract may be terminated, by giving written notice to the supplier, without any adverse consequence to BRBNMPL and without being liable to pay any compensation to the supplier provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue prior to termination or thereafter to BRBNMPL.

Upon such termination, BRBNMPL shall be deemed to be the owner of the stores/materials manufactured by the supplier and retain first right and lien over the stores/materials including the raw material purchased by the supplier for performance of the contract and require the stores/materials to be delivered under the contract, which is terminated on account of bankruptcy or insolvency or likely bankruptcy or insolvency of the supplier and such stores in possession of the supplier shall be earmarked and be delivered to BRBNMPL before the start of the bankruptcy or insolvency process.

In the event the supplier is aware or apprehends that it is likely to go into liquidation whether on account of liquidation proceedings commenced by a third party or by way of voluntary liquidation, then the supplier shall forthwith inform BRBNMPL as soon as it is aware that a third party has issued notice that it intends to commence liquidation proceedings or well before it files for liquidation.

11.27 Termination of Contract for Convenience

After placement of contract, there may be some unforeseen situation compelling BRBNMPL to cancel the contract. In such a case, a suitable notice is to be sent to the supplier for cancellation of the contract, in whole or in part, for its (BRBNMPL's) convenience, inter alia, indicating the date with effect from which the termination is to become effective. Depending on the merits of the case, the supplier may have to be suitably compensated on mutually agreed terms for terminating the contract. Suitable provisions to this effect are to be incorporated in the tender document as well as in the resultant contract.

Section VI Escrow Arrangement

11.28 Escrow Arrangement

The Supplier shall deposit with a third party escrow agent mutually agreed to by the parties, a copy of Software and its source code and object code for safe keeping with



instructions for it to be released forthwith to BRBNMPL, in the event the Supplier fails to make the source code/object code accessible to BRBNMPL whenever required and/or in the event the Supplier is likely to go into liquidation or goes into liquidation.

In the event, the Supplier apprehends that it is likely to go into liquidation whether on account of liquidation proceedings commenced by a third party or in the event it anticipates filing for bankruptcy, then the Supplier shall inform BRBNMPL in advance and engage with it to determine the sale and possession of BRBNMPL's software and its source code. In the event Supplier fails to do so, the third party escrow agent shall be instructed under the Escrow Agreement to release the Software and its source code to BRBNMPL as noted above.

For the purpose of this Clause, the term '*Software*' shall collectively mean, the full and final version of the Software to be delivered to BRBNMPL in source code and object code forms, together with any and all improvements, corrections, modifications, updates, enhancements or other changes, whether or not included in the full and final version including all System Documentation and User Documentation.

The term '*System Documentation*' shall mean any and all documentation used in the development and updating of the Software, including but not limited to, customer requirements and specifications design or development specifications, test and error reports, and related correspondence and memoranda. And the term '*User Documentation*' shall mean the end-user instruction manual that usually accompanies the Software instructing end users in the use of the Software in both printed and electronic form.



Chapter 12: Goods Receiving and Quality Assurance

12.1 Introduction

The current objective of this chapter is to outline and establish the process of receiving goods at the store, carrying out inspection of the same and accepting/ rejecting the goods. The chapter begins with the description of the process. The various stages of the process including sampling are elaborated in this chapter.

12.2 Pre-requisite for goods inspections

Before accepting the ordered goods, it must be ensured that the goods have been manufactured as per the required specifications and are capable of performing the functions as specified in the contract.

To achieve the same, the tender document and the subsequent contract should specify the details of inspection and tests to be carried and stages and manner for carrying out the same.

The required inspections and tests should be carried out by the technically qualified and competent personnel. If the purchasing department does not have such qualified personnel, it may engage competent professionals from other departments or even outside agencies for the same.

12.3 Receipt of consignment

At the time of the delivery at the stores, the Stores Personnel should receive the goods on "Subject to Inspection" basis and should issue Goods Receipt Note (GRN) in the standard format given in *Annexure 14: Goods Receipt Note (GRN)*.

12.4 Preliminary Inspection

On opening the packages (if applicable), the respective Stores personnel shall initiate preliminary inspection of the goods received. This should include checks for any obvious damage in transit and other physical/ visual checks specific to functional characteristics of the product. The quantity of the goods received should also be verified at this stage by the stores personnel against the purchase order and the vendor's invoice. The quantity received should also be mentioned in the provisional receipt certificate to be given to the supplier.

12.5 Detailed Inspection

Following preliminary inspection, preparations are initiated for a more organized and detailed inspection as detailed below:



12.5.1 Scheduling detailed inspection

On receipt of goods at stores, the Store officer should immediately notify user department requesting for scheduling inspection. The user department will then fix a date of inspection and assign the task to concerned Inspector.

12.5.2 Various Modes of inspection

The stages and modes of inspection may vary depending on the nature of the goods, total value of the contract, location of the supplier, location of the user, etc. Depending on the nature of goods being procured, usually, following types of inspection may be adopted:

Pre-dispatch Inspection

A pre-dispatch inspection may be conducted either during the production process (which is known as Stage Inspection) or on production of the finished products, but before dispatch of the goods from supplier's premises.

Highly technical / electrical / mechanical / security goods or BIS marked goods whose physical inspection or testing is difficult and the quality of manufacturing process is likely to have considerable effect on the final quality and durability of the goods and such goods should may be inspected using this procedure. Paper and machinery may fall into this category.

Inspections on delivery at Stores

Such inspection is carried on receipt of goods at site before accepting the same. This should be typically done for goods that are available off-the-shelf and are IS marked.

All final goods which may be directly consumed or utilized on delivery (excluding machinery installations etc.) and for which detailed inspection of manufacturing process is not required and only a physical inspection regarding their physical characteristics is required, may be inspected using this method.

BRBNMPL has the right to reject the goods on receipt at site during final inspection even though the goods have already been inspected and cleared at pre-dispatch stage by BRBNMPL's inspector. However, criteria for such rejection should be clearly documented in the tender schedule.

Inspection on Installation & Commissioning

This method is adopted to check the performance and output of the equipment/ machinery after the same is commissioned at site and operational.

12.6 General Considerations for inspections

12.6.1 Deciding Sample-size

The quantum / number of samples to be drawn from a particular lot or batch of



goods for inspection and tests shall be as laid down in the governing specifications, departmental instructions, or inspection protocol decided as the case may be. Where these are not specifically indicated the supervisory officer or the testing authority can decide the sample-size as may be required.

When a sample-size is laid down in a specification for test or examination, this sample-size is to be followed. Technical specification should indicate a standard sample-size based on relevant code if applicable, for carrying out tests / examinations.

In cases of failure in a test or examination, the Inspector may order a further sample-size for test or examination as per sampling procedure or extant instructions before pronouncing rejection.

If the defects or deviations observed are of rectifiable nature, such rectification may be permitted to be completed within a reasonable time frame and goods resubmitted for inspection within the stipulated delivery period for making further sampling examination, or making re-test of the samples, as may be permissible under the governing specifications/ departmental orders before making a complete rejection of the goods.

12.6.2 Selecting a representative sample

Where inspection is to be carried out against clear technical specification along with an approved sample, the requirements of these specifications must be carefully followed during inspection. In such cases in addition to these clear guidelines, certain qualitative yet indeterminable aspects of the sample such as feel, finish, shade, workmanship could also be critical in acceptance/ rejection of the sample. Detailed instructions in this regard as given in Para 5.15 may be followed.

12.6.3 Verification of well-defined criteria

In case of certain goods, it may be possible to specify certain well defined physical / functional characteristic of the product to be inspected. For example, for some goods, it may be possible to specify parameters such as unit weight / density / length and breadth etc. in the technical specifications and a range of acceptable values against each of these parameters may be prescribed. In such a case a logical representative sample of the product may be weighed/ measured (as the case may be) under test conditions to assess if the product meets criteria for acceptance.

12.6.4 Checking goods packages

When goods are supplied in boxes, bundles or coils as in the case of tools, rope, canvas, barbed wire, etc. each of which is required to contain a specified quantity, reasonable number of such packages should be opened up and checked.



12.6.5 Other Considerations during Inspection

- (i) A separate Inspection Report must be prepared for each consignment under the Acceptance of Tender or Supply Order.
- (ii) In the case of large consignments, the issue of Inspection Report may not be held up until the inspection is completed but these must be issued for the quantity inspected and accepted during not more than 48 hours.
- (iii) Accounting Unit is in terms of 'Sets' or 'Number' and the stores are such that they comprise of a number of components or accessories. Inspection Report may be issued when all the parts, components and accessories forming a set are inspected and accepted. Where the "Accounting Unit" is on "Tonnage" basis, Part-Inspection Report can be issued when the details of weight and dispatch particulars are available from the Suppliers.
- (iv) When Plant and Equipment are ordered with spares, Inspection Report for spares should not be issued before acceptance of main equipment,
- (v) In the case of contracts for imported stores which involve initial inspection in the country of origin and final inspection in India, final Inspection Note will be issued giving reference to the certificate issued abroad.

12.7 Inspection Authorities

Inspection modalities or agencies of Inspections specified in the contract should normally not be changed. In rare cases when this becomes inescapable, this should not be done at unit level but approval of CFA should be taken, justifying the rare circumstances.

12.7.1 Internal Inspection Authorities

For inspections where user department is required to participate, stores shall intimate the user on the proposed date of inspection at least one week in advance. The representatives of the user departments and/or lab representative shall respond to stores as early as possible. AGM (MMD) shall be final authority for acceptance of goods. Based on the user department inspection report/lab reports, an Inspection Report shall be issued by AGM (MMD).

12.7.2 External Inspecting Authorities

Sometimes it becomes necessary to conduct type test, acceptance test or special test at external laboratories, when facilities for these tests are not available in-house with the supplier or carrying out of confirmatory tests is considered desirable before accepting the goods. The following guidelines will apply in all such cases:

- (i) External testing may invariably be got done normally from National Accredited / Government Laboratories. A list of approved testing laboratories should be drawn up for testing the samples drawn from the lots



offered by the supplier and choose an inspection agent qualified to conduct random sampling in accordance with ISO/ IS requirements.

- (ii) In case of items prone to contentions (a list of such items and tests may be evolved over time) about results of Tests, Testing may be got done from more than one such Laboratories in parallel. The list of external Laboratories should also contain approved laboratories, which can be used as referral/ appellate laboratories for retest, when samples tested at one laboratory are decided to be re-tested.
- (iii) Test reports must contain the values obtained in the Tests besides, fail/ Pass results. Laboratory must preserve the sample and test records for a period of three years.
- (iv) A written confirmation should be requested from the supplier that the results of the testing laboratory chosen for qualification and compliance testing will be accepted by the supplier. The name of the testing lab should be incorporated in the tender document.
- (v) The Department shall lay down a Liability Statement for cost of samples expended in tests, dispatch of samples, transportation costs, test charges etc. in respect of samples tested at outside laboratories as may be applicable.
- (vi) In cases where the samples are to be tested at supplier's cost on account of non-availability of their own testing arrangements, the responsibility of depositing the testing fee, etc. would rest with the supplier.
- (vii) Goods accepted at initial inspection and in final inspection in terms of the contract shall in no way dilute BRBNMPL's right to reject the same later, if found deficient in terms of the warranty clause of the contract.

12.7.3 Joint Inspection on Complaint

In case a written complaint is received from the supplier disputing rejection of goods by BRBNMPL's inspecting officer, the same should be jointly investigated by a team consisting of an authorized representative of BRBNMPL, a senior representative of the inspecting agency, who is well conversant with the goods and an authorized representative of the supplier.

Detailed procedure to be followed in this regard and the format of the joint inspection report (to be signed by all the team members) are to be prescribed by the purchasing department and the matter processed accordingly for further necessary action.

12.8 Approval of Acceptable deviations

Under no circumstances, no officer shall have the authority to modify the governing specifications, approved drawings or samples during inspection without reference to the competent authority that approved the tender. For all cases of acceptance with deviation, nature of deviation along with justification for acceptance against such



deviation shall be duly documented. The competent authority that approved the tender shall take final decision on deviations.

- (i) Deviations from the contract specifications/ requirements not affecting price, quality, performance and other terms of contract may be allowed at the level of DGM (MMD) in consultation with the indenter on merits / nature of deviations.
- (ii) In all other cases, the goods shall be rejected giving full reasons by issuing a rejection Inspection Report. Rejections shall not be made in a piecemeal basis.
- (iii) Rejection Inspection Report shall be issued with the approval of DGM (MMD).

12.9 Storage and Issue of Inspected goods

12.9.1 Storage of goods

After satisfactory inspection and tests, the acceptable materials shall be stamped, labelled, marked, or sealed and stored in a systematic manner so as to facilitate easy retrieval at a later stage. Storage occurs when an object is kept and protected against unauthorized removal. As all the goods needed / procured cannot be consumed at one point of time, storage is an inevitable process. The storage system forms the key component of any materials management system. Thus storage-stores management has a very important role to play. Material pilferage, deterioration and careless handling may lead to lower availability of stocks to the beneficiaries.

- (i) The Store Personnel shall ensure that the lots which are under inspection, accepted, or rejected are properly segregated and identified. The details of goods accepted after inspections are entered into a Stores ledger, a template for which is given in *Annexure 15: Stock Ledger*.
- (ii) The stores personnel shall also make sure that the goods are stored in such a conditions that their usability/ effectiveness are not decreased for the duration of storage / shelf-life.
- (iii) There shall not be any initial provisional acceptance at a lower level. Inspection Reports shall be prepared detailing the inspection done, samples examined, the requirements as per the relevant specification/ contract and the observations jointly with the representative of the firm.
- (iv) In respect of stores which have been rejected by the user department, the rejection Inspection Report will be issued immediately following the completion of the inspection with the approval of the competent authority,
- (v) The criteria for rejection should not be subjective. All the reasons of rejection and deviations found from the governing specifications, drawings or other particulars should invariably be noted in detail in the "Remarks" column of the Rejection Inspection Note.



Some of the important functions of Storage are as follows:

- (i) Issue: fulfilling the demand of consumers / indenters by proper issue of items on receipt of authorized issue requisitions / indents.
- (ii) Records: to maintain proper records and update receipt and issue of materials, either in manual or electronic form.
- (iii) Housekeeping: Keeping the stores clean and in good order so that the handling, preservation, stocking, receipt and issue can be done satisfactorily.
- (iv) Control: Keeping a vigil on the discrepancies, abnormal consumption, accumulation of stocks etc., and enforcing control measures.
- (v) Surplus Management: Minimization of wastage, surplus and obsolescence through proper inventory control and effective disposal of surplus and obsolete items.
- (vi) Verification: Verifying the bin card balances with the physical quantities in the bins and initiating the purchase cycle at appropriate time so as to avoid the out of stock situation.
- (vii) Stores ledger: It contains more information than bin cards. It also records additional entries like P.O. details, Qty. ordered, Qty. received, Qty. accepted, Material Requisition no. etc.
- (viii) If quality assurance measures have been strictly followed during the manufacturing process, the conditions of the warehousing and storage play a major role in ensuring that quality goods received reach final users in good condition. They should be left in their original packaging during storage.

The prescribed format for Material Requisition Note (MRN) is given in *Annexure 16: Material Requisition Note*. The prescribed format for stores ledger is given in *Annexure 15: Stock Ledger*.

12.9.2 Issue of goods

The stored goods are issued to the user department upon receipt of a requisition note from the user department.

12.10 Documentation of inspection

12.10.1 Inspection Documents

Inspection Reports (*Annexure 22: Inspection note*) are issued in significance of the stores on acceptance, against which payments are made by the Finance department as per the conditions of the contract. Issue / distribution of Inspection Report when supplies are accepted



Inspection Reports should be printed in sets of 4 leaves each having the same number. On the top of each leaf the details for whom the copy is meant is printed. The copies of Inspection Report to be made out and distributed by the AGM (MMD) when the supplies are accepted with or without some rejections shall be as under:

COPY	ISSUED TO
Supplier/Contractor's Copy	Contractor/Supplier
Stores Copy	Manager (Stores)
User Department's Copy	DGM (P)
Finance & Account's Copy	DGM/AGM (F&A)
Purchaser's Copy	DGM/AGM(MMD)

The following guidelines should be adhered to regarding distribution of Inspection Reports:

- (i) The Inspection Note copies meant for payments shall be attested with full signature in ink by the AGM (MMD). Accounts would make payments against copies so attested only.
- (ii) Corrections, if any, on the inspection Note shall be duly authenticated by the officer issuing the same. Similarly, each Continuation Sheet if attached to the Inspection Note should be signed by the AGM (MMD) at the relevant places and any correction duly authenticated.
- (iii) Each Inspection Note copy issued shall invariably bear the individual's name, stamp along with his Designation and Code No. of the officer authorized to sign and issue Inspection Documents.
- (iv) In case of total rejections, no copies meant for payments/ Accounts Office will be issued. Such copies will be cancelled across by the Inspecting Officer with his signature and retained in the inspection file along with the office copy of rejection Inspection Note. In respect of initial or final inspections only appropriate copies of Inspection Report shall be signed and released.
- (v) No 'Certified true copy' of the lost original payment copies will be issued until a 'Non Payment Certificate' has been received from the concerned Officer from Accounts or that payment has not been made and will not be made against the original Inspection Report even if received subsequently. This copy must be endorsed as "Certified Copy" and this endorsement will be attested in full in indelible ink by the officer giving cross reference to the Accounts Officer's Non Payment Certificate with the name stamp with designation and Code No. of the officer issuing the duplicate copy.



12.10.2 Handling of inspection stamps/ inspection documents

- (i) For reasons of security and to avoid irregular or incorrect issue, the Inspection Reports should be machine numbered and wherever possible different colour copies marked for different users.
- (ii) An account of the details of the Inspection Reports and other inspection documents and accessories issued shall be maintained serial number wise in an appropriate register.
- (iii) The Department should also develop a fool proof system to avoid any fraudulent and unauthorized use of the inspection notes.

12.11 Guidelines on Pre-Dispatch Inspection Schedule

12.11.1 General Guidelines

As far as possible, the inspection should be commenced and finished and Inspection Report issued during the validity period of the contract so that the contract is not kept alive after expiry of delivery period.

In cases where the supplier offers stores for inspection during the last few days of the contract delivery period or even on the last day of the contract delivery period, efforts should be made by the Inspecting Officer to commence the inspection before the expiry of the delivery period.

In cases where it is not possible to commence/ conclude the inspection before the expiry of the delivery period, the Inspecting Officer should immediately on receipt of the intimation or request for inspection of the stores, bring to the notice of the supplier orally as well as in writing that the stores have been submitted for inspection at the very late stage and that it is not possible to commence / conclude the inspection before the expiry of the delivery period.

The supplier should also be informed that the goods offered for inspection will, however, be inspected till the completion of the inspection which can be after the expiry of the delivery period and such an inspection continuing after the expiry of the delivery period is neither intended nor is to be construed as keeping the contract alive.

The Inspecting Officer should invariably issue such notice to avoid the contract being kept alive after the expiry of the delivery period. In a case, where the inspection is commenced before the expiry of the delivery period and the Inspection Note is issued after the expiry of the delivery period, the Inspection Note, whether accepting or rejecting the goods, shall be duly franked as per franking clause as given below as an abundant precaution against keeping the contract alive.



12.11.2 Franking Clause on Acceptance

The fact that the goods have been inspected after the delivery period and passed by the Inspecting Officer will not have the effect of keeping the contract alive hence Inspection report should have a franked endorsement: -

'The goods are being passed without prejudice to the rights of BRBNMPL under the terms and conditions of the contract.'

This clause may also be incorporated in conditions of contract.

12.11.3 Franking Clause on Rejection

The fact that the goods have been inspected after the delivery period and rejected by the Inspecting Officer will not bind the purchase in any manner - hence Inspection report should have a franked endorsement: -

"The goods are being rejected without prejudice to the rights of BRBNMPL under the terms and conditions of the contract."

This clause may also be incorporated in conditions of contract.

12.12 Waiver of inspection and acceptance of goods under firm's 'quality self-certification'

Certain goods in respect of which manufacturers could be relied upon for quality products may not be subjected to physical inspection and the stores may be accepted under firm's quality self-certification. Physical inspection clause stipulating inspection authority and the inspecting officer in such cases will not be included in the contracts entered into.

AGM (MMD) may recommend such goods/services for inclusion in the exempted category in respect of which there have been no rejections during the last three years to GM/GM (I/C)/O-I-C. On approval by GM/GM (I/C)/O-I-C, such goods/services may be then included in an exempted list. This list should be reviewed periodically, and changes may be suggested by AGM (MMD).

Waiver of pre-dispatch Inspection and acceptance of stores under firm's quality self-certification may be considered:

- Where user departments indicate in their indent that physical inspection is not necessary and that the stores can be accepted on firms' quality self-certification
- Where the user department requests for waiver of inspection to meet his urgent requirement and where the firm is agreeable for 100% payment against consignee's receipt and acceptance. In such cases, the user departments themselves will be responsible for ensuring quality of goods supplied.
- For waiving pre-dispatch inspection of imported stores, the stores are normally accepted under firm's quality self-certification.



However, the right for waiver of inspection may be reserved only for specific requirements and justification for waiver shall be recorded. Also, a suitable clause may be incorporated in conditions of contract.



Chapter 13: Record Keeping and Reporting

13.1 Introduction

This chapter details on the practices to be followed for proper record keeping and monitoring of procurement of goods.

13.2 Procurement Audit

All the procurements done by BRBNMPL are subject to post audit by internal audit, statutory audit and Comptroller and Auditor General (CAG). Hence, all the documents related to the procurement should be filed and kept systematically and safely. Files shall be properly numbered in notes and correspondence side. Directions of CVO in this regard shall be followed.

13.3 Procurement Record-keeping

Materials Management Division should maintain the following basic records (either in manual or electronic form):

- (i) Purchase order log: It contains a numerical brief record of all Purchase Orders issued. It contains Purchase Order nos., supplier's name, brief description of purchase, total value of the order etc.
- (ii) Open order file: contains status of all outstanding orders,
- (iii) Closed order file: contains historical data of all completed purchases.
- (iv) Vendor record file: contains the names, addresses of suppliers, materials that a vendor can supply delivery and quality records.
- (v) Rate contract file: contains the purchase records of items under a term contract. It is especially important when the contract is an open one against which orders may be placed.
- (vi) Purchase reports: Since the Materials Management Division handles a sizable portion of organization finances, it is desirable to have some summary reports periodically (monthly/ quarterly/ half yearly/ annually) available to the management. Some of important reports are:
 - a. Total value of purchase
 - b. Allocation of purchase value against major items
 - c. Budget for purchase for the next year
 - d. Proposal for revision of budget in current year

Besides the above, the AGM(MMD) should maintain all the records of issue, receipt, opening, evaluation of tenders, award of contracts i.e. all pre-order and post-order records in chronological order and the files kept in an identified place and should be



retrievable for scrutiny whenever needed without wastage of time. The records of complaint handling, correspondences with clients, consultants, Banks, Vendors etc. also should be kept separately and should be retrievable.

13.4 Procurement Register (PR)

There shall be a procurement register maintained by the procuring department (Materials Management Division for annual procurement of goods) which shall be used for recording key information which includes:

- (i) Date of request for procurement / Indent / Planned Procurement Activity
- (ii) Name of the department making the request / Annual Procurement Plan
- (iii) Procurement Number
- (iv) Mode / Method of Procurement
- (v) Date of invitation for bids/ preparation of bid document
- (vi) Date of decision of Tender Evaluation Committee
- (vii) Contract date & number
- (viii) Name(s) of supplier(s) and all other participants to the tender
- (ix) Codes, unit size, short description and quantity of units, unit price, total cost per item and expected delivery date
- (x) Date of receipt of Shipping Document
- (xi) Date of delivery and the total quantity delivered
- (xii) Stores receipt voucher date and number
- (xiii) Remarks

The PR should contain records for Invitation to Bid, Notification of Contract and the Contract. These documents shall help in monitoring the progress of procurement process. The AGM(MMD) shall be responsible for maintenance of PR. The official entrusted to maintain the PR shall ensure that all documents are filed centrally in a sequential order. Different procurement activity will be filed in a separate file. All pages should be numbered and signed/initialled by some responsible officer.

13.5 Filing Structure

Some of the broad guidelines for the filing structure are presented below:

- (i) A general box labelled "PG" (Procurement General) shall be used to record the following documents for each project:
 - a. Appraisal report
 - b. Reference number list for bulky bid documents
 - c. Contracts with separate filing for goods and services



- (ii) All boxes/ drawers shall have computer printed labels for clear legibility. The boxes used for filing contracts shall be marked "G" indicating goods.
- (iii) A separate box shall have individual folders for the following items:
 - a. Each procurement step for the contract concerned
 - b. A folder for complaints
 - c. A folder for procurement review or technical audits
- (iv) Large boxes shall be created for storing bulky documents like:
 - a. Prequalification and bidding document
 - b. Consultant's proposal
 - c. Contract documents

These documents shall be provided a reference number and the reference list shall be placed in each Procurement General box for the project for their easy traceability.

13.6 Filing Folders

Some of the key folders for proper filling of the procurement process are listed below:

13.6.1 General Folders

The general folder shall consist of the folders like:

- (i) Basic Document Folder which contains the appraisal report, loan documents, list containing reference number and notice for invitation for bids, request for expression of interest and publication date and the responses of interested firms in case of consultancy services.
- (ii) Procurement Review Folder/ Project audit folder
- (iii) Box for bulky documents as mentioned

13.6.2 Specific folders for goods

Specific folder for recording documents related to procurement of goods shall consist of folders like:

- (i) Complaints Folder
- (ii) Bid launching folder
 - a. Procurement notice for the specific procurement with the date of issue.
 - b. Bid document sold
 - c. Modifications / alterations to the bid
- (iii) Bid Evaluation folder
 - a. On-the-spot report of the Tender opening official
 - b. Clarifications requested by bidders and written clarification provided for the same



- c. Bid evaluation report and recommendations as submitted by TEC
- (iv) TEC's Bid Award Folder
 - a. Copy of the letter of acceptance as received from the successful bidder
 - b. No objection to signed contract
- (v) Copy of the signed contract
- (vi) Contract Management Folder
 - a. Contract amendments
 - b. Inspection certificates
 - c. Payment certificates
 - d. Completion certificates
 - e. Copies of guarantees
 - f. Claims & Disputes

13.7 Management Reporting

Regular reports measuring the vital characteristics and performance on multiple parameters of the procurement process should be made available monthly to the various authorities.

Different reports should be sent to different levels of authorities as detailed below;

- (i) GM/GM (I/C)/O-I-C: Monthly variance analysis against budgets, Variance analysis for Category 'A' items, No. of stock outs and average period of stock out for Category 'N' items, Average time taken for payment, Top 10 suppliers by value, etc.
- (ii) DGM(MMD)/DGM(P): Monthly variance analysis for select items, No. of stock outs and average period of stock out for select items, Average period of outstanding indents & invoices, % of defects for select items, Performance analysis of top 25 suppliers.

The list given above is only indicative and the various field officers directly involved in procurement and execution of contracts should bring to the notice of competent authorities, any issues that they feel might have substantial impact on the procurement activities/ policies of BRBNMPL.

Templates for management reports are given in *Annexure 18: Templates Management Reports*.



Chapter 14: Disposal

14.1 Introduction

This chapter describes the different actions and procedures to be adopted for the disposal of Sensitive and Non-Sensitive Machinery / Equipment and other items in the units under BRBNMPL.

There accumulates, in every organisation, a large quantity of material which is neither usable for the purpose for which it was originally procured nor of any other operational value. Such material is generally called “scrap” and should be distinguished from other stores and component parts which can be utilised after repair or renovation. Occasionally, scrap may consist of second-hand or in excellent repair or even new material which is “surplus” to the need of the organisation and may command a fair price in the market not normally associated with scrap.

An item may be identified as scrap or surplus or obsolete or unserviceable (hereafter referred to as 'disposable') if the same is neither usable for the purpose for which it was originally procured nor it is of any operational value. The reasons for declaring the item scrap or surplus or obsolete or unserviceable should be recorded by the user department. Authority competent to purchase stores of the value of the items as per the book value shall be competent to declare the store as scrap/obsolete/surplus/unserviceable.

Before any item of stores can be sold as ‘scrap’, it should be declared as such by the Condemnation Committee (CC). The competent authority may, constitute a Condemnation Committee (CC, refer Para 3.3.4) at appropriate level to declare / identify item(s) as scrap or surplus or obsolete or unserviceable item(s). Since disposal is a continuous activity, separate standing CCs may be setup for different categories of items.

The book value and the reserve price of the scrap or surplus or obsolete or unserviceable items are important considerations in disposal. In case book value is not readily available, the original purchase price of the scrap or surplus or obsolete or unserviceable items may be used to calculate book value by factoring the original price with an appropriate rate of depreciation in consultation with associated finance.

A standard format for disposal of goods is provided in *Annexure 19: Report of Stores for Disposal*.

14.2 Classification and Categorization:

There are different varieties of materials / items for disposal under each Unit e.g. Paper, Steel, old machineries and equipment, Electrical and Electronic items, Inks, Chemicals, Brass, Copper, Nickel, Cotton Wastes, Packing materials, oils, Wood. G.I. Sheets, Polythene, Plastic, Computers, Films, Printing Presses, Printing plates, Blankets, Rollers and Cylinders, Numbering Boxes, Perforation Tools, Ink Drums, Printed wastes, Old Spars parts, old construction materials etc.



Above mentioned items may be classified as **Security and non-Security items** as per **Para 5.12**.

It is very important to categorize the scrapped items into various categories based on the use to which the scrap purchaser can put them for commercial use e.g. for melting, re-rolling, burning, recycling etc. A properly categorized and sorted scrap is likely to attract better value. It also helps in keeping historical data of prices and facilitates fixing of Reserve prices. The main suggestive preliminary categories (This can be locally fine-tuned) are:

- (i) Security Related Scrap
- (ii) Non-Security
 - 1. Metal Scrap
 - a. Ferrous Scrap
 - (i) Cast Iron
 - (ii) MS (Mild Steel)
 - (iii) Mixed Ferrous
 - b. Non-Ferrous Scrap
 - (i) Aluminium
 - (ii) Batteries with Lead
 - (iii) Copper/Wires with PVC/Rubber covering
 - (iv) Brass
 - 2. Scrapped Vehicles
 - 3. Scrap Used Oil
 - 4. Scrap Paper (General type)
 - 5. Scrap ink and chemicals
 - 6. Scrap Rubber Items / Blankets
 - 7. Scrap Wood / Wooden Furniture
 - 8. Empty Oil / Grease Drums
 - 9. Condemned Machines, M/c parts, Bearings (with or without non-ferrous attachments)
 - 10. Junk Kutchra Mixed

14.3 Segregation and Strong Room:

Scrap disposal process is prone to leakages and frauds unless abundant vigilance is practiced by the custodians. It is very important to keep security related scrap and high-value / non-ferrous scrap entirely away from non-security / low-value scrap in a separate secure room with recorded opening register. Within the security and non-security type of scrap, it is necessary to keep new and usable materials, incoming unclassified scrap and 'ready for sale' scrap physically segregated from each other.



14.4 Marking and Cutting:

To prevent leakages and errors, it is important to mark all security and high value reusable scrap in colour coded marking. In case the marking is not possible on the material it-self then the marking may be made on the container or bags. These could be:

- (i) Yellow Stripes : Rejected or Reusable hi-value scraps like Bearings
- (ii) Red Stripes : Security Scrap
- (iii) Green Stripes : Environmentally Hazardous Scrap like Lead, Acid, Asbestos etc.
- (iv) White Lime (Choona) Stripes (In addition to other Paint Codes): Ready for sale Lot- Formed Scrap. These should be so painted that any disturbance to the scrap lot should disturb the continuity of such stripes which should be visible even in a cursory glance.

In all security and high value reusable (like bearings) scrap, if possible, vital parts may be purposely damaged by cutting or hammering, so as to render them unusable as described in Para 14.8. This may reduce the likely price that may be obtained, but it would be worth the reduction.

14.5 Composition and Description

Complete description of the scrap lot is very important in obtaining a fair price for the scrap. The description should specify all recoverable elements of the scrap and their likely proportion. For this purpose, as far as feasible, a technical examination of the scrap should be done to gauge the proportion of various elements of the Scrap. Especially if there are non-ferrous parts / fittings, those should be clearly declared.

14.6 Process of Disposal

14.6.1 The Condemnation Committee (CC) may initiate the process of disposal at the end of annual inventory audit for respective departments. Items may be identified as disposable in any of the following cases:

- (i) The item has completed its expected useful life, and is no longer operational, or in use. For this purpose, the expected useful life of various categories of items is to be decided by user department officers and approved by DGM(P).
- (ii) Where the life period has been prescribed or stipulated and is over, it should normally be taken as enough ground for declaring the item obsolete and unserviceable. However, the condition of the item should still be thoroughly examined by the committee to see whether the item could be put to further use.
- (iii) The item, disregarding its expected useful life, in case it is non-operational or no longer useful due to breakage, wear and tear, unserviceability,



obsolescence, negligence or acts of nature or has already been replaced by another similar item.

- (iv) The cost of ownership (including cost of repair and costs due to downtime or non-availability) is more than the cost of procuring a new item of the same specification.
- (v) The item has a limited shelf life and exists in surplus quantities and there is likely to be no future use of the item during the remaining period of its useful life.
- (vi) An item remaining in stock for over a year beyond the provisioning cycle shall be considered surplus unless there is any good reason to treat that otherwise.

14.6.2 After identification of disposable goods and documenting the reasons for recommendation to dispose, CC may seek approval from competent authority. Authority competent to purchase stores of the value of assessed reserve scrap / book value shall be competent to approve declaration of the store as scrap/obsolete/surplus/unserviceable and their subsequent disposal (please refer Annexure 28 Item F). Items identified as disposable by a user department shall be then sent / custody handed over to the stores.

14.6.3 After required approval, in case of sensitive / security scrap, the CC shall also ensure that such scrap is properly cut / destroyed as per Para 14.8 and then issue a 'Fit for Disposal Certificate' only after satisfying themselves that the materials are safe for disposal without which such scrap should not be accepted for disposal by AGM(MMD) and the Scrap Disposal Committee (SDC - refer Para 3.3.5). CC may obtain a certificate signed by respective head of department stating that all security items on the machine have been removed and kept under safe custody and no security item is on the machine/equipment. Original shall be sent to AGM(MMD) and copies to store, purchase, workshop and finance. Photography / Videography to the extent required of the machines before and after making ready for disposal should be kept. Copies of these video / Photo records may be retained by AGM(MMD).

14.6.4 List of approved disposable items shall be then forwarded by the AGM(MMD) to the SDC, duly ensuring formation, marking and numbering of scrap lots keeping Para 14.3 and 14.4 in mind.

14.6.5 The SDC shall then initiate proceedings to dispose of the items as per procedure given below.

14.7 Modes of Disposal

- (i) Small value scrap such as newspapers, waste paper or industrial sweepings, and so on, up to a value of Rs. 5,000 (Rupees Five thousand) in each case may be sold directly to the local scrap dealers on a summary quotation basis.
- (ii) If assessed scrap value of the item is more than Rs. Two lakhs, it may be disposed of by either obtaining bids through advertised tender or through public



/ e-Auction. Items with assessed scrap value of less than Rs. Two lakhs may be disposed through LTE to known / registered scrap merchants. Mode of disposal may be determined by the CFA, keeping in view the necessity to avoid accumulation of such goods and consequent blockage of space and, also deterioration in value of goods to be disposed of.

- (iii) E-Auction may also be encouraged, which at present is done through outsourcing this activity and where instructions of the outsourcing service provider may be followed. However, any violation of prudence, transparency, equality and competition among bidders or value for money principles of normal auction is noticed, it should be asked to be rectified by the service provider. In case of e-auction, depending on the particular e-auction software used by the service provider, the highest bid above the Reserve Price is automatically declared successful by some types of software. In some other types of software, the seller has to individually accept such bids but even then there is no scope or time to go into a de-novo examination of reasonableness of the bid even though it is already above reserve price. Therefore, due diligence in fixing Reserve Price is very important.
- (iv) For certain disposable goods such as expired chemicals, inks, papers etc. which are hazardous, should be written off or destroyed immediately by adopting suitable mode so as to avoid any health hazard and / or environmental pollution and also the possibility of misuse of such goods. Disposal or destruction shall be done strictly in accordance with the procedures prescribed in the relevant Pollution Control Act/Rules and any other Municipal Provisions in this regard.
- (v) Disposable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of / destroyed as per para 14.8.

14.7.1 Disposal through Tender

This method of sale is particularly suitable where it is proposed to dispose of 'overstocks' and surplus stores' which are in fit to use condition. The broad steps to be adopted for this purpose are as follows: -

- (i) Assessment of book value of disposable goods.
- (ii) Finalization and approval of tender estimates for disposal.
- (iii) Preparation of bidding documents.
- (iv) Invitation of tender for the surplus goods to be sold.
- (v) Opening of bids.
- (vi) Analysis and evaluation of bids received.
- (vii) Selection of highest responsive bidder.
- (viii) Collection of EMD against sale value from the selected bidder.
- (ix) Issue of sale release order to the selected bidder.
- (x) Release of the sold surplus goods to the selected bidder.
- (xi) Receipt of payment from the highest responsive bidder.
- (xii) Return of bid security to the unsuccessful bidders.



The important aspects to be kept in view while disposing the goods through advertised tender are as under:

- (a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.
- (b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.
- (c) The bidders should be asked to furnish bid security (EMD) along with their bids. The amount of bid security should ordinarily be 5% (five per cent) of the assessed or reserved price of the goods. EMD shall be furnished in the form of Account Payee Demand draft drawn on any scheduled commercial bank in India, online transfer, other electronics Mode of payment as mentioned at Para 8.7.1. The exact bid security amount should be indicated in the bidding document. The Earnest Money shall be forfeited if the tenderer unilaterally withdraws amends, impairs or derogates from his offer in any respect within the period of validity of his offer.
- (d) If the offer of the tenderer is not accepted by the BRBNMPL, the Earnest Money deposit made by the tenderer shall be refunded to him. No interest shall be payable on such refunds. The EMD deposited by the successful tenderer shall remain with the BRBNMPL till payment of the security deposit (SD) money, as stipulated in relevant Clause, has been made. It may be adjusted as part of the total SD money at the discretion of the BRBNMPL.
- (e) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder.
- (f) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder. Minimum quantity to be accepted shall be indicated in the tender.
- (g) The successful tenderer, herein after referred to as purchasers, shall have to submit security deposit (SD) @ 10% of the total sale value of the contract within 5 working days of issue of the sale contract (excluding the date of issue of sale contract). The SD shall be deposited in the form of an Account Payee Demand Draft drawn on any scheduled commercial bank in India, online transfer, other electronics Mode of payment as mentioned at Para 8.7.1.
- (h) The purchaser has to pay balance payment within 20 days from the date of notification of acceptance, which is to be issued by BRBNMPL or his authorized representative, in form of Account Payee Demand draft drawn on any scheduled commercial bank in India, online transfer, other



electronics Mode of payment as mentioned at Para 8.7.1. In case of any, default to deposit balance payment, BRBNMPL reserves right to terminate the contract and forfeit the security deposit. No interest will be paid to the purchaser for the amounts paid or deposited with the BRBNMPL and subsequently found refundable to the purchaser under any of the conditions of the contract.

- (i) In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- (j) Late bids i.e. bids received after the specified date and time of receipt should not be considered.
- (k) Further details have been given in Para 54 of GIT and Para 37 of GCC.

14.7.2 Disposal through Auction

Materials Management Division may undertake auction of goods to be disposed of either directly or through approved auctioneers.

- (i) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- (ii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already Indicated earlier while giving vide publicity for the same), should be announced again for the benefit of the assembled bidders.
- (iii) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent of the bid value) should immediately be taken on the spot from the successful bidder either in cash/online transfer/other electronics mode of payment as mentioned at Para 8.7.1 or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the BRBNMPL. The goods should be handed over to the successful bidder only after receiving the balance payment.
- (iv) Delivery conditions and procedures would be same as detailed in Para above and in Para 37 of GCC
- (v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of Finance department.

A sale account should be prepared for goods disposed of duly signed by the officer who supervised the sale or auction.



14.7.3 Disposal at Scrap Value or by Other Modes

If the Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose of the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner in accordance with guidelines of Central Pollution Board or State Pollution Board, after GM/GM (I/C)/O-I-C's approval.

14.8 Disposal of Security Items:

Extreme care has to be taken during disposal of Security scrap. It should be secured, marked and cut-up as per Para 14.3 and 14.4 above. If such Security scrap is rendered innocuous by way of cutting-up/ damaging, it may be sold as non-security scrap, after obtaining approval of Scrap Disposal Committee. Cutting-up/ shredding procedures for following items are detailed:

- (i) **Printed / unprinted security items:** After the condemnation of the item, entire quantity shall be cut into small pieces / shredded and bailed. The tender shall be called for disposal of briquettes.
- (ii) **High security printed items:** Like printed currency notes etc., shall be cut in to small pieces / shredded and briquetted in the presence of the committee/nominated officer/s. CCTV Videography of important steps of the destruction process may be recorded.
- (iii) **Printing Plates and Cylinders:** All the designs on the plates and cylinders shall be defaced by using suitable method (chemical/mechanical) available in the units. Un-serviceable plates are Cut in to small pieces and to be melted in presence of SDC members. Photography /Videography of important steps of the destruction process may be recorded.
- (iv) **Printing cylinders, after defacing:** it shall be broken into pieces and to be sold as iron scrap.
- (v) **Security films and other items from studio / design section:** All items are to be cut in to small pieces and are to be burned in presence of the SDC. CCTV Videography of important steps of the destruction process may be recorded.
- (vi) **Numbering Boxes / Dies:** All the designs on the Numbering Boxes and Dies shall be defaced by grinding or by welding or by any other available methods in the units to remove the design totally before disposal and to be broken in to pieces before normal disposal as scrap.
- (vii) **Security-Sensitive Machines:** Parts of the impaired machinery should be disposed only after the machine parts are destroyed by pressing or gas cutting and the dies etc. are defaced. The disposal cell shall find out suitable method to destroy the machine parts with the help of workshop or any outside agencies utilizing in-house facility to the maximum, if available. The other parts of the machine like dies, all used plates, Numbering Boxes, etc., should be destroyed



as mentioned above. All the software installed on the machine should be removed completely by formatting/ removing Hard Disk drive from machine. All the PLCs should be defunct before sending the machine to stores. The programmed CDs, DVDs, EPROM's should be destroyed in front of SDC.

Definitive identification of the purchaser is more feasible in Disposal through Tenders than in disposal through Auctions. Traceability of purchaser is important in sale of security scrap. Hence such scrap should normally be sold through tenders unless the scrap is rendered innocuous by way of cutting up / damaging. Appropriate non-misuse declaration (and continued responsibility for the same even after resale down the line) and proof of identity of the purchaser may be incorporated in the Tender. Appropriate clause may also be inserted insisting on delivery in dismantled and cut-up condition if not already done. In such cases these have to be sold in units of weight not in numbers. Naturally with such restrictions the price obtained may be less than warranted by commercial considerations, which may be kept in view while fixing reserve price.

14.9 Reserve Price Considerations:

14.9.1 Drivers of Scrap Prices

Forecast / comparison of prices that is obtained in sale of Scrap Material are not as straight-forward as in case of Purchase of a new material. This is mainly due to

- (i) Level of classification, sorting and segregation / Mix-up of other materials which have an important bearing on the price.
- (ii) Lack of standardization, uncertainty in condition, quality and composition of similar material.
- (iii) Distances from main Scrap Markets / Consumption Points.
- (iv) Size/ Quantity of Lot have complex relationship to the price obtained, with both low and high quantities getting lower rates. It also matters how efficiently the quantity will utilize the capacity of Truck.
- (v) Market situation of Demand and Availability at different points of Time
- (vi) Mode of Disposal in-sufficient quantities: A public Auction is likely to obtain better price for popular items while e-auction may be good for commoditized type of items. For others Open Tender may be appropriate.
- (vii) Level of possible delays/ leakages in Disposal system

Therefore, a wider variation may be noticed during comparison with Last Sale Price or among various offers. A variation of 20% instead of 10% as in case of Purchase may be noticed.

14.9.2 Methods of determining Reserve Price:

Some of the methods for determining Reserve prices are:



- (i) Book Value with Depreciation. In case the Book value is not available or has become insignificant, the reserve price may be based on 5% of the Original or Market cost of the new item
- (ii) Last Sale Price moderated by Quantity, Quality, Location, Market Condition, Price Trend of Various Metals etc.
- (iii) Prevailing Market Price ascertained through a Market Survey
- (iv) Costing analysis based on costs of various elements of the Item
- (v) Through Market Intelligence Cell (MIC) under AGM(MMD) (Para 3.4) or External Expert Costing Agencies

Use of Market Intelligence Cell, External Costing Experts, Price Databases. Price Indices and data sharing may be done in the same manner as detailed in Para 10.13.2 to 10.13.4 relating to reasonableness for procurement prices. In addition, Metal scrap rates have their own dedicated publications published from Mandi Gobindgarh in Punjab - which may be subscribed to.

14.10 Repeated Failure to get Reserve price:

In case there is failure to get a reasonable price, efforts may be made to change mode of tendering and to attract more competition with or without gradual stepped reduction in reserve prices. Sometimes conducting auctions from a different location (without shifting the material) may be beneficial. Even after this if reserve price is not met-with, it may be decided to sell the material at the best price obtained with proper justification and CFA's approval, as per delegation of powers.

14.11 Conditions of Disposal Applicable to all Modes of Disposal

14.11.1 'As-Is-Where-Is' basis

Notwithstanding anything contained in the auction or advertisement issued on the description and particulars of material for sale, the sale is on 'as-is-where-is' basis only and the principle of caveat emptor (let the buyer be aware) will apply. As is where is means that the description/quality/quantity indicated are approximate and the seller does not give any assurance or guarantee that the material will strictly adhere to the advertisement or auction. All items shall be taken delivery of from the site by the successful bidders, with its faults and errors in description, if any. Neither can the sale be invalidated nor the bidder make any claim/compensation, whatsoever, on account of any defect in description or deficiency in the quantity and quality. No plea of misunderstanding or ignorance of conditions put forth subsequent to a confirmation of sale shall be accepted. In view of the 'as-is-where-is' condition, bidders may be advised to quote rates only after inspection of items at the site.



Chapter 15: Losses; Write-Offs; Grievance/Dispute Resolution; Audit & Investigations

15.1 Powers to Write Off

All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the CFA as per DoP with the concurrence of MD shall be obtained by concerned Presses in respect of losses and write-off after due investigation/enquiry by head of the section. This shall be required in all cases including buy back even though no formal correction or adjustment in accounts is involved.

15.2 Losses due to depreciation

Losses due to depreciation shall be analysed, and recorded under following heads, as applicable:

- (i) Normal fluctuation of market prices;
- (ii) Normal wear and tear;
- (iii) Lack of foresight in regulating purchases; and
- (iv) Negligence after purchase.

15.3 Losses not due to depreciation

Losses not due to depreciation shall be grouped under the following heads:

- (i) Losses due to theft or fraud after due enquiry;
- (ii) Losses due to neglect;
- (iii) Anticipated losses on account of obsolescence of stores or of purchases in excess of requirements;
- (iv) Losses due to damage, shrinkage, retail issues, and
- (v) Losses due to extra ordinary situations under 'Force Majeure' conditions like fire, flood, enemy action, etc.

15.4 Grievance / Dispute Resolution

Ideally, there should not be any scope of dispute between BRBNMPL and the supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to disagreement between BRBNMPL and the supplier. Therefore, the conditions governing the contract shall contain suitable provision for settlement of such disputes/ differences binding on both the parties.

- (i) Any supplier, contractor, or consultant that claims to have suffered, or that may suffer loss or injury due to a breach of a duty imposed on BRBNMPL by the provisions of this manual may seek review.



- (ii) The following procedures notwithstanding above clause shall not be subject to review:
- a) Selection of procurement method
 - b) Choice of selection procedure
 - c) Limitations of procurement proceedings
 - d) Decision by BRBNMPL to reject tender/ proposals/ offers/ quotations.
 - e) Issues related to ambiguity in contract terms may not be taken up after a contract has been signed. All such issues should be highlighted before signing of the contract by the supplier.
 - f) Complaints against specifications provided, under the premise that they are either vague or too specific so as to limit competition, may be permissible.
 - g) Other cases include breach of provisions of contract by BRBNMPL, non-performance/ delay on part of BRBNMPL, unethical behaviour on part of any BRBNMPL officer related to procurement.

15.5 Mechanisms for Grievance Redressal

In order to deal with the complaints received from the contractors effectively, a complaint handling mechanism should be available at the higher level and immediate action should be initiated on receipt of complaints to redress the grievances.

- (i) All complaints should be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegations made in the complaints should be enquired into by such a Grievance Redressal Authority (GRA). For procurements done at the level of GM/GM (I/C)/O-I-C or above, BRBNMPL, CO would nominate the GRA. If found substantial, appropriate remedial measure should be taken by the GRA.
- (ii) All grievances at unit level shall be addressed to the GM/GM (I/C)/O-I-C. He in turn would obtain approval of CFA for further processing of complaint and if required for appointment of local Grievance Committee (LGC) to investigate the grievance / complaint.
- (iii) The LGC shall submit a report on the findings in writing to the authority higher than CFA. If the grievance is resolved at Unit level, the final decision will be informed to the party lodging the grievances in writing after approval by the authority higher than CFA.
- (iv) In case the grievance is not resolved, or in case of procurements done at GM/GM (I/C)/O-I-C or higher level, the matter may be referred to Independent Monitor if available as per CVC guidelines. Till the appointment of Independent Monitors, it may be sent to BRBNMPL, CO for further action.
- (v) In case any individual staff is found responsible, suitable disciplinary proceedings should be initiated against such staff under the applicable service rules. The existing provisions under the Indian law including the instructions of Central Vigilance Commission (CVC) should be followed in this regard.
- (vi) The Grievance Redressal Mechanism shall also be guided by the relevant provisions of Right to Information (RTI) Act 2005.



15.6 Mode of Settlement of Disputes

When a dispute / difference arises, both BRBNMPL and the supplier shall first try to resolve the same amicably by mutual consultation. Normally, there should not be any scope of dispute between the purchaser and the supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to disagreement between the purchaser and the supplier. Therefore, the conditions governing the contract shall contain suitable provision for settlement of such disputes / differences binding on both the parties. Mode of settlement of such disputes/differences shall be through Arbitration. However, when a dispute/ difference arises, both the purchaser and the supplier shall first try to resolve the same amicably by mutual consultation. If the parties fail to resolve the dispute by such mutual consultation within twenty-one days, then, depending on the position of the case, either the purchaser or the supplier shall give notice to the other party of its intention to commence arbitration. When the contract is with domestic supplier, the applicable arbitration procedure will be as per Indian Arbitration and Conciliation Act, 1996.

15.6.1 Arbitration Clause

Having regard to legal complications, cost involved in litigation and difficulties in enforcing legal awards, if amicable settlement is not forthcoming, recourse may be taken for settlement of disputes through arbitration as per The Arbitration and conciliation Act 1996. For this purpose, when the contract is a domestic supplier, a standard arbitration clause may be included in the SBD indicating the arbitration procedure to be followed in accordance with Indian Arbitration and Conciliation Act, 1996. The venue of arbitration shall generally be the place from where the contract has been issued.

15.6.2 Foreign Arbitration

The Arbitration and conciliation Act 1996 has provision for international commercial arbitration which will be applicable if one of the parties has its central management and control from any foreign country. The salient features of this law are: -

- a) The parties can choose either Indian or Foreign Law governing arbitration.
- b) Minimization of interference of courts in stalling arbitration proceedings.
- c) Arbitrator can be changed by mutual consent without approaching court.
- d) Vesting of enhanced powers to arbitrator.
- e) Clearly defining obligations of the arbitrator.
- f) Arbitrators award to be enforceable as if it were a decree of court.

Purchase contracts with Foreign Firms should preferably be in the form of self-contained agreements, especially for large value contracts or those for costly plant and machinery which involves elaborate erection & commissioning, trying out of capacity/quality/consumption rate/time cycles warranty period etc. The



venue of arbitration shall be in accordance with UNCITRAL or Arbitration Rules of India, whereby it may be in India or in any neutral country. When the contract is with foreign supplier, the supplier has the option to choose either Indian Arbitration and Conciliation Act, 1996 or Arbitration in accordance with the provision of UNCITRAL (United Nations Commission on international Trade Law) Arbitration Rules.

15.7 Offences Relating to Procurement

Any person, who contravenes the provisions of this manual, shall be deemed to have committed an offence. The following shall also constitute an offence:

- (i) Entering or attempting to enter into a collusive agreement or agreements, whether enforceable or not, with any other supplier or contractor whereby the prices quoted in their respective tenders, proposals or quotations are or would be, as the case may be, higher than would have been the case had there been no collusion between the candidate(s) concerned.
- (ii) Directly or indirectly influencing in any manner or attempting to influence the procurement process with the object of obtaining an unfair advantage in the award of a procurement contract.
- (iii) Altering any procurement document with the intent of influencing the outcome of a tender proceeding. Such alteration shall include but not be limited to forged arithmetical correction, insertion of documents such as bid security or tax clearance certificate after same have been found not to have been submitted at bid opening request for clarification in a manner not permitted under this manual.
- (iv) An offence committed under this manual may be appropriately sanctioned by the competent authority or prosecuted in a court of competent jurisdiction.

15.8 Procurement Investigation

The Competent authority may if he / she considers that an investigation is necessary or desirable for the purpose of preventing, investigating or detecting a contravention of this manual, appoint a person or persons to conduct an investigation into any matter related to the conduct of any procurement proceedings, or the conclusion or operation of any procurement contract. The appointed person or persons shall carry out the investigation to see and report the compliance to the procedures prescribed in this manual.

15.8.1 Procedures on Completion of Investigation

On completion of an investigation an investigator shall:

- (i) Forward report thereon to the competent authority;
- (ii) Send a summary of his findings and recommendations to the competent authority.



If, after considering an investigator's report sent to him/her, the Competent authority is satisfied that there has been a contravention of this manual or any other written law in relation to any procurement proceedings or procurement contract, the Competent authority may take such action as, in his / her opinion, is necessary to rectify the contravention, including:

- a. Annulment of the procurement proceedings;
- b. Cancellation of the procurement contract;



Chapter 16: Indigenization and Development Contracts

16.1 Background

BRBNMPL is engaged in Manufacture and Production of Banknotes which has implications for sovereignty and integrity of the country. The processes, Machines and Materials used in such areas are unique and have very small volumes, very few sources and very few users in the world. It's a challenge to maintain Technological edge, Quality, economic viability and uninterrupted supplies in procurement of Machines, Spares, Raw Material and Tools for such processes in such a cloistered and restricted market. For these reasons it is necessary to develop adequate sources. In many cases vendor development is to be done for items where no specifications/ Drawings are available. Moreover, it is also necessary to indigenize manufacturing of certain items for strategic reasons.

16.2 Stages in Vendor Development / Indigenization

Steps involved in the processing of development/ indigenization contracts are as follows:

- (i) Selection of items for vendor development/ indigenization.
- (ii) Development of Engineering Aspects of the Item.
- (iii) EOI Tenders and Development/ Indigenization Tenders.
- (iv) Post Contract Management
- (v) Post Development Activities
- (vi) Retention of Reliable & Efficient Established Vendors

16.3 Stage I - Selection of Items

16.3.1 Vendor Development:

Vendor development is called for under following conditions:

- (i) When a new item is to be procured or when an in-house manufactured item is to be outsourced.
- (ii) When there are frequent breaks in continuity of supplies.
- (iii) When there are frequent Quality/ Performance Issues in the Item despite help from purchaser to Vendor.
- (iv) When there is increase in prices beyond normal inflation and negotiations/ persuasions are proving fruitless despite appearance of a scope for reduction in prices.

Applying these tests, selection of items for Vendor Development may be done.



16.3.2 Indigenization

Following broad guidelines may be adopted to arrive at the decision for indigenous development of items/equipment (if it cannot be manufactured in-house) after assessment of the economic viability of indigenous manufacture in terms of volume (a clear indication of requirement over a long period of say 3-5 years), economies of scale, likelihood of future requirement, residual life of the equipment / item and: -

- (a) When OEM is closing down or has closed down the production line and spares are not available ex-import for equipment which has adequate residual life and population.
- (b) Items of recurring requirement which is either low tech or fast moving and which would be economical to develop.
- (c) Goods for which the import price is considered exorbitant.
- (d) Where an Indian firm offers to develop an item on 'No Cost - No Commitment' basis.
- (e) In special cases, where it is considered in the Interest of BRBNMPL to indigenize due to their criticality, technological processes involved and consumption rate or for any other strategic reason to be recorded.

16.4 Stage II - Development of Engineering aspects of the Item

16.4.1 Models of Development of Engineering Aspects of the Item:

Development contracts are generally of the following two types: -

- (i) Those where Production Engineering of Prototype models is to be done by the firm based on the complete design data which has already been evolved in the BRBNMPL by the design and development of an existing/original model.
- (ii) Those where designing, developing and engineering are completely done by a firm under technical guidance and advice from BRBNMPL or its consultants.

16.4.2 Engineering Aspects:

The contract should contain a provision for the development of engineered models / equipment and supply of models/ equipment at various stages with submission of relevant manufacturing drawings and other documents by the contractor. The design material, workmanship and performance of the equipment for a specific period should also be guaranteed by the contractor.



16.4.3 Acquiring Manufacturing Drawings:

In order to rapidly develop alternative sources of supply of an item after this has been developed and put to production by one contractor, it is essential that the manufacturing drawings are passed on by the contractor to the BRBNMPL. Since the manufacturing drawings are evolved and finalized by the contractor who has initially developed the item, it is likely that the contractor would claim his rights on such drawings and not agree to part with them. Accordingly, a clause should be included in the Tender Enquiry clarifying that the manufacturing related drawings / specification/ Details of Sources of item / tools / jigs / fixtures / dyes / moulds prepared by the contractor for manufacture of the store required shall be the property of the BRBNMPL and as such shall be passed on to the Purchaser.

16.5 Stage III - EOI Tenders and Development/ Indigenization Tenders.

16.5.1 Identification of Target Vendor Group.

Identification of appropriate vendors is a vital step and must be well considered. Exploration of sources for placement of development order should be as wide as possible, both in the public and private sector, to encourage competition. Wherever possible, the vendors who are registered with BRBNMPL/DGS&D/ NSIC or any other Agency in Public/ Govt. Sector should be approached.

Unregistered firms may be considered taking into account their infrastructural facilities, capacity, technical competence and financial standing. Firms of national repute may also be considered based on self-certification. Attention of these firms may be specifically drawn to the EOI or Development Tender being floated.

16.5.2 Floating EOI and Development/Indigenization Tenders.

Following procedure should be followed: -

a) Expression of Interest

For stores which require long period (more than 6 months) for development or heavy investment for creating the necessary infrastructure (say equal to or more than one year's cost of requirements):

- (i) An EOI open tender may be floated, for enlisting firms who are willing to develop the items. The minimum number of products / components required to be submitted by the vendor for evaluation and likely demand for those products / components for the next two to three years should be indicated in the advertisement. Infrastructure requirement and other eligibility criteria should also be indicated in the Tender Documents.
- (ii) Interested firms may visit the Unit concerned as indicated in the tender to see the product/ component required to be developed. If necessary, a Purchaser's sample may be displayed for prospective bidders.



- (iii) Capacity assessment / verification of firms may be undertaken by TEC or through a third party Technical Consultancy / Inspection agencies on fast track to ensure that firms identified are capable to develop prototype equipment and systems as required.
- (iv) Thereafter the firms found capable may be informed of being accepted for participation the LTE for Development Tender.

b) Direct Tendering

For stores requiring short time/ relatively less investment for development; open tender enquiry in two bid (techno-commercial and Financial) system for development orders may be resorted to. Firms may be evaluated in the first stage (Techno commercial Bid) for their technical capabilities. Firms qualifying in the first stage only may be considered for the second stage i.e. price bid stage. Visits to the concerned Unit and Capacity assessment may be done as in sub para a) above.

16.5.3 General Principles for Development/Indigenization Contracts

Whilst it is not possible to lay down any rigid rules covering all the contingencies that may arise in the finalization of specific development contracts, the following guiding principles may, however, be borne in mind: -

- (i) Normally EOI and development Tenders (without EOI) may be floated by OTE, However, depending upon the specific requirements of the case (security or other reasons), issue of Tender either on LTE or STE basis, may be justified as required.
- (ii) Already developed firms or firms who have already received development orders for the item (with whatever results) should not be considered in such tenders.
- (iii) **Pre-bid Conference.** For development of sophisticated and complex equipment, a suitable provision is to be made in the bidding documents for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specification and other technical details of the plant, machinery and equipment projected in the bidding document.
- (iv) The contract documents may be issued free of cost. Further, submission of earnest money deposit and security deposit may be relaxed in case of such identified firms on case to case basis. However, for reasons mentioned in Para 5.14, for security / sensitive items, SD must always be taken even in development/ indigenization contracts.
- (v) The Tenderers may be asked in the tender price schedule to quote separately for Price / rate for bulk supply of item in development supplies and
 - a) Separately, cost of development including cost of pre-production samples. He should be paid only for the number of samples specified in the Tender. If he has to manufacture more samples due to failure



of earlier one, he should not be paid for it.

- b) This way the rate of item will not get loaded with development and prototype cost thus vitiating last purchase price (LPP) for future procurements.
- (vi) **Reasonableness of Price:** Reasonableness of price should basically relate to the rate of bulk supply of item. Cost of Development may be separately justified as a % of value of Annual requirement. The last purchase price (LPP) (of imported item in case of indigenization) should be taken as the base price to arrive at the reasonableness of the quoted rates. In case LPP is not available the base price should be arrived at by the internal efforts which should be done prior to opening of the Financial Bid.
- (vii) L1 should be determined not only on rate of item quoted but also with reference to total cost of the development cost (including the cost of prototype) plus the total cost of quantities that will be required over next two to three years. These aspects should also be given in the Tender.
- (viii) Development contracts may, as far as feasible, be concluded with two or more contractors in parallel, subject to the other vendor(s) agreeing to match the price of L1. In case of higher deviation, the full order may be placed on the L1 firm, subject to price being found reasonable.
- (ix) Placing of parallel contracts on two parties is particularly necessary / desirable to have more than one source of supply at bulk production stage - apart from competition, to ensure successful completion of development if one of the contractors fails to develop the equipment in time.
- (x) The ratio of splitting of the supply order between various development agencies/firms in cases of parallel development, including criteria thereof, must be pre-disclosed in the Development tender itself. In case of splitting in two and three it shall be done in the ratio of 70:30, 50:30:20 respectively. More than one to be encouraged. In case of L-2/L-3 or both do not agree to supply then order may be placed on L-1.
- (xi) However, in case the requirement is meagre and complex technology is involved, or quantity of the equipment/ spares is limited/small/ uneconomic if distributed between two vendors, the entire order could be placed upon the L1 vendor only with appropriate justification.
- (xii) Advance and Intermediate Payment to Suppliers: These may be allowed if considered justified in such contracts and be regulated as per Para 9.12 and 9.13 of this manual.
- (xiii) Once a contract has been concluded, the terms and conditions thereof should generally not be varied. However, where this becomes necessary/inescapable any modification should be carried out with the prior concurrence of the appropriate Competent Authority with Finance concurrence, within whose powers the revised contract value falls.
- (xiv) Whenever stores are required to be issued to the firm / contractor for fabrication or prototypes or sub-assemblies are issued for guidance in fabrication, these should be issued against appropriate Bank Guarantee. In



addition to the Bank Guarantee, appropriate insurance may be asked only where it is considered necessary.

- (xv) **Quantity for Development:** During the developmental stage, 20% of the total annual quantity may be earmarked for development. This quantity - fully or partly may be over and above normal requirement depending on the likelihood and the time-scale of development. This would, however, not be considered as a case of dual procurement. Indents / Special Requisition should be the basis to proceed with the development after requisite quantity vetting has been done, as per laid down procedure.
- (xvi) **Pre-production samples & Validation Trials:** In case it is necessary to call for Pre-production sample before the vendor is allowed to start bulk production this may be done so in accordance to Para 5.14 In case validation/ prolonged trials are considered necessary, these may be done in accordance with Para 5.15.2.
- (xvii) **Return of Materials and Documents:** Materials, documents, specifications, drawings issued to the firms/contractors or prepared by them should be taken over as these belong to BRBNMPL. A provision to this effect should be made in the contracts. Loss or damage to these documents shall be recoverable from the contractors.

16.6 Stage IV - Contract Management

16.6.1 Inspections:

There may be two or more inspections during the development stage and firms may be made more accountable for their product. They may be asked to furnish reports of various tests from the various laboratories as required by the Purchaser. The requirements are to be indicated in the approved Quality Assurance Plan (QAP).

16.6.2 Helping hand to New Entrants:

A new entrant firm for development needs to be met more than half-way through by the Purchaser to make the Development a success. The commonly adopted steps are called 'Hand Holding'.

This option could include such policy measures as:

- (i) Establishing in house facilities for the products,
- (ii) Providing testing facilities,
- (iii) Sharing of knowledge and resources,
- (iv) Making of firm commitments, and
- (v) Long term associations and certain incentives.

These measures may be adopted individually or jointly depending upon the products / services required at a particular point of time and the market conditions therein.



16.6.3 Incentives in Development Contract management

Proper guidance / help, wherever necessary, should be extended to the vendors for development. Development orders placed on firms may not have a liquidated damage clause.

In Vendor Development Orders, realistic delivery schedule may be given determined on the complexity of the item, estimated time for its development, no of developed sources etc.

In cases of the late supplies and complete failures, the case should be decided on merits. Resorting to 'Risk Purchases' should occur only in rare cases. Generally, if the CFA concerned is satisfied that the party has made sincere efforts and yet failed, the question of risk purchase should not arise.

16.7 Stage V - Post Development Actions

16.7.1 Quantity for Development Commitment

In Next three years, after the newly developed firm is able to successfully complete Development orders with $\pm 5\%$ tolerance, 80% of the quantity may be procured from earlier established sources and remaining 20% quantity may be set aside in the same Procurement Tender to be reserved for Newly Developed firms. In Annexure 29, it is stipulated that PQC would be tailor made to suit development / insufficient market capacity or exceptional one – off case. Therefore, in this context PQC/eligibility criteria in technical bids should be such as to facilitate participation by such newly developed sources during this 3-year period of development commitment.

If the rates quoted by a newly developed firm are lower than L1 rates of already developed firms and its performance is considered reliable and satisfactory, Tender Evaluation Committee may take a decision to place an order of more than 20% on such newly developed firms. This aspect may be indicated in the Tender documents.

16.7.2 Period of Development Commitment

A newly developed firm would be granted this facility till only three years after completing the initial Development order. However, this facility is not a bar to the firm from competing with already established firms for quantities larger than 20% provided their prices and performance so warrant. Thereafter they would have to compete on equal terms with other already developed firms.

16.7.3 Further Development Orders:

A re-look is needed at Para 16.3 again after the successful completion of first development order with $\pm 5\%$ tolerance. If the test criteria of that Para still indicate need for further development of sources, this may be redone where already developed firms may not participate.



16.8 Stage VI - Retention of Reliable & Efficient Established Vendors

The question is how to retain reliable and efficient established vendors. This largely depends on three factors:

- (i) The organization's ability to generate sufficient business for the vendors,
- (ii) The existence of sound, and reliable and transparent system of procurement and
- (iii) Honest and effective implementation of that system.

The organization cannot help much in regard to the first factor in Security Industries; it can however definitely ensure introduction and implementation of reliable and fair tendering or procurement system.

16.9 Applicability of Other Chapters.

All indigenous development and indigenization contracts should be processed as per the provisions and procedures given in this Chapter. The policy, procedures and provisions contained elsewhere in the Procurement Manual would be applicable to Indigenous Development and Indigenization Contracts only to the extent the subject is not specifically covered in this Chapter.



Chapter 17: Works and Services

17.1 Scope

This Chapter sets out the scope of the functions of the Technical Division at Corporate Office and Maintenance Division at Presses of the Company. It embodies the procedures to be adopted in dealing with matters pertaining to:

- a. Acquisition of land for construction of Office building, and residential quarters for its officers and staff.
- b. Maintenance of Plant and Machinery.
- c. Construction of office buildings and residential quarters for its officers and other staff
- d. Purchase of properties on Package Deal for setting up (i) Offices, (ii) residential quarters for officers and Other staff (iii) Guest houses
- e. Acquiring office premises on lease/rent.
- f. Addition/alterations, repairs and maintenance to the existing buildings and leased office accommodations.
- g. Providing and maintaining complete infrastructural facilities for offices and presses and mechanization of operations wherever possible.

17.2 Functions and Responsibilities of Technical Division / Maintenance Division

The Company acquires properties for housing its office, factories, residential accommodations and Guest houses. To acquire, develop, establish the factories, Up-gradation/renovation of existing plant and machinery and maintain these properties and factories two distinct nature of works viz. CAPITAL (PROJECTS) and MAINTENANCE are managed by the Company through Technical / Maintenance Division.

The responsibilities of various disciplines are mentioned below:

17.2.1 Maintenance (CIVIL)

- a. To select and appoint Architect and Structural Consultant for construction of projects with the approval of the Competent Authority
- b. To scrutinize and finalize the sketch schemes and preliminary estimates of costs and obtain approval of Competent Authority.
- c. To work out the quantum of professional fees of Architects/Structural Consultants.
- d. To oversee sanctions of plans from the Local Controlling Authority.



- e. To arrange for empanelment of the Contractors with the approval of Competent Authority.
- f. To finalize layouts plans, tender documents and basic working drawings for the works.
- g. To invite tenders for various works.
- h. To scrutinize the tenders and obtain approval of Competent Authority.
- i. To scrutinize and approval of all working drawings pertaining to projects.
- j. To scrutinize and approve all variations in plans, working drawings, specifications, etc., that may become necessary.
- k. To approve rates for extra variations items.
- l. To exercise overall technical and financial control on the works in progress.
- m. To oversees the schedule of completion of work and maintain close watch on progress and resources position at site.
- n. To sort out major bottlenecks or constraints in progress of work and technical problem etc.
- o. To settle disputes, if any, arising out of the contracts in consultations with the Company's Legal Consultant/Legal officer, wherever necessary.
- p. To oversee the furnishing and equipping of offices buildings.
- q. To oversee the furnishing and equipping of Guest House, Visiting Officers flats.
- r. To oversee furnishing of schools, dispensaries etc.
- s. To record, test checks the measurements, scrutinize the bills of various contractors, Suppliers, Architects and Consultants and to accord sanction for payment thereof.
- t. To ensure that all concerned staff follow technical instructions and regulations.
- u. To submit the periodic Progress Reports of various tasks/works being undertaken.
- v. To arrange for release of security deposit in respect of works after successful completion of all defects pointed out during Defect Liability.
- w. To ensure that all statutory requirements of local authorities are fulfilled.
- x. To arrange to obtain completion drawings (as built) from consultants / contractors and keep in safe custody.
- y. To initiate suitable maintenance contracts for the entire infrastructure.
- z. To identify defects in respect of plumbing, sanitary, carpentry and other civil related matters in the premises through complaints/suggestions and arrange to rectify tem within reasonable time.



- aa. To take up civil projects through Government bodies like KPWD/CPWD/WBPWD/KUWS&DB etc.

17.2.2 Maintenance (Utility, Plant and Machineries)

- a. To appoint Consultants for Electrical, electromechanical works with the approval of the Competent Authority, wherever necessary.
- b. To scrutinize the design layout plan and cost estimates etc. received from the Consultant and arrange for approval thereof.
- c. To plan, design, and prepare bill of materials and estimates of costs for all electrical, air-conditioning and electromechanical works where the services of Consultants are not availed.
- d. To approve layout drawings, draft tender documents and to oversee the work relating to invitation of tenders for all electrical, electromechanical works, etc. in co-ordination with Maintenance (Civil).
- e. To exercise overall technical and financial control on all electrical and electromechanical and air-conditioning works.
- f. To co-ordinate with Local Authority for obtaining/maintaining service connections for electrical power, communication system etc.
- g. To scrutinize the bill of Consultants and recommend for payment after obtaining approval of Competent Authority.
- h. To oversee the work relating to provision of amenities, facilities etc. in Plant and Township Buildings.
- i. To oversee compliance of the schedule of completion of works and maintain close watch on the progress and resource position at site for various electrical and electromechanical works.
- j. To sort out any bottlenecks or constraints in the progress of work and technical problems etc. wherever reported or noticed.
- k. To scrutinize and approve all variations in plans, designs and specifications pertaining to electrical, electromechanical, air conditioning and other electronic installation works.
- l. To approve rates for extra/variation items of works connected with electrical and electromechanical systems.
- m. To settle disputes arising out of the contract in consultation with the Company's Legal Consultant/Legal officer, whenever necessary.
- n. To ensure that all concerned follow technical instructions and regulations.
- o. To scrutinize the financial bills for all works related to electrical, electromechanical and air-conditioning works and recommend for payment after approval of Competent Authority.
- p. To ensure compliance of all statutory requirements of Local Authorities.



- q. To obtain as built drawings from consultants/contractors and keep in safe custody.
- r. To initiate suitable maintenance contracts for all infrastructure maintenance services.
- s. To identify defects in respect of utilities through complaints/suggestions in the existing utilities and arrange to rectify them with least disturbance to the functioning of utilities.

17.3 Works

17.3.1 Classification of Works

The works undertaken by the Company are divided into two categories namely “Projects” and “Maintenance”.

17.3.2 Project Works

Project works comprises:

- a. Construction of new building/s including all services thereto and development of site.
- b. Addition and alterations to existing building/s.
- c. Additions and alterations to and augmentation / replacement of electrical, electromechanical, Electronic equipment.
- d. Reconstruction of building/s
- e. Special repairs and other works.

17.3.3 Maintenance and Repair Works

Maintenance and repair works comprises:

- a. All repairs, periodical repairs, white washing and painting, renewals and replacements necessitated for technical and engineering reasons or due to wear and tear in the existing buildings, services and installations and minor additions and alterations which do not require permission of local authorities.
- b. Works required to make good the damage to buildings, installations and services caused by extra ordinary reasons.
- c. Replacement of furniture and other Dead stock items and/or their repairs and upkeep.
- d. Preventive maintenance and special repairs/replacement required so as to ensure least disturbance to the users and unexpected failures.



- e. Additions/alterations to the existing building/s including various sub works such as Civil works, Electrical works, the building services works like sanitary and plumbing etc. and ancillary/Electro-mechanical works etc.
- f. Additions and alterations to and augmentation / replacement of electrical, electromechanical and electronic equipment and installations.
- g. Reconstruction of building/s.
- h. Maintenance and repair of Plant and Machineries

17.4 Project works

17.4.1 Stages of departmental projects

The various stages involved in the project works handled departmentally are:

- a. Selection and acquisition of land
- b. Planning and designing
- c. Contracts
- d. Execution of work

17.4.2 Planning

The various stages involved in planning are:

- a. Assessment of space requirements
- b. Selection of Architects
- c. Appointment of Architects
- d. Defining services to be rendered by Architects
- e. Selection of Consultants for Structural Works, Air Conditioning Works, Interior Designing Works, etc. and defining services to be rendered by such consultants etc. and defining services to be rendered by such consults
- f. Preparation of Sketch plans
- g. Guidelines for Scrutiny of sketch plan
- h. Scrutiny and approval for sketch plan
- i. Working drawings and tender
- j. Obtaining approval for taking up civil projects through Government bodies like KPWD/CPWD/WBPWD/KUWS&DB etc.

17.4.3 Assessment of space requirements

i Factory/Office Building



- a. The space requirement for each department shall be worked out on the basis of machines layout/staff strength. Adequate provision shall be made for expansion of the plant/ department.
- b. The areas of vaults, record rooms, raw material stores, finished product stores, staff amenities etc. shall be determined in the light of the estimated or actual volume of work.
- c. Provisions for lifts, corridors, staircase, toilets, shafts/spaces for various services etc. shall be made as per the stipulations of the National Building Code, National Electric Code and also the local bye-laws. Necessary provision shall be made for suitable firefighting installations, railway siding etc.
- d. In respect of existing factory/office buildings, requirement of additional space to cater to the expanding need.

ii Residential Buildings

- a. The number of quarters to be provided for different categories of staff will depend upon present strength, projected staff strength, number of quarters already provided and any other criteria that may be considered relevant to the particular situation.
- b. The orientation of the block and individual flats shall as far as possible be such that the flats will have adequate privacy and sufficient cross ventilation.
- c. The land shall be developed with the objective of maximum utilization of available area in conformity with the Municipal bye-laws and at the same time ensuring that the layout of blocks of flats, etc. is not crowded and looks interesting with minimum recurring maintenance expenses.
- d. The green areas/children's play areas shall be segregated from traffic for ensuring safety of children.

17.4.4 Selection of Architect

- i Whenever an Office of the Company requires the services of Architect for planning, designing and supervision of execution of various works in respect of additions/alterations, renovations, specialized works etc., a suitable firm of architects shall be selected by calling for fresh tenders/offers in two parts from suitable firms of architects, through wide publicity.
- ii In order to select a firm of architects, having requisite organizational set up, competence, reliability, experience, sound financial standing, satisfactory track record of execution of works awarded by their clients, integrity, credibility, fairness in dealings etc. for taking up particular major work



involving preparation of detailed plans and specifications sealed tenders, offers shall be invited from the intending firms through wide publicity.

For selection of suitable firm of architects apart from thorough and careful pre-screening, of the tenders/offers submitted it is necessary to have interaction with the organizations, who had engaged the firms as also inspect their works so as to get realistic information about their competence, etc., in addition to relying on the confidential reports received from their clients and bankers.

iii Pre-Qualification Criteria for selection of Architects shall be as follows:

- | | | |
|---|---|---|
| 1. Duration of Past experience | : | Minimum 5 (five) years in the field of architectural designing of similar works |
| 2. Minimum number of completed works of similar nature executed during last five (05) years ending last day of month previous to the one in which tenders are invited | : | Three similar completed works costing not less than the amount equal to 40% of the estimated cost
Or
Two similar completed works costing not less than the amount equal to 50% of the estimated cost
Or
One similar completed work costing not less than the amount equal to 80% of the estimated cost
(Similar work shall be defined clearly without any ambiguity) |
| 3. Membership | : | Should be a member of the Indian Institute of Architect or Indian Council of Architecture |

- iv In the event of any emergency for taking up the work when the time available does not permit to complete the selection procedure through tendering or when the total expenditure to be incurred on payment of professional fees / consultancy charges is expected to be less than Rs.2.5 lakh or when the cost of advertisement is prohibitive in comparison to the consultancy charges, Company shall obtain the names of firms in the concerned field of work from Government / Semi Government / Public Undertakings / Financial Institutions and other similar Organizations instead of calling tenders by public advertisement.

Similarly, if any of the reputed technical educational institution like IITs is willing to take up the consultancy works, the same may be considered provided they satisfy the pre-qualification criteria indicated at iii B, 1,2,3.

The above mentioned two alternative procedures may be resorted to, only in special circumstances with prior approval of Competent Authority.



17.4.5 Appointment of Architects

- i Work shall be entrusted to a particular firm of architects, selected for appointment by following the procedure enumerated in 17.4.4, with the approval of Competent Authority as and when required.
- ii After the selection of Architects is finalized, necessary appointment letter shall be issued to the firm or the individual setting out the terms and conditions of the appointment and obtain formal acceptance of the offer from the Architects.
- iii An agreement shall be executed with the Architects on a stamp paper soon after the appointment is made. The cost of such stamp paper is payable by the Architects. The Company has standardized the main features of the various services to be rendered by the Architects as terms of their appointment, scale of fees, mode of payment, conditions regarding visit to site, rates of reimbursement of traveling expenses and these are to be incorporated in the agreement. A suitable time schedule for submission of sketch plans, working drawings, draft tender documents, etc. for all trade will have to be worked out within the overall time schedule of the project. In consultation of the selected Architect and incorporated in the agreement. The formal agreement should have the provision for the recovery of retention money @ 10% from the payments to be made against all the professional fees bills and other remedies available to both the parties against non-fulfilment of the contractual obligations. The formal agreement shall be executed by the architects and the Company within 14 days from the date of award of the work.
- iv The Architects should not be asked to render any additional services beyond the scope of the agreement entered with them, without the prior approval of the Competent Authority and financial sanction for the quantum of professional fees.
- v The Architects are generally paid fees at an agreed percentage of the estimated cost of the project. In case of the residential quarters, where a number of buildings of similar design are to be constructed, the fee paid is generally at an agreed percentage of the cost of construction of the original design and at certain lower percentage on repetition of design. Besides, a suitable amount per acre of the plot is paid for preparing the master plan of the Residential Colonies.

17.4.6 Services to be rendered by the Architects

17.4.6.1 Architects' Services (When supervision of the project is entrusted to them)



The Architects shall render the following services in connection with and in regard to the said works.

- a. Prepare and submit sketch designs as per the Company's requirements (including carrying out necessary revisions till the sketch designs are finally approved by the Company) along with model of the scheme, prepare appropriate estimates of cost by cubic measurements, area measurements or otherwise based on the prevailing market rates and submit along with a detailed project report on the scheme so as to enable the Company to take a decision on the sketch designs.
- b. Prepare and submit the required drawings on receipt of approval of Company to the sketch schemes to the Local Controlling Authorities and obtain their approval/sanction for construction.
- c. Appoint Consultants for various ancillary works such as structural, sanitary and water supply, electrical installations including lifts, landscaping and gardening, firefighting systems etc. with the prior approval of the General Manger.
- d. Prepare architectural and working drawings, making structural calculations and preparing all structural, mechanical, sanitary, plumbing, drainage, lift and electrical drawings, specifications, detailed estimates of cost and furnish such other particulars as may be necessary for the preparation of schedule of quantities.
- e. Scrutinize the applications for empanelment of the Contractors, forward recommendations for making a panel of Contractors, to the Company.
- f. Prepare detailed tender documents for general building works and other trades, such as water supply and sanitary installations, electrical installations, lifts, firefighting system, false ceilings, ceiling insulations, water proofing, hardware fittings, water softening and chlorinating plants, tube well, gardening and landscaping work, etc. complete with articles of agreement, special conditions, conditions of contract, specifications, schedule of quantities and time & progress charts. Sample tender forms (excluding schedule of quantities) will be supplied by the Company and the Architects shall incorporate therein the schedule of quantities, drawings and other information necessary for preparation of the detailed tender documents.

The estimates of costs prepared for invitation of tenders should be based on market rates, but by considering the coefficients for material and labour as prescribed in either CPWD or local PWD analysis of rates. Whenever comparable items are not available in the CPWD/PWD analysis of rates, the coefficients may be taken on the basis of past experience, site observations or as inputs provided by



the architects/consultants etc. But after obtaining the written approval of the competent authority who is to accord technical sanction, the verification of correctness of technical specifications and detailed estimate will be the responsibility of the competent authority.

It should be ensured that detailed rate analysis for all major items constituting at least 80% of the estimated cost of work is done by the Architects / Consultants / Department as the case may be, at the stage of technical sanction and the same shall be kept on record.

- g. Submit assessment reports on tenders received for various trades along with comparative statement and recommendations for award of work.
- h. Prepare contract documents for all the trades and getting them executed by the concerned contractors and Company.
- i. Obtain Commencement Certificate/s for the construction of the building from the Local Controlling Authorities.
- j. Prepare for the use of the Company, the Contractors and the site Engineer/Officer, six certified copies of the contract documents of the various trades including all the drawings, specifications, item rates of other particulars and such further details and drawings, as are necessary for the proper execution of the works.
- k. Assume full responsibility for the supervision and ensure proper execution of the said works as per specifications of the contract by the various contractors engaged for various trades, specialists, consultants, technical advisers, etc. that may be engaged from time to time as defined in the conditions of engagement.
- l. Assess and submit the quarterly requirements of steel and cement and all other major materials required for the projects,
- m. Check measurements of works at site, check contractor's bills, issue periodical certificates for payment so as to enable the Company to make payments to the contractors.
- n. Submit detailed accounts of the steel, cement and any such other materials as the Company may specify, and certify the quantities utilized in the works.
- o. Assist in obtaining necessary water supply, electric, drainage, sewerage etc. connections from Local Controlling Authority/ Authorities.
- p. Take timely action for revalidation of sanction for construction from Local Controlling Authority / Authorities.
- q. Obtain final Building Completion Certificates and Occupation Certificate from Local Controlling Authority/Authorities and obtain



refund of deposits, if any, made by the Company to the Local Controlling Authority/Authorities.

- r. Appear on behalf of the Company before the Local Controlling Authority / Authorities in connection with the final settlement of the initial rateable value of the building/s and rendering advice in the matter to the Company.
- s. Supply on completion of the project, two copies of all "As Built Drawings" in respect of layout floor plans, sections, elevations, structural designs, services and all working details. In addition, one set of all floor plans, sectional, elevational and layout plans showing all external services including street light shall be submitted on cloth tracing/polyester films.
- t. Any other services connected with the works usually and normally rendered by the Architects and not referred to in any of the items mentioned above.

17.4.6.2 Architects' services (When supervision of the project is not entrusted to them)

The Architects shall render all services as mentioned in various paras under 17.4.6(1) with following modifications/deletions/additions.

- a. Same as in para 17.4.6(1) above
- b. Same as in para 17.4.6(1) above
- c. Same as in para 17.4.6(1) above
- d. Same as in para 17.4.6(1) above
- e. Same as in para 17.4.6(1) above
- f. Same as in para 17.4.6(1) above
- g. Same as in para 17.4.6(1) above
- h. Deleted
- i. Same as in para 17.4.6(1) above
- j. Supply for the use of the Company, contractors and the Site Engineer/Officer, six complete set of drawings of the various trades or other particulars and such further details and drawings, as are necessary for the proper execution of the works.
- k. Assume full responsibility for structural design and other specialized services including correctness of quantities and specifications provided in the tender.
- l. Deleted
- m. Deleted



- n. Deleted
- o. Same as in para 17.4.6(1) above
- p. Same as in para 17.4.6(1) above
- q. Obtain final Building Completion Certificates and Occupation Certificate from Local Controlling Authority/Authorities.
- r. Render assistance and advice to the Company in the matter of final settlement of the initial rateable value of the buildings.
- s. Prepare on completion of the project "As Built Drawings" of all trades. Necessary details wherever required shall be supplied by the Company in order to enable Architect to prepare Completion Drawings. Copies of all Completion Drawings shall be as in Para 17.4.6(1).
- t. Same as in para 17.4.6(1) above

Additional Clauses

- a. Visit the site as and when necessary during the design stage.
- b. Visit site by prior intimation to the Company's General Manager and to issue necessary modifications to the drawings and other clarifications as and when required by the Company.

17.4.7 Selection / Empanelment / Appointment of Consultants / Interior Designer etc.

A. Structural Consultants

The procedure for selection/empanelment and appointment of the Structural Consultants is similar to that of the Architects. The Architect when appointed for any work requiring structural designing work also is required to engage a structural consultant within the agreed fees.

However, if the architectural planning is undertaken by the Company separately, then, the structural designs and drawings are prepared through the Structural Consultants appointed by the Company specifically for such works.

B. Plumbing and Sanitary Consultants

C. Electrification Consultants

D. Horticulture Consultants

E. Consultants for fire-fighting installations

F. Other Consultants



The procedure for selection/empanelment and appointment of the above-noted Consultants is similar to that of the Architects. The Architect when appointed for any work requiring designing of above-noted systems also is required to engage a suitable consultant for each system individually within the agreed fees.

However, if the architectural planning is undertaken by the Company separately, then, the relevant designs and drawings are prepared through the Consultants appointed by the Company specifically for such works.

G. Consultants for Air Conditioning and Ventilation System

- i The process of selection and appointment of an Air Conditioning Consultant is similar to that of the Architects which shall be suitably modified by Offices to suit their requirement.
- ii **Services to be rendered by an Air Conditioning Consultant are briefly enumerated below (where supervision of the works is entrusted to them)**
 - a. Prepare preliminary designs and drawings as per Company's requirements (including carrying out necessary revisions till the designs are finally approved by the Company) after collecting the meteorological data of outside temperature and humidity of the city to establish outside design conditions, workout the total cooling load based on the accepted inside temperature and humidity conditions, work out the most economical system including selection for the central plant, ducting system and all other connected equipment, prepare approximate cost estimates and submit a detailed project report on the scheme, so as to enable the Company to take a decision on the design.
 - b. On receipt of approval for the scheme from the Company, prepare detailed designs and drawings for air conditioning and ventilation system, prepare tender documents including specifications, schedule of quantities etc., prepare drawings for invitation of tenders and workout detailed estimate of cost.
 - c. Scrutinize the tenders received from different parties on the basis of the specifications and submit assessment reports thereon, together with recommendations to the Company.
 - d. Prepare contract documents and get them executed by the successful tenderer and supply for the use of the Company, the contractors and the Company's Engineer at site, two copies each of the contract documents, including all drawings, specifications and such other further particulars, details and drawings as are necessary for the proper execution of the air conditioning and ventilation work.



- e. Periodical supervision of the work of installation of the air conditioning and ventilation system at the site through duly qualified and responsible representatives and senior associates of the Consultant for the proper installation and commissioning of the plant of the capacity designed by the Consultant and approved by the Company.
- f. Test-check measurements and contractor's R/A bills and furnish observations and recommendations thereon to the Company along with certificates of payment due to the contractors to enable the Company to make payments.
- g. Performance testing of the air conditioning system during summer, monsoon and winter season, compilation of the test results and certification of K W per Tr.
- h. Obtain from the contractors and supply to the Company, six sets of all "As Built Drawings" pertaining to the air conditioning and ventilation work.
- i. Draw up specifications and installation of sewage treatment and water softening plants for air conditioning purposes, if installation of such plants is considered necessary by the Company.
- j. Attend to any other services connected with the air conditioning and ventilation work usually and normally rendered by an Air Conditioning Consultant and not referred to in any of the services mentioned above.

iii Services to be rendered by an Air Conditioning Consultant (when supervision of work is not entrusted to them)

The Consultant shall render all services as mentioned in various paras under (ii) above with following modifications/deletions.

- a. Same as in para (ii) above
- b. Same as in para (ii) above
- c. Same as in para (ii) above
- d. Same as in para (ii) above.
- e. To assume full responsibility for the design and correctness of the quantities and specification provided in the tender.
- f. Deleted
- g. Same as in para (ii) above
- h. Deleted
- i. Same as in para (ii) above
- j. Same as in para (ii) above



H. Interior designers

- i The Company normally provides a Boardroom and some office chambers for the top executives in all the office buildings. These areas are normally furnished to certain standards. For undertaking interior designing and furnishing works of the office areas, an Interior Designer is normally appointed by the Company. Similarly, the interior designing and furnishing works of Guest House/Visiting Officers' Flats etc. in residential premises of the Company may also be entrusted to an Interior Designer.
- ii The procedure for selection and appointment for such an Interior Designer is similar to that of the Architects.

17.4.8 Preparation of sketch plans

On the basis of Company's requirements, a brief to the Architects shall be prepared and got approved from the General Manager. Necessary guidelines with this brief shall be furnished to the Architects, who will thereafter prepare the sketch plans accordingly. Sketch plans shall indicate the layout of the general concept of the scheme. Necessary revisions in the sketch plans shall be carried out by the Architects till the same are considered generally acceptable to the Company. The sketch plans shall be submitted along with a preliminary estimate of cost on unit area basis, a project report and a model, if required. The time schedule for submission of sketch plans as stipulated in the Agreement shall be adhered to by the Architects.

17.4.9 Scrutiny and approval of sketch plans

- i The sketch plans shall be examined with reference to the functional and other requirements as set out in the guidelines for planning furnished to the Architects. Suggestions shall be forwarded to the Architects for consideration and incorporation in revised plans. If necessary, discussions shall be held with them to sort out various view points before finalizing the plans at the earliest.
- ii The preliminary estimate of the scheme shall also be scrutinized with reference to the current costs of various components.
- iii The sketch plans along with the preliminary estimate of the scheme shall be submitted in the form of a Project Report. It may be necessary to hold informal discussion prior to submission of the proposal to them for approval.
- iv Approval of the scheme, together with their suggestions and comments, if any, shall be conveyed to the Architects, for preparation of plans and detailed drawings.



17.4.10 Submission of plans to Local Controlling Authority

After the approval of the scheme by the Company, the Architects shall submit the plans duly signed by the Competent Authority to the Local Controlling Authority for obtaining their necessary sanction and building license for the same. The Architects have to take necessary follow-up action with the local authorities, to ensure that undue delay in obtaining sanction of the plans is avoided. The Company shall extend full assistance in this regard.

17.4.11 Preparation of detailed working drawings and draft tender documents

- i Working drawings are prepared and structural design work taken up by the Architects after sanction of the plans by Local Controlling Authority.
- ii The Structural Consultant is engaged by the Architects with the approval of the Company as stipulated in the agreement. In working out the structural design of the building, the Structural Consultant shall take into consideration the soil investigation report and survey plan and the same shall be arranged by the Architects. The seismic factor relevant to the area as also the particular functional needs of the structures, especially in case of office building shall be taken into consideration. The advice of Structural Consultant on RCC items shall be considered in the schedule of quantities.
- iii The Schedule of Quantities and the tender paper prepared by the Architects/Department shall be comprehensive and based on detailed drawings and structural design, so as to minimize, as far as possible, the incidence of extra/variation items during the course of construction.
- iv The Company shall supply sample of standard initial part of the tender document for various major trades to the Architects to facilitate preparation of the complete tender documents. The schedule of quantities and drawings wherever necessary, as approved by the Company shall be attached to this initial part and bound together to form the tender document. The Architects/Departments shall ensure that the schedule of quantities tally with the specifications provided in the initial part of tender and same is supported by detailed calculations of quantities of various items involved
- v The estimates of costs prepared for invitation of tenders should be based on market rates, but by considering the coefficients for material and labour as prescribed in either CPWD or local PWD analysis of rates. Whenever comparable items are not available in the CPWD/PWD analysis of rates, the coefficients may be taken on the basis of past experience, site observations or as inputs provided by the architects/consultants etc. but after obtaining the approval in writing of the Competent Authority who is to accord the technical sanction. The verification of correctness of technical specifications and detailed estimate will be the responsibility of the competent authority.



- vi It should be ensured that detailed rate analysis for all major items constituting at least 80% of the estimated cost of work is done by the Architects/Consultants/Department, as the case may be, and details and break-up of the schedule of quantities are submitted to the Competent Authorities at the stage of technical sanction and the same should be kept on records.

17.5 Contracts

17.5.1 Classification

For Project/Maintenance works undertaken by the Company, generally following kinds of contracts are awarded:

- i **Item Rate Contract**, in which the Contractor undertakes to execute the work at fixed rates for different items depending on the quantities and kind of work done or supplies made. It shall be governed by clause 4.17 (Rate Contracts) and clause 50 of GIT (Rate Contract Tenders).
- ii **Lump sum Contract**, in which the Contractor undertakes to execute the entire work to meet the end specifications at a total cost without any reference to the quantities of various sub-items of work.
- iii **Turnkey Contract or Package Deal Contract**, in which the Contractor undertakes to execute the work with all contingencies for a fixed rate on unit area of the completed buildings.
- iv **Annual Operation and Maintenance Contract**, in which the Contractor undertakes to operate and maintain the machines for a fixed annual rate.

17.5.2 Invitation of tenders

Two-part tender shall be invited whenever the cost of the work to be executed or supply to be made is estimated to be more than Rs.2.5 lakh. The draft tender document for Project Works shall be approved by the functionaries of the Company as per DoP based on the estimated cost of work subject to approval of the works from the Competent Authority.

17.5.3 Pre-qualification criteria

The pre-qualification criteria as to who will be eligible for issue of tender-forms / documents should be specifically and clearly stipulated in the advertisement as under:

- | | |
|--------------------------------|---|
| 1. Duration of Past experience | : Minimum seven (07) years' experience of having successfully completed works of similar nature |
|--------------------------------|---|



2. Minimum number of completed works of similar nature executed during last seven (07) years ending last day of month previous to the one in which tenders are invited : Three (03) similar completed works costing not less than the amount equal to 40% of the estimated cost
Or
Two (02) similar completed works costing not less than the amount equal to 50% of the estimated cost
Or
One (01) similar completed work costing not less than the amount equal to 80% of the estimated cost
(Similar work shall be defined clearly without any ambiguity)
3. Yearly Turnover : Average annual turnover during last 3 financial years should be at least 30% of the estimated cost

17.5.4 Empanelment of tenderers by pre-screening for large works / construction

In order to prepare panels of reputed firms of contractors / suppliers etc. having requisite experience, sound financial standing, satisfactory track record of execution of large quantum of works, integrity, credibility, capability etc. for organizing such works, applications for empanelment shall be invited from the intending tenderers through wide publicity. The meticulous pre-screening of applications received from contractors helps in excluding those contractors from empanelment who are not adequately experienced or have unsatisfactory track record of executed work. For preparation of panels of contractors after thorough and careful pre-screening, it is necessary to have interaction with the organizations, who had engaged the contractors intending to be empanelled with the Company, as also inspect their works so as to get the realistic information about their workmanship etc. in addition to relying on the confidential reports received from their clients and bankers.

- i While the pre-qualification criteria for the contractors for specialized works, electrical, electro-mechanical, technology related works, etc. shall be same as described under para 17.5.3, the pre-qualification criteria for General Building Contractors for construction projects is given hereunder:

1. Duration of Past experience : Minimum 10-15 years in carrying out construction of buildings of similar nature
2. Minimum number of completed works of similar nature executed during last : Three (03) similar completed works costing not less than the amount equal to 40% of the estimated cost
Or



seven (07) years
ending last day of
month previous to
the one in which
tenders are invited

Two (02) similar completed works costing
not less than the amount equal to 50% of
the estimated cost

Or

One (01) similar completed work costing
not less than the amount equal to 80% of
the estimated cost

(Similar work shall be defined clearly
without any ambiguity)

3. Yearly Turnover : Average annual turnover during last 3
financial years should be at least 30% of
the estimated cost

In addition to above, the criteria regarding satisfactory performance of
works, personnel, establishment, plant, equipment etc. may be
incorporated according to the requirement of the Project.

17.5.5 Execution of contracts (Civil, Plant & Machineries and Repair & Maintenance contracts)

- i The GM/GM (I/C)/O-I-C at the Presses may nominate Officers as per DoP to execute contracts on behalf of the Company.
- ii Contract document/Work Order shall be executed within 21 days from the date of issue of Notification of Award of Contract (LoI).
- iii Three sets of the contract documents shall be executed if the Architects are associated for execution of the project work, otherwise only two sets are adequate. The agreement part of the tender documents shall be stamped adequately.
- iv The contract documents shall be got prepared through the Architects if they are associated with the execution of the project, otherwise the same shall be prepared by the respective Office.
- v The original copy of the accepted tender shall not be left in the custody of the Contractors even for the purpose of executing the documents by them. The Architects/General manager shall arrange for execution of the documents by the Contractors at the respective Office.
- vi After the Contractors/their legally authorized representative/s execute the documents, these are to be executed by the Company's Official after exercising a thorough scrutiny of the same. It shall be ensured that the documents conform to the original copy of the tender, all copies of correspondence/ plans and all corrections//amendments are duly authenticated and bound to the documents, all blanks are filled in and authenticated by both the parties and competence of the



signatory/signatories executing the contract on behalf of the Contractors is fully verified with reference to the constitution of the Contractor's firm.

- vii After execution of the contract, one copy each of the documents shall be given to the Contractors and the Architects in case they are associated with execution of project. The original executed tender document shall be kept by the General Manager in safe custody. Certified copies of the agreement shall be arranged to be forwarded to the Corporate Office and site engineer. In case Architect is associated with the execution of the project these certified copies shall be got prepared through the Architect.
- viii The original agreement shall not be referred for day to day use of the Department. For such purpose certified copies of the agreement shall be prepared and made use of.
- ix Offices shall keep record of all contracts executed in respect of the works undertaken at the respective Office.
- x A register for such executed agreement shall be maintained in the safe custody of the HoD of the concerned section.

17.6 Execution of project works

The various stages generally involved are listed below.

- i Surveying of plot
- ii Soil Investigation
- iii Office accommodation at Project Site
- iv Posting of Company's Engineers at site
- v Commencement of Work
- vi Observance of Contract Labour (Regulation and Abolition) Act 1970
- vii Preparation of programme of work
- viii Progress photographs
- ix Testing of materials
- x Approval of materials/fittings
- xi Measurement sheets/book
- xii Recording of measurements
- xiii Certification of bills
- xiv Payment of running bills
- xv Variation items of works
- xvi Site order book
- xvii Hindrance register
- xviii Site registers
- xix Extension of time
- xx Sub-standard work and material
- xxi Safety code



- xxii Insurance
- xxiii Completion of work and refund of Security Deposit
- xxiv Submission of guarantees and payment of final bills
- xxv As-built drawings

17.6.1 Surveying of plot

Before planning of building/s is finalized, arrangements shall be made to have the site of work surveyed in order to obtain a detailed contour map with spot levels at short spacing and allied data. The survey map shall indicate all the required details of the plot as well as that of the adjacent roads, drainage system etc. to help in deciding about the formation levels, requirement of cutting/filling, planning of sewerage and drainage etc. Architect shall arrange such surveying of plot, if need be, by engaging a suitable agency who are well versed with such work.

17.6.2 Soil Investigation

After approval of the sketch plans of the proposed building project by the competent authority and before commencement of foundation designing for the building(s) to be constructed under any project, soil investigation shall normally be undertaken (within the building layout plan area in the plot of land) through the agency of a Local Soil Laboratory or Engineering College or similar reputed institutions by inviting quotations. It shall be ensured that the test bore holes are done within the area covered by the footprint of the proposed building(s) on the said plot of land. The extent of investigation to be done shall depend upon the local conditions, type of construction etc. and details of the tests required shall be determined by the Architects/Structural Consultants in consultation with experts in the line in such a manner so as to ensure that the data collected during investigation realistically represents the condition of the sub-soil strata.

A copy each of the investigation report shall be forwarded to the Architects to facilitate designing the structures and to the Corporate Office for perusal and record.

17.6.3 Office accommodation at project site

- i The contract for the general building work generally stipulates that the Contractors shall provide and maintain adequate Site Office accommodation including light, fans, attendant, drawing accessories etc. for the Site Office of the Company's Engineers or Architect's Engineer. The Local Office shall ensure that the Contractors are not negligent in this regard. The Local Office shall, however, arrange necessary furniture for use of the Company's technical staff at site during the execution of the project.
- ii The Site Office is established to facilitate.



- a. Supervision and execution of the project work in accordance with drawings, terms and conditions of the contract.
 - b. Arranging for controlled or basic stores.
 - c. Co-ordination of the various agencies at site.
 - d. Approval of materials and workmanship and to ensure carrying out of the necessary tests.
 - e. Recording of instructions issued by senior technical officers and Architects/Consultants during their visits to site for their prompt implementation.
 - f. Conveying to the Contractors, instructions of higher authority and ensuring their compliance.
 - g. Pointing out defects in works to the contractors in writing at appropriate time and ensuring their rectifications in time.
 - h. Measurement of the work.
 - i. Compliance with the Time and Progress Charts, suggestions for revisions, removing bottlenecks in progress and reporting to higher authority.
 - j. Scrutiny of all bills.
 - k. Security of work and materials and safety of life and property.
 - l. Compliance of Local Labour Regulation Act etc.
 - m. Handing over of the completed project with relevant records to the Local Office.
- iii Following are the duties/responsibilities of Site Engineers - (Architect/Consultant)
- a. To obtain all drawings, including working/detailed drawings, approved for execution by the Architects/consultants before commencement of the work. To make a thorough study of schedule of quantities, specifications, drawings, additional conditions, if any, accepted by the Company and other parts of the contract documents, architectural/structural drawings and other details so as to bring out ambiguities/discrepancies between them and to obtain clarification from the Architects/Consultants well in time to avoid delays and problems.
 - b. To organize the centre-line layout of building/s pegged out on site by the Contractor in conformity with the dimensions shown on the approved drawings, approve the same as well as establish permanent bench mark to finalize the plinth levels and formation levels with respect to street sewer/storm water/drain/road level and details furnished by Architects/Consultants.



- c. To approve the foundation strata when the appropriate depth of excavation is reached in consultation with Structural Consultant, wherever necessary. This is a very important stage of work and senior engineers shall be associated with this work.
- d. To take charge of objects of value and antique found on site or during excavations immediately after their discovery, to hold them in safe custody and to bring the notice of Local Office for further action.
- e. To ensure that no trees are cut from the project site without the proper permission from the Local Controlling Authority.
- f. To assess the requirements of steel, cement and other materials to be obtained by the Contractor well in advance, to place periodical indents with the local suppliers, if need be, and ensuring timely procurement thereof.
- g. To ensure that samples of materials to be used in construction, including fittings are approved by the Company and ensure their display and safe custody at site by all contractors.
- h. To arrange for necessary testing of materials and ensure that the quality of materials and workmanship as laid down in the contract is maintained. To forward in good time to Local Office/Corporate Office all test reports along with comments.
- i. To study the quality of approved coarse and fine aggregates in the concrete mix in accordance with code of practice.
- j. To ensure that the contractors observe local laws pertaining to Contract Labour Act and maintain the policies till completion.
- k. To ensure that the contractors have taken the proper insurance policies as per the contract.
- l. To maintain good and healthy relations with and between the various contractors/agencies working at site and to co-ordinate the work of these contractors/agencies to ensure smooth and timely completion of the project and to report to Local Office/Corporate Office well in time any anticipated bottlenecks.
- m. To obtain decisions on various aspects in connection with site works from the Competent Authority well in advance of the actual commencement of each item of work wherever found essential and to ensure that instructions received in writing from the Competent Authority are properly complied with. In case the instructions are given by visiting officers verbally, the same shall be got confirmed in writing from the concerned officers.
- n. To attend site meetings with officials/various Contractors, Architects/Consultants, hold meetings monthly or earlier as need be,



to monitor the progress of the work and to sort out any problem connected with the project.

- o. To record and maintain the under noted registers at site of work, in addition to normal routine requirements of an office.
 - Daily Progress Record
 - Site Order Book
 - Building Materials Record
 - Concrete Cube Test Record/Slump Test Record
 - Record of Drawings and Working Details
 - Record of Defects
 - Test Reports for Building Materials / Materials of Other Subsidiary trades
 - Daily Labour Register
 - Measurement Record
 - Hindrance Register

These Record/Registers shall be kept in the safe custody of HOD of concerned Division.

- p. To ensure that progress on every contract is in accordance with the appropriate stage given in the Programme Chart and to submit to Local Office/Corporate Office the Progress Report fortnightly and to submit Monthly Progress Report in the form of a chart to Local Office/Corporate Office.
- q. To take measurements of completed works, physical stock of various materials lying at site jointly with the Contractor and check the measurement recorded by the representative of the consultant/Architects or by the contractor as the case may be.
- r. To receive Running Account Bills from the contractor/s and to forward them after their checking to Local Office with comments and recommendations for payments accompanied by all supporting documents like Theoretical Cement Consumption Statement and Part Rate / Reduced Rate Statement etc.
- s. To take note of the validity of the Building Permission issued by the Local Controlling Authority and if revalidation is necessary, to organize the same under intimation to the Local Office well in time.
- t. To establish contacts with the Local Controlling Authority for facilitating timely availability of water supply, sewerage and electricity connections to the projects.



- i to ensure that floors under construction are not overloaded with stocks of materials or plant.
- ii to ensure that holes for anchors/conduits/pipes are left in masonry or concrete at appropriate time and that these are embedded or built-in as required to avoid chasing/cutting of walls/RCC members constructed.
- iii to ensure that partially constructed work is properly protected from any damage.
- iv to ensure that all operations are carried out with complete safety to life and property.
- u. to keep the Local Office informed of the site events as and when necessary and in normal situation at least once a week.
- v. to ensure that the contract do not lapse for want of extension of time. To report the matter to Local Office well in time, if necessary.
- w. to ensure that no extra/deviated items are recommended for payments, till rates for such extra/deviated items have been approved by the Competent Authority.
- x. to report to Local Office /Corporate Office where the sanctioned tender amount is likely to be exceeded and to prepare and submit the Revised Estimates for the project.
- y. to obtain prior approval for execution of item/s for which the quantities exceed 20% of the tender quantities.
- z. to keep close watch on execution of items of works where abnormally high or low rates have been quoted by the Contractor/s and other items.
- aa. to receive, scrutinize and forward the final bill/s of the contractor/s along with comments and recommendations for payments to Local Office with all the supporting documents.
- bb. to submit relevant information regarding changes, if any, carried out in the drawings supplied by the Architects/Consultants, during the actual execution of the projects (in case the Architect is not associated with the execution of the project) in order to enable the Architects/Consultants to finalize the "Completion Drawings".
- cc. to verify the "Completion Drawings" received from the Architects/Consultants and certify the same as "Executed Drawings".
- dd. to take over completed building/s from the contractor/s along with all inventories and hand over the building/s along with all inventories to the Maintenance Department.



17.6.4 Company's Officer at site (Site Engineer)

- i Generally, the Company posts an Officer (Civil) with necessary supporting technical staff at project site or stipulates the Architect/Consultant to post a qualified Site Engineer with necessary technical staff, as the case may be, to supervise the execution of work by different agencies under the guidance of the Architects. In case of projects with considerable magnitude of electrical, electromechanical and air conditioning works, an Engineer (Electrical) with supporting technical staff may also be posted at site to supervise the electrical, lifts and air conditioning installation works etc. under the overall control of Senior Officer in charge of the project. The General Building Contractors have to provide the Site Engineers every facility and assistance for inspecting the works and materials and for checking and measuring the quantity and quality of the same. The Site Engineers are assisted in their functions at site by technical staff.
- ii Architect/Senior Officials of the Company shall inspect the works as often as required to ensure proper workmanship, progress and co-ordination amongst various agencies employed in the work and also furnish working details at site if sought for. In case the Architects are not locally based, they shall under the usual terms of the agreement entered by them with the Company, appoint a Resident Engineer, with the approval of the Corporate Office (if Architects are associated with the execution of the work) to represent them at site. This Resident Engineer shall liaison with the various agencies and his employers to ensure proper discharge of expected functions of Architects. For Departmental or Turn-key Projects, the Company's Engineer at site is vested with these additional responsibilities that shall normally be borne by the representatives of Architects.
- iii The Site Engineer or any representative of the Architects/Company is not empowered to revoke, alter, enlarge or relax any requirements of the contract, or allow any addition, alteration, deviation or extra work without obtaining prior approval of the Competent Authority. However, the Site Engineer has the power to disallow any work or material that may be considered to be below specifications and to give notice to the contractors to suspend such work or to stop using such material until the decision of the Architect/Competent Authority is obtained.

17.6.5 Commencement of work

- i Immediately on issue of the work order, the Local Office shall contact the Architects and obtain the necessary drawings and issue the same to the contractors with detailed instructions for commencing work forthwith.
- ii The date of commencement of the work shall ordinarily be taken as the 10th day after the date of issue of work order or as provided in the contract.



- iii No ancient monument/s shall be demolished or any religious edifice be destroyed if found while executing the work without formal concurrence of the Local Controlling Authority. The Department of Archaeology shall be consulted wherever necessary.
- iv Before start of work, the ground levels of the plot shall be taken jointly by the Contractor and the Site Engineer at three metres interval or at closer interval as required and plotted on tracing sheets. The levels shall be entered in the Level Book by the Site Engineer. The levels and drawings shall be designed by the Contractor or their authorised representative and Company's Engineer and copy of such drawings shall be sent to Architect/Corporate office for record.
- v As far as possible, the trees existing in the plot shall not be cut. However, if any of the trees are coming in the way of the layout of the buildings, the same shall be cut with the prior approval of the Local Controlling Authority. Such trees shall be identified and necessary permission obtained from Local Controlling Authority well in advance to avoid delay in commencement of work.
- vi The Site Engineer shall verify that all the necessary clearance for building plans, etc. is obtained from the Local Controlling Authority for commencing the work.
- vii The layout of the buildings shall be done by the Contractor at site with respect to the approved layout plan and shall be got cleared from the Site Engineer before proceeding with the construction work. In case of any discrepancies which require the intervention of Architects/ Competent Authority, the same may be immediately brought to the notice for corrective action. In such cases, work shall be allowed to be taken up, only when the layout is cleared by the Architects/Competent Authority, as the case may be.

17.6.6 Contract Labour (Regulation & Abolition) Act 1970

All the Statutory requirements relating to Contract Labour (Regulation & Abolition) Act 1970 shall be scrupulously complied with.

(i) Registration of Establishment (Section 7)

The Principal Employer/Contractor shall make an application to the Registering Officer in the prescribed manner for registration of the Establishment. The application for registration shall be made in triplicate in Form No.1 to the Registering Office of the area in which the establishment sought to be registered is located. The application shall be accompanied by a Treasury Receipt showing payment of the fees for the registration of the establishment. The application shall be either personally delivered to the Registering Officer or sent to him by



registered post. The Employer cannot employ the contract labour in his establishment unless he registers under Section 7 of the Act.

(ii) Maintenance of Registers and Other Records (Section 29)

The following registers and records are required to be maintained by the Principal Employer.

- a. Register of contractors in Form XII of the Contract Labour (Regulation & Abolition) Central Rules 1971.
- b. Notice showing the rates of wages, hours of work, wage periods, dates of payment of wages, names and addresses of the Inspectors having jurisdiction and date of payment of unpaid wages, shall be displayed in English and in Hindi and in the local language understood by the majority of the workers in conspicuous places at the establishment and the worksite by the Principal Employer or the Contractor, as the case may be. The notices shall be correctly maintained in a clean and legible condition. A copy of the notice shall be sent the Inspector and whenever any changes occur, the same shall be communicated to him forthwith.
- c. Return intimating the actual date of the commencement or completion of each contract work under each Contractor shall be submitted to the Inspector, within 15 days from the commencement of the completion of the work as the case may be. The return shall be filed in Form No. VI-B.
- d. The annual return in duplicate in Form No. XXV shall be submitted to the Registering Officer concerned so as to reach him not later than the 15th February following the end of the year to which it relates.

All registers and other records required to be maintained under the Act and the rules shall be maintained up-to-date and shall be kept at the office. Such registers shall be maintained legibly in English or Hindi. All the registers and other records shall be preserved in original for a period as per Company Policy.

All the registers, records and notices shall be produced on demand before the Inspector or any other authority under the Act or any person authorized in that behalf by the Central Government.

(iii) Responsibility of Payment of Wages of the Workmen (Section 21)

Every Principal Employer shall nominate a representative duly authorized by him to be present at the time of disbursement of wages by the Contractor and it shall be the duty of such representative to certify the amounts paid as wages in the prescribed manner. The authorized representative shall record under his signature a certificate at the end of the entries in the Register of Wages or the Register of Wage-cum-Muster Roll, as the case may be, in the following form.

"Certified that the amount shown in column no. ____ has been paid to the workman concerned in my presence on ____ at ____".



The Contractor shall be advised to distribute the wages in the presence of the authorized representative. If the Contractor fails to make payment of wages within the prescribed period or makes short payment, the Principal Employer shall be liable to make payment of wages in full or the unpaid balances due, as the case may be, to the contract labour employed by the Contractor under any contract or as debt payable by the Contractor.

(iv) Welfare Measures (Section 16 to 19)

The welfare measures like Canteen, Rest Rooms and other facilities to the contract labour are required to be provided by the contractor himself, but if any of the facilities is not provided by the Contractor, then it shall be provided by the Principal Employer within 7 days of the commencement of the employment of contract labour. However, all expenses incurred by the Principal Employer in providing the amenity shall be recovered from the Contractor either by deduction from any amount payable to him under any contract or as a debt payable by the Contractor.

(v) Penalty for Contravention (Section 22 to 27)

- a. Whoever obstructs an Inspector in the discharge of his duties under the Act or refuses or wilfully neglects to afford the Inspector any reasonable facility for making any inspection, examination, enquiry or investigation authorised by or under the Act in relation to an establishment, shall be punishable under the provisions of the Act.
- b. The contravention of any provision of the Act or of the Rules made there under or contravention of any condition of a license granted under the Act is under the provisions of the Act and continuing contravention, during which, such contravention continues even after conviction for the first such contravention, is punishable with additional fines under the provisions of the Act.

The Local Offices shall ensure that all the obligations under the relevant provisions of the Act including obtaining license by the Contractor under Section 12 of the Act are complied with. Before releasing the Contractor's final payment, they shall also ensure that the contractor have paid all dues to their contract labour.

17.6.7 Programme Charts and Progress Reports

- i As soon as the contract is awarded, a suitable programme of work, preferably in the form of a BAR/PERT/GANTT Chart, shall be drawn up for completion of the different stages of work so as to ensure its completion within the allotted period of time. This programme shall be drawn up by the respective contractors in consultation with Architects/Competent Authority.



- ii The scheduled programme of work as well as the actual progress at appropriate percentage of the total work for each month shall be shown on the Bar Chart. Format for Monthly Progress Chart is shown in. This report shall be sent by the Site Engineer to the General Manager/Corporate Office before 10th day of every month. In case any urgent decisions, association of Competent Authority is required, the same shall be brought out in the report. A Fortnightly Progress Report shall also be sent by the Site Engineer to the Local Office.
- iii In case of a large project, Bar Chart shall be prepared for each building or group of buildings or specifically for a part of the work, say the finishing items, according to necessity.
- iv A Master Control Chart showing the programme of completion as also the actual progress of work for all the trades of the project shall be kept at site and the concerned offices. Necessary updating shall be done on the Chart from time to time and the progress reviewed.
- v The General manager shall submit Quarterly Progress Report indicating the programme and progress achieved, both physical and financial, with reasons for shortfall, if any, to the Corporate Office before 10th day of January, April, July and October.
- vi The Corporate office shall compile a consolidated Quarterly Progress Report of various projects and shall submit the same to the Competent Authority in a prescribed format.

17.6.8 Co-ordination and monitoring

- i it is the prime responsibility of the Architects/Office to ensure that execution of the works proceeds smoothly in proper co-ordination among different agencies and in accordance with the programme for completion.
- ii The Architects/Office shall keep a watch on the progress of work, the resources position etc. and take suitable measures or issue instructions with a view to sort out problems or removing bottlenecks in consultation with Local Office and the Corporate office as the case may be.
- iii The Local Office shall follow up the progress of work regularly and wherever necessary seek instructions from the Architects/Competent Authority.
- iv Apart from the Bar Chart and the Master Control Chart, necessary feed-back shall be available from site in the form of "Fortnightly Progress Reports" to be prepared by the Site Engineer in a standard proforma.

17.6.9 Testing of materials

- i To ensure the use of materials and to exercise a proper quality control on the works, certain tests are to be undertaken regularly by the Contractor



during the progress of work, as per the provision of the contract. Some of the important tests to be carried out are tests of water, steel, bricks, sand, cement, tiles, marble chips, timber, particle boards, aggregates, pipes, fittings, concrete cubes, gauge of wires, grade of insulation of wires/cables, gauge of MS sheets, conduits. MS panel boards, earth station etc.

- ii Results of all concrete cubes tested shall be recorded in a "Register of Cube Tests" in a standard proforma and kept at site. Cube tests reports for the relevant period shall also be submitted along with the Contractors' On Account Bills to the Architects/Competent authority. All other test reports shall also be maintained at site, in a register and the signatures of Contractor, Site Engineer/ Competent Authority be obtained.

17.6.10 Approval of materials/fittings

Under the terms of contract, the contractors are required to submit samples of various materials, items, fittings etc. for the approval of the Architects/Competent Authority. For this purpose, special site meetings shall be arranged in the initial stage of project execution. The contractor shall use materials of any one of the brands listed or any other brand having BIS/ISI marking with the approval of the Competent Authority.

17.6.11 Variations/Extra items of work

- i The tender documents shall be prepared in such a way to minimize the necessity of variations in plans or specifications during the execution of the work. The contracts with different Contractors as well as the agreement with the concerned Architects usually provides that up to a certain monetary limit, the Architects can order for variations/extra items without prior approval of the Competent Authority, while items in excess of the financial limit will have to be got approved from the Competent Authority prior to their execution.
- ii Major variations in quantities/substitution of items having considerable financial implications shall not be ordered without the prior approval of Competent authority.
- iii The powers for sanctioning extra/variation items by the officials of the Company shall be as per DOP.
- iv Rates of extra or substituted items wherever possible be derived from the tender rates of related items. Whenever such rates are based on market rates of materials and labour, an element of profit and overhead etc. @ 10% may be allowed unless otherwise stipulated in the contract.
- v After the contractors submit their rate analysis for extra/variation items, Site Engineer shall scrutinize the claims and forward his recommendations to the Local Office for onward transmission to Architects/Competent Authority.



The Architects/Competent Authority shall scrutinize the proposals and sanction the same if they are within their sanctioning powers for extra/variation items. The proposals requiring sanction of Managing Director shall be forwarded to the Corporate Office.

Once the approval of the extra/variation items is accorded by the Competent Authority, approval of the variation items and rates thereof shall be communicated to the contractors by the Local Office. Local Offices shall maintain a Variation Order Register. Since no extra/variation items is allowed for payment till the rate for the same is approved by the Competent Authority, there is need to expedite obtaining analysis of rates from the contractor expeditiously and forwarding the same with recommendations to the Competent Authority by the Site Engineer, and Local Office.

In cases where Architects are associated with the supervision of work, such Variation Order shall be issued by the Architects.

In case of items where reduced rates are allowed, the General Manager shall finalize and sanction the reduction in rates of all items under advice to the Corporate Office.

- vi The Local Office shall ensure that contractors' claims on extra/variation items are promptly settled in order to avoid complications at a later stage and consequential delay in execution of works.
- vii The Variation Order to be issued by the Architects/Local Office shall be progressively numbered and the net additions or savings in amount for the particular set of items, as well as the cumulative total amount of the addition or savings on account of all the variation orders issued up to date shall be suitably indicated thereon.
- viii The items which are not in the Schedule of Quantities of the tender but executed by the contractor shall be recorded with the date of execution of the work without prejudice, so that in case it is subsequently decided to admit the items, there should be no difficulty in determining the quantities of work done. A suitable remark shall, however, be made against such measurements to guard against payment in ordinary way.

17.6.12 Site order book

- i For issuing instructions to Contractors in the course of day-to-day supervision of works, Site Order Books shall be maintained. The pages shall be machine numbered in triplicate, so that a copy of the pages can be given to the contractors and the Architects/Local Office for necessary action. While issuing instructions, the contractors'/his authorised representative's signature shall be obtained in the office copy.
- ii Instructions in the Site Order Book shall be recorded under the signature of the Architects' Resident Engineer. The Competent Authority during their



periodical inspection/visits shall peruse and record their instructions, if any, in this book.

- iii All instructions to the contractors which are at variance with tender provisions as also pointing out lapses on the part of the contractors to adhere to the tender specifications shall be issued in writing through Site Order Book by the Site Engineers visiting the site of construction for inspection.
- iv The Site Order Book shall be kept in the custody of the Officer at site. This fact shall be made clear to the contractors at the beginning of work.
- v The Site Order Book shall be referred at the time of making final payments to the contractors.

17.6.13 Hindrance Register

In order to have a record of hindrances in the progress of work which may result in delays and consequent claims from the contractors for extension of time, a Hindrance Register shall be maintained at the construction site. The details of the hindrances with time period shall be recorded by the Site Engineer therein as and when these occur and all recordings shall be signed jointly by the Site Engineer and the contractor's representative. The extract of the same shall be sent to the Local Office/Corporate Office. While considering the contractor's request for extension of time for completion of work, this register shall be referred to. All the contractors engaged in Company's project/maintenance works shall be informed of maintenance of such register in the custody of the Site Engineer and that genuine and acceptable hindrances to their work recorded in this register will only be considered for extension of time.

17.6.14 Site Registers

The other registers to be maintained at Site Office are given in Para 17.6.3 (iii) under sub-Para "o".

17.6.15 Extension of time

- i If the contractors desire any extension of time for completion of work on grounds of their having been unavoidable hindrances in execution or any other ground, they shall apply in writing immediately after the occurrence of the hindrance. Such application shall contain complete details of hindrances, which hindered the contractors in the execution of the work and reference to record of entry in the Hindrance Register.
- ii The Architects/Site Engineer shall consider the application for extension of time with reference to the reasonableness of the grounds cited therein and the recordings in the Hindrance Register maintained at site. They shall thereafter forward their comments in the matter to the Competent Authority.



- iii Competent Authority on being satisfied of the reasonableness of the request of the contractors in terms of the relevant contract conditions, may grant a fair and reasonable extension of time. The authority for granting extension of time rests with General manager.
- iv Extension of time shall be granted before expiry of the contract period, so that the contract is in force at the time of granting extension of time for completion of work. Even if the contractors fail to apply for extension of time, the Architects/Site Engineer shall process the case for grant of extension of time after recording the reasons for doing so and arrange to obtain from the Competent Authority approval for extension of time.
- v While granting extension of time, it shall be clearly stipulated that the extension of time is being given without prejudice to Company's right to recover liquidated damages or compensation under relevant contract clause.
- vi The letter granting extension of time to be issued by the Architect/Local Office shall be in a standard format.
- vii If the contractors fail to complete the work within the stipulated period or the extended time as above, or, if the delay in completion of the work is attributable to the contractors in any way whatsoever, Liquidated Damages shall be recovered from the contractor's dues as stipulated in the contract. The authority to decide as to whether liquidated damages are to be levied, or not, rest with General Manager.
- viii In such cases liquidated damages shall be recovered from the contractors' bills.

17.6.16 Sub-standard works and materials

- i If any work or material used in the work is found to be unsound, imperfect or inferior, from what is specified in the contract, the Contractor shall be advised to rectify or re-execute the work or remove the material as the case may be, within a reasonable time depending upon the nature of work, after receipt of written instructions. If the contractors fail to do so, the work shall be got redone or rectified or the material replaced through any other agency at the contractors' cost as per the provisions of the contract.
- ii Under certain exceptional circumstances, when the sub-standard work done cannot be rectified or redone because of structural or other constraints the matter shall be reported to the Architects/Competent Authority forthwith and if it is subsequently decided to accept the said work, payment for such works shall be allowed at a reduced rate. The reduced rate shall be arrived at keeping in view the nature and extent of deviation from the specifications or drawings and suitable noting shall be made in Contractors' Lapses Register to ensure that such instances are not made a precedence of, by



the contractors to their advantage. The cost adjustments for such deficient works if finally accepted while settling of bills shall be made only for the quantities of such deficient work which are identified and measured separately after detailed inspection of work. The rest of the work which does not contain defects/deficiency shall be measured and paid separately.

17.6.17 Safety Code

- i During the execution of works, every care shall be taken to ensure that the safety and convenience of workmen staff, authorised visitors to site and the public are duly catered to and that all operations are carried out in such a manner as to cause least interference with the traffic or ordinary pursuit of the people.
- ii In order to ensure adequate safety to the workmen and staff at site, the tender provides for Safety Code which enumerates the various measures of precaution to be taken by the contractors during the execution of work. The Local Office shall be vigilant in this respect so that these instructions are effectively followed.

17.6.18 Insurance

The contractors, under the terms of contract, are required to keep the works duly insured until the work is accepted as virtually complete. The Local Office shall ensure that proper insurance policies are taken out by the Contractors and the same are renewed at appropriate time. In the case of materials procured directly by the Company and handed over to the contractors, insurance cover against theft, fire and damages during erection and commissioning shall be taken by the Company, unless the contract agreement with the contractor provides that safe custody of materials and insurance cover should be taken by them. If the Contractor fails to take/renew insurance policies, the offices shall arrange for the same under written notice to the contractors and recover the insurance premium from the dues payable to the contractor so as to ensure that the Company's property does not remain without insurance cover.

The policies taken out by the contractors shall be kept in safe custody of the Local Office. The dealing officer shall ensure that the insurance policies are in order while certifying the R.A. Bills of the contractors. The Local Office shall also see that the insurance policies are proper and valid at the time of releasing payments of the contractors' R.A. Bills.

17.6.19 Service connections

While ensuring the completion of the project as per programme, it is important to ensure that various service connections like electrical, water supply, sewerage, telephones etc. are obtained by the time the building is complete. Therefore, necessary applications for such service connections shall be submitted by the



Local Office well in advance. The Architects/Site Engineer shall liaison in this regard and render necessary help to the Local Office. The Local Office shall also pursue the matter with the Local Controlling Authority for getting early service supply connections. The General Manager shall, wherever required, arrange meetings with top officials of the Local Controlling Authority for expediting the matter. In case, any difficulties in getting service connections are anticipated, the matter shall be reported to the Corporate Office in time so that the matter can be taken up by the Company at a higher level.

17.6.20 Revised estimates of cost

If the sanctioned cost of the project is likely to be exceeded due to various reasons, then revised estimates shall be prepared by the Architects/Site Engineer and sent to the Competent Authority. Such revised estimates shall clearly indicate the amount sanctioned and revised amount for which sanction is required for various items of work with specific reasons for increase in the cost. The Local Office shall ensure that no expenditure over the sanctioned amount is incurred on any project without obtaining approval for the revised estimate from the Competent Authority.

17.6.21 Occupation certificate

- i After the completion of the project, the Architects/Site Engineer shall organize to get a Completion Certificate/Occupation Certificate from the Local Controlling Authority in order to enable the Company to occupy the building/s. However, if the contractor's work/Project is not completed within the stipulated time limits as approved by the Local Municipal Authorities, the sanction of the plan will need revalidation, for which specific application shall be made.
- ii Failure in complying with the requirements as at (i) above may attract heavy penalties and hence such matters may be diarised for timely action. The responsibility for timely action shall be fixed on the Officer-in-Charge of Maintenance Department, who may review the position at quarterly intervals.

17.6.22 Completion of work

- i The work shall be considered as virtually complete when the work is accepted by the Competent Authority.
- ii The Defects Liability Period as prescribed in the contract shall commence only from the date of acceptance of work.
- iii Any defect that may appear within the Defects Liability Period, shall be rectified by the contractors within a reasonable time on receipt of necessary instructions from the Company to that effect. The dealing Officer shall during the Defects Liability Period after a thorough inspection of the work



done, prepare a list of defective items of work and forward the same to the Architects and Local Office for issue of formal instructions to the contractors for rectification. He shall also maintain a record of the progress of rectification work being done and keep the Architects and Local Office informed in the matter. Such intimation for rectification of defects shall reach the contractors well in advance of the expiry of the Defects Liability Period.

- iv Before releasing the Security Deposit to the contractors on expiry of the Defects Liability Period, it shall be ensured that all the defects pointed out during the Defects Liability Period have been satisfactorily rectified by the contractors. In case of failure on their part to do so, the cost of rectifying the defects from any other agency shall be deducted from the amount of Security Deposit due to be released to the contractors.

17.6.23 Performance Guarantees/Manufacturer's Test Certificates

Once the work is accepted as virtually complete, Architects/Consultants/Officer - in-charge, as the case may be, shall ensure that all the performance guarantees in respect of water proofing treatment, anti-termite treatments, lifts, AC equipment, sub-equipment like transformers and HV gears, fire pumps, diesel engines, etc. as per the contract provisions are submitted by the contractors including submission of Performance Security (also called Security Deposit). The Local Office shall ensure that the final payments are released to the contractors only after obtaining such guarantees wherever specified.

17.6.24 As-built Drawings/Operating instructional manual

- i On completion of a project, the Architects/Consultants shall prepare and submit to the Company all As-built Drawings as mentioned in Para 17.4.6.1 (s). The consultants shall also obtain relevant Operating Instruction Manual/s, wherever applicable, from the manufacturers/ suppliers and forward the same to the Company for future references. The final instalment of professional fees of the Architects/Consultants shall be released after all the As-built Drawings as required in terms of agreement are furnished by them.
- ii The Local Office shall pursue and obtain As-built Drawings from the Architects/Consultants as soon as the project is completed.
- iii In case the Architect/Consultant is not associated with the execution of the project, the Company shall arrange to supply necessary details of changes made during the execution of the project to the Architects/Consultants in order to enable them to prepare As-built Drawings.

17.7 Detailed procedure for payment of bills

The procedure for maintenance of records of detailed measurements and payment of bills is given hereunder.



17.7.1 Measurements

The payment for all works done and for all materials supplied shall be made on the basis of detailed measurements recorded in accordance with the stipulations spelt out in the relevant I.S. Codes. The measurements shall be recorded very carefully and accurately and the recorded measurements shall be maintained and preserved carefully as per extant instructions.

17.7.1.1 For all works where Architects / Consultants are not involved in supervision of work

A. Measurements

- i The measurements for every completed stage of work shall be taken jointly by the Representative of the contractor and the dealing person of the company. Such measurements shall be taken in accordance with the Standard Mode of measurements as detailed in the relevant I.S. Codes. The measurements shall be submitted to the Company's representative in the prescribed format by the contractor under his signature for checking. As far as possible soft copies of the measurements along with the calculations may be obtained from the contractors in addition to the signed hard copies. In any case the measurements will have to be submitted by the contractor along with his bill in the prescribed format for checking / certification.
- ii All hidden measurements (items of work which cannot be subsequently checked) of work shall be recorded immediately on completion on the spot under the full signature of the recording person along with date of recording measurements.
- iii Overwriting or erasing of measurements should be avoided in the measurement sheets. Mistakes shall be corrected by cancelling the incorrect entry and writing the correct figures just above the cancelled figures and the corrections should be authenticated by initialling/signing only by the person recording the measurements.
- iv Normally, while recording measurements of any work, the Bill Number, Name of Work, Name of Agency, Work order reference, item number, page number of the relevant contract document together with full description (as written in contract document) of the concerned item of work shall be recorded.
- v For bigger works, separate abstract cost of work shall be prepared based on the previous abstract of the interim bill and the measurements recorded for the bill under reckoning and the accepted contract rates. In each such bill of abstract the Bill Number, Name of



Work, Name of Agency, Work order reference, item number, page number of the relevant contract document together with short description of each item of work, total quantities (including the quantities brought forward from previous measurement), approved rates, units and the total amount shall be recorded with the dated signature and designation of the recording person.

- vi For other minor works the detailed measurements and abstract of cost of any work, may be combined as per the convenience. However, the Bill Number, Name of Work, Name of Agency, Work order reference, item number, page number of the relevant contract document together with full description (as written in contract document) of the concerned item of work, total quantities (including the quantities, if any, to be brought forward from previous measurements), approved rates, units and the total amount shall be recorded in the measurement sheets with the dated signature and designation of the recording person.
- vii Allowances for shrinkage and interstices shall be made by separate entries in the Measurement Book. Full measurements shall be first recorded and deductions in the measurements for shrinkage and interstices shall be recorded thereafter.
- viii For all works, the Contractors' dated signatures shall be mandatory for each set of measurements and abstract of cost as a token of their acceptance of the same.

B. Test check of measurements

The norms for test check of measurements for the project works, minor addition and alteration works, general repair works, renovation of wiring, work of augmentation of services, provision of infrastructural facilities of computer system and telephone exchange etc. where the supervision of the work is to be done by the Company's Technical Officers directly, shall be as under:

i For all works undertaken by the Maintenance Division under item rate contracts costing up to Rs.25 lakh

All measurements recorded by the contractor shall be first checked by the Dealing officer as to whether the measurements have been recorded in accordance with the Standard mode of measurements as stipulated by the relevant IS Codes.

All hidden measurements (items of work which cannot be subsequently checked) shall be checked in full then and there, before the closure of the items, irrespective of the submission of the bill. All the other measurements



shall be checked by the Dealing Officer along with the bill. The bills shall be certified by the Dealing Officer concerned for their full and final settlement.

ii For all works undertaken by the Company under item rate contracts and costing more than Rs.25 lakh

In respect of works costing more than Rs.25 lakhs, all measurements including hidden items of work (items of work which cannot be subsequently checked) shall be checked in full by Dealing Officer. Not less than 10% of all other measurements, excepting hidden items of work, (to be determined based on value) will be further test-checked by the Superior Officer and the bill will be certified for payment by the Superior Officer. It will be ensured by the Office, before release of final (on-account) bill, that the total value of work test checked by the Superior Officer over the complete period of the entire project is not less than 10% of the cost of the project as also that the test-checks cover maximum items of work at random.

C. Maintenance of Measurement sheets

The measurement Sheets are the initial record of the payments made to the contractors / suppliers. As these measurement sheets are documents, which can be verified by Arbitrator and /or the Courts they have to be preserved properly and carefully. Necessary corrections may be made in the soft copies of the measurements and preserved. The hard copies of the Measurement sheets, after due authentications shall be kept in box files and be preserved as per the guide lines issued from time to time.

17.7.1.2 For works where the Architects/consultants are involved in the supervision of the work

- A.** As far as the recording of the measurements are concerned the same procedure as described in 17.7.1.1 (A) shall be followed with a change that the technical representative of the Architect / Consultant at site will discharge the functions of the Company's representative. In addition, the following factors shall be taken into consideration while recording measurements.
 - i All measurements of work or materials supplied shall be recorded in measurement sheets, serially numbered Measurements of different trades in a bigger project shall preferably be recorded in separate groups of serially numbered measurement sheets.
 - ii All measurements shall be recorded by the authorized technical representative of the Architect / Consultant, jointly with the authorized representative of the contractor.



- iii All measurements of work or supplies made shall be recorded at the earliest on the spot under the full signature of the recording official with date of recording measurements.
- iv All the particulars of materials against which the secured advance is granted (if available in the agreement with the contractor) shall be recorded in the Measurement Sheets so as to ensure upkeep of records. The particulars shall comprise (a) Details of materials (b) item for which it is required (c) Quantity as per tender item (d) Material element of the item as per tender (on pro-rata basis) (e) Rate of the item as per challan / voucher (f) Quality considered for the grant of advance (g) amount considered for grant of advance (h) Remarks, etc.
- v All measurements shall be written in ink on the original sheets. Duplicate and triplicate copies shall be copies of the original sheets.
- vi When any entry/measurement is cancelled, the reason for doing so shall be recorded in the Measurement sheets under the dated signature and designation of the official cancelling the entry/measurement.
- vii No overwriting or erasing of any kind shall be permitted. Mistakes shall be corrected by cancelling the incorrect entry and writing the correct figures just above the cancelled figures.
- viii All the corrections in the Measurement sheets shall be carried out and duly authenticated by initialling/signing only by the person recording the measurements.
- ix For bigger projects, while recording measurements of any work, the Bill Number, Name of Work, Name of Agency, Work order reference, item number, page number of the relevant contract document together with full description (as written in contract document) of the concerned item of work shall be written in the Measurement sheets.
- x For bigger projects, while recording abstract of cost of any work, the Bill Number, Name of Work, Name of Agency, Work order reference, item number, page number of the relevant contract document together with short description of each item of work, total quantities (including the quantities brought forward from previous measurement), approved rates, units and the total amount shall be recorded with the dated signature and designation of the recording official.
- xi For other works, while recording measurements and abstract of cost of any work, the Bill Number, Name of Work, Name of Agency, Work order reference, item number, page number of the relevant contract document together with full description (as written in contract document) of the concerned item of work, total quantities (including the quantities, if any, to be brought forward from previous



measurements), approved rates, units and the total amount shall be recorded in the MBs with the dated signature and designation of the recording official.

- xii Allowances for shrinkage and interstices shall be made by separate entries. Full measurements shall be first recorded and deductions in the measurements for shrinkage and interstices shall be recorded thereafter.
- xiii For all works, the contractors' dated signatures shall be obtained for each set of measurements and abstract of cost as a token of their acceptance of the same.

B. Test Check of measurements

All hidden measurements (items of work which cannot be subsequently checked) recorded shall be checked in full and not less than 25% of all other measurements (to be determined based on value) shall be test checked by a Technical person of the Architect / Consultant. Not less than 10% of all other measurements (to be determined based on value) will be further test-checked by the senior level technical person of the Architect / Consultant before certifying the bill of the contractor for payment.

17.7.2 Contractors' On-account Bills (RA Bills)

Normally the tender stipulates the value of works for the interim bills. Some agreements specify payment of secured advance of 75% of the cost of the materials brought to the site of work

In such agreements, before allowing payment of secured advances, the actual quantity of materials required for the work should be assessed. If the said quantity is within the tender stipulation under relevant item, the payment of secured advances for quantities of materials - maximum up to assessed quantity, be allowed after due measurements of materials and verification of rates etc. If the assessed quantity of materials is more than the tender quantity, the payment of secured advances should be restricted to the tender quantity till the time the excess quantity over tender quantity is got approved by the Competent Authority depending upon delegation powers.

When the gross payment due to the contractor against work done including secured advance against the value of materials collected at site exceeds the amount of interim amount of bill specified in the tender, the contractor is entitled to submit a bill as explained below.

- i The contractor shall prepare the bill on the basis of the item wise abstract of the total measured quantities as recorded in the Measurement Sheets. The tender items shall be serially reproduced verbatim in the bill. The extra or variation items which have been sanctioned and for which Variation Orders have been issued shall only be included in the bill. Such extra items shall be shown in the bill in a separate sub-head along with references to



the Variation Order number and date thereof. Further, the net value of material available at site at the time of preparation of bills shall only be considered after taking into account the value of previous bill (which will be inclusive of advance against materials). The contractor shall submit the bill in triplicate and the same will be forwarded to the Architect/ consultant. for necessary certification

ii Certification of the bill by the Architect/Consultant

- a. The bill, after due verification and check of arithmetical calculations and after incorporating necessary corrections wherever required, shall be certified by the Architect/Consultant by recording following certificate under their full signature and date. "The quantities, rates and amount verified. The materials supplied and work done confirm to the specifications in the Tender or Variation Order. Measurements have been recorded in Measurement Sheets bearing page nos. _to_."
- b. Such certificate shall be recorded at the end of the abstract of the bill as well as in the Measurement Sheet containing the abstract.
- c. The bill in triplicate after due certification shall be sent to the Press office along with the following documents/statements.
- d. Measurement sheets.
- e. Statement giving reasons for excessive variations (above 20%) in the quantities as compared to the quantities in the Tender or Variation Orders.
- f. A statement showing part-rates/reduced rates for different items of work with details of balance work to be carried out and rate analysis for major items.

iii Countersignature of the certification of the bill:

On receipt of the interim bill (in triplicate) from the consultants/Architects, the following factors will be verified/ checked.

- a. The description of items is reproduced verbatim.
- b. The Bill of Quantities is as per the measurements recorded.
- c. The rates for different items are as per the accepted tender and/or the approved Variation Orders.
- d. The part-rates recommended are commensurate with the actual stage of work done for the relevant items. The technical staff attending to construction projects / general repairs and maintenance work shall check reasons for allowing part rates/ reduced rates along with break-up of rates to facilitate the processing of the RA bills/final bills in a proper manner.



- e. Quantities of materials for which advance has been claimed have actually been collected at site and necessary undertaking as per the prescribed proforma is furnished by the contractor.
- f. The measurements have been checked as indicated in Para 17.7.1.2 (B)
- g. Rates allowed for advance against materials brought to site are based on the current market rates (to be verified from the vouchers/receipts submitted by the contractors) and are admitted up to the percentage as provided in the contract or pro-rata amounts for such materials relating to the respective tender item rate, whichever is lower.
- h. Recoveries on account of materials, like cement and steel supplied by the Department, issued to the contractors have been made after taking into account actual consumption and wastage as per tender provisions and reconciling the balance quantities at site.
- i. Deductions/rebates on account of retention money, mobilization advance, or any item of work have correctly been shown in the bill.
- j. Proper insurance cover as provided for in the contract and for proper value has been taken by the contractor.
- k. The bill complies with all the terms and conditions of the contract.
- l. Necessary test check measurements are done and necessary certificates are recorded as per Para 17.7.1.2 (B) and as per Para 17.7.2 (ii)

On verification of the above factors the certification on the bill and the Measurement sheets shall be countersigned by AGM/DGM/GM

iv Scrutiny of bills in the Local Office

When the bill along with measurement sheets is duly certified for payment and countersigned, the same shall be processed for payment on priority basis.

- a. The staff entrusted with checking of bills in the Local Office shall be thoroughly acquainted with the provisions of the contract documents, related rates and procedures. Any doubts in this regard shall be referred to their superiors for instructions.
- b. The Local Office shall carry out a full arithmetical check of the bill in addition to complete verification of all relevant facts in regard to both tendered and non-tendered items, rates, advances, recoveries, rebates condition accepted by the Company, insurance cover, validity of Bank Guarantee etc. and satisfy themselves of the correctness of all figures vis-à-vis the terms of the contract.
- c. They shall also ensure that



- The reasons for excess quantities of items are furnished along with the bill
 - Only approved extra/variation items are considered in the bill for payment
 - Necessary certificates are recorded in the Measurement Sheets and the bill
- d. The certificate of payment against contractors' each bill is countersigned by the AGM/DGM/GM
- e. The Local Office shall carry out 100% check of arithmetical accuracy of the calculations recorded in the Measurement sheets in addition to those in the bill before making payment against contractors' bill. A certificate to the effect shall be recorded in the Measurement Sheets by the officer concerned, as under:

“Certified that the measurements recorded in the Measurement sheets as shown below and in the R.A. Bill No..... dated have been arithmetically checked and found correct. Measurement sheets Page Numbers.....”

Signature

- f. The payment shall thereafter be released after taking into account the earlier payment made, if any. After the bill is passed for payment, the contractor shall be advised of the details like gross amount of the bills paid so far, gross amount of particular bill passed along with details of recoveries and net amount being paid.
- g. The Local Office shall ensure that the payment of bills including ad-hoc payments are made within the time stipulated in the contract.
- h. After the payment against any bill is fully released, the contractors shall be given a copy of each of all the measurement sheets and the bill duly amended as finally passed for their information and record.
- i. While passing a bill for payment, if the amount exceeds the sanctioned limit, the matter shall be referred to the Concerned Authority for additional sanction.

v Deduction of Income Tax

In terms of relevant provision of the Income Tax Act, 1961, Local offices are required to deduct income tax at source, as applicable.

All the Statutory requirements relating to TDS as per provisions of the Income Tax Act, 1961 shall be scrupulously complied with.



17.7.3 Contractors' Final Bills – Projects

- i The Local Office shall ensure that the final bills are obtained from the contractors as early as possible, (preferably within 3 months after work is accepted as virtually complete. In the cases of the contractor failing to submit the bill within a reasonable period, the Local Office may arrange to prepare Final Bill themselves after due notice to the contractors. After the bill is certified by Architect/ Consultant, and countersigned by AGM/DGM/GM the bill will then be thoroughly scrutinized by the Local Office and after due scrutiny and corrections (including a cent percent arithmetical and administrative checks) shall be put up to the General Manager of the Local Office for approval along with the check list for final bill

While scrutinizing the Final Bill, the following checks shall be exercised by the Local Office.

- a. That the Architects/Consultants, have certified the final bill for payment and have also accepted the work as virtually complete.
- b. The bill has been duly countersigned by AGM/DGM/GM
- c. That extension of time, if any, beyond scheduled date of completion has been granted by the Competent Authority.
- d. That the contractors have submitted the necessary guarantees / warranties / undertakings / completion drawings and test certificates for the work or materials as required in terms of the contract.
- e. That all advances for mobilization including interest or against materials etc. are recovered in full.
- f. That there are no outstanding recoveries against the contractors on account of water, electricity, insurance premium for any "uncovered period", telephone charges, damages to fittings/ fixtures, any other account as specifically provided for in the agreement, etc. or as recoverable deposits.
- g. All extra/variation items/rebate items have been duly approved by the Competent Authority.
- h. Escalation/claims, if any, beyond contract provisions are approved by Competent Authority.
- i. All recoveries in terms of Chief Technical Examiner's Organization's reports have been effected.
- j. All the claims relating to workmen's compensation and third party liability have been settled by the contractor: if not, appropriate amount has been withheld.



- k. That recovery, if any, on account of the difference in the Basic Rate and actual cost of materials has been fully made as certified by the Competent Authority.
 - l. That all receipts for refundable deposits, if any, paid by the contractors on behalf of the Company, have been submitted by the contractors to the Company, so that the Local Office may pursue with the concerned authorities for obtaining refunds of the same.
 - m. That the required test checks of measurements [in terms of Para 17.7.1.2 (B)] have been carried out and the fact recorded in the abstract of the Measurement Sheets.
 - n. That the contractors have given a certificate on the abstract of the bill as corrected by the office as well as in the Measurement Books, to the effect that "Accepted in full and final settlement of all claims". In the event of the contractor not giving such certificate, the matter may be referred to Corporate Office with full details and recommendations.
 - o. Income Tax, GST on work contract, etc. are recovered as per the statutory regulations.
 - p. The General Manager of the local office shall be competent authority to pass the payment against the final bills of the contractors' subject to all other provisions of this manual with reference to settlement of final bills are compiled with.
- ii The guidelines as given above are illustrative and not exhaustive and hence any other matters considered relevant shall be verified before settling the bill.
 - iii The Local Maintenance Department/ Corporate office shall ensure that all the recoveries in terms of CTEO's reports have been effected and the amount withheld at the instance of CTEO is released only after final clearance is received from the CTEO office.

17.7.4 Bills for maintenance/repairs works/minor additions & alterations

The bills received for maintenance / repair works including Final Bill shall be settled directly by the Local Office. The bills received from the Contractor shall be examined by the Dealing Officer and shall be certified for payment. The procedures regarding recording of measurements, test check measurements, certification of bill by the engineers, scrutiny of bill by the office, payment of bills, maintenance of registers shall be same as those laid down in case of contractors' bills for the Project Works.



17.7.5 Architect's or Consultants' bills for professional fees

- i All On-Account Bills for professional fees submitted by the Architects/ Consultants shall be settled by the Local Office in terms of the relevant provisions of the agreement entered with them. However, before releasing the first instalment of the professional fees of the Architects/ consultants, the statement of total fees payable to the Architects/Consultants shall be got approved by CA as per DoP on the basis of estimated cost of the project approved by the CA at the initial stages.
- ii The agreement with the Architect normally stipulates that the total fees payable to the Architects/ Consultants will be worked out as an agreed percentage on the value of works as estimated at the initial stages or the value of work as executed and completed, whichever is less, and the Company is entitled to make adjustments subsequently during the progress of the project. Therefore, the revised fees payable is required to be worked out in case the actual cost is likely to be less than the estimated cost at an appropriate time during the progress of the project.

17.8 Maintenance and Repair Works

17.8.1 Classification of Company's assets

The Company's assets are mainly classified as under.

- i Plant and Machineries
- ii Office/Factory premises
- iii Residential buildings
- iv VOF/Guest House
- v Amenity Buildings

17.8.2 Nature and extent of maintenance responsibility

- i In case of all assets owned by the Company, all the repairs and maintenance shall be the responsibility of the Company.
- ii In case of assets taken on lease, the maintenance responsibility shall be according to the terms and conditions of the respective agreement. However, normally the owner undertakes the maintenance and repairs of such assets and services therein. If the owner does not carry out such repairs on request/demand, the Company shall serve a notice to the owner and carry out such repairs and recover the costs from the owner on actual basis.



17.8.3 General instructions on maintenance and repairs

- i It is important that Company's various assets are always kept in a serviceable, clean, hygienic and tidy condition. The arrangements for sanitation and other services must be above reproach.
- ii The Company's assets shall be repaired and maintained in accordance with the general policy laid down by the Company from time to time. While undertaking such repairs and maintenance works, it shall be ensured that these services are adequate, prompt and economical.
- iii The standard of maintenance shall be of a very high order, leaving no room for complaints either by staff or by public. For this, certain vigilance and surprise checks shall be conducted by the officials concerned. Any lacuna, shortfall etc. in the desired level of maintenance shall be noted and corrective measures taken.
- iv All the Utility/Civil/Machinery services shall be kept in good working condition by exercising periodical checks, regular servicing and methods adopted for preventive maintenance.
- v The respective Officers shall pay periodical visits to Company's assets for careful study of structures / installations / services, their periodical preventive maintenance and to identify defects/faults/disorder in consultation with user/residents and arrangements shall be made for prompt rectifications causing least disturbance to the users/residents.
- vi Items to be replaced shall preferably be of same make, quality and specifications and in case it is not possible to obtain such materials, replacement shall be made with materials of the equivalent quality. In case of need to improve specifications of materials, prior approval shall be obtained from Competent Authority giving reasons/justifications with cost benefit analysis.

17.8.4 Norms of maintenance expenditure

Expenditure on general maintenance/repair work of the Company's assets including various internal and external installations, equipment, etc. shall be realistic and need based for keeping the Company's various assets in a serviceable, clean and hygienic condition. While preparing the annual revenue budget, adequate provision shall be made for such maintenance and repair works.

17.8.5 Authority for sanctioning expenditure on maintenance and repairs works

The powers of various authorities to sanction the expenditure for maintenance and repair works shall be exercised in accordance with DOP as amended from time to time.



17.8.6 Periodical maintenance/repairs

Repairs and maintenance which are required to be attended at certain intervals for the proper maintenance of the buildings, installations and services shall be got done either through service contracts or by engaging an agency for the specific work.

17.8.6.1 Service Contracts

The service contracts shall be prepared carefully, taking into consideration all the possible maintenance items. In respect of all the Company's assets, the terms and conditions of the service contract shall be formulated considering the established trade practices and/or guidelines given by regulatory organizations and the Company's specific requirements. It shall be preferable to obtain competitive rates for annual maintenance for a reasonable specific period beyond guarantee/warranty period while calling for tenders/quotations for supplying, installing and commissioning of new installations. In such occasions it is essential that the tenders/quotations are evaluated taking into account the combined financial implication of the cost of supply and the net present value of the maintenance charges quoted by the individual tenderers.

Normally, local offices should incorporate necessary items in the bill of quantities itself for obtaining rates for annual service contract after the expiry of guarantee/warranty period whenever new equipment are purchased or new installations are created. In cases where such action is not possible, various functionaries at Local Office can approve and sanction expenditure towards service contracts as per DOP after inviting competitive quotations (for the same). There is no necessity to seek Corporate Office approval even when the service contracts are entered into for the first time if the annual fees of maintenance are up to the financial powers delegated to the functionaries of local offices.

17.8.7 Assessment of additions/alterations and new works

Identification of any new work to be undertaken or additions/alterations to be carried out during the year shall be done keeping in view the Company's specific requirements and long term objectives much ahead of the beginning of the financial year. While finalizing the items of work to be included in the capital budget, it will be ensured that a particular work is need based and will result in enhancing quality and quantity of the infrastructural facilities provided at press buildings.

- a. Office/Factory Buildings and
- b. Other properties of the Company



The Local offices may take up only those new work or additions/alterations works which are included in the capital budget duly approved by Corporate Office irrespective of their estimated cost without any further reference to CO for obtaining in principle approval but only after observing other provisions of the Manual/periodical instructions issued by the Corporate Office for obtaining Technical Sanction from the competent authority etc. and clearance from Municipal Authorities, wherever required.

17.8.8 Execution of work

17.8.8.1 Schedule of quantities/Sketch plans

- i For repairs/maintenance and additions/alterations including general repairs and repainting etc. Schedule of Quantities shall be drawn by the concerned officer after inspection of site and as per Company's requirements.
- ii The Schedule of Quantities thus prepared shall be realistic, leaving no scope for making any substitution/creating extra items. Care shall also be taken to see that no item of work is omitted.
- iii Where the works proposed to be carried out are expected to cost Rs.2.5 lakh or more, the Schedule of Quantities drawn up by concerned Officer shall necessarily be seen by the concerned AGM/DGM to ensure the correctness of the same.
- iv Along with Schedule of Quantities, sketch plan/drawings/design of the work to be undertaken shall be prepared, wherever it is considered necessary and enclosed to it.
- v A certificate to the effect that the Schedule of Quantities have been drawn up after due inspection of site and that the variation in the quantities will not exceed 20% while executing the work shall be furnished by the concerned officer who has approved the Schedule of Quantities.
- vi On preparation of schedule of quantities, if the work is estimated to cost Rs.25 lakh or more, approval of Competent Authority to the proposal shall be obtained in principle before invitation of tender.

17.8.8.2 Invitation of quotations/Tenders and awarding of work

- i The draft tender documents for maintenance works shall be approved by the functionaries of the Company based on estimated cost of work as per DoP, subject to the approval of the works from the Competent Authority.
- ii Fresh quotations need not be invited for urgent works of similar nature if rates for such items have already been approved by the Competent



Authority on the basis of competitive quotations obtained from approved list of contractors / firms / dealers subject to the following:

- a. No renovation / replacement of amenity / facility / dead stock article should be taken up unless it has served its prescribed life and/or is rendered / certified to be "beyond economical repairs / obsolete". Such technical appraisal should be accompanied by financial appraisal involving assessment of benefit-cost ratio and internal rate of return. Such certificate shall be issued by the General manager/Officer-in-Charge himself.
- iii In exceptional cases the offices may also place repeat order on the same agency/firm/contractor(s)/dealer(s), who has/have completed the original work satisfactorily, based on their earlier tender rates for the works of urgent nature. However, the office note containing such a proposal should clearly indicate the emergent nature of the work and also why a tender / quotation could not be obtained. Such note should have the approval of an officer in one grade above the officer who had approved the earlier/original order. In case the earlier/original order for the work was approved by the Managing Director, he should satisfy himself about the urgent nature of the work and the fact that there is no time available for invitation of a fresh quotation and record the same while approving the repeat order. Such repeat order shall be subjected to the following:
 - The value of the repeat order shall not exceed the value of the original order and shall not contain any new items of work i.e. items of work for which earlier tender rates are not available.
 - Repeat order shall be considered only after preparing a fresh comparative statement for the proposed work based on the estimated quantities and the rates quoted by all the tenderers for the original contract and ensuring that the earlier lowest firm still remains lowest.
 - The provision for repeat order can be exercised only once.
 - Any repeat order should be considered only within one year from the scheduled date of completion of the original order.
 - The work should be similar in nature and in the same city as the original work.
 - The repeat order shall not be placed on any other agency / contractor, even if he is on the approved list and is willing to carry out the work at the rates quoted by the agency/firm/contractor(s)/dealer(s) who did the original work.



17.8.8.3 Execution of work

- i After the receipt of sanction of expenditure by the Competent Authority and completion of the formalities of awarding the work, execution of contract documents etc. all endeavour shall be made to ensure that the work is started as contemplated and completed within the stipulated period.
- ii Inspection and close supervision shall be exercised by the concerned technical staff in order to get good quality of work done. It is incumbent upon various technical staff and officials concerned with the work to have thorough discussion with the contractors on various requirements of works/materials to be used on the work, guide the contractor and their workmen before commencement of each day's work and to inspect the works while in progress and to ensure that the works are being executed according to designs, plans and specifications laid down for the purpose and in appropriate time.
- iii The progress of work shall be watched at various stages of the work. Efforts shall be made to remove hindrances, if any. The work shall be properly coordinated by the technical staff, so as to ensure that the work is completed within the allotted time.
- iv An assessment of the time required for completion of a particular work shall be made while awarding the work to the contractor. In the event of a contractor found failing to achieve proportionate progress vis-a-vis passage of proportionate time and shows signs of not being able to complete the work within the given time, the contractor shall be warned in good time to expedite matters and if, despite warning, the tendency to delay the work persists, the contractors shall be served notice under penalty clause and penalty clause shall be operated. Further, the contractor's name may be deleted from the list of approved contractors with consent of the General Manager.

17.8.8.4 Finalization of bills

- i In respect of maintenance works/contracts, its execution and works accounts maintaining Measurement sheets, recording/checking of measurements and its calculation and arithmetical accuracy, payment of bills, etc., the provision in this manual so far as those are applicable to the Project Works to be executed departmentally, shall be followed.
- ii All R.A. Bills and Final Bills shall be scrutinised and settled in Local Offices within the stipulated periods without giving scope for the contractors to complain on delay in the payments.



- iii If the original sanction obtained from the Competent Authority for any work exceeded is during the currency of the contract, permission from the same authority should be obtained by supplementing full details and proper justification for the excess, before actually incurring/committing the expenditure and payment of Final Bill.
- iv Offices shall put in place a time schedule for settlement/payment of bills of contractors for maintenance.

17.8.9 Insurance

- i The Finance & Accounts Division in Local Office shall take out insurance policies for the Company's various properties as per the norms prescribed at the contemporary replacement cost of the buildings as per the prevailing guidelines.
- ii Under no circumstances any of the above insurance policies shall be allowed to lapse.

17.8.10 Vault Inspection

The vaults for the storage of treasure/ printed currency notes/ currency notes under printing shall be of specially prepared reinforced cement concrete (R.C.C.) walls, roof and floor. The RCC walls/roof /floor shall be either 300mm thick or 450 mm thick, as the case may be, and shall be fortified with special reinforcement of tang bars in one row or two rows., as the case may be.

The vault doors shall be hammer, drill, Oxy-acetylene flame, explosives, fire and burglar resisting, strong room doors generally conforming to class AA of IS 11188 (part I): 1991.

As immensely valuable currency notes are being stored in the Vaults, the existing Vaults along with other related infrastructural facilities need to be maintained properly, so that the functioning of the Vaults remains uninterrupted. In order to achieve this purpose, the existing vaults and the following infrastructural facilities shall be subjected to inspection annually by a Group of technical officers drawn from the respective disciplines.

- i The floor, walls and the roof of the Vaults shall be inspected thoroughly to identify cracks, seepages, disfigurement, if any. In case of observation of any defects the causes of such defects shall be investigated in consultation with the dealing officials and remedial measures shall be recommended.
- ii The functioning of the Vault doors shall be checked for smoothness of operation.
- iii All the electrical fittings and fixtures in and around the Vaults shall be checked for the efficacy.



- iv The Emergency lighting arrangements in and around the Vaults shall be checked
- v The fire extinguishing arrangements in and around the Vaults shall be checked as to whether they are kept serviced periodically and are fit for use at any emergency.
- vi The adequacy and the efficacy of the CCTV arrangement in and around the Vaults shall be checked.

The aforesaid Group shall conduct inspection on the above parameters and issue a certificate, which shall be displayed at every Vault.

17.9 Miscellaneous

17.9.1 Lapses Record of Architects/Consultants

- i During the course of planning and execution of a project, lapses on the part of the Architects/Consultants (e.g. failure to take appropriate action, delay in issuing instructions/drawings, errors/omissions in preparation of tenders etc.) that may have caused delay in progress of the work or resulted in financial loss to the Company, shall be recorded in the “Lapses Register” for future reference. This Register shall be referred to while selecting architects/Consultants for projects.
- ii Each entry made in the register shall give all relevant details, references etc. and shall be countersigned by GM/DGM.

17.9.2 Lapses Record of contractors

- i During the course of execution of any project, or for maintenance work, any lapses found on the part of the Contractor (e.g. failure to adhere to the instruction given by the Company, intentional delay in completion of work, submission of absurd claims, extra items, intentional deviations from the tender specifications, unfair dealings etc.) that may have caused delay in progress of work or resulted in financial loss to the Company shall be recorded in the “Lapses Register” for future references. The register shall be referred to while selecting contractors/awarding contracts for future works.
- ii Each entry made in the register shall give all relevant details, references etc. and shall be countersigned by GM/DGM.



17.9.3 Records, Drawings and Documents

It shall be the responsibility of all the HODs of respective sections to identify important record, drawing and documents for safe-keeping in Fire-Proof Cabinets and same must be recorded in the register.

- i A complete and up to date record of all registers, books etc., in use in the section shall be maintained in the section/Division.
- ii All drawings pertaining to projects and other works shall on receipt, be catalogued in the drawing register and reference to the serial number in the said register shall be indicated on each drawing before issuing the same to the dealing officials. For keeping track of drawings, an “Issue Register of Drawings” shall be maintained as per the prescribed proforma.
- iii Current drawings shall be kept project wise in separate folders marked Architectural Plans, Structural Drawings, Architectural Details, Sanitary and Plumbing Drawings, Electrical Lay-out Drawings etc.
- iv Superseded Drawings shall be marked “Superseded” and kept in separate project wise folders.
- v One set of Completion Drawings for all projects on receipt shall be preserved as a permanent record. Completion Drawings shall include all structural, architectural, detailed working drawings, sanitary, plumbing, electrical, and air conditioning drawings, layout plan showing all services, municipal connections for water supply, sewage and drainage etc. A register of Completion Drawings shall also be maintained wherein all details of such drawings shall be recorded.
- vi All additions/Alterations carried out, if any, shall also be incorporated in the Completion Drawings.



PART B: ANNEXURES



Annexure 1: Time Frame for Procurement

(Refer Para 3.5)

Receipt of Indent

Raising indent	T i.e. Day -1
Indent Approval	T+ 1 week
Preparation of Tender Enquiry	T+ 2 week
CFA Approval	T+ 4 week

Procurement Process

Reception of Bids	B=T+7 weeks LTE (4 weeks) B=T+8 weeks OTE (5 weeks) B=T+10 weeks GTE (6 weeks)
Opening and Preparation of CST	B+2 weeks
TEC Evaluation - Techno Commercial (in two bid)	B+6 weeks
Approval of techno-commercial offer by CFA	B+8 weeks
Price bid opening and evaluation by TEC	B+ 9 weeks
Purchase Proposal Making	B+10 week
TEC/CFA Approval	B+12 week
TEC/CFA Approval in case CFA is MD/Board	B+14 week
Preparation and Dispatch of SO or LOI	B+13 week
Preparation and Dispatch of SO or LOI in case CFA is MD / Board	B+16 week

Note: For Procurement of One off capital goods and machinery as well as development tender, time lines shall be decided on case to case basis.



Annexure 2: Purchase without Quotation Format

(Refer Para 4.11)

Place: _____

Date: _____

"I, _____, am personally satisfied that the goods (described below) purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

Item :

Quantity :

Indentor :

Unit Rate :

Taxes/Duties :

Other Charges :

Total Unit Price :

Total Price :

Purchased from : M/s

Vide Bill No. :

It has taken _____ days for procurement

Justification:

Cheque may be drawn in favour of:

Name :

Designation :

Signature :



Annexure 3: Purchase Certificate Format

(Refer Paras 4.11 & 4.12)

Place: _____

Date: _____

"Certified that we the undersigned, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."

The details of recommended purchase are:

Item :

Quantity :

Indentor :

Details of quotations :

1.

2.

3.

Recommended quotation :

Unit rate (with taxes and duties) :

Total Value of purchase :

Cheque may be drawn in favour of:

Name 1 :

Designation :

Signature :

Name 2 :

Designation :

Signature :

Name 3 :

Designation :

Signature :



Annexure 4: Annual Requirement Finalization (Refer Para 5.2)

Name of the Department	
Annual Requirement for the period	April to March

Item Code	Name of Item	Unit of Measurement	Half-yearly requirement	Previous Year's consumption	Opening Stock (Apr__)	Receipt (Apr-Sep)	Issued (Apr-Sept)	Closing Stock (Sep__)	Remarks
xxx1	Item1 (H1)	Million pieces							
xxx2	Item1 (H2)	Million pieces							
xxx3	Item2 (H1)	Numbers							
xxx4	Item2 (H2)	Numbers							

H1 - 1st Half year

H2 - 2nd Half year

Reasons to be given in the remarks column for any variations more than $\pm 10\%$ of the last year's demand



Annexure 5: Bank Guarantee for Performance Security

(Refer Para 8.7.2)

Proforma given in Section XV of SBD



Annexure 6: Delivery Schedule

(Refer Para 11.18)

Contract No. _____

Name of the Supplier _____

Sl. No.	Particulars			Date of Delivery	Place of Delivery	Remarks
	Description	Quantity	Rate			

(Name & Signature)



Annexure 7: Letter of Authority for attending a Bid Opening

(Refer Para 8.9.2)

The General Manager

Subject: Authorization for attending bid opening on _____ (date) in the tender of _____ against tender enquiry _____.

We hereby authorize following persons to attend the bid opening for the tender mentioned above on behalf of _____ (Bidder) in order of preference given below.

Order of Preference	Name	Specimen Signatures
I.		
II.		
Alternate Representative		
Signature of Bidder or Officer authorized to sign the bid documents on behalf of the bidder		

Note:

- Maximum of two representatives will be permitted to attend bid opening. In cases where it is restricted to one, first preference will be allowed. Alternate representative will be permitted when regular representatives are not able to attend.
- Permission for entry to the hall where bids are opened may be refused in case authorization as prescribed above is not received.

Signatures of bidder
with date and seal

or

Officer authorized to
sign the bid documents
on behalf of the bidder



Annexure 8: Bid Opening Attendance Sheet (Refer Para 8.9.2)

[illegible]

Annexure 9: Checklist for Preliminary Examination

(Refer Para 10.2)

Tender / Contract No :
 Tender / Contract Title :
 Date of opening :
 Time of opening :

Check List for submission of Techno-commercial & Financial Bids in respect of [insert tender description]

Sl. No.	Items	Received	Remarks
1	Original and number of specified copies of the bid.	Yes/No	
2	Earnest Money Guarantee to be submitted as required by the tender document	Yes/No	
3	Letter authorizing the representatives to attend the bid opening.	Yes/No	
4	Documents to support [insert number of years] of manufacturing and marketing experience.	Yes/No	
5	Capacity certificate and other supporting documents to prove production capacity of at least [insert percentage] of average annual off take by BRBNMPL for last five years.	Yes/No	
6	All financial documents specified for in the invitation for bid document like audited financials for the last year, etc. are enclosed The above Documents attested by the chartered accountant.	Yes/No	
7	Self declaration to certify that the bidder has not been barred from participation under conditions specified in the tender document is enclosed.	Yes/No	

(Signature & Designation of the tender opening official)

(Signature & Designation of the tender opening official)

(Signature & Designation of the tender opening official)

(Signature & Designation of the tender opening official)



Annexure 10: Statement of Financial Standing

To be submitted by all bidders (where the total Turnover requirement to qualify for bid is more than Rs.5 Crore) as part of Pre-Qualification Criteria (Section IX of tender)

This statement has to be certified by a certified accountant e.g. Chartered Accountant (CA) in India and Certified Public Accountants / Chartered Accountants / Members of Certified Accounting Body of the government of the Bidder's country in case of foreign bidders.

This is in addition to (i) Audited Balance Sheet (ii) Statement of Profit and Loss and other supporting documents for the last three years in English language to be submitted along with Bid.

Name of Business Organization:

Sl. No.	Financial Year	Annual Turnover	Profit/Loss	Net worth	Remarks
1					
2					
3					

.....
Signature of Certified Accountant

Name :
Name of Firm :
Reg. No of Firm :
Membership No :
Place :
Date :



Annexure 11: Notification of Award of Contract

(Refer Para 10.17.4)

Contract No :

[Insert date]

Contract Title:

Private & Confidential

To,

[Insert name & address]

Sub: Award of contract for Contract No: [Insert contract number] and Contract title:
[Insert contract title]

Ref: Your offer No. [Insert offer number] against our tender No [Insert tender no]
Opened on [insert date of opening of tender]

Dear Sir/Madam,

I am directed to inform you that after evaluating the bid documents submitted by you on [enter date] BRBNMPL is pleased to inform you that you have been selected as the successful bidder for the supply of [enter description]. The total purchase price shall be [enter amount] as indicated in your financial bid submitted on [enter date], in accordance with the procedures intimated to you by BRBNMPL.

You / your authorized representative(s) are requested to be personally present at [insert address] for the signing of the contract by [enter date].

In this respect, we also request you to submit the performance security of [insert amount of rupees in words] by [insert date]. Security Deposit being 10% of the Total Cost = Rs. _____ Please arrange to deposit Rs. _____ as further Security Money over and above the Earnest Money of Rs. _____ already deposited.

Please apply for refund of Excess earnest Money deposited over and above the Security Deposit of Rs. _____, if any.

You are requested to execute necessary agreement within [enter days] from the date of issue of this letter in the enclosed Agreement form. Treasury Receipts of EMD and Security Money Deposit shall be deposited in office within the stipulated time limit as above. Separate Acceptance Letter will be issued in case of any additional allotment of materials

Yours truly,
[DGM / AGM]

Enclosure: Agreement Form along with the schedule of delivery



Annexure 12: Invitation for submission of EOI
(Refer Para 6.2)

1. Name of the Organization :
2. Type of the Organization :
3. Reference No. :
4. EOI Title :
5. Category :
6. Sub-category :
7. Date of Announcement :
8. Last date for submission :
9. Broad description of work :
10. Pre-qualification criteria :
11. Bid documents (if any) :
12. EOI should be submitted to :

Designation :

Email :

Phone :

Fax :



Annexure 13: Application for Empanelment

(Refer Para 6.2)

[The applicant should study carefully the Rules of Enlistment and the list of documents to be annexed with the application form before filling the form. Applications found deficient in any respect are liable to be rejected without any further correspondence]

CLASS / CATEGORY

1. Name of applicant Shri / M/s

2. Nationality

3. Office Address:

Home Office

Regd. Office

4. Telephone Number:

5. Fax No..... Email ID:

6. Constitution - (Tick the appropriate)

Individual ☐ Sole Proprietorship Concern ☐ Partnership Firm ☐

Public Ltd. Company ☐ Private Ltd. Company ☐

7. Names of Partners / Directors:

S. No. If Company-Names of Directors If Partnership Firm-Name of Partners

1

2

8. Is the individual / sole proprietor / any partner / directors of company:

Sl. No.	Particulars	Yes/No
(a)	Dismissed Government Servant	
(b)	Removed from approved list of contractors	
(c)	Demoted to a lower class of contractors	
(d)	Having business banned / suspended by any government in the past	
(e)	Convicted by a court of law	
(f)	Retired engineer / official from engineering Department of Govt. of India within last two years	
(g)	Director or partner of any other company / firm enlisted with CPWD or any other department	
(h)	Member of Parliament or any State Legislative Assembly	

If answer to any of the above is 'Yes', furnish details on a separate sheet

9. (a) Name of person holding power of attorney

(b) Nationality Indian / Others

(c) Liabilities



10. Name of Bankers with full address and Account Details.....
.....
11. Place of business
12. Full time technical staff in applicant's employment
- | Categories | Number |
|---|--------|
| Graduate engineers with minimum 5 years' experience | |
| Graduate engineers with minimum 3 years' experience [excluding above] | |
| Diploma engineers with minimum 3 years' experience | |
13. Does the applicant have sufficient T&P, Machinery, Equipment, arrangements for quality control and workshop as per requirements?
[Attach details on separate sheet] [In case of authorized dealers, provide these details pertaining to OEM]
14. Does the applicant possess valid Electrical License [For Electrical]: Yes/No
15. Whether registered with GST authorities
[Give details of registration and enclose copies thereof]
16. Financial Reports: Provide copies of last 3 year's Annual report/Balance Sheet/ Profit and loss statement
17. (a) Whether already enlisted with any other organization: Yes/No
(b) If yes, give details:
 (i) Name of department
 (ii) Class of category
 (iii) Empanelment authority & address
 (iv) Empanelment No. & date
 (v) Date of validity
 (vi) Tendering limit
18. Is any person working with the applicant is a near relative of the officer / official of BRBNMPL: Yes/No
If yes, give details
19. Empanelment fee enclosed:
- | Date | Draft No | Amount | Issuing Bank Branch | In favour of |
|------|----------|--------|---------------------|--------------|
| | | | | |
20. Details of Works completed and in progress during the last 5 years. This list should include all works whose gross amount of work done is more than the required magnitude for the class in which registration is required.



21. Certificates:

- (i) I / We (including all partners) certify that I/We have read the Rules of Enlistment of Contractors in BRBNMPL as amended upto date and shall abide by them.
- (ii) I / We certify that the information given above is true to the best of our knowledge and also understand that if any of the information is found wrong. I am liable to be debarred.
- (iii) I / We certify that I / we will not get myself / ourselves registered as contractor(s) in BRBNMPL under more than one name.

Signature(s) of applicant(s):

Sl. No.	Names	Address	Signature

Date:

No. of documents attached



Annexure 14: Goods Received Note (GRN)

(Refer Para 12.3)

Name of Supplier :

Vendor Registration No. :

P. O. No. & Date :

Specified delivery date :

Actual date of delivery :

Item Description	Material Code	Quantity as per Vendor Chalan	Unit	Actual Quantity Received		Remarks
				Quantity	Daily Receipt Register No.	

All goods received as above shall be accepted subject to inspection

.....
(Sign & Name of Store Keeper)



Annexure 15: Stock Ledger

(Refer Para 12.9.1)

Item Name:.....Item Code:

Optimum Stock Level:

Estimated Annual Consumption:Unit:.....

Category:

Date	Particulars	Gate Pass/IR No. & Date	Quantity received	Quantity Issued	Balance Quantity in Stock	Validity of Inspection Report	Remarks / Initials of Stores Officer



Annexure 16: Material Requisition Note

(Refer Para 5.6 and 12.9.1)

Note : For non-annual items

Indent No : _____ Date: _____

Section : _____

Item	Descr- iption	Category / Security / PAC Item	Unit	Qty in Hand	Past Consumption			Quantity Requisi- tioned	Estimated Unit rate (Rs.)	Total Estimated cost (Rs)	Delivery Requirement	Last Purchase Rate & details
					Yr. 1	Yr. 2	Yr. 3					

Recommended for purchase through Mode: _____

Indenting Officer

Section Head

Stores Officer

AGM / AM/P

FA & CAO

AM/F

Approving Authority



Annexure 17: Vendor Evaluation

(Refer Para 11.9)

This form will help you to evaluate the overall performance of vendors you are currently working with or plan to work with. Include all vital information associated with the vendor in the top portion of the form. In the bottom portion of the form, apply a strength factor, 5 being the strongest, to each item you evaluate. Total each column once you conclude the evaluation. Add up the columns to arrive at a total. Compare that total against the totals of similar vendors to gauge the vendor's performance.

Date: _____ Prepared by: _____

Company Name :	Type of Business:				
Company Address :	Legal Form under which Business Operates:				
City : State: ZIP:	Fax				
Phone:					
Number of employees	Number of employees at Headquarters:				
Size of Headquarters:	Number of Locations				
Names of Sales people (if applicable)	Names of Key Officers:				
Vendor Evaluation	1	2	3	4	5
1. Timeliness of Deliveries					
2. Quality of Parts / Product / Material Upon Delivery					
3. Overall Quality of Parts / Products / Material					
4. Competitiveness of Price					
5. Quality of after-sales Service Provided					
6. Competitiveness of Terms & Conditions					
7. Credit Rating					
8. Overall Financial Condition					
9. Reputation of Company					
10. Quality of Design Compared to Specifications					
11. Level of Assistance in Research & Development					
12. Expertise of Sales Staff					
13. Technical Support Staff's Level of Expertise					
Column Totals					



Annexure 18: Templates for Management Reports

(Refer Para 13.7)

1. MIS for GM (I/C) / GM / O-I-C / DGM / AGM

(i) Reporting for monthly variance (Top 25 Items by Annual Consumption value)

Item Code	Item Description	Total Planned Consumption of YTD	Actual Quantity Consumed for YTD	Variance %	Remarks

(ii) Reporting for Stock Outs (Top 25 items by Annual Consumption value)

Item Code & Description	Opening Stock	Procured YTD	Consumption YTD	Duration of stock out	Follow up action	Remarks

(iii) Reporting for Top 25 suppliers

Serial No.	Supplier Registration No	Supplier Name	Items Supplied	Value of Orders Placed	Value of Orders delivered	Remarks

(iv) Delayed Delivery Report

PO No.	Vendor Registration	Vendor No.	P. O. date	Date of Delivery as per Contract	Indicative Delivery Date as per Vendor	Whether Notice sent to Vendor	Remarks



(v) Reporting for Defects

Name of the Supplier	Contract No. & Date	Item Description & Item Code	% of defects	Nature of defects	Follow-up action	Remarks

(vi) Reporting for Outstanding Indents / POs / Invoices (Top 25 item by urgency)

	Item Code	Description	Present Stock position	Quantity Required / Ordered	Remarks
I. Indents pending beyond 21 days					
II. Indents pending beyond 14 days					
III. Indents pending beyond 7 days					

2. MIS for GM (I/C) / GM / O-I-C / DGM (F&A)

Sl. No.	Supplier Regn. No.	Supplier Name	PO No. & Date	Items supplied	Value of Orders placed	Value of Orders delivered	Remarks
1							
2							
3							
4							
5							
6							
7							
8							
9							
	TOTAL						

(ii) Reporting for Average Time of Payment (from F&A)

Serial No.	Description	Value (in Rs.)
I	VALUE OF BILLS PENDING FOR LESS THAN 2 WEEKS	
II	VALUE OF BILLS PENDING BETWEEN 2 AND 4 WEEKS	
III	VALUE OF BILLS PENDING MORE THAN 4 WEEKS	
	AVERAGE TIME FOR PAYMENT	----- DAYS



(iii) Variance analysis for BRBNMPL – Monthly & YTD

Month	For the month			Expenditure on Goods	Remarks
	Budget	Expenditure on Goods	Budget		

3. MIS for GM (I/C) / GM / O-I-C / DGM (P) / DGM (F & A)/AGM(MMD)**(i) Outstanding Indents / POs / Invoices Report**

	Item Code	Description	Present Stock position	Quantity required	Remarks
I Indents pending beyond 21 days					
II Indents pending beyond 14 days					
III Indents pending beyond 7 days					

(ii) Re-Ordering Report

Item Code	Description	Estimated Annual Requirement	Present Stock position	Last Order Date	Last Indent Date	Pending Indent Quantity	Store Officer Name	Remarks

(iii) Rejection Report

Item Code	Description	PO No. & Date	Supplier	Inspection Date	Inspection by	Percentage Rejections	Actions taken	Remarks

(iv) Bill Register

PO No. & Date	Vendor Registration Number	Vendor Name	IR No. & Date	Bill Date	Bill Value	Remarks	Date of Approval	Date of Processing	Declared Payment date



(v) Pending Inspection Notes

PO No. & Date	Vendor Registration Number	Vendor Name	Date of Delivery	Store At which delivered	GM/GM (I/C)/O-I-C Nominee Name	User Dept. Person Name	Remarks

(vi) Pending Deliveries / Delayed Deliveries (same as 1 iv)

PO No. & Date	Vendor Registration Number	Vendor Name	Date of Delivery as per Order	Indicative Delivery Date as per Vendor	Whether Notice sent to Vendor

(vii) Pending Inspection Report (repeat of Item v)

PO No.	Material code	Vendor Name	Date of Delivery	Store at which delivered	User Dept. Person name	Remarks



Annexure 19: Report of Condemnation Committee

(Refer Para 14.1)

Date:

Item No	Category of item (Security / non-security)	Particulars of stores	Qty / Weight	Book Value / Last Sale Price / Original purchase price (unit price and total price)	Estimated Sales Price / Value	Condition and year of purchase (if applicable)	Recommended Mode of Disposal (Tender, Public, Action, Sale etc.)	Remarks

Recommendation of Condemnation Committee:

(Signature)

Designation

Member 1

(Signature)

Designation

Member 2

(Signature)

Designation

Member 3



Annexure 20: Sale Account for Goods Disposed by Auction

(Refer Para 14.7.2)

Lot No	Particulars of Stores	Quantity / Weight	Name and full address of Purchaser	Highest bid accepted (Name of bidder & bid value)	Highest bid rejected (Name of bidder & bid value)	Earnest money realized on the spot	Date on which the complete amount is realized and credited into treasury	Whether the articles were actually handed over on the spot. If not, the actual date of handing over of the articles with quantities	Signatures of the Bidders	Auctioneer's Commission and Acknowledgement for its payment

Date on which the complete amount is realized and credited into treasury _____

Whether the articles were actually handed over on the spot. Y/N

Date of handing over of the articles _____

(Signature)
Committee Member1
Designation

(Signature)
Committee Member2
Designation

(Signature)
Committee Member3
Designation

(Signature)
Committee Member4
Designation



Annexure 21: Certificate for Proprietary Article Item

(Refer Para 4.5)

- (1) Description of Articles : _____
- (2) Quantity / Annual Requirement : _____
- (3) Approximate cost, if known : _____
- (4) Maker's name and address : _____
- (5) Name of Dealer / Stockists : _____
- (6) I approve the above purchase on PAC basis and I certify that,

☐ (a) This is the only firm who is manufacturing / stocking this item

AND

☐ (b) A similar article is not manufactured / sold by any other firm, which could be used in lieu

☐ (c1) No other make / brand will be suitable for following tangible reasons (like OEM Spares)

☐ (c2) No other make / brand will be suitable for following intangible reasons (if PAC was also given in the last procurement cycle, please also bring out efforts made since then to locate more sources):

Note: Tick to retain only one out of (b), (c1) or (c2) whichever is applicable and cross-out others. Please do confirm (a) by ticking it without which PAC certificate will be invalid.

- (7) History of PAC Purchases of this item for the last two purchases or purchases made during last three years, whichever is the latest, may be given.

Date of Tender Opening	Quantity decided	Basic Rate on Order (Rs.)	Adverse Performance Reported if any

- (8) Concurrence of finance wing to the proposal vide: _____

Signature of Approving Authority _____

Date _____ Designation of Officer _____



Annexure 22: Inspection Note

(Refer Para 12.10.1)

Stores Reference _____

Date _____

Please inspect the following materials early:

Purchase Order Reference and Date: _____

Name of Supplier: _____

Description of Item: _____ Unit: _____

Item Code: _____ Category: _____ Urgency level: _____

Total Qty in Order: _____ Qty supplied before this lot: _____

GRN Number & Date: _____ Qty. supplied in this lot: _____

Balance Qty now outstanding _____

Due Delivery Date: _____ Actually supplied this lot on _____

Stores Officer

Inspection Note No. _____

Date _____

Following materials have been accepted / rejected as follows:

Sr. No.	Description	Quantity Accepted	Quantity Rejected	Reasons for Rejection

Inspection Officer (1)

Inspection Officer (2)

Inspection Officer (3)

Copy to:

- (i) Acc. with concerned papers
- (ii) AGM (MMD)
- (iii) Store Officer
- (iv) User Section



Annexure 23: Check points for Tender Enquiry

(Refer Para 8.1)

Ensure that

1. Standard and correct forms are used for tender enquiry and all amendments authorized to these forms from time to time are carried out before issue.
2. Time and date for receipt and opening of tenders are indicated as per the guidelines.
3. The prescribed time been allowed to the tenderers to submit their quotations, depending on the type of enquiry being issued
4. The period for which the tenders are to be kept open for acceptance been indicated realistically keeping in view the nature of the store and the time lag likely to be involved where consultation with the indenter on the suitability of offers received would become necessary
5. Cost of tender documents and place for obtaining tender documents as indicated
6. The amount to be furnished by unregistered firms as EMD been calculated correctly and indicated if this enquiry is for purpose against adhoc indent
7. Description of stores including specifications / drawing is correctly indicated in the schedule
8. The sources from where the specification / drawing can be obtained are indicated
9. If stores are required as per BIS specification a clause for giving Purchase Preference to ISI marked stores is included
10. If the store is required to non-standard specification / drawing, required number of copies of drawings / specifications is available.
11. Where tender sample is required to be furnished authority to which it should be sent for testing and the time within which the sample should be submitted are indicated correctly in the enquiry.
12. Eligibility criteria are clearly mentioned.
13. If the store is reserved item for purchase from any particular sector of industry a clear indication is given to that effect.
14. Inspecting Authority is correctly indicated.
15. In case of multi item / multi schedule enquiry, indicate whether evaluation is to be made on the basis of individual item / schedule or all items / schedules as one package.



16. The instructions to invitation to tender and conditions of contract applicable have been correctly indicated in the enquiry.
17. Contract clauses contained in the standard forms used for issue of tender enquiry and the general and Special Conditions of contract are not reproduced in the tender enquiry.
18. The appropriate price variation clause in the enquiry where such a provision is necessary has been given along with base price on which firms should offer their prices.
19. Delivery required is correctly given. Where purchases of large quantities of stores are involved delivery may be specified in instalment particularly in respect of cases where contracts are likely to be concluded on variable price basis.
20. Insertion of standard pre-estimated Liquidated Damages clause in Tender Enquiry for claim against delay in supplies.
21. Insertion of modified clause for cancellation of contract and effecting repurchase.
22. In case of purchase of imported stores the appropriate shipping clauses are incorporated. Other special conditions viz. payment terms for FOB / FAS contracts etc. should also be indicated in the enquiry.
23. That all other special conditions as per existing orders are incorporated in the Tender Enquiry
24. Period of validity of performance guarantee whether to cover warranty period also.



Annexure 24: Change Request Form

(Refer Para 1.3)

Request No: (Department name / date) Request :
Date :
Phone/Email :

Request Title :

Originator's name :

Sponsor's Name : [GM (I/C)/GM/O-I-C's name]

Request Description (indicate relevant clause number of the Manual)

Justification for amendments



Annexure 25: Incoterms

(Refer Para 11.18)

Incoterms or international commercial terms are a series of international sales terms that are widely used throughout the world. They are used to divide transaction costs and responsibilities between buyer and seller and reflect state-of-the-art transportation practices. They closely correspond to the U.N. Convention on Contracts for the International Sale of Goods.

Incoterms deal with the questions related to the delivery of the products from the seller to the buyer. This includes the carriage of products, export and import clearance responsibilities, who pays for what, and who has risk for the condition of the products at different locations within the transport process. Incoterms are always used with a geographical location and do not deal with transfer of title.

They are devised and published by the international Chamber of Commerce (ICC). The English text is the original and official version of Incoterms 2000, which have been endorsed by the United Nations Commission on International Trade Law (UNCITRAL). Authorized translations into 31 languages are available from ICC national committees.

Group E - Departure:

- **EXW** Ex Works (named place): the seller makes the goods available at his premises.

Group F - Main Carriage Unpaid:

- **FCA** Free Carrier (named place): the seller hands over the goods, cleared for export, into the custody of the first carrier (named by the buyer) at the named place. This term is suitable for all modes of transport, including carriage by air, rail, road, and containerized / multi-modal transport.
- **FAS** Free Alongside Ship (named loading port): free Alongside Ship: the seller must place the goods alongside the ship at the named port. The seller must clear the goods for export this changed in the 2000 version of the Incoterms. Suitable for maritime transport only.
- **FOB** Free On Board (named loading port): the classic maritime trade term, Free On Board: seller must load the goods on board the ship nominated by the buyer, cost and risk being divided at ship's rail. The seller must clear the goods for export. Maritime transport only.

Group C - Shipment terms - Main Carriage Paid:

- **CFR** Cost and Freight (named destination port): seller must pay the costs and freight to bring the goods to the port of destination. However, risk is transferred to the buyer once the goods have crossed the ship's rail. Maritime transport only.
- **CIF** Cost, insurance and Freight (named destination port): exactly the same as



CFR except that the seller must in addition procure and pay for insurance for the buyer. Maritime transport only.

- **CPT** Carriage Paid To (named place of destination): the general/containerized/multimodal equivalent of CFR. The seller pays for carriage to the named point of destination, but risk passes when the goods are handed over to the first carrier.
- **CIP** Carriage and Insurance Paid to (named place of destination): the containerized transport / multimodal equivalent of CIF. Seller pays for carriage and insurance to the named destination point, but risk passes when the goods are handed over to the first carrier.

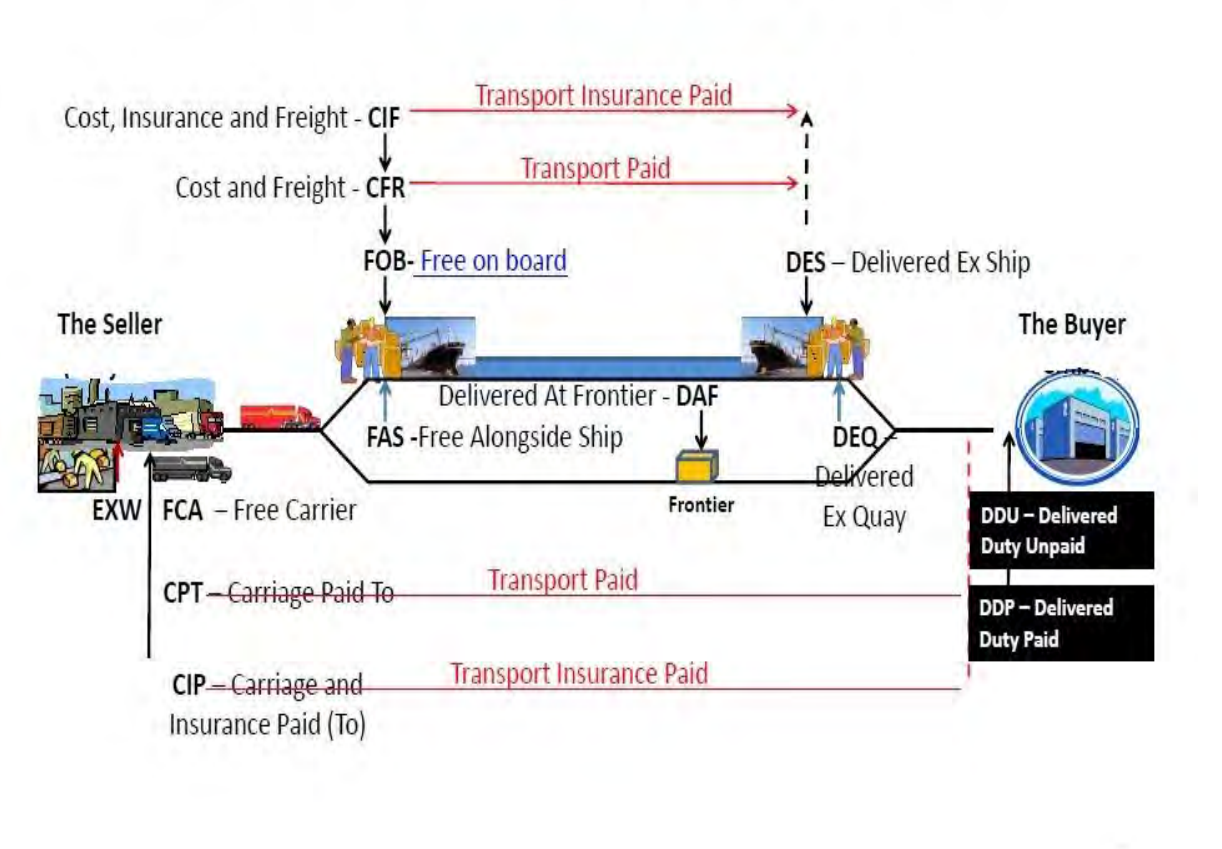
Group D - Arrival terms:

- **DAF** Delivered at Frontier (named place)
- **DES** Delivered Ex Ship (named port)
- **DEQ** Delivered Ex Quay (named port)
- **DDU** Delivered Duty Unpaid (named destination place)
- **DDP** Delivered Duty Paid (named destination place)

For a given term, "Yes" indicates that the seller has the responsibility to provide the service included in the price. "No" indicates it is the buyer's responsibility. If insurance is not included in the term (for example, CFR) then insurance for transport is the responsibility of the buyer.

	Load to truck	Export duty payment	Transport to exporter's port	Unload to truck at the destination's port	Landing charges at destination's port	Transport to importer's port	Landing charges at Importer's port	Unload onto trucks from the importer's truck	Transport to destination	Insurance	Entry Customs clearance	Entry Taxation
EXW	No	No	No	No	No	No	No	No	No	No	No	No
FCA	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No
FAS	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No
FOB	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No
CFR	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
CIF	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
CPT	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
CIP	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No
DAF	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
DDU	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
DDP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes





Incoterms and their applications

INCOTERMS Options	Applicable to
Ex-Group of Terms	Buyer takes full responsibility from point of departure
EXW – Ex-Works	Any mode of transport
Free Group of Terms	Freight is not paid by the seller
FCA – Free Carrier	Any mode of transport
FAS – Free Alongside Ship	Sea and inland waterway transport only
FOB – Free On Board	
C Group of Terms	Freight is paid by the seller
CPT – Carriage Paid To	Any mode of transport
CIP – Carriage and Insurance Paid to	Any mode of transport
CFR – Cost and Freight	Sea and inland waterway transport only
CIF – Cost, Insurance and Freight	
Delivered Group of Terms	Seller takes responsibility from an intermediate point onwards
DAT – Delivered At Terminal	Any mode of transport
DAP – Delivered At Place	Any mode of transport
DDP – Delivered Duty Paid	Any mode of transport

In use since 1936, Incoterms have been revised in 2010. **The ICC has abolished four Incoterms 2000 rules (DAF, DES, DEQ and DDU).** Out of the 11 Incoterms options (Incoterms 2010), seven apply to all modes of transportation whereas four apply only to water transportation.

The options range from one extreme – the buyer takes full responsibility from point of departure – to the other extreme: the seller is responsible all the way through delivery to the buyer's location. It is easiest to understand terms as per their nomenclature groupings: 'ex' group of terms where the buyer takes full responsibility from point of departure; 'free' group of terms in which the freight is not paid by the seller; 'C' group of terms in which the freight is paid by the seller; and 'delivered' group of terms where the seller takes full responsibility from an intermediate point to an arrival point.

Within national transportation, certain terms have assumed acceptance due to usage. FOR has two versions: FOR/dispatching and FOR/destination (the buyer is responsible from the nominated point mentioned till arrival point, as in Delivery at Terminal). Infrequently, it is also used in road transport as FOT.



Annexure 26: Format for Extension of Delivery Period

(Refer Section II & III Chapter 11)

To _____ Registered A/D or Speed Post
[Name and Address]

Sub: Contract No. _____ dated _____ for the supply of _____
against Indent No. _____ dated _____

Ref: Your letter No. _____ dated _____

Dear Sir,

You have failed to deliver the Stores _____ the entire quantity of Stores within the contract delivery period as last extended upto _____. In your letter under reply you have asked for (further) extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from _____ to _____ please note that amount equal to the pre-estimated / liquidated damages for delay in the supply of the stores after the contract delivery period shall be recovered from you as specified in the conditions of Contract for the extended period notwithstanding the grant of this extension. You may now tender the Stores for Inspection (balance of the Stores) in terms of this letter. Stores if any already tendered by you for Inspection but not inspected will be now inspected accordingly.

2. The above extension of delivery date will also be subject to the following further conditions.

- (a) That no increases in price on account of any statutory increase in or fresh Imposition of Customs Duty, Goods and Services Tax or on account of any other Tax or Duty (including Custom Duty) leviable in respect of the Stores specified in the said Acceptance of tender which takes place after (insert here the original delivery date or the last unconditionally extended delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and.
- (b) That notwithstanding any stipulation in the contract for increase in price on any other ground (including Foreign Exchange Rate Variation) no such increase which takes place after (insert here the original delivery date or the last unconditionally extended delivery date) shall be admissible on such of the said Stores as are delivered after the said date.
- (c) But nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of Customs Duty, Goods and Services Tax or on account of any other Tax or Duty or on any other ground as stipulated in the price variation clause or Foreign Exchange Rate Variation which takes place after the expiry of the above mentioned date namely (insert here the original delivery date or the last unconditionally extended delivery date)

3. All other terms and conditions of the contract remain unaltered. Please convey your unconditional acceptance.

Yours faithfully,
For and on behalf of BRBNMPL,



Annexure 27: Formula for Price Variation Clause

(Refer para 9.2)

(The formula for Price Variation should ordinarily include a fixed element, a material element and a labour element. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while the fixed element may range from 10 to 25%. That portion of the price represented by the fixed element will not be subject to variation. The portions of the price represented by the material element and labour element along will attract Price Variation.)

The formula for Price Variation will thus be: -

$$P_A = P_O \left[\frac{\{F + a (M_1/M_0) + b (L_1/L_0)\}}{100} \right] - P_O$$

P_A is then adjustment amount payable to the supplier (a minus figure will indicate a reduction in the Contract Price) on the date of supply.

P_O is the Contract Price on the base date (which is taken as the date on which tender is due to open).

F is the fixed element (as the percentage of the Total Price) not subject to Price Variation.

a is the assigned percentage to the material element in the Contract Price.

b is the assigned percentage to the labour element in the Contract Price.
(F , a and b being percentages should total 100)

L_0 and L_1 are the average wage indices for the Quarter before the quarter in which base month falls and for the Quarter before the quarter in which date of supply falls; respectively. For example for a tender opening on 17th March 2010 (base date), L_0 would be average wage index for the Quarter of Oct-Dec 2009.

M_0 and M_1 are the material prices / indices as average of the month, two months prior to the month in which base month falls and average of the month, two months prior to the month in which date of supply falls; respectively. For example for a tender opening on 17th March 2010 (base date), M_0 would be prices / index as average of the month of January 2010. All material prices / indices will be basic prices without GST and without any other Central, State, Local Taxes and Duties.

If more than one major item of material is involved, the material element can be broken up into two or three components such as M_x , M_y , M_z .

Following conditions would be applicable to Price Adjustment

- i. Base dates shall be due dates of opening of price bids,
- ii. Date of supply shall be the date of calculation / determination of the Price variation.



- iii. No price increase is allowed beyond original DP.
- iv. Total adjustment will be subject to maximum ceiling of 10 %
- v. No price adjustment shall be payable on the portion of contract price paid to the Seller as an advance payment.
- vi. No price adjustment shall be payable if this is less than or equal to 2% of PO.
- vii. Payments for each supply would initially be made as per the base price mentioned in the contract. Price Adjustment bill should be submitted only quarterly for the supplies made during the quarter.
- viii. Even if there is no Price Adjustment, Vendor must submit all relevant data to prove that there is no downward Variation. In any case he must submit a declaration as follows;

"It is certified that there has been no decrease in the price of Price Variation Indices and in the event of any decrease of such indices during the currency of this contract we shall promptly notify the same to the purchaser and offer requisite reduction in the contract rate ".



Annexure 28: Composition of Bid Opening and Tender Evaluation Committees

(Refer Paras 3.3.1 & 3.3.2)

Composition of Bid Opening and Tender Evaluation committees for different types of tenders (STE/LTE/NCB/ICB) shall be as given below subject to following:

1. Unless otherwise warranted, the same committee members can be retained for both Bid Opening and Tender Evaluation Committees.
2. In a Tender Evaluation Committee, where user department is Finance, officer of finance will act as user representative. Finance representative of TEC shall be substituted by an officer of same level from other department.
3. Members of the Tender Evaluation Committee may be of the level as indicated in the Table A or higher. In cases where some other officer is looking after the charge of the member, same will represent in the TEC but CFA has to be the officer designated or higher.

A. Composition of Bid Opening and Tender Evaluation Committees

Criteria	Bid Opening and Tender Evaluation Committee Members
Tenders for which hand quotations are solicited	AM/DM (MMD), AM/DM (F&A) and AM/DM of User Dept.(to be headed by a DM)
Tenders for which AGM is CFA as per DoP	DM/MGR (MMD), AM/DM (F&A) and DM/MGR of User Dept.(to be headed by a MGR)
Tenders for which DGM is CFA as per DoP	MGR/AGM (MMD), DM/MGR (F&A) and MGR/AGM of User Dept.(to be headed by an AGM)
Tenders for which GM is CFA as per DoP	AGM/DGM (MMD), MGR/AGM (F&A) and AGM/DGM of User Dept.(to be headed by a DGM)
Tenders for which MD and above is CFA as per DoP	AGM/DGM (MMD), AGM/DGM (F&A), DGM of User Dept. and GM.....(to be headed by GM)

B. Composition of Condemnation Committee (CC)

Book Value of the goods proposed to be condemned	Condemnation Committee
Amount as per book value for which officer above the level of GM is CFA to do procurement	DGM (User), DGM (MMD), DGM (Maint), DGM / AGM (F&A)
Amount as per book value for which GM or any officer below the level of GM is CFA to do procurement	AGM (User), AGM (MMD), AGM (Maint), AGM / MGR (F&A)



C. Approval of Special Limited Tender Enquiry (SLTE) for estimated values above Rs.25 Lakhs (refer Para 4.9.1):

Estimated Value of Procurement	Delegation of Power to approve the tender.	Based on an Urgency Certificate Signed by
More than Rs.25 lakh	MD	DGM (Prod), AGM (MMD), AGM (F&A), GM

Procurement on LTE as per above basis shall be done only when the CFA as per above has approved the mode of procurement. Once approved, procurement shall be done by following due process and as per delegation given in Section A of this Annexure 28.

D. Composition of Scrap Disposal Committee (SDC)

Based on the value (reserve price) of items for disposal as decided by the Condemnation Committee, Scrap Disposal Committee shall process the disposal cases. Same committee as per Annexure 28 (A) shall be the TEC.

E. Procurement proposal of CO

Procurement shall be done in the manner and with the approval of CFA as prescribed in the DOP. BOC and TEC for procurement shall be as per Annexure 28 (A). In the case of user department being finance, officer of any other department shall be part of TEC.

F. Powers of CFA for approval of financial sanctions at BRBNMPL

The Competent Financial Authority at BRBNMPL is as per the Delegation of Power (DOP) approved from time to time by the Board of Directors.



Annexure 29: Pre-qualification Criteria Summary (Refer Para 7.8)

A. For Plant and Machinery / equipment

SI No	Item Categories	(i) Security Items (ii) Non-Security Items	Development Category / Exceptional One-Off Cases / Newly / Recently introduced items
1	Experience & Past Performance	<p>Bidder Firm should have manufactured, supplied, installed and commissioned at least one similar Plant and Machinery / equipment during last five years, ending 31st March (or any other year ending followed in relevant country) of the previous financial year</p> <p>Relaxation on 'Experience & Past Performance' as per Govt. guidelines should be explicitly mentioned in the tender document.</p>	PQC should be decided with the approval of CFA in individual cases
2	Capability – Equipment & Manufacturing facilities	<p>The Bidder firm must have an annual capacity to manufacture and supply at least 50% of the offered quantity of Plant & Machinery / Equipment rounded off to the next whole number</p> <p>Relaxation on 'Capability' as per Govt. guidelines should be explicitly mentioned in the tender document.</p>	
3	Financial Standing	<p>Average Annual Turnover of the Bidder firm during last three years, ending on 31st March (or any other year ending followed in relevant country) of the previous financial year, should be more than 30% of the estimated cost of the offered quantity of the item.</p> <p>Relaxation on 'Average Annual Turnover' as per Govt. guidelines should be explicitly mentioned in the tender document.</p> <p>Bidder Firm should not have suffered any financial loss for more than one year during the last three years, ending on 31st March (or any other year ending followed in relevant country) of the previous financial year.</p>	



SI No	Item Categories	(i) Security Items	Development Category / Exceptional One-Off Cases / Newly / Recently introduced items
		(ii) Non-Security Items	
3	Financial Standing	The net worth of the firm should not be negative and also should not have eroded by more than 30% year-on-year in the last three years , ending on 31 st March (or any other year ending followed in relevant country) of the previous financial year.	PQC should be decided with the approval of CFA in individual cases

Note:

1. All experience, past performance and capacity/capability related data should be certified by the authorized signatory of the bidder firm. The credentials regarding experience and past performance to the extent required as per eligibility criteria submitted by bidder should be verified from the parties for whom work has been done.
2. For tenders with Turnover requirement of more than Rs.5 Crores, all financial standing data should be certified by certified accountant's e.g. Chartered Accounts (CA) in India and Certified Public Accountants/Chartered Accountants of other countries. Statement of Financial Standing to be submitted by bidders in the prescribed format as per *Annexure 10: Statement of Financial Standing*.
3. Development/Insufficient Market Capacity categories are those items which are either being newly developed where vendors are yet to be developed or for new/existing items where the capacity available in market is inadequate compared to our annual requirements. Exceptional one-off cases are such items / Plant & Machinery which are procured infrequently (say once in 3 years or longer periods).
4. In the case of bidders/companies which are restructured by Banks, Financial standing criteria will be completely relaxed.



B. For items Other than Plant and Machinery / equipment:

SI No	Item Categories	(i) Security Items (ii) Non-Security Items	Development Category / Exceptional One-Off Cases / Newly / Recently introduced items
1	Experience & Past Performance	<p>Bidder Firm should have manufactured and supplied in any one year during the last five years, ending 31st March (or any other year ending followed in relevant country) of the previous financial year at least 30% of the offered quantity of the item.</p> <p>In case of multiple schedules in a tender, this criterion shall be applicable schedule wise.</p> <p>In case of ICB/GTE for security-sensitive items, the bidder must have supplied such products to at least two countries during the last five years.</p> <p>Relaxation on 'Experience & Past Performance' as per Govt. guidelines should be explicitly mentioned in the tender document.</p>	PQC should be decided with the approval of CFA in individual cases
2	Capability – Equipment & Manufacturing facilities	<p>The Bidder firm must have an annual capacity to manufacture and supply at least 30% of the offered quantity of the item.</p> <p>Relaxation on 'Capability' as per Govt. guidelines should be explicitly mentioned in the tender document.</p>	
3	Financial Standing	<p>Average Annual Turnover of the Bidder firm during last three years, ending on 31st March (or any other year ending followed in relevant country) of the previous financial year, should be more than 30% of the estimated cost of the offered quantity of the item.</p> <p>Relaxation on 'Average Annual Turnover' as per Govt. guidelines should be explicitly mentioned in the tender document.</p>	



SI No	Item Categories	(i) Security Items	Development Category / Exceptional One-Off Cases / Newly / Recently introduced items
		(ii) Non-Security Items	
3	Financial Standing	Bidder Firm should not have suffered any financial loss for more than one year during the last three years , ending on 31 st March (or any other year ending followed in relevant country) of the previous financial year.	PQC should be decided with the approval of CFA in individual cases
		The net worth of the firm should not be negative and also should not have eroded by more than 30% year-on-year in the last three years , ending on 31 st March (or any other year ending followed in relevant country) of the previous financial year.	

Note:

1. All experience, past performance and capacity/capability related data should be certified by the authorized signatory of the bidder firm. The credentials regarding experience and past performance to the extent required as per eligibility criteria submitted by bidder should be verified from the parties for whom work has been done.
2. For tenders with Turnover requirement of more than Rs.5 Crores, all financial standing data should be certified by certified accountants e.g. Chartered Accountants (CA) in India and Certified Public Accountants / Chartered Accountants in other countries. Statement of Financial Standing to be submitted by bidders in the prescribed format as per *Annexure 10: Statement of Financial Standing*.
3. Development/Insufficient Market Capacity categories are those items which are either being newly developed where vendors are yet to be developed or for new/existing items where the capacity available in market is inadequate compared to our annual requirements . Exceptional one-off cases are such items / Plant & Machinery which are procured infrequently (say once in 3 years or longer periods).
4. In the case of bidders/companies which are restructured by Banks, Financial standing criteria will be completely relaxed.



Annexure 29 (A & B)

1. Explanatory Note for Evaluation of Financial Standing:

- i. **Average Annual Turnover:** The estimated annual turnover will be decided based on the estimated cost of the offered quantity of the item. The criterion has to be met by the bidders except those who are eligible for relaxation as per Govt. guidelines. If the bidder is not qualifying in the criteria, then the bidder will be allowed to take the financial support from the Holding / Parent Company for qualifying in the criteria. However the bidder is required to qualify in all other criteria like experience, past performance and capacity/capability as specified in the tender.
- ii. **Financial Loss:** For the purpose of analysing financial loss, Net Profit (Profit after Tax) will be considered. However, for the purpose of qualifying the Financial Standing Criteria, the Financial Standing Credentials of a Holding Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership. However, the bidder is required to qualify in all other criteria like experience, past performance and capacity/capability as specified in the tender.
- iii. **Net worth:** For the purpose of financial analysis of net worth, if the bidder is not qualifying in the criteria, then the bidder will be allowed to take the financial support from the Holding / Parent Company for qualifying in the criteria. However, the bidder is required to qualify in all other criteria like experience, past performance and capacity/capability as specified in the tender.

Note: The clause regarding taking support of Holding/Parent Company for meeting Financial Standing criteria has to be declared upfront in the tender for it to be considered while evaluating financial standing.

- iv. **Exceptional One-off Cases:** For the purpose of evaluation of financial standing of the bidder, criteria of Financial Loss shall be relaxed and only Net Worth criteria shall be considered in Exceptional One-off Cases on case to case basis.

2. Relaxation under Make in India Policy of Govt. of India:

It should be ensured that eligibility criteria like Experience and Past Performance, Capability and Turnover do not result in unreasonable exclusion of Local Suppliers who would otherwise be eligible, beyond what is essential for ensuring quality and creditworthiness of the supplier. For Local Suppliers, proof of supplying similar items to other countries or proof of export is not required. Such relaxed criteria must be declared upfront in the tender document.



3. **Manufacture under license / technology collaboration agreements with phased indigenization under 'Make in India'**

While notifying the minimum Local Content, special provisions may be made 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 hold 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.

4. **Relaxation of Norms for MSEs and Startups:**

Criteria of prior Experience and Turnover may be relaxed for MSEs and all Startups (whether MSEs or otherwise) subject to meeting of Quality and Technical Specifications as per tender conditions. Such relaxed criteria must be declared upfront in the tender document.

However, there may be circumstances (like procurement of items related to public safety, health, critical security operations and equipment, etc.) where procuring entities may prefer the vendors to have prior experience rather than giving orders to new entities. For such procurements, wherever adequate justification exists, the procuring entities may not relax the criteria of prior Experience/Turnover.

5. **Joint Ventures and Holding Companies:**

Credentials of the partners of Joint ventures cannot **(repeat cannot)** be clubbed for the purpose of compliance of PQC in supply of Goods/Equipment, and each partner must comply with all the PQC criteria independently.

However, for the purpose of qualifying the Financial Standing Criteria, the Financial Standing credentials of a Holding/Parent Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership.

6. **Applicability in Special Cases:**

- a) **Authorized Dealer/Distributor/Representative:** Bids of bidders quoting as authorised Dealer/Distributor/Representative of a Principal Manufacturer/OEM, except in case of Commercially-Off-the-Shelf (COTS) items, would also be considered to be qualified, provided:
 - (i) Their Principal Manufacturer/OEM meets all the criteria above without exemption, and
 - (ii) The Principal Manufacturer/OEM furnishes a legally enforceable tender-



specific authorisation in the prescribed form (Section XIV of SBD) assuring full guarantee and warranty obligations as per the general and special conditions of contract and to abide by other tender terms and conditions. The letter of authorisation should be signed by a person competent and having the power of attorney to legally bind the manufacturer; and

- (iii) The Bidder himself should have been associated, as authorised Dealer/Distributor/Representative of the same or other Principal Manufacturer/OEM for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 31st March (or any other year ending followed in relevant country) of the previous financial year.
 - (iv) In a tender, either the Principal Manufacturer/OEM or its authorized dealer/distributor/representative can bid but both cannot bid simultaneously in the same tender.
 - (v) One Principal Manufacturer/OEM can authorize only one dealer/distributor/representative for a particular tender. Similarly, one authorized dealer/distributor/representative can represent only one Principal Manufacturer/OEM in a particular tender.
 - (vi) For commercially off the shelf (COTS) items with clear and standard specifications, a valid dealership certificate will have to be submitted.
- b) **For Existing Successful Past Suppliers:** In case the bidder who is a successful past supplier of the goods in **at least one of the recent past three procurements**, who do not meet **any or more** of requirements above, would also be considered to be qualified in view of their proven credentials, for the maximum quantity supplied by him in such recent past.

7. Doctrine of Substantial Compliance:

- a) The Pre-Qualification Bidding (PQB) and Pre- Qualification Criteria (PQC) are for shortlisting of sources who are competent to perform this contract to ensure best value for money from expenditure of Public Money. This process is neither intended to bestow any entitlement upon nor to create any rights or privileges for the Bidders, by way of overly hair-splitting or viciously legalistic interpretations of these criteria, disregarding the very rationale of the PQB and PQC. Keeping this caveat in view, interpretation by Procuring Entity would be based on common usage of terminologies and phrases in public procurement in accordance with the 'Doctrine of Substantial Compliance' and would be final.



In laymen terms, the Doctrine of Substantial compliance means a level of compliance with the requirements that is substantial in nature except in some minor or inconsequential aspects which cannot be described as the “essence” or the “substance” of the requirements.

- b) Along with all the necessary documents/certificates required as per the tender conditions, the bidder should furnish **a brief write-up**, backed with adequate data, **explaining his available capacity (both technical and financial)**, for manufacture and supply of the required goods/equipment, within the specified time of completion, after meeting all their current commitments.



**Annexure 30: Format of Invitation and declaration for
Negotiations**
(Refer Para 10.16.5)

To Registered A/D

M/s

Sub: Tender No _____ Opened on _____ for the supply of _____

Dear Sir,

The rates quoted in your tender are considered high. You are therefore, requested to come for negotiations of rates, on _____ (Date) at _____ (time) at _____ (venue).

You should however, come for negotiations only in case you are prepared to furnish before such date the declaration appended herewith.

A copy of the form in which you may submit your revised offer after negotiations is enclosed.

Yours faithfully,
For and on behalf of

Enclosure: Form of Declaration
Form of Revised Offer

FORM OF DECLARATION

To
.....

Sub: Tender No _____ Opened on _____ for the supply of _____

Ref: Your invitation for negotiations No. _____ dated _____

Dear Sir,

I do declare that in the event of failure of the contemplated negotiations relating to Tender No opened on my original tender shall remain open for acceptance on its original terms and conditions.

Yours faithfully,



Annexure 31: Format of Revised Offer in Negotiations

(Refer Para 10.16.5)

From,
Full address

To,
Full address

Sir,

Sub: Tender No _____ Opened on _____ for the supply of _____

Ref: Your invitation for negotiations No. _____ dated _____

1. On further discussions with your representatives on in response to your letter No. dated

We are not prepared to reduce the rates already quoted in the original tender, which will remain valid upto

Or

1. I / We reduce my/our rates as shown in the enclosed schedule of items.
2. I / We am/are aware that the instructions to Tenderers, Special and General Conditions of Contract and appendices to the original tender remain valid and binding on me.
3. I/We agree to complete the supply as per following Delivery Schedule
4. I/We agree to abide by this tender on the revised rate quoted by me / us, it is open for acceptance for a period of 60/120 days from date i.e. upto and in default of my / our doing so, you may forfeit the earnest money deposited with the original tender/ attached herewith. Eligibility as valid tenderers shall be deemed to be the consideration for the said forfeiture.

Yours faithfully,



Annexure 32: Invitation for Limited Enquiry (for estimated value up to Rs.2.5 lakhs)

(Refer Para 4.12)

Enquiry No. with Description and date:

[Name and Address of Bidder]

Dear Sir / Madam,

You are invited to quote your most competitive offer for the supply of following item(s) / Services in a sealed cover as per specifications, terms & conditions detailed below. The Offer may please be submitted on or before 14:30 hrs. on _____ which will be opened on the same day at 15:00hrs. The sealed quotation should be addressed to the General Manager, BRBNMPL, _____ (address) _____ super scribed with "ENQUIRY NO. _____ for the _____ (Description of Enquiry) _____ Date of opening _____." The quoted price should be valid till execution of the order.

Sl. No.	Item / Service description with detailed specification / requirement	Unit	Qty.
1.			
2.			

Terms & Conditions:

1. Price :
2. Delivery Schedule :
3. Payment Terms :
4. Submission of Documents : (Catalogue, copy of GST / PAN / Authorisation certificates etc.)
5. Finalisation of Enquiry : (L1 / H1 Basic and Individual / Overall Basic)
6. Validity : (90 days)
7. LD Clause :
8. Packing :
9. Inspection & Replacement :
10. Warranty (if any) :
11. Offer without mentioning the make and model against each item is liable for rejection. Offer with Counter Condition is liable for rejection.
12. Your price bid should be submitted only in the enclosed prescribed format with complete price breakup like basic price, P&F, taxes, freight, etc. on F.O.R. BRBNMPL, _____ (address) _____ basis.

Deviation in submission of above documents duly signed and stamped may lead to rejection. In case of any clarifications, please contact undersigned at Administrative Building, BRBNMPL, _____ (address) _____ Phone No. _____

.....
 Authorised Signatory (BRBNMPL)

We have carefully read the terms & conditions mentioned in Enquiry No. _____ as mentioned above and we don't have any counter conditions and enclosed required documents.

.....
 Authorised Signature with Name and Company seal with date



Annexure 33a: Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012

(Refer Para 2.7.1)

**Ministry of Micro, Small and Medium Enterprises
Office of Development Commissioner (MSME)**

New Delhi,
The 23rd March, 2012

ORDER

Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012

Whereas, the Central Government Ministries, Departments and Public Sector Undertakings shall procure minimum of 20 per cent of their annual value of goods or services from Micro and Small Enterprises;

And whereas, the Public Procurement Policy shall apply to Micro and Small Enterprises registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises;

And whereas, the Public Procurement Policy rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective; and

And whereas, for facilitating promotion and development of micro and small enterprises, the Central Government or the State Government, as the case may be, by Order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or Departments, as the case may be, or its aided institutions and public sector enterprises.

Now, therefore, in exercise of the powers conferred in section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Central Government, by Order, notifies the Public Procurement Policy (hereinafter referred to as the Policy) in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings.

2. Short title and commencement

- (1) This Order is titled as 'Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012'.
- (2) It shall come into force with effect from 1st April 2012.

3. Mandatory procurement from Micro Small and Enterprises

- (1) Every Central Ministry or Department or Public Sector Undertaking shall set



an annual goal of procurement from Micro and Small Enterprises from the financial year 2012-13 and onwards, with the objective of achieving an overall procurement of minimum of 20 per cent, of total annual purchases of products produced and services rendered by Micro and Small Enterprises in a period of three years.

- (2) Annual goal of procurement also include sub-contracts to Micro and Small Enterprises by large enterprises and consortia of Micro and Small Enterprises formed by National Small Industries Corporation.
- (3) After a period of three years i.e. from 1st April 2015, overall procurement goal of minimum of 20 per cent shall be made mandatory.
- (4) The Central Ministries, Departments and Public Sector Undertakings which fail to meet the annual goal shall substantiate with reasons to the Review Committee headed by Secretary (Micro, Small and Medium Enterprises), constituted in Ministry of Micro, Small and Medium Enterprises, under this Policy.

4. Special provisions for Micro and Small Enterprises owned by Scheduled Castes or Scheduled Tribes

Out of 20 per cent target of annual procurement from Micro and Small Enterprises, a sub-target of 20 per cent (i.e., 4 per cent out of 20 per cent) shall be earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. Provided that, in event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 per cent sub-target for procurement earmarked for Micro and Small Enterprises owned by Scheduled Caste or Scheduled Tribe entrepreneurs shall be met from other Micro and Small Enterprises.

5. Reporting of targets in Annual Report

- (1) The data on Government procurements from Micro and Small Enterprises is vital for strengthening the Policy and for this purpose, every Central Ministry or Department or Public Sector Undertaking shall report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement made thereto in their respective Annual Reports.
- (2) The annual reporting shall facilitate in better understanding of support being provided by different Ministries or Departments or Public Sector Undertakings to Micro and Small Enterprises.

6. Price quotation in tenders

- (1) In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 per cent shall also be allowed to supply a portion of 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 and such Micro and Small Enterprise shall be allowed to supply **at least** 20 per cent of total tendered value.



- (2) In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).

7. Developing Micro and Small Enterprise vendors

The Central Ministries or Departments or Public Sector Undertakings shall take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes or Buyer-Seller Meets and entering into Rate Contract with Micro and Small Enterprises for a specified period in respect of periodic requirements.

8. Annual Plan for Procurement from Micro and Small Enterprises on websites

The Ministries or Departments or Public Sector Undertakings shall also prepare Annual Procurement Plan for purchases and upload the same on their official website so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.

9. Enhancing participations of Micro and Small Enterprises including those owned by Scheduled Castes or Scheduled Tribes in Government procurements

For enhancing participation of Scheduled Castes or Scheduled Tribes in Government procurement, the Central Government Ministries, Departments and Public Sector Undertakings shall take following steps, namely: -

- (a) Special Vendor Development Programmes or Buyer-Seller Meets shall be conducted by Departments/Public Sector Undertakings for Scheduled Castes or Scheduled Tribes;
- (b) Outreach programmes shall be conducted by National Small Industries Corporation to cover more and more Micro and Small Enterprises from Scheduled Castes or Scheduled Tribes under its schemes of consortia formation; and
- (c) National Small Industries Corporation shall open a special window for Scheduled Castes or Scheduled Tribes under its Single Point Registration Scheme (SPRS).

10. Reduction in transaction cost

To reduce transaction cost of doing business, Micro and Small Enterprises shall be facilitated by providing them tender sets free of cost, exempting Micro and Small Enterprises from payment of earnest money, adopting e-procurement to bring in transparency in tendering process and setting up a Grievance Cell in the Ministry of Micro, Small and Medium Enterprises.

11. Reservation of specific items for procurement

To enable wider dispersal of enterprises in the country, particularly in rural areas, the Central Government Ministries or Departments or Public Sector Undertakings shall continue to procure 358 items (Appendix) from Micro and Small Enterprises,



which have been reserved for exclusive purchase from them. This will help in promotion and growth of Micro and Small Enterprises, including Khadi and village industries, which play a critical role in fostering inclusive growth in the country.

12. Review Committee

- (1) A Review Committee has been constituted under the Chairmanship of Secretary, Ministry of Micro, Small and Medium Enterprises, for monitoring and review of Public Procurement Policy for Micro and Small Enterprises vide Order No. 21(1)/2007-MA dated the 21st June 2010 (Annexure).
- (2) This Committee shall, inter alia, review list of 358 items reserved for exclusive purchase from Micro and Small Enterprises on a continuous basis, consider requests of the Central Ministries or Departments or Public Sector Undertakings for exemption from 20 per cent target on a case to case basis and monitor achievements under the Policy.

13. Setting up of Grievance Cell

In addition, a 'Grievance Cell' will be set up in Ministry of Micro, Small and Medium Enterprises for redressing grievances of Micro and Small Enterprises in Government procurement. This cell shall take up issues related to Government procurement raised by Micro and Small Enterprises with Departments or agencies concerned, including imposition of unreasonable conditions in tenders floated by Government Departments or agencies that put Micro and Small Enterprises at a disadvantage.

14. Special Provisions for Defence Procurements

Given their unique nature, defence armament imports shall not be included in computing 20 per cent goal for Ministry of Defence. In addition, defence equipment like weapon systems, missiles, etc. shall remain out of purview of such Policy of reservation.

15. Monitoring of Goals

The monitoring of goals set under the Policy shall be done, in so far as they relate to the Defence sector, by Ministry of Defence itself in accordance with suitable procedures to be established by them.

16. Removal of difficulty

Any difficulties experienced during the course of implementation of the above Policy shall be clarified by Ministry of Micro, Small and Medium Enterprises through suitable Press releases which would be kept on the public domain.

[F.No.21(1)/2011-MA]

(AMARENDRA SINHA)

Additional Secretary and Development Commissioner (MSME)



Public Procurement Policy for Micro and Small Enterprises (MSEs) Amendment Order, 2018

* 2

THE GAZETTE OF INDIA : EXTRAORDINARY

[PART II—SEC. 3(ii)]

MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

ORDER

New Delhi, the 9th November, 2018

S.O. 5670(E).—In exercise of powers conferred by section 11 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), the Central Government hereby makes the following amendments to the Public Procurement Policy for the Micro and Small Enterprises (MSEs) Order, 2012 namely :—

1. (i) This Order may be called the Public Procurement Policy for Micro and Small Enterprises (MSEs) Amendment Order, 2018.
- (ii) This shall come into force on the date of its publication in the Official Gazette.
2. Throughout the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, (hereinafter referred to as the said Order), for the figures and word “20 per cent”, wherever they occur, the figures and word “25 per cent” shall be substituted.
3. After paragraph 4 of the said Order, the following paragraph shall be inserted, namely:-
“4A. Special provision for Micro and Small Enterprise owned by women. Out of the total annual procurement from Micro and Small Enterprises, 3 per cent from within the 25 per cent target shall be earmarked for procurement from Micro and Small Enterprises owned by women.

[F. No. 21(22)-2018-MA]

RAM MOHAN MISHRA, Addl. Secy. & Development Commissioner



Annexure 33b: List of items reserved for purchase from Small Scale Industrial units including Handicraft sector

Sl. No. Item Description	Sl. No. Item Description
1. AAC/and ACSR Conductor upto 19 strands	42. Canvas Products:
2. Agricultural Implements	(a) Water Proof Deliver, Bags to spec. No. IS - 1422/70
(a) Hand Operated tools and implements	(b) Bonnet Covers and Radiators Muff. to spec. Drg. Lv 7/NSN/IA/130295
(b) Animal driven implements	43. Capes Cotton and Woollen
3. Air/Room Coolers	44. Capes Waterproof
4. Aluminium builder's hardware	45. Castor Oil
5. Ambulance stretcher	46. Ceiling roses upto 15 amps
6. Ammeters / ohm meter / Volt meter (Electro-magnetic upto Class I accuracy)	47. Centrifugal steel plate blowers
7. Anklets Web Khaki	48. Centrifugal Pumps suction and delivery 150 mm. x 150 mm
8. Augur (Carpenters)	49. Chaff Cutter Blade
9. Automobile Head Lights Assembly	50. Chains lashing
10. Badges cloth embroidered and metals	51. Chappals and sandals
11. Bags of all types i.e. made of leather, cotton, canvas and jute etc. including kit bags, mail bags, sleeping bags and water-proof bag.	52. Chamois Leather
12. Bandage cloth	53. Chokes for light fitting
13. Barbed Wire	54. Chrome Tanned leather (Semi-finished Buffalo and Cow)
14. Basket cane (Procurement can also be made from State Forest Corporation and State Handicrafts Corporation)	55. Circlips
15. Bath tubs	56. Claw Bars and Wires
16. Battery Charger	57. Cleaning Powder
17. Battery Eliminator	58. Clinical Thermometers
18. Beam Scales (upto 1.5 tons)	59. Cloth Covers
19. Belt leather and straps	60. Cloth Jaconet
20. Bench Vices	61. Cloth Sponge
21. Bituminous Paints	62. Coir fibre and Coir yarn
22. Blotting Paper	63. Coir mattress cushions and matting
23. Bolts and Nuts	64. Coir Rope hawserlaid
24. Bolts Sliding	65. Community Radio Receivers
25. Bone Meal	66. Conduit pipes
26. Boot Polish	67. Copper nail
27. Boots and Shoes of all types including canvas shoes	68. Copper Napthenate
28. Bowls	69. Copper sulphate
29. Boxes Leather	70. Cord Twine Maker
30. Boxes made of metal	71. Cordage Others
31. Braces	72. Corrugated Paper Board and Boxes
32. Brackets other than those used in Railways	73. Cotton Absorbent
33. Brass Wire	74. Cotton Belts
34. Brief Cases (other than moulded luggage)	75. Cotton Carriers
35. Brooms	76. Cotton Cases
36. Brushes of all types	77. Cotton Cord Twine
37. Buckets of all types	78. Cotton Hosiery
38. Button of all types	79. Cotton Packs
39. Candle Wax Carriage	80. Cotton Pouches
40. Cane Valves/stock valves (for water fittings only)	81. Cotton Ropes
41. Cans metallic (for milk and measuring)	82. Cotton Singlets
	83. Cotton Sling
	84. Cotton Straps
	85. Cotton tapes and laces



Sl. No. Item Description	Sl. No. Item Description
86. Cotton Wool (Non-absorbent)	127. Ghamellas (Tasillas)
87. Crates Wooden and plastic	128. Glass Ampules
88. (a) Crucibles upto No. 200 (b) Crucibles Graphite upto No. 500 (c) Other Crucibles upto 30 kgs.	129. Glass and Pressed Wares
89. Cumblies and blankets	130. Glue
90. Curtains mosquito	131. Grease Nipples and Grease guns
91. Cutters	132. Gun cases
92. Dibutyl phthalate	133. Gun Metal Bushes
93. Diesel engines upto 15 H.P	134. Guntape
94. Dimethyl Phthalate	135. Hand drawn carts of all types
95. Disinfectant Fluids	136. Hand gloves of all types
96. Distribution Board upto 15 amps	137. Hand Lamps Railways
97. Domestic Electric appliances as per BIS Specifications: Toaster Electric, Elect. Iron, Hot Plates, Elect. Mixer, Grinders, Room heaters and convectors and ovens	138. Hand numbering machine
98. Domestic (House Wiring) P.V.C. Cables and Wires (Aluminum) Conforming to the prescribed BIS Specifications and upto 10.00 mm sq. nominal cross section	139. Hand pounded Rice (polished and unpolished)
99. Drawing and Mathematical Instruments	140. Hand presses
100. Drums and Barrels	141. Hand Pump
101. Dust Bins	142. Hand Tools of all types
102. Dust Shield leather	143. Handles wooden and bamboo (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
103. Dusters Cotton all types except the items required in Khadi	144. Harness Leather
104. Dyes:	145. Hasps and Staples
(a) Azo Dyes (Direct and Acid)	146. Haver Sacks
(b) Basic Dyes	147. Helmet Non-Metallic
105. Electric Call bells/buzzers/door bells	148. Hide and country leather of all types
106. Electric Soldering Iron	149. Hinges
107. Electric Transmission Line Hardware items like steel cross bars, cross arms clamps arching horn, brackets, etc	150. Hob nails
108. Electronic door bell	151. Holdall
109. Emergency Light (Rechargeable type)	152. Honey
110. Enamel Wares and Enamel Utensils	153. Horse and Mule Shoes
111. Equipment camouflage Bamboo support	154. Hydraulic Jacks below 30-ton capacity
112. Exhaust Muffler	155. Insecticides Dust and Sprayers (Manual only)
113. Expanded Metal	156. Invalid wheeled chairs.
114. Eyelets	157. Inverter domestic type upto 5 KVA
115. Film Polythene - including wide width film	158. Iron (dhobi)
116. Film spools and cans	159. Key board wooden
117. Fire Extinguishers (wall type)	160. Kit Boxes
118. Foot Powder	161. Kodali
119. French polish	162. Lace leather
120. Funnels	163. Lamp holders
121. Fuse Cut outs	164. Lamp signal
122. Fuse Unit	165. Lanterns Posts and bodies
123. Garments (excluding supply from Indian Ordnance Factories)	166. Lanyard
124. Gas mantels	167. Latex foam sponge
125. Gauze cloth	168. Lathies
126. Gauze surgical all types	169. Letter Boxes
	170. Lighting Arresters - upto 22 kv
	171. Link Clip
	172. Linseed Oil
	173. Lint Plain
	174. Lockers
	175. Lubricators
	176. L.T. Porcelain KITKAT and Fuse Grips



Sl. No. Item Description	Sl. No. Item Description
177. Machine Screws	226. Rags
178. Magnesium Sulphate	227. Railway Carriage light fittings
179. Mallet Wooden	228. Rakes Ballast
180. Manhole covers	229. Razors
181. Measuring Tapes and Sticks	230. RCC Pipes upto 1200 mm. dia
182. Metal clad switches (upto 30 Amps)	231. RCC Poles Prestressed
183. Metal Polish	232. Rivets of all types
184. Metallic containers and drums other than N.E.C. (Not elsewhere classified)	233. Rolling Shutters
185. Metric weights	234. Roof light Fittings
186. Microscope for normal medical use	235. Rubber Balloons
187. Miniature bulbs (for torches only)	236. Rubber Cord
188. M.S. Tie Bars	237. Rubber Hoses (Unbranded)
189. Nail Cutters	238. Rubber Tubing (Excluding braided tubing)
190. Naphthalene Balls	239. Rubberised Garments Cap and Caps etc
191. Newar	240. Rust/Scale Removing composition
192. Nickel Sulphate	241. Safe meat and milk
193. Nylon Stocking	242. Safety matches
194. Nylon Tapes and Laces	243. Safety Pins (and other similar products like paper pins, staple pins etc.)
195. Oil Bound Distemper	244. Sanitary Plumbing fittings
196. Oil Stoves (Wick stoves only)	245. Sanitary Towels
197. Pad locks of all types	246. Scientific Laboratory glass wares (Barring sophisticated items)
198. Paint remover	247. Scissors cutting (ordinary)
199. Palma Rosa Oil	248. Screws of all types including High Tensile
200. Palmgur	249. Sheep skin all types
201. Pans Lavatory Flush	250. Shellac
202. Paper conversion products- paper bags, envelopes, Ice-cream cup, paper cup and saucers and paper Plates	251. Shoe laces
203. Paper Tapes (Gummed)	252. Shovels
204. Pappads	253. Sign Boards painted
205. Pickles and Chutney	254. Silk ribbon
206. Piles fabric	255. Silk Webbing
207. Pillows	256. Skiboots and shoes
208. Plaster of Paris	257. Sluice Valves
209. Plastic Blow Moulded Containers upto 20 litre excluding Poly Ethylene Terphthalate (PET) Containers	258. Snapfastner (Excluding 4 pcs. ones)
210. Plastic cane	259. Soap Carbolic
211. Playing Cards	260. Soap Curd
212. Plugs and Sockets electric upto 15 Amp	261. Soap Liquid
213. Polythene bags	262. Soap Soft
214. Polythene Pipes	263. Soap washing or laundry soap
215. Post Picket (Wooden)	264. Soap Yellow
216. Postal Lead seals	265. Socket/pipes
217. Potassium Nitrate	266. Sodium Nitrate
218. Pouches	267. Sodium Silicate
219. Pressure Die Casting upto 0.75 kg	268. Sole leather
220. Privy Pans	269. Spectacle frames
221. Pulley Wire	270. Spiked boot
222. PVC footwears	271. Sports shoes made out of leather (for all Sports games)
223. PVC pipes upto 110 mm	272. Squirrel Cage Induction Motors upto and including 100 KW440 volts 3 phase
224. PVC Insulated Aluminium Cables (upto 120 sq. mm) (ISS:694)	273. Stapling machine
225. Quilts, Razais	274. Steel Almirah
	275. Steel beds stead
	276. Steel Chair



Sl. No. Item Description	Sl. No. Item Description
277. Steel desks	327. Welded Wire mash
278. Steel racks/shelf	328. Wheel barrows
279. Steel stools	329. Whistle
280. Steel trunks	330. Wicks cotton
281. Steel wool	331. Wing Shield Wipers (Arms and Blades only)
282. Steel and aluminium windows and ventilators	332. Wire brushes and Fibre Brushes
283. Stockinet	333. Wire Fencing and Fittings
284. Stone and stone quarry rollers	334. Wire nails and Horse shoe nails
285. Stoneware jars	335. Wire nettings of gauze thicker than 100 mesh size
286. Stranded Wire	336. Wood Wool
287. Street light fittings	337. Wooden ammunition boxes
288. Student Microscope	338. Wooden Boards
289. Studs (excluding high tensile)	339. Wooden Box for Stamps
290. Surgical Gloves (Except Plastic)	340. Wooden Boxes and Cases N.E.C. (Not elsewhere classified)
291. Table knives (Excluding Cutlery)	341. Wooden Chairs
292. Tack Metallic	342. Wooden Flush Door Shutters
293. Taps	343. Wooden packing cases all sizes
294. Tarpaulins	344. Wooden pins
295. Teak fabricated round blocks	345. Wooden plugs
296. Tent Poles	346. Wooden shelves
297. Tentage Civil/Military and Salitah Jute for Tentage	347. Wooden veneers
298. Textiles manufactures other than N.E.C. (not elsewhere classified)	348. Woolen hosiery
299. Tiles	349. Zinc Sulphate
300. Tin Boxes for postage stamp	350. Zip Fasteners
301. Tin can unprinted upto 4 gallons' capacity (other than can O.T.S.)	
302. Tin Mess	
303. Tip Boots	
304. Toggle Switches	
305. Toilet Rolls	
306. Transformer type welding sets conforming to IS:1291/75 (upto 600 amps)	
307. Transistor Radio upto 3 band	
308. Transistorised Insulation - Testers	
309. Trays	
310. Trays for postal use	
311. Trolley	
312. Trollies - drinking water	
313. Tubular Poles	
314. Tyres and Tubes (Cycles)	
315. Umbrellas	
316. Utensils all types	
317. Valves Metallic	
318. Varnish Black Japan	
319. Voltage Stablisers including C.V.T's	
320. Washers all types	
321. Water Proof Covers	
322. Water Proof paper	
323. Water tanks upto 15,000 litres capacity	
324. Wax sealing	
325. Waxed paper	
326. Weighing Scale	



HANDICRAFT ITEMS		
Sl.No.	Item Description	Source of Supply
351.	Cane furniture	North Eastern Handicrafts and Handlooms Development Corporation Assam Govt. Marketing Corpn. Craft Society of Manipur Nagaland Handicrafts and Handlooms Development Corpn.
352.	Bamboo file tray, Baskets, Pencil stand, side racks etc.	-do-
353.	Artistic Wooden Furniture	Rajasthan Small Industries Corpn., U.P. Export Corporation.
354.	Wooden paper weight, racks etc.	-do-
355.	Glass covers made of wood and grass jute	-do-
356.	Jute furniture	West Bengal Handicrafts Dev. Corpn. Jute Mfg. Development Corporation Orissa State Handicrafts Dev. Corpn.
357.	Jute bags, file cover	-do-
358.	Woollen and silk carpets	U.P. Export Corporation J and K Sale and Export Corporation



Annexure 33c: Declaration & Undertaking by Micro & Small Scale Enterprises/Startup Companies

(To be filled in the Company letter head)

Date:

Declaration & Undertaking by Micro & Small Scale Enterprises/Startup Companies

SI No	Particulars	Details
1	Is your organization Proprietary / Partnership / Private Limited Company / Public Limited Company / Others
2	Does your organization belong to Micro / Small / Medium scale Industry / Startup / others (Please tick mark appropriate box. If bidder is Startup & MSE, then please tick mark both)	Micro Small Scale Medium Startup Company Others
3	Whether Manufacturer for the tendered items (supply) / Service Provider for the tendered services as per MSE certification. (Please tick mark the appropriate)	Manufacturer for supply items Service Provider for services Trader/reseller/authorized agent/distributor Non MSE Bidder
4	In case you belong to Micro / Small / Medium Scale Enterprises, whether you are registered under SC / ST Category (Please tick mark the appropriate)	Yes No If yes, SC ST
5	In case you belong to Micro / Small / Medium Scale Enterprises, whether the same is owned by women (Please tick mark the appropriate)	Yes No If yes, valid documentary evidence to be submitted

A. Categorisation of MSE/SC-ST Vendors

1. In case of Micro/Small/Medium scale Enterprises, kindly attach Registration Certificate issued by DIC/KVIC/KVIB/Coir Board/NSIC/Directorate of Handicrafts and Handlooms, or any other body specified by MSME for authentication such as Udyog Aadhaar Memorandum/Acknowledgment.
2. SC/ST entrepreneurs registered under MSEs need to submit valid documentary evidence.



B. Categorisation of Startup Companies

Bidder who intends to participate as 'Startup' company should also enclose the Certificate of Recognition issued by Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Govt. of India.

C. Declaration in case of MSE Bidders / Startup Companies

In terms of Tender Conditions applicable for Micro & Small Enterprises (MSEs) / Startups, we hereby declare as under: -

- a. We are a Micro / Small Enterprise, as on bid closing date of this tender.
- b. We are a Manufacturer of the quoted supply item(s)/service provider for quoted services and valid documentary evidence for same is submitted.
- c. MSE certificate submitted by us is authentic & valid as on bid closing date of this tender.
- d. We are a 'Startup' company and we are enclosing copy of certificate of recognition issued by Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Govt. of India.
- e. We are a Micro / Small Enterprise which is owned by women and we are submitting valid documentary evidence for the same (to be specified).

We declare the above details are true. In case any of the details are found to be false/untrue, our offer will be liable for rejection /cancellation of order/subjected to appropriate actions as per tender Terms & Conditions.

.....
 Authorized Signatory
 (With Company Seal & Signature)



Annexure 34: Public Procurement (Preference to Make in India) Order, 2017 (Refer Para 2.7.2)

No. P-45021/2/2017-B.E.-II
Government of India
Ministry of Commerce and Industry
Department of Industrial Policy and Promotion

Dated 15th June, 2017
Udyog Bhawan, New Delhi

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017

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.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of 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 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.

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'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.

3. **Requirement of Purchase Preference:** 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 local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder:
 - a. In procurement of goods in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply.
 - b. In the procurements of goods which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher 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 local suppliers, then such balance quantity may also be ordered on the L1 bidder.
 - c. In procurements of goods not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the 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 local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

.....Contd. p.3/-



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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 minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
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 local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall 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 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

.....Contd.p.4/-



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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 local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or (ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

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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 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.
14. **Powers to grant exemption and to reduce minimum local content:** Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
 - a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20% ;
 - c. exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be marked to the Member-Convenor of the Standing Committee constituted under this Order.
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 of Industrial Policy and Promotion—Chairman
 - Secretary, Commerce—Member
 - Secretary, Ministry of Electronics and Information Technology—Member
 - Joint Secretary (Public Procurement), Department of Expenditure—Member
 - Joint Secretary (DIPP)—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.

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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
- shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - shall annually assess and periodically monitor compliance with this Order
 - shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - may require furnishing of details or returns regarding compliance with this Order and related matters
 - 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
 - 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
 - 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.

(B. S. Nayak)

Under Secretary to Government of India
Ph. 23061257

PART C: STANDARD BIDDING DOCUMENT (SBD)



Standard Bidding Document (SBD)
 (Procurement of Goods and Services)
 (Name, address, telephone no., Fax, e-mail, Website etc. of the Unit)

Not Transferable

Security Classification: _____

TENDER DOCUMENT FOR PURCHASE OF _____

Tender No. dated

This tender document contains pages

The tender document is sold to:

M/s. _____ Address _____ _____ _____

Details of Contact person in BRBNMPL regarding this tender:

Name:..... Designation:

Address :

Phone, Fax :

Email :



Contents

Section I	:	Notice Inviting Tender (NIT)
Section II	:	General Instructions to Tenderers (GIT)
Part I	:	General Instructions Applicable to all Types of Tenders
Part II	:	Additional General Instructions Applicable to Specific Types of Tenders
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Section VIII	:	Quality Control Requirements
Section IX	:	Qualification / Eligibility Criteria
Section X	:	Tender Form
Section XI	:	Price Schedule
Section XII	:	Questionnaire
Section XIII	:	Bank Guarantee Form for EMD
Section XIV	:	Manufacturer's Authorization Form
Section XV	:	Bank Guarantee Form for Performance Security
Section XVI	:	Contract Form
Section XVII	:	Letter of Authority for attending a Bid Opening
Section XVIII	:	Shipping Arrangements for Liner Cargoes
A	:	In Respect of CFR / CIF / Turnkey / FOR Contracts For Import
B	:	In Respect of FOB / FAS Contracts For Imports
Section XIX	:	Proforma of Bills for Payments
Section XX	:	Proforma of Pre-contract Integrity Pact



Section I: Notice Inviting Tender (NIT)

(Name, address, telephone no., Fax, e-mail, website etc. of the Unit)

.....
(Tender Sl. No.)

.....
(Date)

1. Sealed tenders are invited from eligible and qualified tenderers for supply of following goods & services:

Schedule No.	Brief Description of Goods / Services	Quantity (with unit)	Earnest Money (in Rs.)	Remarks

Type of Tender (Two Bid / PQB / EOI / RC / Development / Indigenization / Disposal of Scrap / Security item etc.	
Date of Sale of tender documents	From to during office hours
Price of the Tender Document	
Closing date and time for receipt of tenders	
Place of receipt of tenders	
Time and date of opening of tenders	
Place of opening of tenders	
Nominated Person / Designation to Receive Bulky Tender (Clause 21.1 of GIT)	

2. Interested tenderers may obtain further information about this requirement from the above office selling the documents. They may also visit our website mentioned above for further details.
3. Tender documents may be purchased on payment of non-refundable fee of Rs. (amount) per set through Online Bank Transfer (proof of online transfer to be submitted) or through in any other Electronic mode of payment such as Debit Card powered by RuPay, Unified Payments Interface (UPI) (BHIM-UPI), Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code) or in the form of account payee demand draft/Banker's cheque, drawn on a scheduled commercial bank in India, in favour of Bharatiya Reserve Bank Note Mudran Private Limited, payable at (name of the place).



4. If requested, the tender documents will be mailed by registered post / speed post to the domestic tenderers and by international courier to the foreign tenderers, for which extra expenditure per set will be Rs. for domestic post and Rs. for international courier. The tenderer is to add the applicable postage cost in the non-refundable fee mentioned in Para 3 above.
5. Tenderer may also download the tender documents from the web site and submit its tender by utilizing the downloaded document, along with the required non-refundable fee as mentioned in Para 3 above.
6. Tenderers shall ensure that their tenders, duly sealed and signed, complete in all respects as per instructions contained in the Tender Documents, are dropped in the tender box located at the address given below on or before the closing date and time indicated in the Para 1 above, failing which the tenders will be treated as late and rejected.
7. In the event of any of the above mentioned dates being declared as a holiday / closed day for the purchase organisation, the tenders will be sold / received / opened on the next working day at the appointed time.
8. The tender documents are not transferable.
9. BRBNMPL reserves the right to accept/reject/cancel any or all tender documents without assigning any reason thereof. BRBNMPL also reserves the right to accept the tender in whole or part. Incomplete documents not submitted in accordance with the directions issued shall be liable for rejection.
10. Tenderer shall note that the tender document is kept same for all schedules, if more than one schedule is specified, for administrative convenience. BRBNMPL reserves the right to conclude contract for each schedule independently as per the response and qualification.
11. **Exemption for MSEs and Startups:** The tenderers who are currently registered and shall continue to remain registered during the tender validity period with Central Purchase Organisation (CPO) or as a Micro and Small Enterprise (MSE) as defined in MSEs Order 2012 issued by Ministry of Micro, Small and Medium Enterprises (MSME) or as a Startup as recognised by Department for Promotion of Industry and Internal Trade (DPIIT), are exempted from payment of **tender fee** and **earnest money**. In case the tenderer falls in these categories, it should furnish certified copy of its valid registration details (registration with CPO or as a MSE or Startup, as the case may be).

Micro & Small Enterprises must attach Registration Certificate issued by DIC / KVIC / KVIB / Coir Board / NSIC / Directorate of Handicrafts and Handlooms, or any other body specified by MSME for authentication such as Udyog Aadhaar Memorandum / Acknowledgment.



12. Product Reservation/Purchase Preference shall be given to MSEs as per Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 along with amendments, if any, notified by Govt. of India.
(Procuring Entity may mention the salient points with regard to purchase preference as per MSEs Order including relaxations on eligibility criteria, if any, applicable for the tender)
13. Purchase preference shall be given to Local Suppliers as per Public Procurement (Preference to Make in India) Order, 2017 along with amendments, if any, notified by Govt. of India.
(Procuring Entity may mention the salient points with regard to purchase preference as per Preference to Make in India Order including relaxations on eligibility criteria, if any, applicable for the tender)
14. Details of IEM for this tender is furnished below: - *(If applicable for the tender)*

Name :

Address :

Email :

Guidelines for filling two-part tender: (if applicable)

1. **Part I:** First sealed cover should contain the required EMD amount, cost of tender form, technical offer (catalogue/brochure/specifications etc.), supportive documents related to eligibility criteria, tax related documents etc. along with ALL annexures of this tender **except Section XI (Price Schedule)**. All the pages included as Tender Document should be legible, neatly numbered and signed by authorized person with official seal of the Firm as acceptance of the terms and conditions. Offers with Counter Conditions is liable for Rejections. This first sealed cover should be clearly super-scribed with **“Part I - Technical Bid - For Supply of _____ as per Section VI: List of requirement”**. Any price indication in the Technical Bid will be summarily rejected.
2. **Part II:** Second sealed cover should contain only section XI (Price Schedule) (duly sealed and signed). Format provided in the tender document for price schedule should be followed and any other format will be liable for rejection. This second sealed cover should be clearly super-scribed with **“Part II - Price Bid - For Supply of _____ as per Section VI: List of requirement”**.
3. The above mentioned sealed covers (Part I & II) should be put in another big cover, sealed and super-scribed as **“Offer for Supply of _____ as per Section VI: List of requirement”** with due date of opening as (date) and should be addressed to (Name and address).

Important Note: Offers submitted not in line with the above guidelines will be liable for rejection.



[Name, designation, address, tel. no. etc.
of the officer signing the document]

For and on behalf of

.....



Section II: General Instructions to Tenderer (GIT)

Part I: General Instructions Applicable to all Types of Tenders

A PREAMBLE

1. Introduction

- 1.1 Definitions and abbreviations, which have been used in these documents, shall have the meanings as indicated in GCC.
- 1.2 For sake of convenience, whole of this Standard Bidding Document (including all sections) is written in reference to Procurement of Goods Tenders. However, this SBD would be utilized for all types of Tenders e.g. EOI, PQB, Rate Contract, Tenders involving Samples, Sale / Disposal of Scrap Material and Development / indigenization etc., Procurement of Services etc. Therefore the construction of all clauses are to be interpreted in the context of particular type of tender beyond the letter of the clause, read with the additional clauses for the specific type of tenders in Part II GIT/ GCC.
- 1.3 These tender documents have been issued for the requirements mentioned in Section - VI - "List of Requirements", which also indicates, inter-alia, the required delivery schedule and terms & place (i.e. destination) of delivery.
- 1.4 This section (Section II - "General Instruction to Tenderers" - GIT) provides the relevant information as well as instructions to assist the prospective tenderers in preparation and submission of tenders. It also includes the mode and procedure to be adopted for receipt and opening as well as scrutiny and evaluation of tenders and subsequent placement of contract. With this limited objective, GIT is not intended to be complete by itself and the rest of this document - SIT, GCC and SCC in particular may also be thoroughly studied before filling up the Tender Document. There would be certain topics covered in GIT/SIT as well as in GCC/SCC from different perspectives. In case of any conflict between these, provisions of GCC/ SCC would prevail.
- 1.5 The tenderers shall also read the Special Instructions to Tenderers (SIT) related to this purchase, as contained in Section III of these documents and follow the same accordingly. Whenever there is a conflict between the GIT and the SIT, the provisions contained in the SIT shall prevail over those in the GIT.

2. Language of Tender

The tender submitted by the tenderer and all subsequent correspondence and documents relating to the tender exchanged between the tenderer and BRBNMPL, shall be written in English or Hindi language, unless otherwise specified in the Tender. However, the language of any printed literature furnished by the tenderer in connection with its tender may be written in any other language provided the same is accompanied



by Hindi or English translation. For purposes of interpretation of the tender, the English translation shall prevail.

3. Eligible Tenderers

This invitation for tenders is open to all suppliers who fulfil the eligibility criteria specified in these documents. Please refer to Section IX: Qualification / Eligibility Criteria.

4. Eligible Goods and Services

All goods and related services to be supplied under the contract shall have their origin in India or other countries, subject to any restriction imposed in this regard in Section III (SIT). The term "origin" used in this clause means the place where the goods are mined, grown, produced or manufactured or from where the related services are arranged and supplied.

5. Tendering Expense

The tenderer shall bear all costs and expenditure incurred and / or to be incurred by it in connection with its tender including preparation, mailing and submission of its tender and for subsequent processing the same. BRBNMPL will, in no case be responsible or liable for any such cost, expenditure etc. regardless of the conduct or outcome of the tendering process.

B TENDER DOCUMENTS

6. Content of Tender Documents

6.1 The tender document includes: -

1. Section I : Notice Inviting Tender (NIT)
2. Section II : General Instructions to Tenderers (GIT)
 - Part I : General Instructions applicable to all types of tenders
 - Part II : Additional General Instructions applicable to specific types of tenders
3. Section III : Special Instructions to Tenderers (SIT)
4. Section IV : General Conditions of Contract (GCC)
5. Section V : Special Conditions of Contract (SCC)
6. Section VI : List of Requirements
7. Section VII : Technical Specifications
8. Section VIII : Quality Control Requirements
9. Section IX : Qualification / Eligibility Criteria
10. Section X : Tender Form
11. Section XI : Price Schedule
12. Section XII : Questionnaire
13. Section XIII : Bank Guarantee Form for EMD
14. Section XIV : Manufacturer's Authorization Form
15. Section XV : Bank Guarantee Form for Performance Security



16. Section XVI : Contract Form
17. Section XVII : Letter of Authority for attending a Bid Opening
18. Section XVIII: Shipping Arrangements for Liner Cargoes
 - A : In respect of CFR, CIF, Turnkey/F.O.R. contracts for import
 - B : In respect of FOB/FAS contracts for import
19. Section XIX : Proforma of Bills for Payments
20. Section XX : Proforma for Pre Contract Integrity Pact

6.2 The relevant details of the required goods and services, the terms, conditions and procedure for tendering, tender evaluation, placement of contract, the applicable contract terms and, also, the standard formats to be used for this purpose are incorporated in the above-mentioned documents. The interested tenderers before formulating the tender and submitting the same to BRBNMPL, should read and examine all the terms, conditions, instructions etc. contained in the tender documents. Failure to provide and / or comply with the required information, instructions etc. incorporated in these tender documents may result in rejection of its tender.

7. Amendments to Tender Documents

- 7.1 At any time prior to the deadline for submission of tenders, BRBNMPL may, for any reason deemed fit by it, modify the tender documents by issuing suitable amendments to it.
- 7.2 Such an amendment will be uploaded in the website and notified in writing by registered / speed post or by fax / telex / e-mail, followed by copy of the same by suitable recorded post to all prospective tenderers, which have received the tender documents and will be binding on them.
- 7.3 In order to provide reasonable time to the prospective tenderers to take necessary action in preparing their tenders as per the amendment, BRBNMPL may, at its discretion extend the deadline for the submission of tenders and other allied time frames, which are linked with that deadline.

8. Pre-Bid conference

If found necessary, a pre-bid conference may be stipulated in the SIT, for clarification/ amendment to Technical specifications / techno-commercial conditions in two-bid tenders.

9. Clarification of Tender Documents

A Tenderer requiring any clarification or elucidation on any issue of the tender documents may take up the same with BRBNMPL in writing or by fax / e-mail / telex. BRBNMPL will respond in writing to such request provided the same is received by BRBNMPL not later than twenty one days (unless otherwise specified in the SIT) prior to the prescribed date of submission of tender. Copies of the query and clarification shall be sent to all prospective bidders who have received the bidding documents.



C PREPARATION OF TENDERS

10. Documents Comprising the Tender

10.1 The tender to be submitted by Tenderer shall contain the following documents, duly filled in, as required:

- a. Tender Form and Price Schedule along with list of deviations (ref Clause 19.4) from the clauses of this SBD, if any.
- b. Documentary evidence, as necessary in terms of GIT clauses 3 and 16 establishing that the tenderer is eligible to submit the tender and, also, qualified to perform the contract if its tender is accepted.
- c. Documents and relevant details to establish in accordance with GIT clause 17 that the goods and the allied services to be supplied by the tenderer conform to the requirement of the tender documents along with list of deviations if any (ref clause 17.3 of GIT).
- d. Earnest money furnished in accordance with GIT clause 18.18.1 alternatively, documentary evidence as per GIT clause 18.2 for claiming exemption from payment of earnest money. and
- e. Questionnaire as per Section XII.
- f. Manufacturer's Authorization Form (ref Section XIV, if applicable)

NB: The tenderers may also enclose in their tenders, technical literature and other documents as and if considered necessary by them.

10.2 A tender, that does not fulfil any of the above requirements and / or gives evasive information / reply against any such requirement, shall be liable to be ignored and rejected.

10.3 Tender sent by fax/email/telex/cable shall be ignored.

11. Tender currencies

11.1 Unless otherwise specified, the tenderer shall quote only in Indian rupees.

11.2 Where the tender condition specifies acceptance of quotations in different currencies, then, for domestic goods, prices shall be quoted in Indian rupees only and for imported goods, prices shall be quoted either in Indian rupees or in the currency stipulated in the SIT, mentioning, inter-alia, the exchange rate adopted for converting foreign currency into Indian Rupees. As regards price(s) for allied services, if any, required with the goods, the same shall be quoted in Indian Rupees if such services are to be performed / undertaken in India.

11.3 Tenders, where prices are quoted in any other way shall be treated as unresponsive and rejected.



12. Tender Prices

- 12.1 The Tenderer shall indicate on the Price Schedule provided under Section XI all the specified components of prices shown therein including the unit prices and total tender prices of the goods and services it proposes to supply against the requirement. All the columns shown in the price schedule should be filled up as required. If any column does not apply to a tenderer, same should be clarified accordingly by the tenderer.
- 12.2 If there is more than one schedule in the List of Requirements, the tenderer has the option to submit its quotation for any one or more schedules and, also, to offer special discount for combined schedules. However, while quoting for a schedule, the tenderer shall quote for the complete requirement of goods and services as specified in that particular schedule.
- 12.3 The quoted prices for goods offered from within India (goods manufactured in India or goods of foreign origin already located in India) and that for goods of foreign origin offered from abroad are to be indicated separately in the applicable Price Schedules attached under Section XI.
- 12.4 While filling up the columns of the price schedule, the following aspects should be noted for compliance:
- 12.5 For goods offered from within India (goods manufactured in India or goods of foreign origin already located in India), the prices in the corresponding price schedule shall be entered separately in the following manner:
- a) The price of the goods, quoted ex-factory, ex-showroom, ex-warehouse or off-the-shelf, as applicable, including Goods and services Tax, Customs duty or any other similar duties and taxes already paid or payable on the components and raw material used in the manufacture or assembly of the goods quoted ex-factory etc. or on the previously imported goods of foreign origin quoted ex-showroom etc.
 - b) Goods and Services Tax, which will be payable on the goods in India if the contract is awarded.
 - c) Charges towards inland transportation, insurance and other local costs incidental to delivery of the goods to their final destination as specified in the List of Requirements and
 - d) The price of incidental services, as and if mentioned in List of Requirements.
- 12.6 For goods of foreign origin offered from abroad, the prices in the corresponding price schedule shall be entered separately in the following manner:
- a) The price of goods quoted FAS / FOB port of shipment, CIF port of entry in India or CIF specified place of destination in India as indicated in the List of Requirements,



- b) Wherever applicable, the amount of custom duty and import duty on the goods to be imported.
- c) The charges for inland transportation, insurance and other local costs incidental to delivery of the goods from the port of entry in India to their final destination, as specified in the List of Requirements. and
- d) The charges for incidental services, as and if mentioned in the List of Requirements.

12.7 Additional information and instruction on Duties and Taxes:

For goods offered from within India (goods manufactured in India or goods of foreign origin already located in India), if the Tenderer desires to ask for Goods and services Tax, Customs duty or any other similar duties and taxes to be paid extra, the same must be specifically stated. In the absence of any such stipulation the price will be taken inclusive of such duties and taxes and no claim for the same will be entertained later.

12.8 Goods and Services Tax

- a) If reimbursement of Goods and Services Tax is intended as extra over the quoted prices, the supplier must specifically say so also indicating the rate, quantum and nature of the tax applicable. In the absence of any such stipulation, it will be presumed that the prices quoted are firm and final and no claim on account of Goods and Services Tax will be entertained after the opening of tenders.
- b) If a Tenderer chooses to quote a price inclusive of Goods and Services Tax and also desires to be reimbursed for variation, if any, in the Goods and Services Tax during the time of supply, the tenderer must clearly mention the same and also indicate the rate and quantum of Goods and Services Tax included in its price. Failure to indicate all such details in clear terms may result in statutory variations being denied to the tenderer.
- c) Subject to sub clauses 12.8 (a) & (b) above, any change in Goods and Services Tax upward / downward as a result of any statutory variation in Goods and Services Tax taking place within original Delivery Period shall be allowed to the extent of actual quantum of Goods and Services Tax paid by the supplier. In case of downward revision in Goods and Services Tax, the actual quantum of reduction of Goods and Services Tax shall be reimbursed to BRBNMPL by the supplier. All such adjustments shall include all reliefs, exemptions, rebates, concession etc. if any obtained by the supplier.

12.9 Goods and Services Tax...contd...

If a tenderer asks for GST to be paid extra, the rate and nature of such taxes applicable should be shown separately. Such taxes will be paid as per the rate



at which it is liable to be assessed or has actually been assessed provided the transaction of sale is legally liable to such taxes and is payable as per the terms of the contract.

12.10 Goods and Services Tax...contd...

- i) The tenderer should quote the exact percentage of GST that they will be charging extra.
- ii) While quoting the rates, tenderers should pass on (by way of reduction in prices) the input tax credit that would become available to them by switching over to the new system of GST from the existing system of tax, duly stating the quantum of such credit per unit of the item quoted for.
- iii) The tenderer while quoting for tenders should give the following declaration:
 "We agree to pass on such additional input tax credit as may become available in future in respect of all the inputs used in the manufacture of the final product on the date of supply under the GST scheme by way of reduction in price and advise the purchaser accordingly."
- iv) The supplier while claiming the payment shall furnish the following certificate to the paying authorities:
 "We hereby declare that additional input tax credit to the tune of Rs..... has accrued and accordingly the same is being passed on to the purchaser and to that effect the payable amount may be adjusted."

12.11 Duties, taxes and other levies of Local bodies

Unless otherwise stated in the SIT, the goods supplied against contracts placed by BRBNMPL are not exempted from levy of duties, taxes and other Levies of local bodies. In such cases, the supplier should make the payment to avoid delay in supplies and forward the receipt of the same to the purchasing department for reimbursement and, also, for further necessary action.

In cases where exemption is available, suppliers should obtain the exemption certificate from the purchasing department to avoid payment of such levies and taxes.

12.12 Duties / Taxes on Raw Materials

BRBNMPL is not liable for any claim from the supplier on account of fresh imposition and / or increase (including statutory increase) of Customs duty, Goods and Services Tax or any other similar duties and taxes on raw materials and/or components used directly in the manufacture of the contracted goods taking place during the pendency of the contract, unless such liability is specifically agreed to in terms of the contract.



12.13 Imported Stores not liable to Above-mentioned Taxes and Duties:

Above mentioned Taxes and Duties are not leviable on imported goods (goods of foreign origin offered from abroad) and hence would not be reimbursed.

12.14 Customs Duty:

In respect of imported goods of foreign origin offered from abroad, the tenderer shall specify the rate as well as the total amount of customs duty payable. The tenderer shall also indicate the corresponding Indian Customs Tariff Number applicable for the goods in question.

- 12.14.1** For transportation of imported goods offered from abroad, relevant instructions as incorporated under GCC Clause 11 shall be followed.
- 12.14.2** For insurance of goods to be supplied, relevant instructions as provided under GCC Clause 12 shall be followed.
- 12.14.3** Unless otherwise specifically indicated in this tender document, the terms FOB, FAS, CIF etc. for imported goods offered from abroad, shall be governed by the rules & regulations prescribed in the current edition of INCOTERMS, published by the International Chamber of Commerce, Paris
- 12.14.4** The need for indication of all such price components by the tenderers, as required in this clause (viz., GIT clause 12) is for the purpose of comparison of the tenders by BRBNMPL and will no way restrict BRBNMPL's right to award the contract on the selected tenderer on any of the terms offered.

13. Authorized Dealer/Distributor/Representative

Principal manufacturers/OEMs, manufacturers under license or their authorized Dealers/Distributors/Representatives who are exclusively appointed by the principal manufacturers/OEMs to represent them in the country shall be eligible to apply or to take part in the bid. One Principal manufacturer/OEM can authorize only one Dealer/Distributor/Representative for a particular tender. Similarly, one authorized Dealer/Distributor/Representative can represent only one Principal manufacturer/OEM in a particular tender. There can be only one bid from either: -

1. The Principal manufacturer/OEM directly; or
2. Any of its branch/division/subsidiary; or
3. Authorized Dealer/Distributor/Representative on behalf of the Principal manufacturer/OEM



Note

- (i) In a tender, either the Principal manufacturer/OEM or its authorized dealer/distributor/representative can bid but both cannot bid simultaneously in the same tender.
- (ii) In case the bidder is an authorized Dealer/Distributor/Representative, except in case of Commercially-Off-the-Shelf (COTS) items, then
 - (a) the bidder should have been associated as authorised dealer/distributor/representative of the same or other Principal Manufacturer/OEM for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 31st March (or any other year ending followed in relevant country) of the previous financial year; and
 - (b) the principal manufacturer/OEM should furnish a legally enforceable tender-specific authorisation in the prescribed form (Section XIV of SBD) assuring full guarantee and warranty obligations as per the general and special conditions of contract and to abide by other tender terms and conditions. The letter of authorisation should be signed by a person competent and having the power of attorney to legally bind the manufacturer; and
 - (c) the principal manufacturer/OEM should meet all the pre-qualification criteria without exemption.
- (iii) For commercially off the shelf (COTS) items with clear and standard specifications, a valid dealership certificate will have to be submitted.

14. Firm Price / Variable Price

- 14.1 Unless otherwise specified in the SIT, prices quoted by the tenderer shall remain firm and fixed during the currency of the contract and not subject to variation on any account.
- 14.2 In case the tender documents require offers on variable price basis, the price quoted by the tenderers will be subject to adjustment during original Delivery Period to take care of the changes in the cost of labour and material components in accordance with the price variation formula to be specified in the SIT. If a tenderer submits firm price quotation against the requirement of variable price quotation, that tender will be prima-facie acceptable and considered further, taking price variation asked for by the tenderer as zero.
- 14.3 However, as regards taxes and duties, if any, chargeable on the goods and payable, the conditions stipulated in GIT clause 12 will apply for both firm price tender and variable price tender.
- 14.4 Subject to provisions of Clause 11 above, where prices are quoted in foreign currencies, involving imports - Foreign Exchange Rate Variation (ERV) would be borne by the Purchaser within the original Delivery Period. The offer of the Tenderer should indicate import content and the currency used for calculating import content.



14.5 Base Exchange rate of each major currency used for calculating FE content of the contract should be indicated. The base date of ERV would be contract date and variation on the base date can be given up to the midpoint manufacture, unless firm has already indicated the time schedule within which material will be imported by the firm.

14.6 In case delivery period is refixed / extended, ERV will not be admissible, if this is due to default of the supplier.

14.7 Documents for claiming ERV:

- i. A bill of ERV claim enclosing working sheet
- ii. Banker's Certificate/debit advice detailing FE paid and exchange rate
- iii. Copies of import order placed on supplier
- iv. Invoice of supplier for the relevant import order

15. Alternative Tenders

Unless otherwise specified in the Schedule of Requirements, alternative tenders shall not be considered.

16. Documents Establishing Tenderer's Eligibility and Qualifications

16.1 Pursuant to GIT clause 10, the tenderer shall furnish, as part of its tender, relevant details and documents establishing its eligibility to quote and its qualifications to perform the contract if its tender is accepted.

16.2 The documentary evidence needed to establish the tenderer's qualifications shall fulfil the following requirements:

- a) In case the tenderer offers to supply goods, which are manufactured by some other firm, the tenderer has been duly authorized by the goods manufacturer to quote for and supply the goods to BRBNMPL. The tenderer shall submit the Manufacturer's Authorization Letter to this effect as per the standard form provided under Section XIV in this document.
- b) The tenderer has the required financial, technical and production capability necessary to perform the contract and, further, it meets the qualification criteria incorporated in the Section IX in these documents.
- c) In case the tenderer is not doing business in India, it is / will be duly represented by an authorized Dealer/Distributor/Representative stationed in India fully equipped and able to carry out the required contractual functions and duties of the supplier including after sale service, maintenance & repair etc. of the goods in question, stocking of spare parts and fast moving components and other obligations, if any, specified in the conditions of contract and/or technical specifications.



17. Documents establishing Good's Conformity to Tender document

- 17.1 The tenderer shall provide in its tender the required as well as the relevant documents like technical data, literature, drawings etc. to establish that the goods and services offered in the tender fully conform to the goods and services specified by BRBNMPL in the tender documents. For this purpose, the tenderer shall also provide a clause-by-clause commentary on the technical specifications and other technical details incorporated by BRBNMPL in the tender documents to establish technical responsiveness of the goods and services offered in its tender.
- 17.2 In case there is any variation and/or deviation between the goods & services prescribed by BRBNMPL and that offered by the tenderer, the tenderer shall list out the same in a chart form without ambiguity along with justification, and provide the same along with its tender.
- 17.3 If a tenderer furnishes wrong and/or misleading data, statement(s) etc. about technical acceptability of the goods and services offered by it, its tender will be liable to be ignored and rejected in addition to other remedies available to BRBNMPL in this regard.

18. Earnest Money Deposit (EMD)

- 18.1 Pursuant to GIT clause 10.1(d) the tenderer shall furnish along with its tender, earnest money for amount as shown in the List of Requirements. The earnest money is required to protect BRBNMPL against the risk of the Tenderer's unwarranted conduct as amplified under sub-clause 23.23.2 below.
- 18.2 The tenderers who are currently registered and, also, will continue to remain registered during the tender validity period with Central Purchase Organisation or as a Micro and Small Enterprise (MSE) as defined in MSEs Order 2012 issued by Ministry of Micro, Small and Medium Enterprises (MSME) or as a Startup as recognised by Department for Promotion of Industry and Internal Trade (DPIIT), are exempted from payment of earnest money. In case the tenderer falls in these categories, it should furnish certified copy of its valid registration details (registration with CPO or as a MSE or as a Startup, as the case may be).
- Micro & Small Enterprises must attach Registration Certificate issued by DIC / KVIB / KVIB / Coir Board / NSIC / Directorate of Handicrafts and Handlooms, or any other body specified by MSME for authentication such as Udyog Aadhaar Memorandum / Acknowledgment.
- 18.3 The earnest money shall be denominated in Indian Rupees or in equivalent foreign exchange in case of GTE/ICB tenders.
- 18.4 The earnest money shall be furnished in one of the following forms:
- Account Payee Demand Draft from any scheduled commercial bank in India or



- b) Banker's cheque from any scheduled commercial bank in India or
 - c) Online Bank Transfer (Proof of online transfer to be submitted)
 - d) Other Electronic Modes of Payment
 - Debit Card powered by RuPay
 - Unified Payments Interface (UPI) (BHIM-UPI)
 - Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)
 - e) Bank Guarantee issued/confirmed by any scheduled commercial bank in India in the proforma given in Section XIII of SBD in case the amount is more than Rs.5 lakh and in case of foreign bidders in GTE/ICB tenders (in equivalent foreign exchange amount)
- 18.5 The earnest money shall be valid for a period of forty-five days beyond the validity period of the tender.
- 18.6 Unsuccessful tenderers' earnest monies will be returned to them without any interest whatsoever within 15 days of determination of the tenderers as unsuccessful after opening of Price Bid.
- The successful bidder's bid security (EMD) can be adjusted against the SD or returned as per the terms of the tender document. The balance can be deducted from the supplier's bill/invoice before release of payment. Unlike Procurement of Works, in Procurement of Goods, the concept of taking part of Performance Guarantee as money retained from first or progressive bills of the supplier is not acceptable.
- 18.7 Earnest money of a tenderer will be forfeited, if the tenderer withdraws or amends its tender or impairs or derogates from the tender in any respect within the period of validity of its tender. The successful tenderer's earnest money will be forfeited if it fails to furnish the required performance security within the specified period.

19. Tender Validity

- 19.1 If not mentioned otherwise in the SIT, the tenders shall remain valid for acceptance for a period of 90 days (Ninety days) in case of single bid tender system and 120 days in case of two-bid system after the date of tender opening prescribed in the tender document. Any tender valid for a shorter period shall be treated as unresponsive and rejected.
- 19.2 In exceptional cases, the tenderers may be requested by BRBNMPL to extend the validity of their tenders up to a specified period. Such request(s) and responses thereto shall be conveyed by surface mail or by fax/email/telex/cable followed by surface mail. The tenderers, who agree to extend the tender validity, are to extend the same without any change or modification of their original tender and they are also to extend the validity period of the EMD accordingly.



- 19.3 In case the day up to which the tenders are to remain valid falls on/ subsequently declared a holiday or closed day for BRBNMPL, the tender validity shall automatically be extended up to the next working day.
- 19.4 Compliance with the Clauses of this Tender Document: Tenderer must comply with all the clauses of this Tender Document. In case there are any deviations, these should be listed in a chart form without any ambiguity along with justification.

20. Signing and Sealing of Tender

- 20.1 An authenticated copy of the document which authorizes the signatory to commit on behalf of the firm shall accompany the offer. The individual signing the tender or any other documents connected therewith should clearly indicate his full name and designation and also specify whether he is signing,
- (a) As Sole Proprietor of the concern or as attorney of the Sole Proprietor;
 - (b) As Partner (s) of the firm;
 - (c) As Director, Manager or Secretary in case the of Limited Company duly authorized by a resolution passed by the Board of Directors or in pursuance of the Authority conferred by Memorandum of Association.
- 20.2 The authorized signatory of the tenderer must sign the tender at appropriate places and initial the remaining pages of the tender.
- 20.3 The tenderers shall submit their tenders as per the instructions contained in GIT Clause
- 20.4 Unless otherwise mentioned in the SIT, a tenderer shall submit two copies of its tender marking them as "Original" and "Duplicate".
- 20.5 The original and other copies of the tender shall either be typed or written in indelible ink and the same shall be signed by the tenderer or by a person(s) who has been duly authorized to bind the tenderer to the contract. The letter of authorization shall be by a written power of attorney, which shall also be furnished along with the tender.
- 20.6 All the copies of the tender shall be duly signed at the appropriate places as indicated in the tender documents and all other pages of the tender including printed literature, if any shall be initialled by the same person(s) signing the tender. The tender shall not contain any erasure or overwriting, except as necessary to correct any error made by the tenderer and, if there is any such correction; the same shall be initialled by the person(s) signing the tender.
- 20.7 The tenderer is to seal the original and each copy of the tender in separate envelopes, duly marking the same as "Original", "Duplicate" and so on and writing the address of BRBNMPL and the tender reference number on the envelopes. The sentence 'NOT TO BE OPENED' before (The tenderer is to put the date & time of tender opening) are to be written on these



envelopes. The inner envelopes are then to be put in a bigger outer envelope, which will also be duly sealed, marked etc. as above. If the outer envelope is not sealed and marked properly as above, BRBNMPL will not assume any responsibility for its misplacement, premature opening, late opening etc.

20.8 For purchasing capital equipment, high value plant, machinery etc. of complex and technical nature, tender document will seek quotation in two parts (Two Bid System) - first part containing the relevant technical details of the equipment / machinery etc., and in the second part, price quotation along with other allied issues. First part will be known as 'Technical Bid', and the second part 'Financial bid'. Tenderer shall seal separately 'Technical Bid' and 'Financial bid' and covers will be suitably super scribed. Both these sealed covers shall be put in a bigger cover and sealed and evaluation would be done as described in clause 25.24.4 below. Further details would be given in SIT, if considered necessary.

20.9 If permitted in the SIT, the tenderer may submit its tender through e-tendering procedure.

D SUBMISSION OF TENDERS

21. Submission of Tenders

21.1 Unless otherwise specified, the tenderers are to deposit the tenders in the tender box kept for this purpose at a place as indicated in para 1 of NIT. In case of bulky tender, which cannot be put into tender box, the same shall be submitted by the tenderer by hand to the designated officers of BRBNMPL, as indicated in clause 1 of NIT. The officer receiving the tender will give the tenderer an official receipt duly signed with date and time.

21.2 The tenderers must ensure that they deposit their tenders not later than the closing time and date specified for submission of tenders. In the event of the specified date for submission of tender falls on / is subsequently declared a holiday or closed day for BRBNMPL, the tenders will be received up to the appointed time on the next working day.

22. Late Tender

A tender, which is received after the specified date and time for receipt of tenders will be treated as "late" tender and will be ignored.

23. Alteration and Withdrawal of Tender

23.1 The tenderer, after submitting its tender, is permitted to alter / modify its tender so long as such alterations / modifications are received duly signed, sealed and marked like the original tender, within the deadline for submission of tenders. Alterations / modifications to tenders received after the prescribed deadline will not be considered.



- 23.2 No tender should be withdrawn after the deadline for submission of tender and before expiry of the tender validity period. If a tenderer withdraws the tender during this period, it will result in forfeiture of the earnest money furnished by the tenderer in its tender besides other sanctions by BRBNMPL.

E TENDER OPENING

24. Opening of Tenders

- 24.1 BRBNMPL will open the tenders at the specified date and time and at the specified place as indicated in clause 1 of NIT. In case the specified date of tender opening falls on / is subsequently declared a holiday or closed day for BRBNMPL, the tenders will be opened at the appointed time and place on the next working day.
- 24.2 Authorized representatives of the tenderers, who have submitted tenders on time may attend the tender opening, provided they bring with them letters of authority as per the format in SBD XVII from the corresponding tenderers. The tender opening official(s) will prepare a list of the representatives attending the tender opening. The list will contain the representatives' names & signatures and corresponding tenderers' names and addresses.
- 24.3 During the tender opening, the tender opening official(s) will read the salient features of the tenders like description of the goods offered, price, special discount if any, delivery period, whether earnest money furnished or not and any other special features of the tenders, as deemed fit by the tender opening official(s).
- 24.4 In the case of two bid system mentioned in clause 20.8 above, the technical bids are to be opened in the first instance, at the prescribed time and date. These bids shall be scrutinized and evaluated by the competent committee / authority with reference to parameters prescribed in the tender document. Thereafter, in the second stage, the financial bids of only the technically acceptable offers (as decided in the first stage) shall be opened for further scrutiny and evaluation. Other financial bids would be returned unopened to the respective bidders under Registered AD / Reliable Courier or any other mode with proof of delivery.

F SCRUTINY AND EVALUATION OF TENDERS

25. Basic Principle

Tenders will be evaluated on the basis of the terms & conditions already incorporated in the tender document, based on which tenders have been received and the terms, conditions etc. mentioned by the tenderers in their tenders. No new condition will be brought in while scrutinizing and evaluating the tenders.



26. Preliminary Scrutiny of Tenders

- 26.1 The tenders will first be scrutinized to determine whether they are complete and meet the essential and important requirements, conditions etc. as prescribed in the tender document, the tenders, that do not meet the basic requirements, are liable to be treated as unresponsive and ignored.
- 26.2 The following are some of the important aspects, for which a tender may be declared unresponsive and ignored;
- a) Tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document.
 - b) Tenderer is not eligible.
 - c) Tender validity is shorter than the required period.
 - d) Required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption.
 - e) Tenderer has quoted for goods manufactured by a different firm without the required authority letter from that manufacturer.
 - f) Tenderer has not agreed to give the required performance security.
 - g) Goods offered are sub-standard, not meeting the required specification etc.
 - h) Tenderer has not agreed to essential condition(s) specially incorporated in the tender enquiry.
 - i) Against a schedule in the List of Requirement (incorporated in the tender enquiry), the Tenderer has not quoted for the entire requirement as specified in that schedule. (Example: In a schedule, it has been stipulated that the Tenderer will supply the equipment, install and commission it and also train BRBNMPL 's operators for operating the equipment. The Tenderer has however, quoted only for supply of the equipment).

27. Minor Infirmary / Irregularity / Non-Conformity

If during the preliminary examination, BRBNMPL find any minor infirmity and / or irregularity and / or non-conformity in a tender, BRBNMPL may waive the same provided it does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the tenderers. Wherever necessary, BRBNMPL will convey its observation on such 'minor' issues to the tenderer by registered / speed post etc. asking the tenderer to respond by a specified date. If the tenderer does not reply by the specified date or gives evasive reply without clarifying the point at issue in clear terms, that tender will be liable to be ignored.

28. Discrepancy in Prices

- 28.1 If, in the price structure quoted by a tenderer, there is discrepancy between



the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless BRBNMPL feels that the tenderer has made a mistake in placing the decimal point in the unit price, in which case the total price as quoted shall prevail over the unit price and the unit price corrected accordingly.

- 28.2 If there is an error in a total price, which has been worked out through addition and / or subtraction of subtotals, the subtotals shall prevail and the total corrected; and
- 28.3 If there is a discrepancy between the amount expressed in words and figures, the amount in words shall prevail, subject to sub clause 28.1 and 28.2 above.
- 28.4 If, as per the judgment of BRBNMPL, there is any such arithmetical discrepancy in a tender, the same will be suitably conveyed to the tenderer by registered / speed post. If the tenderer does not agree to the observation of BRBNMPL, the tender is liable to be ignored.

29. Discrepancy between original and copies of Tender

In case any discrepancy is observed between the text etc. of the original and that of other copies of the same tender set, the text etc. of the original shall prevail. Here also, BRBNMPL will convey its observation suitably to the tenderer by registered / Speed post and, if the tenderer does not accept BRBNMPL's observation, that tender will be liable to be ignored.

30. Clarification of Bids

During evaluation and comparison of bids, purchaser may, at its discretion ask the bidder or clarification of its bid. The clarification should be received within 7 days from the bidder from date of receipt of such request. The request for clarification shall be in writing and no change in prices or substance of the bid shall be sought, offered or permitted. No post bid clarification at the initiative of the bidder shall be entertained.

31. Qualification / Eligibility Criteria

Tenders of the tenderers, who do not meet the required qualification / eligibility criteria prescribed in Section IX, will be treated as unresponsive and will not be considered further.

32. Conversion of tender currencies to Indian Rupees

In case the tender document permits the tenderers to quote their prices in different currencies, all such quoted prices of the responsive tenderers will be converted to a single currency viz., Indian Rupees for the purpose of equitable comparison and evaluation, as per the Bill Currency Selling exchange rates established by the State Bank of India for similar transactions, as on the date of tender opening.



33. Schedule-wise Evaluation

In case the List of Requirements contains more than one schedule, the responsive tenders will be evaluated and compared separately for each schedule. The tender for a schedule will not be considered if the complete requirements prescribed in that schedule are not included in the tender. However, as already mentioned in GIT sub clause 12.2, tenderers have the option to quote for any one or more schedules and offer discounts for combined schedules. Such discounts, wherever applicable, will be taken into account to determine the tender or combination of tenders offering the lowest evaluated cost for BRBNMPL in deciding the successful tenderer for each schedule, subject to that tenderer(s) being responsive.

34. Comparison on CIF/FOR Destination Basis

Unless mentioned otherwise in Section - III - Special Instructions to Tenderers and Section - VI - List of Requirements, the comparison of the responsive tenders shall be on CIF/FOR destination basis, duly delivered, commissioned, etc. as the case may be.

35. Additional Factors and Parameters for Evaluation and Ranking of Responsive Tenders

35.1 Further to GIT Clause 33 above, BRBNMPL's evaluation of a tender will include and take into account the following:

- a) In the case of goods offered from within India (goods manufactured in India or goods of foreign origin already located in India), Goods and Services Tax or any other similar duties and taxes, which will be contractually payable (to the tenderer), on the goods if a contract is awarded on the tenderer; and
- b) In the case of goods of foreign origin offered from abroad, customs duty and other similar import duties/taxes, which will be contractually payable (to the tenderer) on the goods if the contract is awarded on the tenderer.

35.2 BRBNMPL's evaluation of tender will also take into account the additional factors, if any, incorporated in SIT in the manner and to the extent indicated therein.

35.3 As per policies of the Government from time to time, the purchaser reserves its option to give price preference to Micro & Small Scale Industries in comparison to the large scale Industries. This price preference cannot however be taken for granted and every endeavour need to be made by such firms to bring down cost and achieve competitiveness.

35.4 If the tenders have been invited on variable price basis, the tenders will be evaluated, compared and ranked on the basis of the position as prevailing on the day of tender opening and not on the basis of any future date.



36. Tenderer's capability to perform the contract

36.1 BRBNMPL, through the above process of tender scrutiny and tender evaluation will determine to its satisfaction whether the tenderer, whose tender has been determined as the lowest evaluated responsive tender is eligible, qualified and capable in all respects to perform the contract satisfactorily. If, there is more than one schedule in the List of Requirements, then, such determination will be made separately for each schedule.

36.2 The above mentioned determination will, inter-alia, take into account the tenderer's financial, technical and production capabilities for satisfying all the requirements of BRBNMPL as incorporated in the tender document. Such determination will be based upon scrutiny and examination of all relevant data and details submitted by the tenderer in its tender as well as such other allied information as deemed appropriate by BRBNMPL.

37. Cartel Formation / Pool Rates

Cartel formation or quotation of Pool / Co-ordinated rates, leading to 'Appreciable Adverse Effect on Competition' (AAEC) as identified in Competition Act, 2002, as amended by Competition (Amendment) Act, 2007, would be considered as a serious misdemeanour and would be dealt accordingly as per Clause 44 below.

38. Negotiations

Normally there would be no price negotiations. But BRBNMPL reserves its right to negotiate with the lowest acceptable bidder (L1), who is techno-commercially cleared / approved for supply of bulk quantity and on whom the contract would have been placed but for the decision to negotiate, under special circumstances in accordance with CVC guidelines. Selection of contractors by negotiations should be a rare exception rather than the rule and may be resorted to only in the exceptional circumstances under the following circumstances: -

- (i) Where the procurement is done on nomination basis (PAC and STE without PAC);
- (ii) Procurement is from a single or limited sources of supply;
- (iii) Procurements where there is suspicion of cartel formation.

39. Contacting BRBNMPL

39.1. From the time of submission of tender to the time of awarding the contract, if a tenderer needs to contact BRBNMPL for any reason relating to this tender enquiry and / or its tender, it should do so only in writing.

39.2. It will be treated as a serious misdemeanour in case a tenderer attempts to influence BRBNMPL's decision on scrutiny, comparison, evaluation and award of the contracts. In such a case the tender of the tenderer shall be



liable for rejection in addition to appropriate administrative actions being taken against that tenderer, as deemed fit by BRBNMPL, in terms of clause 44 of GIT.

G AWARD OF CONTRACT

40. BRBNMPL's Right to Accept any Tender and to Reject any or all Tenders

BRBNMPL reserves the right to accept in part or in full any tender or reject any tender without assigning any reason or to cancel the tendering process and reject all tenders at any time prior to award of contract, without incurring any liability, whatsoever to the affected tenderer or tenderers.

41. Award Criteria

Subject to GIT clause 36 above, the contract will be awarded to the lowest evaluated responsive tenderer decided by BRBNMPL in terms of GIT Clause 34.

42. Variation of Quantities at the Time of Award

Normally, there will be no variation of quantities at the time of awarding the contract. However, at the time of awarding the contract, the quantity to be procured shall be re-judged based on the current data, since the ground situation may have very well changed. In that case, BRBNMPL reserves the right to increase or decrease the tendered quantity by 25 (Twenty-Five) per cent for ordering, if so warranted. A clause would be included in SIT giving further details.

43. Parallel Contracts

BRBNMPL reserves its right to conclude Parallel contracts, with more than one bidder (for the same tender). If this is foreseen at the time of Tendering, a clause would be included in SIT giving further details.

44. Serious Misdemeanours

44.1. Following would be considered serious misdemeanours:

- i. Submission of misleading / false / fraudulent information/ documents by the bidder in their bid
- ii. Submission of fraudulent / un-encashable Financial Instruments stipulated under Tender or Contract Condition.
- iii. Violation of Code of Ethics laid down in Clause 32 of the GCC.
- iv. Cartel formation or quotation of Pool / coordinated rates leading to "Appreciable Adverse Effect on Competition" (AAEC) as identified under the Competition Act, 2002.
- v. Deliberate attempts to pass off inferior goods or short quantities.



- vi. Violation of Fall Clause by Rate Contract holding Firms.
- vii. Attempts to influence BRBNMPL's Decisions on scrutiny, comparison, evaluation and award of Tender.

44.2. Besides, suitable administrative actions, like rejecting the offers or delisting of registered firms, BRBNMPL would ban / blacklist Tenderers committing such misdemeanour, including declaring them ineligible to be awarded BRBNMPL contracts for indefinite or for a stated period.

45. Notification of Award

45.1 Before expiry of the tender validity period, BRBNMPL will notify the successful tenderer(s) in writing, by registered / speed post or by fax / email / telex / cable (to be confirmed by registered / speed post) that its tender for goods & services, which have been selected by BRBNMPL, has been accepted, also briefly indicating therein the essential details like description, specification and quantity of the goods & services and corresponding prices accepted. The successful tenderer must furnish to BRBNMPL the required performance security within twenty one days from the date of this notification. Relevant details about the performance security have been provided under GCC Clause 6 under Section IV.

45.2 The notification of award shall constitute the conclusion of the contract.

46. Issue of Contract

46.1 Within seven working days of receipt of performance security, BRBNMPL will send the contract form (as per Section XVI) duly completed and signed, in duplicate, to the successful tenderer by registered / speed post.

46.2 Within seven days from the date of issue of the contract, the successful tenderer will return the original copy of the contract, duly signed and dated, to BRBNMPL by registered / speed post.

47. Non-receipt of Performance Security and Contract by BRBNMPL

Failure of the successful tenderer in providing performance security within 21 days of receipt of notification of award and / or returning contract copy duly signed in terms of GIT clauses 45 and 46 above shall make the tenderer liable for forfeiture of its EMD and, also, for further sanctions by BRBNMPL against it.

48. Return of EMD

The earnest money of the successful tenderer and the unsuccessful tenderers will be returned to them without any interest, whatsoever, in terms of GIT Clause 18.6.

49. Publication of Tender Result

The name and address of the successful tenderer(s) receiving the contract(s) will be mentioned in the notice board/bulletin/ web site of BRBNMPL.



Part II: Additional General Instructions Applicable to Specific Types of Tenders:

50. Rate Contract Tenders

50.1 In addition to GIT in Part I above, following GIT will be applicable to rate contract Tenders:

- i. Earnest Money Deposit (EMD) is to be furnished by unregistered bidders only.
- ii. In the Schedule of Requirement, no commitment of quantity is mentioned; only the anticipated requirement is mentioned without any commitment.
- iii. BRBNMPL reserves the right to conclude more than one rate contract for the same item.
- iv. Unless otherwise specified in SIT, the currency of a Rate Contract would normally be for one year.
- v. During the currency of the Rate Contract, BRBNMPL may withdraw the rate contract by serving suitable notice. The prescribed notice period is generally thirty days.
- vi. During the currency of the Rate Contract, BRBNMPL would have the option to renegotiate the price with the rate contract holders.
- vii. During the currency of the Rate Contract, in case of emergency, BRBNMPL may purchase the same item through ad hoc contract with a new supplier.
- viii. Usually, the terms of delivery in rate contracts are FOR dispatching station.
- ix. Supply orders, incorporating definite quantity of goods to be supplied along with all other required conditions following the rate contract terms, will be issued by nominated Direct Demanding Officers (DDO) for obtaining supplies through the rate contract.
- x. BRBNMPL is entitled to place supply orders up to the last day of the validity of the rate contract and, though supplies against such supply orders will be affected beyond the validity period of the rate contract, all such supply will be guided by the terms & conditions of the rate contract.
- xi. The rate contract will be guided by "Fall Clause" as described below.

50.2 Fall Clause

If the rate contract holder reduces its price or sells or even offers to sell the rate contracted goods, following conditions of sale similar to those of the rate contract, at a price lower than the rate contract price, to any person or organization during the currency of the rate contract, the rate contract price will be automatically reduced with effect from that date for all the subsequent supplies under the rate contract and the rate contract amended accordingly. Any violation of the fall clause would be considered a serious misdemeanour under clause 44 of the GIT and action, as appropriate, would be taken as per provision of that clause.



50.3 Performance Security

Depending on the anticipated overall drawal against a rate contract and, also, anticipated number of parallel rate contracts to be issued for an item, the procuring entity shall consider obtaining Performance Security @ 5% (Five percent) of the value of supply order in the supply orders issued against rate contracts on the rate contract holder.

50.4 Renewal of Rate Contracts

In case it is not possible to conclude new rate contracts before the expiry of existing ones, due to some special reasons, the existing rate contracts would be extended with same terms, conditions etc. for a suitable period, with the consent of the rate contract holders. Rate contracts of the firms, who do not agree to such extension, will be left out, Period of such extension would generally not be more than three months.

51. Prequalification Bidding

51.1 Prequalification Bidding is for short listing of qualified Bidders who fulfil the Prequalification criteria as laid down in SIT or in Section IX of SBD - "Qualification Criteria" for procurement of Goods or Services as listed in Section VI of SBD - "List of Requirements". Short listed Bidders would be informed of their qualification and short listing in accordance with the stipulations laid down in the SIT. Unless otherwise stipulated in the SIT the PQB short listing would be valid only till the next procurement tender. Further conditions will be elaborated in the SIT.

51.2 If stipulated in the SIT, only these short listed qualified bidders would be invited to participate in the Procurement of the requirements. Otherwise SIT may also indicate that instead of floating a separate PQB tender, it may be combined with the Procurement Tender, as a three bid tender. Initially the first Packet containing PQB would be opened and evaluation would be done. Thereafter the rest of tender would be handled as a two bid system for only those bidders who succeed in PQB.

52. Tenders involving Samples

52.1 Normally no sample would be called along with the offer for evaluation.

52.2 Purchaser's Samples: If indicated in the SIT, a Purchaser's sample may be displayed to indicate required characteristics over and above the Specifications for perusal of the bidders. Name and Designation of the Custodian, Place, Dates and Time of inspection of Purchaser's sample will be indicated in the SIT. The supplies in the contract will have to meet the indicated required characteristics for which the Purchaser's sample was displayed, besides meeting the specification listed in Section VII - "Technical Specifications" of the SBD. He would be issued a sealed Purchaser's sample for the purpose at the time of award of the contract.



52.3 Pre-Production Samples: If stipulated in SIT, successful contractor would be required to submit a Pre-Production sample(s) to the Inspecting Officer/ or the nominated authority mentioned in the contract within the time specified therein. If the Contractor is unable to do so, he must apply immediately to the Office issuing the acceptance of tender for extension of time stating the reasons for the delay. If the Purchaser is satisfied that a reasonable ground for an extension of time exists, he may allow such additional time as he considers to be justified (and his decision shall be final) with or without alteration in the delivery period stipulated in the contract and on such conditions as he deems fit. In the event of the failure of the Contractor to deliver the pre-production sample by the date specified in the acceptance of tender or any other date to which the time may be extended as aforesaid by the Purchaser or of the rejection of the sample, the Purchaser shall be entitled to cancel the contract and, if so desired, purchase or authorize the purchase of the stores at the risk and cost of the Contractor (unless specified otherwise in the SIT). In such an event, in case of Security Items where urgency develops due to such delays, BRBNMPL reserves its right to procure not more than one year's requirement against this "Risk & Cost" tender from existing pre-qualified and security cleared firms. Bulk production and supply will only be allowed if this sample(s) pass the Tests laid down in the Section VIII "Quality Control Requirements" in the SBD.

52.4 Testing of Samples: Tests, procedures and testing laboratories for testing samples would be detailed in the Section VIII - "Quality Control Requirements" in the SBD.

52.5 Validation / Prolonged Trials: If specified in SIT or in the Section VIII - "Quality Control Requirements" in the SBD, pre-production samples may have to undergo validation or extended trial before their performance can be declared satisfactory.

52.6 Parameters Settings and duration of Validation Tests would be indicated in the Section VIII - "Quality Control Requirements" in the SBD. It would also stipulate the period or event marking end of validation trials. It would also be indicated therein whether the Permission to start bulk production will have to wait full validation or it can go on in parallel.

53. Expression of Interest (EOI) Tenders:

53.1 EOI tenders are floated for short listing firms who are willing and qualified for: -

- i. Registration of Vendors for Supply of particular Stores or certain categories of Stores.
- ii. Development of new items or Indigenization of Imported stores

53.2 The qualification / eligibility criteria required and the format of submission of such Data would be indicated in the Section IX - "Qualification Criteria" in the SBD.



- 53.3** Objectives and scope of requirement would be indicated in the Section VI - "List of Requirements" in the SBD. Indicative quantity required yearly and its future requirements would also be indicated.
- 53.4** In case of EOI for Development of new Items or for Indigenization, prospective firms would be given opportunity to inspect the Machine / Item at the place of installation at the place, dates and Time mentioned in SIT.
- 53.5** In case EOI is for registration of vendors, Registration Fees and validity period of registration would be detailed in the SIT.
- 53.6 Short List of Suppliers:** The suppliers shall be evaluated for short listing, inter-alia, based on their past experience of supplying goods in similar context, financial strength, technical capabilities etc. Each supplier will be assigned scores based on weightages assigned to each of the criteria mentioned in the Section IX - "Qualification Criteria" in the SBD.
- 53.7** If stipulated in the SIT, the Firm's capacity and Capability may be assessed by a nominated Committee or by a third party nominated by BRBNMPL.
- 53.8** All suppliers who secure the minimum required marks (normally 50% unless otherwise specified in the Section IX) would be short listed. Section IX may alternatively specify minimum qualifying requirement for each of the criteria i.e. minimum years of experience, minimum number of assignments executed, minimum turnover etc. Under such circumstances, all suppliers who meet the minimum requirement, as specified, will be short listed_
- 53.9** In case of EOI for registration of vendors, registration letters would be issued to the short listed tenderers.
- 53.10** In case of EOI for development / indigenization, these shortlisted tenderers would only be allowed to participate in the subsequent development/ indigenization tenders.

54. Tenders for Disposal of Scrap

- 54.1** Introduction: The tender is for Sale of Scrap material lying at various locations. Details of scrap for sale including Description, Present Condition, Lot Size and its Location would be given in the Section VI - "List of Requirements".
- 54.2** "As Is; Where Is; Whatever Is" Basis of This Sale:
- 54.2.1** This sale of Scrap is strictly on "As is; Where is; Whatever is" basis. Tenderer must satisfy himself on all matters with regard to quality, quantity, nature of stores etc., before tendering as no complaint or representation of any kind shall be entertained after the sale contract is concluded.
- 54.2.2** The description of lot in the particulars of sale has been given for the purpose of identification thereof only and the use of such description shall not constitute the sale thereof to be sale by description and no sale shall be invalid by reason of any defect or deviation or variation in any lot or on account of any lot not being exactly described and



the purchaser shall not be entitled to claim any damage or compensation whatsoever on account of such fault, error in description, weight or the like.

- 54.2.3** All quantities of scrap whether by weight or measurement mentioned in the Tender notice are only approximate and should the quantity, on actual weight or measurement basis as the case may be and whenever delivered on such basis, works out less than the advertised and for projected quantity, the BRBNMPL shall not under any circumstances be liable to make good any such deficiency
- 54.2.4** BRBNMPL reserves right to increase or decrease the quantity of any item or items or terminate the contract at any stage by giving one week's notice. No claim whatsoever shall lie against the BRBNMPL on account of such termination of the contract or variation in the quantity.
- 54.2.5** BRBNMPL shall have the right to remove certain items which it feels were not intended for sale but were inadvertently made a part of the scrap material or of the lot offered for sale lying at the premises or were joined or attached to the material offered for sale.
- 54.2.6** Tenderers desirous of purchasing and participating in the tender must visit the site before submitting the offer, after taking due permission from the concerned Stock Holders. The Tenderers submitting the offers shall be deemed to have visited the site and acquainted themselves thoroughly with materials intended for sale in all respect.
- 54.2.7** Any person giving offer shall be deemed to have made himself fully conversant with the Terms and Conditions of the Tender Sale, as well as the location and condition of the materials being sold and shall be deemed to have agreed to all the stated terms and conditions herein under.

54.3 Submission of Offer

- 54.3.1** Unless specified otherwise in the SIT, tenders shall hold good for acceptance for a minimum period of 90 days (ninety days) from the date of opening of the tenders. The offers of the tenderers shall be irrevocable.
- 54.3.2** The BRBNMPL reserves right to reject any offer without assigning any reason there for.
- 54.3.3** Unless otherwise stated in the SIT, the amount of EMD in such tenders would be 5% of the value of the tender. The Earnest Money shall be forfeited if the tenderer unilaterally withdraws amends, impairs or derogates from his offer in any respect within the period of validity of his offer.
- 54.3.4** If the offer of the tenderer is not accepted by the BRBNMPL, the



Earnest Money deposit made by the tenderer shall be refunded to him. No interest shall be payable on such refunds. The EMD deposited by the successful tenderer shall remain with the BRBNMPL till payment of the security deposit (SD) money, as stipulated in relevant Clause, has been made. It may be adjusted as part of the total SD money at the discretion of the BRBNMPL.

- 54.3.5** Duties, taxes and other levies of local bodies, whatever in force, shall be payable extra by the purchaser as per rules applicable to BRBNMPL. Current and valid PAN and Goods and Services Tax Identification Number (GSTIN), wherever applicable, must be provided in the Bid of the Tenderer.
- 54.3.6** All arrangement for lifting and transportation of scrap material, including manpower, crane, transport vehicle and trolley etc., if required shall be made by the purchaser concerned only and the BRBNMPL shall not provide or help in providing any such arrangements and the rate quoted by the purchaser must include such and all incidental charges.
- 54.3.7** Registered dealers who are exempted from payment of Goods and Services Tax must give reference to Goods and Services Tax laws which provides such exemption or submit any certificate as issued by the Goods and Services tax authorities and shall be required to submit necessary form duly completed in all respect to BRBNMPL or its representatives before obtaining delivery order, duly signed by the partner of the firm or the person authorized to do so.
- 54.3.8** Evaluation of tenders for Disposal of scrap will be done on similar basis as Tenders for Procurement of Goods, except that the selection of the bidders shall be on the basis of the highest responsive Bidder (H1). In case full quantity is not offered to be taken by the Highest Bidder, parallel contracts would be placed.

54.4 Notification of Acceptance and Award of Contract:

- 54.4.1** The successful tenderer, herein after referred to as purchasers, shall have to submit security deposit (SD) @ 10% of the total sale value of the contract within 5 working days of issue of the sale contract (excluding the date of issue of sale contract). The SD shall be deposited in the form of account payee demand draft drawn on any scheduled commercial bank in India in favour of Bharatiya Reserve Bank Note Mudran Private Limited or through online transfer or through other electronic mode of payment as mentioned in clause 3 of NIT in connection with EMD.
- 54.4.2** The purchaser has to pay balance payment within 20 days from the date of notification of acceptance, which is to be issued by BRBNMPL or his authorized representative, in the form of account payee demand draft drawn on any scheduled commercial bank in India in favour of Bharatiya Reserve Bank Note Mudran Private



Limited or through online transfer or through other electronic mode of payment. In case of any, default to deposit balance payment, BRBNMPL reserves right to terminate the contract and forfeit the security deposit.

54.5 Disposal Tenders for Security and Sensitive Machinery and Items:

54.5.1 Non-Misuse Declaration: The bidder is required to give an undertaking that he or his employees or legal heirs will ensure that such items purchased from BRBNMPL, will be utilized only for scrap recovery and will not be misused for any other purpose. He will also ensure that this undertaking is honoured and it got underwritten from further down the line scrap processors / re-purchasers, if any. In case his firm changes hands, it will be his responsibility to ensure that the new owners honour and underwrite this undertaking.

54.5.2 If stipulated in SIT delivery would be given only in dismantled / cut-up condition.

55. Development and Indigenization Tenders:

55.1 Already developed firms or firms who have already received development orders for the item (with whatever results) would not be considered in such tenders.

55.2 If specified in SIT the contract documents may be issued free of cost, and submission of earnest money deposit and security deposit may be relaxed.

55.3 If specified in SIT, The Tenderers may quote separately for

- i. Price / rate for bulk supply of item in development / indigenization supplies and
- ii. Separately, cost of development including cost of pre-production samples. Firms would be paid only for the number of samples specified in the Tender. If he has to manufacture more samples due to failure of earlier one, he would not be paid for it.

55.4 L1 would be determined on the basis of rate of item quoted including reference to total cost of the development cost (including the cost of prototype) plus the notional total cost of quantities that will be required over next three years, wherever applicable.

55.5 Development contracts may, as far as feasible, be concluded with two or more contractors in parallel.

55.6 The ratio of splitting of the supply order between various development agencies / firms in cases of parallel development, including criteria thereof, would be specified in the SIT.

55.7 However, in case the requirement is meagre and complex technology is involved, or quantity of the equipment / spares is limited/small/uneconomic if distributed between two vendors, the entire order could be placed upon the L1 vendor only.



55.8 If specified in SIT, Advance and Intermediate Payment to Suppliers may be allowed.

55.9 Quantity for Development Commitment

In Next three years, after the newly developed firm is able to successfully complete Development orders with $\pm 5\%$ tolerances, 20% of annual quantity requirement may be reserved for Newly Developed firms.

55.10 Period of Development Commitment

A newly developed firm would be granted this facility till only three years after completing the initial Development order. However this facility is not a bar to the firm from competing with already established firms for quantities larger than 20% provided their prices and performance so warrant. Thereafter they would have to compete on equal terms with other already developed firms.



Section III: Special Instructions to Tenderers (SIT)

The following Special Instructions to Tenderers will apply for this purchase. These special instructions will modify / substitute / supplement the corresponding General Instructions to Tenderers (GIT) incorporated in Section II. The corresponding GIT clause numbers have also been indicated in the text below:

In case of any conflict between the provision in the GIT and that in the SIT, the provision contained in the SIT shall prevail.

(Clauses of GIT listed below include a possibility for variation in their provisions through SIT. There could be other clauses in SIT as deemed fit.)

Sl. No.	GIT Clause No.	Topic	SIT Provision
1	4	Eligible Goods and Services (Origin of Goods)	
2	8	Pre-bid Conference	
3	9	Time Limit for receiving request for clarification of Tender Documents	
4	11.2	Tender Currency	
5	12.11	Applicability of duties, taxes and other levies of local bodies	
6	14	PVC Clause & Formula	
7	19	Tender Validity	
8	20.4	Number of Copies of Tenders to be submitted	
9	20.9	E-Procurement	
10	35.2	Additional Factors for Evaluation of Offers	
11	42	Variation of quantities at the time of award	
12	43	Parallel Contracts	
13	50.1, 50.3	Tender For rate Contracts	
14	51.1, 51.2	PQB Tenders	
15	52.1, 52.3, 52.5	Tenders involving Purchaser's and Pre-Production Samples	
16	53.4, 53.5, 53.7	EOI Tenders	
17	54.3.1, 54.5.2	Tenders for Disposal of Scrap	
18	55.2, 55.3, 55.7, 55.8	Development / Indigenization Tenders	



Section IV: General Conditions of Contract (GCC)

Part I: General Conditions of Contract applicable to all types of Tenders

1. Definitions; Interpretation and Abbreviations: In the contract, unless the context otherwise requires:

1.1 Definitions and Interpretation:

- (i) "Contract" means the letter or memorandum communicating to the Contractor the acceptance of this tender and includes "Intimation of Award" of his tender; "Contract" includes Bid Invitation, Instructions to Tenderers, Tender, Acceptance of Tender, General Conditions of Contract, Schedule of Requirements, particulars and the other conditions specified in the acceptance of tender and includes a repeat order which has been accepted or acted upon by the Contractor and a formal agreement, if executed;
- (ii) "Contractor" or "Supplier" means the individual or the firm supplying the goods and services. The term includes his employees, successors, authorized dealers/representatives, stockists and distributors. Other homologous terms are: Vendor, Firm, Manufacturer, OEM etc.;
- (iii) "Drawing" means the drawing or drawings specified in or annexed to the Specifications;
- (iv) "Government" means the Central Government or a State Government as the case may be;
- (v) The "Inspecting Officer" means the person, or organisation specified in the contract for the purpose of inspection of stores of work under the contract and includes his / their authorised representative;
- (vi) "Purchase Officer" means the officer signing the acceptance of tender and includes any officer who has authority to execute the relevant contract on behalf of the Purchaser;
- (vii) The "Purchaser" means BRBNMPL - the organization purchasing goods and services as incorporated in the documents;
- (viii) "Signed" includes stamped, except in the case of an acceptance of tender or any amendment thereof;
- (ix) "Test" means such test as is prescribed by the particulars or considered necessary by the Inspecting Officer whether performed or made by the Inspecting Officer or any agency acting under the direction of the Inspecting Officer;
- (x) The delivery of the stores shall be deemed to take place on delivery of the stores in accordance with the terms of the contract, after approval by the Inspecting Officer if so provided in the contract:



- a. The consignee at his premises; or
 - b. Where so provided, the interim consignee at his premises; or
 - c. A carrier or other person named in the contract for the purpose of transmission to the consignee: or
 - d. The consignee at the destination station in case of contract stipulating for delivery of stores at destination station.
- (xi) "Writing" or "Written" includes matter either in whole or in part, in manuscript, typewritten, lithographed, cyclostyled, photographed or printed under or over signature or seal, as the case may be.
 - (xii) Words in the singular include the plural and vice-versa.
 - (xiii) Words importing the masculine gender shall be taken to include the feminine gender and words importing persons shall include any company or association or body of individuals, whether incorporated or not.
 - (xiv) The heading of these conditions shall not affect the interpretation or construction thereof.
 - (xv) Terms and expression not herein defined shall have the meanings assigned to them in the Indian Sale of Goods Act, 1930 (as amended) or the Indian Contract Act, 1872 (as amended) or the General Clauses Act, 1897 (as amended) as the case may be.
 - (xvi) PARTIES: The parties to the contract are the "Contractor" and the "Purchaser", as defined above;
 - (xvii) "Tender" means quotation / bid received from a firm / supplier.
 - (xviii) "Goods" means the articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant etc. which the supplier is required to supply to BRBNMPL under the contract. Other homologous terms are: Stores, Materials etc.
 - (xix) "Services" means services allied and incidental to the supply of goods, such as transportation, installation, commissioning, provision of technical assistance, training, after sales service, maintenance service and other such obligations of the supplier covered under the contract.
 - (xx) "Earnest Money Deposit" (EMD) means monetary guarantee to be furnished by a Tenderer along with its tender.
 - (xxi) "Performance Security" means monetary guarantee to be furnished by the successful Tenderer for due performance of the contract placed on it. Performance Security is also known as Security Deposit or Performance Bank Guarantee.
 - (xxii) "Consignee" means the person to whom the goods are required to be delivered as specified in the Contract. If the goods are required



to be delivered to a person as an interim consignee for the purpose of dispatch to another person as provided in the Contract then that "another" person is the consignee, also known as ultimate consignee.

- (xxiii) "Specification" or "Technical Specification" means the drawing/document/standard that prescribes the requirement to which product or service has to conform.
- (xxiv) "Inspection" means activities such as measuring, examining, testing, analysing, gauging one or more characteristics of the product or service and comparing the same with the specified requirement to determine conformity.
- (xxv) "Day" means calendar day.

1.2 Abbreviations:

"AAEC"	means "Appreciable Adverse Effect on Competition" as per Competition Act
"BG"	means Bank Guarantee
"BL or B/L"	means Bill of Lading
"CD"	means Custom Duty
"CIF"	means Cost, Insurance and Freight Included
"CMD"	means Chairman and Managing Director
"CPSU"	means Central Public Sector Undertaking
"DDO"	means Direct Demanding Officer in Rate Contracts
"DGS&D"	means Directorate General of Supplies and Disposals
"DP"	means Delivery Period
"ECS"	means Electronic clearing system
"EMD"	means Earnest money deposit
"EOI"	means Expression of Interest (Tendering System)
"ERV"	means Exchange rate variations
"FAS"	means Free alongside shipment
"FOB"	means Freight on Board
"FOR"	means Free on Rail
"GCC"	means General Conditions of Contract
"GIT"	means General Instructions to Tenderers
"GST"	means Goods and Services Tax
"H1, H2 etc."	means First Highest, Second Highest Offers etc. in Disposal Tenders
Incoterms	means International Commercial Terms, 2000 (of ICC)
"L1, L2 etc."	means First or second Lowest Offer etc.
"LC"	means Letter of Credit
"LD or L/D"	means Liquidated Damages



"LSI"	means Large Scale Industry
"NIT"	means Notice Inviting Tenders.
"NSIC"	means National small industries corporation
"PQB"	means Pre-qualification bidding
"PSU"	means Public Sector Undertaking
"PVC"	means Price variation clause
"RC"	means Rate contract
"RR or R/R"	means Railway Receipt
"SBD" or "TD"	means Standard Bid Document / Tender Document
"SCC"	means Special Conditions of Contract
"SIT"	means Special Instructions to Tenderers
"BRBNMPL"	means Bharatiya Reserve Bank Note Mudran Private Limited
"SSI"	means Small Scale Industry

2. Application

2.1 The General Conditions of Contract incorporated in this section shall be applicable for this purchase to the extent the same are not superseded by the Special Conditions of Contract (SCC) prescribed under Section V of this document.

2.2 General Conditions of the contract shall not be changed from one tender to other.

2.3 Other Laws and Conditions that will govern the Contract:

Besides GCC and SCC following conditions and Laws will also be applicable and would be considered as part of the contract:

- i. Indian Contracts Act, 1872
- ii. Sale of Goods Act, 1930
- iii. Arbitration and Conciliation Act, 1996 read with the Arbitration and Conciliation (Amendment) Act, 2015
- iv. Competition Act, 2002 as amended by Competition (Amendment Act), 2007
- v. Contractor's Tender Submissions including Revised Offer during Negotiations if any
- vi. Conditions in other parts of the Tender Documents
- vii. Correspondence including counter-offers if any; between the Contactor and BRBNMPL during the Tender Finalization
- viii. Notification of award and Contract Documents
- ix. Subsequent Amendments to the Contract



3. Use of contract documents and information

- 3.1** The supplier shall not, without BRBNMPL's prior written consent, disclose the contract or any provision thereof including any specification, drawing, sample or any information furnished by or on behalf of BRBNMPL in connection therewith, to any person other than the person(s) employed by the supplier in the performance of the contract emanating from this tender document. Further, any such disclosure to any such employed person shall be made in confidence and only so far as necessary for the purposes of such performance for this contract.
- 3.2** During the process of procurement of Security or Sensitive Machinery and Items, Tender Documents and the specifications / drawings of such items would be issued only to Vendors having security clearance within the validity of such clearance and he shall maintain absolute secrecy and strictly control the number of copies and access to the documents and copies thereof, in addition to safeguards mentioned in sub-para above.
- 3.3** Further, the supplier shall not, without BRBNMPL's prior written consent, make use of any document or information mentioned in GCC sub-clause 3.1 above except for the sole purpose of performing this contract.
- 3.4** Except the contract issued to the supplier, each and every other document mentioned in GCC sub-clause 3.1 above shall remain the property of BRBNMPL and, if advised by BRBNMPL, all copies of all such documents shall be returned to BRBNMPL on completion of the supplier's performance and obligations under this contract.

4. Patent Rights

- 4.1** The supplier shall, at all times, indemnify BRBNMPL, free of cost, against all claims which may arise in respect of goods & services to be provided by the supplier under the contract for infringement of any right protected by patent, registration of designs or trademarks. In the event of any such claim in respect of alleged breach of patent, registered designs, trademarks etc. being made against BRBNMPL, BRBNMPL shall notify the supplier of the same and the supplier shall, at his own expenses take care of the same for settlement without any liability to BRBNMPL.

5. Country of Origin

- 5.1** All goods and services to be supplied and provided for the contract shall have the origin in India or in the countries with which the Government of India has trade relations.
- 5.2** The word "origin" incorporated in this clause means the place from where the goods are mined, cultivated, grown, manufactured, produced or processed or from where the services are arranged.



6. Performance Bond / Security

- 6.1 Within twenty-one days after the issue of notification of award by BRBNMPL, the supplier shall furnish performance security to BRBNMPL for an amount equal to ten per cent of the total value of the contract, valid up to sixty days after the date of completion of all contractual obligations by the supplier, including the warranty obligations.
- 6.2 The Performance security shall be denominated in Indian Rupees or in the currency of the contract and shall be in one of the following forms:
 - a. Account Payee Demand Draft drawn on any scheduled commercial bank in India, in favour of Bharatiya Reserve Bank Note Mudran Private Limited as indicated in the clause 3 of NIT in reference to EMD.
 - b. Bank Guarantee issued/confirmed by any scheduled commercial bank in India, in the prescribed form as provided in section XV of this document.
- 6.3 In the event of any loss due to supplier's failure to fulfil its obligations in terms of the contract, the amount of the performance security shall be payable to BRBNMPL to compensate BRBNMPL for the same.
- 6.4 In the event of any amendment issued to the contract, the supplier shall, within twenty-one days of issue of the amendment, furnish the corresponding amendment to the Performance Security (as necessary), rendering the same valid in all respects in terms of the contract, as amended.
- 6.5 Subject to GCC sub-clause 6.3 above, BRBNMPL will release the performance security without any interest to the supplier on completion of the supplier's all contractual obligations including the warranty obligations.

7. Technical Specifications and Standards

- 7.1 The Goods & Services to be provided by the supplier under this contract shall conform to the technical specifications and quality control parameters mentioned in 'Technical Specification' and 'Quality Control Requirements' under Sections VII and VIII of this document.

8. Packing and Marking

- 8.1 The packing for the goods to be provided by the supplier should be strong and durable enough to withstand, without limitation, the entire journey during transit including transshipment (if any), rough handling, open storage etc. without any damage, deterioration etc. As and if necessary, the size, weights and volumes of the packing cases shall also take into consideration, the remoteness of the final destination of the goods and availability or otherwise of transport and handling facilities at all points during transit up to final destination as per the contract.
- 8.2 The quality of packing, the manner of marking within & outside the packages and provision of accompanying documentation shall strictly



comply with the requirements as provided in Technical Specifications and Quality Control Requirements under Sections VII and VIII and in SCC under Section V. in case the packing requirements are amended due to issue of any amendment to the contract, the same shall also be taken care of by the supplier accordingly.

8.3 Packing instructions:

Unless otherwise mentioned in the Technical Specification and Quality Control Requirements under Sections VII and VIII and in SCC under Section V, the supplier shall make separate packages for each consignee (in case there is more than one consignee mentioned in the contract) and mark each package on three sides with the following with indelible paint of proper quality:

- a) contract number and date
- b) brief description of goods including quantity
- c) packing list reference number
- d) country of origin of goods
- e) consignee's name and full address and
- f) supplier's name and address

9. Inspection and Quality Control

- 9.1** BRBNMPL and / or its nominated representative(s) will, without any extra cost to BRBNMPL, inspect and/or test the ordered goods and the related services to confirm their conformity to the contract specifications and other quality control details incorporated in the contract. BRBNMPL shall inform the supplier in advance, in writing, BRBNMPL's programme for such inspection and, also the identity of the officials to be deputed for this purpose.
- 9.2** The Technical Specification and Quality Control Requirements incorporated in the contract shall specify what inspections and tests are to be carried out and, also, where and how they are to be conducted. If such inspections and tests are conducted in the premises of the supplier or its subcontractor(s), all reasonable facilities and assistance, including access to relevant drawings, design details and production data, shall be furnished by the supplier to BRBNMPL's inspector at no charge to BRBNMPL.
- 9.3** If during such inspections and tests the contracted goods fail to conform to the required specifications and standards, BRBNMPL's inspector may reject them and the supplier shall either replace the rejected goods or make all alterations necessary to meet the specifications and standards, as required, free of cost to BRBNMPL and resubmit the same to BRBNMPL's inspector for conducting the inspections and tests again.
- 9.4** In case the contract stipulates pre-despatch inspection of the ordered goods at suppliers' premises, the supplier shall put up the goods for such



inspection to BRBNMPL's inspector well ahead of the contractual delivery period, so that BRBNMPL's inspector is able to complete the inspection within the contractual delivery period.

- 9.5** If the supplier tenders the goods to BRBNMPL's inspector for inspection at the last moment without providing reasonable time to the inspector for completing the inspection within the contractual delivery period, the inspector may carry out the inspection and complete the formality beyond the contractual delivery period at the risk and expense of the supplier. The fact that the goods have been inspected after the contractual delivery period will not have the effect of keeping the contract alive and this will be without any prejudice to the legal rights and remedies available to BRBNMPL under the terms & conditions of the contract.
- 9.6** BRBNMPL's contractual right to inspect, test and, if necessary, reject the goods after the goods' arrival at the final destination shall have no bearing of the fact that the goods have previously been inspected and cleared by BRBNMPL's inspector during pre-despatch inspection mentioned above.
- 9.7** Goods accepted by BRBNMPL and/or its inspector at initial inspection and in final inspection in terms of the contract shall in no way dilute BRBNMPL's right to reject the same later, if found deficient in terms of the warranty clause of the contract, as incorporated under GCC Clause.

10. Terms of Delivery

- 10.1** Goods shall be delivered by the supplier in accordance with the terms of delivery specified in the contract.

11. Transportation of Goods

- 11.1** The supplier shall not arrange part-shipments and / or transhipments without the express / prior written consent of BRBNMPL.
- 11.2 Instructions for transportation of domestic goods including goods already imported by the supplier under its own arrangement:** In case no instruction is provided in this regard in the SCC, the supplier will arrange transportation of the ordered goods as per its own procedure.
- 11.3 Shipping Arrangement for Foreign Contracts:** In the case of FOB/FAS contracts, shipping arrangements shall be made by the Ministry of Shipping & Transport (Chartering Wing), New Delhi, INDIA, in accordance with details given in SBD Section XVIII. The Contractor shall give adequate, notice to the Forwarding Agents/Nominees about the readiness of the cargo from time to time and at least six weeks' notice in advance of the required position for finalising the shipping arrangements. In the case of CFR contracts, the Contractor shall arrange shipment in accordance with the requirements of the Ministry of Shipping & Transport, New Delhi, INDIA, indicated in the same SBD section (as applicable).



12. Insurance:

- 12.1 Unless otherwise instructed in the SCC, the supplier shall make arrangements for insuring the goods against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the following manner.
- 12.2 In case of supply of domestic goods on CIF/FOR destination basis, the supplier shall be responsible till the entire stores contracted for arrive in good condition at destination. The transit risk in this respect shall be covered by the Supplier by getting the stores duly insured. The insurance cover shall be obtained by the Supplier in its own name and not in the name of BRBNMPL or its Consignee.
- 12.3 In the case of FOB and CFR offers for import of Goods, insurance shall be arranged by the Purchaser. However, the supplier must give sufficient notice to the Purchaser prior to the date of shipment, so that the Insurance Cover for the shipment can be activated. The Supplier must co-ordinate so as to ensure that the Shipment sails only with Insurance cover in place.
- 12.4 In case of Import of Goods, even in case where the insurance is paid by the Purchaser, and loss or damage shall be made good by the Contractor free of cost, without waiting for the settlement of insurance claim. The payment after settlement of insurance claim shall be reimbursed by the Purchaser to the Contractor. It will be entirely the responsibility of the Contractor to make good loss/damage without waiting for settlement of insurance claim so that machine is commissioned within the time specified in the contract.

13. Spare parts

- 13.1 If specified in the List of Requirements and in the resultant contract, the supplier shall supply / provide any or all of the following materials, information etc. pertaining to spare parts manufactured and / or supplied by the supplier:
 - a) The spare parts as selected by BRBNMPL to be purchased from the supplier, subject to the condition that such purchase of the spare parts shall not relieve the supplier of any contractual obligation including warranty obligations; and
 - b) In case the production of the spare parts is discontinued:
 - i. sufficient advance notice to BRBNMPL before such discontinuation to provide adequate time to BRBNMPL to purchase the required spare parts etc., and
 - ii. immediately following such discontinuation, providing BRBNMPL, free of cost, the designs, drawings, layouts and specifications of the spare parts, as and if requested by BRBNMPL.
- 13.2 Supplier shall carry sufficient inventories to assure ex-stock supply of



consumable spares for the goods so that the same are supplied to BRBNMPL promptly on receipt of order from BRBNMPL.

14. Incidental services

14.1 Subject to the stipulation, if any, in the SCC (Section V) and the Technical Specification (Section VII), the supplier shall be required to perform any or all of the following services:

- a) Providing required jigs and tools for assembly, start-up and maintenance of the goods
- b) Supplying required number of operation & maintenance manual for the goods
- c) Installation and commissioning of the goods
- d) Training of BRBNMPL's operators for operating and maintaining the goods
- e) Providing after sales service during the tenure of the contract
- f) Providing maintenance service after expiry of the warranty period of the goods if so incorporated in the contract

14.2 Prices to be paid to the supplier by BRBNMPL for any of the required incidental services, if not already included in the contract price during the placement of the contract, shall be settled and decided in advance by BRBNMPL and the supplier. However, such prices shall not exceed the contemporary rates charged by the supplier to other customers for similar services.

15. Distribution of Despatch Documents for Clearance / Receipt of Goods

15.1 The supplier shall send all the relevant despatch documents well in time to BRBNMPL to enable BRBNMPL to clear or receive (as the case may be) the goods in terms of the contract. Unless otherwise specified in the SCC, the usual documents involved and the drill to be followed in general for this purpose are as follows:

15.2 For Domestic Goods, including goods already imported by the supplier under its own arrangement, within 24 hours of despatch, the supplier shall notify BRBNMPL, consignee, and others concerned if mentioned in the contract, the complete details of despatch and also supply the following documents to them by registered post / speed post (or as instructed in the contract):

- (a) Supplier's Invoice indicating, inter alia description and specification of the goods, quantity, unit price, total value;
- (b) Packing list;
- (c) Insurance certificate;
- (d) Railway receipt / Consignment note;



- (e) Manufacturer's guarantee certificate and in-house inspection certificate;
- (f) Inspection certificate issued by BRBNMPL's inspector
- (g) Expected date of arrival of goods at destination and
- (h) Any other document(s), as and if specifically mentioned in the contract.

15.3 For Imported Goods, within 3 days of dispatch, the supplier will Notify BRBNMPL, consignee and other concerned if mentioned in the contract, the complete details of dispatch and also supply the following documents to them by Courier (or as instructed in the Contract), besides advance intimation by Fax / email:

- (a) Clean on Board Airway Bill/Bill of Lading (B/L)
- (b) Original Invoice
- (c) Packing List
- (d) Certificate of Origin from Seller's Chamber of Commerce
- (e) Certificate of Quality and current manufacture from OEM
- (f) Dangerous Cargo Certificate, if any.
- (g) Insurance Policy of 110% if CIP/CIF contract.
- (h) Performance Bond / Warranty Certificate

16. Warranty

16.1 The supplier warrants that the goods supplied under the contract is new, unused and incorporate all recent improvements in design and materials unless prescribed otherwise by BRBNMPL in the contract. The supplier further warrants that the goods supplied under the contract shall have no defect arising from design, materials (except when the design adopted and/ or the material used are as per BRBNMPL's specifications) or workmanship or from any act or omission of the supplier, that may develop under normal use of the supplied goods under the conditions prevailing in India.

16.2 This warranty shall remain valid for twelve months after the goods or any portion thereof as the case may be, have been delivered to the final destination and installed and commissioned at the final destination and accepted by BRBNMPL in terms of the contract or for fifteen months from the date of despatch from the supplier's premises for domestic goods (including goods already imported by the supplier under its own arrangement) or for eighteen months after the date of shipment from the port of loading in the source country for imported goods offered from abroad, whichever is earlier, unless specified otherwise in the SCC.

16.3 In case of any claim arising out of this warranty, BRBNMPL shall promptly notify the same in writing to the supplier.

16.4 Upon receipt of such notice, the supplier shall, with all reasonable speed (or within the period, if specified in the SCC), repair or replace the defective



goods or parts thereof, free of cost, at the ultimate destination. The supplier shall take over the replaced parts / goods after providing their replacements and no claim, whatsoever shall lie on BRBNMPL for such replaced parts/ goods thereafter.

16.5 In the event of any rectification of a defect or replacement of any defective goods during the warranty period, the warranty for the rectified / replaced goods shall be extended to a further period of twelve months from the date such rectified / replaced goods starts functioning to the satisfaction of BRBNMPL.

16.6 If the supplier, having been notified, fails to rectify / replace the defect(s) within a reasonable period (or within the period, if specified in the SCC), BRBNMPL may proceed to take such remedial action(s) as deemed fit by BRBNMPL, at the risk and expense of the supplier and without prejudice to other contractual rights and remedies, which BRBNMPL may have against the supplier.

17. Assignment

17.1 The Supplier shall not assign, either in whole or in part, its contractual duties, responsibilities and obligations to perform the contract, except with BRBNMPL's prior written permission.

18. Sub Contracts

18.1 The Supplier shall notify BRBNMPL in writing of all sub contracts awarded under the contract if not already specified in its tender. Such notification, in its original tender or later, shall not relieve the Supplier from any of its liability or obligation under the terms and conditions of the contract.

18.2 Sub contract shall be only for bought out items and sub-assemblies.

18.3 Sub contracts shall also comply with the provisions of GCC Clause 5 ("Country of Origin").

19. Modification of contract

19.1 Once a contract has been concluded, the terms and conditions thereof will generally not be varied. However, if necessary, BRBNMPL may, by a written order given to the supplier at any time during the currency of the contract, amend the contract by making alterations and modifications within the general scope of contract in any one or more of the following:

- (a) Specifications, drawings, designs etc. where goods to be supplied under the contract are to be specially manufactured for BRBNMPL,
- (b) mode of packing,
- (c) incidental services to be provided by the supplier
- (d) mode of despatch,
- (e) place of delivery, and



- (f) any other area(s) of the contract, as felt necessary by BRBNMPL depending on the merits of the case.

19.2 In the event of any such modification / alteration causing increase or decrease in the cost of goods and services to be supplied and provided, or in the time required by the supplier to perform any obligation under the contract, an equitable adjustment shall be made in the contract price and/ or contract delivery schedule, as the case may be, and the contract amended accordingly. If the supplier doesn't agree to the adjustment made by BRBNMPL, the supplier shall convey its views to BRBNMPL within twenty one days from the date of the supplier's receipt of BRBNMPL's amendment / modification of the contract.

19.3 Option Clause: By a suitable provision in the SCC, the Purchaser may reserve the right to increase the ordered quantity by 25% at any time, till final delivery date of the contract, by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of Delivery Period.

20. Prices

20.1 Prices to be charged by the supplier for supply of goods and provision of services in terms of the contract shall not vary from the corresponding prices quoted by the supplier in its tender or during negotiations, if any, and incorporated in the contract except for any price adjustment authorized in the SCC.

21. Taxes and Duties

21.1 Supplier shall be entirely responsible for all taxes, duties, fees, levies etc. incurred until delivery of the contracted goods to BRBNMPL.

21.2 Further instruction, if any, shall be as provided in the SCC.

22. Terms and Mode of Payment: Unless specified otherwise in SCC, the terms of payments would be as follows:

22.1 Unless otherwise specified in SCC, usual payment term is 100% on receipt and acceptance of goods by the consignee (Stores) and on production of all required documents by the supplier.

22.2 For Domestic Goods: Unless otherwise specified in the SCC, payments to suppliers are usually made by account payee cheque or through ECS only.

22.2.1 Where the terms of delivery is FOR dispatching Station, the payment terms, depending on the value and nature of the goods, mode of transportation etc. maybe 60% to 90% (as specified in SIT) on proof of dispatch and other related documents and balance on receipt at site and acceptance by the consignee (Stores section).

22.2.2 Where the terms of delivery is delivery at site / FOR destination,



usual payment term is 100% on receipt and acceptance of goods by the consignee (Stores section) and on production of all required documents by the supplier.

22.2.3 Where goods to be supplied also need installation and commissioning by the supplier, the payment terms are generally as under:

- (a) For a contract with terms of delivery as FOR dispatching station
 - i. 60% on proof of dispatch along with other specified documents
 - ii. 30% on receipt of the goods at site by the consignee (Stores section) and balance
 - iii. 10% on successful installation and commissioning and final acceptance by the consignee (User department)
- (b) For a contract with terms of delivery as Delivery at site/FOR destination
 - i. 90% on receipt and acceptance of goods by the consignee (Stores section) at destination and on production of all required documents by the supplier
 - ii. 10% on successful installation and commissioning and final acceptance by the consignee (User department)

22.3 For Imported Goods: Unless otherwise specified in SCC, payments are made through an irrevocable Letter of Credit (LC).

- (a) Cases where Installation, Erection and Commissioning (if applicable) **are not the responsibility of the Supplier** - 90% net FOB/FAS/CFR/CIF/CIP price is to be paid against invoice, shipping documents, inspection certificate (wherever applicable), manufacturers' test certificate, etc. and balance 10% on receipt of goods and after its suitability is ascertained by the consignee (User department).
- (b) Cases where Installation, Erection and Commissioning are the responsibility of the Supplier - 80% to 90% net FOB/FAS/CFR/CIF/CIP price (as specified in the SCC) will be paid against invoice, inspection certificate (where applicable), shipping documents etc. and balance within 21-30 days of successful installation and commissioning at the consignee's premises and final acceptance by the consignee (User department).

22.4 Unless specified otherwise in the SCC, the following general conditions will apply for payment to the supplier.

22.5 The payment shall be made in the currency / currencies authorized in the contract.

22.6 The supplier shall send its claim for payment in writing as per Section XIX - "Proforma for Bill for Payments", when contractually due, along with



relevant documents etc., duly signed with date, as specified in SCC and in a manner as also specified therein.

22.7 While claiming payment, the supplier is also to certify in the bill that the payment being claimed is strictly in terms of the contract and all the obligations on the part of the supplier for claiming that payment has been fulfilled as required under the contract.

22.8 The important documents which the supplier is to furnish while claiming payment are:

- a) Original Invoice
- b) Packing List
- c) Certificate of country of origin of the goods from seller's Chamber of Commerce.
- d) Certificate of pre-dispatch inspection by BRBNMPL's representative / nominee
- e) Manufacturer's test certificate
- f) Performance / Warrantee Bond
- g) Certificate of insurance
- h) Clean on Bill of lading / Airway bill / Rail receipt or any other dispatch document, issued by a government agency (like postal department) or an agency duly authorized by the concerned ministry / department
- i) Consignee's Certificate confirming receipt and acceptance of goods
- j) Dangerous Cargo Certificate, if any, in case of imported goods.
- k) Any other document specified.

22.9 While claiming reimbursement of duties, taxes Goods and Services Tax, Customs duty and any other similar duties and taxes from BRBNMPL, as and if permitted under the contract, the supplier shall also certify that, in case it gets any refund out of such taxes and duties from the concerned authorities at a later date, it (the supplier) shall refund to BRBNMPL. The supplier shall also refund the applicable amount to BRBNMPL immediately on receiving the same from the concerned authorities.

22.10 In case where the supplier is not in a position to submit its bill for the balance payment for want of receipted copies of Inspection Note from the consignee and the consignee has not complained about the non-receipt, shortage, or defects in the supplies made, balance amount will be paid by the paying authority without consignee's receipt certificate after three months from the date of the preceding part payment for the goods in question, subject to the following conditions:

- (a) The supplier will make good any defect or deficiency that the consignee (s) may report within six months from the date of despatch of goods.
- (b) Delay in supplies, if any, has been regularized.



- (c) The contract price where it is subject to variation has been finalized.
- (d) The supplier furnishes the following undertakings:

"I/We, _____ certify that It We have not received back the Inspection Note duly receipted by the consignee or any communication from BRBNMPL or the consignee about non-receipt, shortage or defects in the goods supplied. I / We agree to make good any defect or deficiency that the consignee may report within three months from the date of receipt of this balance payment or six months from the date of dispatch whichever is later.

23. Delay in the supplier's performance

23.1 The time for and the date specified in the contract or as extended for the delivery of the stores shall be deemed to be the essence of the contract and the supplier shall deliver the goods and perform the services under the contract within the time schedule specified by BRBNMPL in the List of Requirements and as incorporated in the contract.

23.2 Subject to the provision under GCC clause 28, any unexcused delay by the supplier in maintaining its contractual obligations towards delivery of goods and performance of services shall render the supplier liable to any or all of the following sanctions besides any administrative action:

- a) Imposition of liquidated damages,
- b) Forfeiture of its performance security and
- c) Termination of the contract for default.

23.3 If at any time during the currency of the contract, the supplier encounters conditions hindering timely delivery of the goods and performance of services, the supplier shall promptly inform BRBNMPL in writing about the same and its likely duration and make a request to BRBNMPL for extension of the delivery schedule accordingly. On receiving the supplier's communication, BRBNMPL shall examine the situation as soon as possible and, at its discretion, may agree to extend the delivery schedule, with or without liquidated damages for completion of supplier's contractual obligations by issuing an amendment to the contract.

23.4 When the period of delivery is extended due to unexcused delay by the supplier, the amendment letter extending the delivery period shall, inter alia contain the following conditions:

- a) BRBNMPL shall recover from the supplier, under the provisions of the clause 24 of the General Conditions of Contract, liquidated damages on the goods and services, which the Supplier has failed to deliver within the delivery period stipulated in the contract
- b) That no increase in price on account of any ground, whatsoever, including any stipulation in the contract for increase in price on any other ground and, also including statutory increase in or fresh



imposition of customs duty, Goods and Services Tax or on account of any other duties and taxes which may be levied in respect of the goods and services specified in the contract, which takes place after the date of delivery stipulated in the contract shall be admissible on such of the said goods and services as are delivered and performed after the date of the delivery stipulated in the contract.

- c) But nevertheless, BRBNMPL shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, Goods and Services Tax or any other duty or tax or levy or on account of any other grounds, which takes place after the expiry of the date of delivery stipulated in the contract.

23.5 The supplier shall not despatch the goods after expiry of the delivery period. The supplier is required to apply to BRBNMPL for extension of delivery period and obtain the same before despatch. In case the supplier despatches the goods without obtaining an extension, it would be doing so at its own risk and no claim for payment for such supply and / or any other expense related to such supply shall lie against BRBNMPL.

24. Liquidated damages

24.1 Subject to GCC clause 28, if the supplier fails to deliver any or all of the goods or fails to perform the services within the time frame(s) incorporated in the contract, BRBNMPL shall, without prejudice to other rights and remedies available to BRBNMPL under the contract, deduct from the contract price, as liquidated damages, a sum equivalent to the 0.5% percent (or any other percentage if prescribed in the SCC) of the delivered price of the delayed goods and / or services for each week of delay or part thereof until actual delivery or performance, subject to a maximum deduction of the 10% (or any other percentage if prescribed in the SCC) of the delayed 'goods' or 'services' contract price(s). During the above mentioned delayed period of supply and / or performance, the conditions incorporated under GCC sub-clause 23.4 above shall also apply.

25. Custody and Return of BRBNMPL's Materials / Equipment / Documents loaned to Contractor

25.1 Whenever stores are required to be issued to the firm/contractor for fabrication or prototypes or sub-assemblies are issued for guidance in fabrication, these would be issued against appropriate Bank Guarantee as specified in SCC. In addition to the Bank Guarantee, appropriate insurance may be asked if specified in the SCC.

25.2 All drawings and samples issued to the contractor in connection with the contract must be returned by him. Final payment will be withheld if this is not done, besides any other sanction deemed fit by BRBNMPL.



26. Termination for default

- 26.1** BRBNMPL, without prejudice to any other contractual rights and remedies available to it (BRBNMPL), may, by written notice of default sent to the supplier, terminate the contract in whole or in part, if the supplier fails to deliver any or all of the goods and/or services or fails to perform any other contractual obligation(s) within the time period specified in the contract, or within any extension thereof granted by BRBNMPL pursuant to GCC sub-clauses 23.3 and 23.4.
- 26.2** In the event of BRBNMPL terminates the contract in whole or in part, pursuant to GCC sub-clause 26.1 above, BRBNMPL may procure goods and / or services similar to those cancelled, with such terms and conditions and in such manner as it deems fit at the "Risk and Cost" of the supplier and the supplier shall be liable to BRBNMPL for the extra expenditure, if any, incurred by BRBNMPL for arranging such procurement.
- 26.3** Unless otherwise instructed by BRBNMPL, the supplier shall continue to perform the contract to the extent not terminated.

27. Termination for insolvency

- 27.1** In the event the supplier becomes bankrupt or otherwise insolvent or loses substantially the technical or financial capability (based on which he was selected for award of contract) or liquidation proceedings are commenced against it by a third party or by own volition, BRBNMPL reserves the right to terminate the contract, at any time, by serving written notice to the supplier, without any adverse consequence to BRBNMPL and without being liable to pay any compensation, whatsoever, to the supplier, subject to further condition that such termination will not prejudice or affect any rights of action or remedies which have accrued or will accrue prior to termination or thereafter to BRBNMPL.
- 27.2** Upon such termination, BRBNMPL shall be deemed to be the owner of the stores/materials manufactured by the supplier and retain first right and lien over the stores/materials including the raw material purchased by the supplier for performance of the contract and require the stores/materials to be delivered under the contract, which is terminated on account of bankruptcy or insolvency or likely bankruptcy or insolvency of the supplier and such stores in possession of the supplier shall be earmarked and be delivered to BRBNMPL before the start of the bankruptcy or insolvency process.
- 27.3** In the event the supplier is aware or apprehends that it is likely to go into liquidation whether on account of liquidation proceedings commenced by a third party or by way of voluntary liquidation, then the supplier shall forthwith inform BRBNMPL as soon as it is aware that a third party has issued notice that it intends to commence liquidation proceedings or well before it files for liquidation.



27.4 Escrow Arrangement

The Supplier shall deposit with a third party escrow agent mutually agreed to by the parties, a copy of Software and its source code and object code for safe keeping with instructions for it to be released forthwith to BRBNMPL, in the event the Supplier fails to make the source code/object code accessible to BRBNMPL whenever required and/or in the event the Supplier is likely to go into liquidation or goes into liquidation.

In the event, the Supplier apprehends that it is likely to go into liquidation whether on account of liquidation proceedings commenced by a third party or in the event it anticipates filing for bankruptcy, then the Supplier shall inform BRBNMPL in advance and engage with it to determine the sale and possession of BRBNMPL's software and its source code. In the event Supplier fails to do so, the third party escrow agent shall be instructed under the Escrow Agreement to release the Software and its source code to BRBNMPL as noted above.

For the purpose of this Clause, the term '*Software*' shall collectively mean, the full and final version of the Software to be delivered to BRBNMPL in source code and object code forms, together with any and all improvements, corrections, modifications, updates, enhancements or other changes, whether or not included in the full and final version including all System Documentation and User Documentation.

The term '*System Documentation*' shall mean any and all documentation used in the development and updating of the Software, including but not limited to, customer requirements and specifications design or development specifications, test and error reports, and related correspondence and memoranda. And the term '*User Documentation*' shall mean the end-user instruction manual that usually accompanies the Software instructing end users in the use of the Software in both printed and electronic form.

28. Force Majeure

- 28.1** In the event of any unforeseen event directly interfering with the supply of stores arising during the currency of the contract, such as war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, or acts of God, the Contractor shall, within a week from the commencement thereof, notify the same in writing to the Purchaser with reasonable evidence thereof. Unless otherwise directed by BRBNMPL in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the force majeure condition(s) mentioned above be in force for a period of 90 days or more at any time, either party shall have the option to terminate the contract on expiry of 90 days of commencement of such force majeure by giving 14 days' notice to the other party in writing. In case of such termination, no damages shall be claimed by either party against the other, save and



except those which had occurred under any other clause of this contract prior to such termination.

28.2 Notwithstanding the provisions contained in GCC clauses 23, 24 and 26, the supplier shall not be liable for imposition of any such sanction so long the delay and / or failure of the supplier in fulfilling its obligations under the contract is the result of an event of Force Majeure.

28.3 In case due to a Force Majeure event BRBNMPL is unable to fulfil its contractual commitment and responsibility, BRBNMPL will notify the supplier accordingly and subsequent actions taken on similar lines described in above sub-paragraphs.

29. Termination for convenience

29.1 BRBNMPL reserves the right to terminate the contract, in whole or in part for its (BRBNMPL's) convenience, by serving written notice on the supplier at any time during the currency of the contract. The notice shall specify that the termination is for the convenience of BRBNMPL. The notice shall also indicate inter-alia, the extent to which the supplier's performance under the contract is terminated, and the date with effect from which such termination will become effective.

29.2 The goods and services which are complete and ready in terms of the contract for delivery and performance within thirty days after the supplier's receipt of the notice of termination shall be accepted by BRBNMPL following the contract terms, conditions and prices. For the remaining goods and services, BRBNMPL may decide:

- a. to get any portion of the balance completed and delivered at the contract terms, conditions and prices; and / or
- b. to cancel the remaining portion of the goods and services and compensate the supplier by paying an agreed amount for the cost incurred by the supplier towards the remaining portion of the goods and services.

30. Governing language

30.1 The contract shall be written in Hindi or English language following the provision as contained in GIT clause 2. All correspondence and other documents pertaining to the contract, which the parties exchange, shall also be written accordingly in that language.

31. Notices

31.1 Notice, if any, relating to the contract given by one party to the other, shall be sent in writing or by cable or telex or facsimile and confirmed in writing, the procedure will also provide the sender of the notice, the proof of receipt of the notice by the receiver. The addresses of the parties for exchanging such notices will be the addresses as incorporated in the contract.



31.2 The effective date of a notice shall be either the date when delivered to the recipient or the effective date specifically mentioned in the notice, whichever is later.

32. Code of Ethics

BRBNMPL as well as Bidders, Suppliers, Contractors, and Consultants under BRBNMPL contracts shall observe the highest standard of ethics during the procurement or execution of such contracts. In pursuit of this policy, for the purposes of this provision, the terms set forth below are defined as follows:

- (a) "Corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution;
- (b) "Fraudulent practice" means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;
- (c) "Collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Purchaser, designed to establish bid prices at artificial, non-competitive levels; and
- (d) "Coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract.
- (e) A particular violation of ethics may span more than one of above mentioned unethical practices.

32.1 The following policies will be adopted in order to maintain the standards of ethics during procurement:

- (a) A proposal for award will be rejected if it is determined that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the Contract in question.
- (b) A contract will be cancelled if it is determined at any time that BRBNMPL representatives / officials have directly or indirectly, engaged in corrupt, fraudulent, collusive or coercive practices during the procurement or the execution of that contract
- (c) In case any individual staff is found responsible, suitable disciplinary proceedings should be initiated against such staff under the applicable government conduct rules. The existing provisions under the Indian law including the instructions of Central Vigilance Commission should be followed in this regard.
- (d) Firms or individuals shall be banned / blacklisted after following due process, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a BRBNMPL contract, if at any



time determines that they have, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a BRBNMPL contract.

- (e) Bidders have to sign an Integrity Pact in tenders meeting the criteria of threshold value / nature of procurement. Integrity Pact format shall be included in the Bid Document as Section XX. Each page of such Integrity pact proforma would be duly signed by Purchaser's competent signatory. All pages of the Integrity Pact will have to be duly signed by the same signatory who is duly authorized to sign the bid and to make binding commitments on behalf of his company and to be submitted along with the technical bid. Any bid not accompanied by Integrity Pact duly signed by the bidder shall be considered to be a non-responsive bid and shall be rejected straightway.

33. Resolution of disputes

33.1 If dispute or difference of any kind shall arise between BRBNMPL and the supplier in connection with or relating to the contract, the parties shall make every effort to resolve the same amicably by mutual consultations. If the parties fail to resolve their dispute or difference by such mutual consultation within twenty one days of its occurrence, then, unless otherwise provided in the SCC, either BRBNMPL or the supplier may seek recourse to settlement of disputes through arbitration as per The Arbitration and conciliation Act 1996 as per following clause.

33.2 Arbitration Clause: If both parties fail to reach such amicable settlement, then either party (the Purchaser or Seller) may within 21 days of such failure give a written notice to the other party requiring that all matters in dispute or difference be arbitrated upon. Such written notice shall specify the matters which are in difference or of difference of which such written notice has been given and no other matter shall be referred to the arbitration in accordance with the conciliation and arbitration rules of International Chamber of Commerce {ICC}/United National Commission on International Trade Law (UNCITRL) by three arbitrators appointed in accordance with the procedure set out in clause below. The arbitration proceeding shall be held in Bangalore/Mysore/Kolkata and shall be conducted in English language. All documentation to be reviewed by the arbitrators and / or submitted by the parties shall be written or translated into English. Venue of arbitration shall be Bangalore/Mysore/Kolkata. The arbitrator or arbitrators appointed under this article shall have the power to extend time to make the award with the consent of the parties. Pending reference to arbitration the parties shall make all endeavours to complete the contract/work in all respects and all disputes, if any, will finally be settled in the arbitration.

34. Applicable Law

34.1 The contract shall be interpreted in accordance with the laws of India.



34.2 Irrespective of the place of delivery, or the place of performance or the place of Payments under the contract, the contract shall be deemed to have been made at the place from which the notification of acceptance of the tender has been issued.

35. Secrecy

35.1 The Contractor shall take all reasonable steps necessary to ensure that all persons employed in any work in connection with the contract, have full knowledge of the Official Secrets Act and any regulations framed thereunder.

35.2. Any information obtained in the course of the execution of the contract by the Contractor, his servants or agents or any person so employed, as to any matter whatsoever, which would or might be directly or indirectly, of use to any enemy of India, must be treated secret and shall not at any time be communicated to any person.

35.3. Any breach of the aforesaid conditions shall entitle the Purchaser to cancel the contract and to purchase or authorise the purchase of the stores at the risk and cost of the Contractor, In the event of such cancellation, the stores or parts manufactured in the execution of the contract shall be taken by the Purchaser at such price as he considers fair and reasonable and the decision of the Purchaser as to such price shall be final and binding on the Contractor.



Part II: Additional General Conditions of Contract for specific Types of Tenders in addition / modification to clauses mentioned above:

36. Disposal / Sale of Scrap by Tender

36.1 During the currency of contract, no variation in price or rate shall be admissible.

36.2 Payment and Default

36.2.1 Payment may be made in the form of cash or Account Payee Demand Draft drawn on any scheduled commercial bank in India in favour of Bharatiya Reserve Bank Note Mudran Private Limited or through Online Transfer or through other Electronic Mode of Payment as mentioned in the NIT.

36.2.2 No interest will be paid to the purchaser for the amounts paid or deposited with the BRBNMPL and subsequently found refundable to the purchaser under any of the conditions of the contract.

36.2.3 If the purchaser fails to deposit sale value for a sold lot within the allowed period as per relevant clause BRBNMPL may forfeit the security deposit. Requests for an extension of this period, made by the purchaser may be considered by the BRBNMPL and may at its discretion, on the merits of the case, allow further time not excluding 50 days from the date of the contract. Interest shall be leviable on such amount at a rate 2% per annum higher than the PLR of State Bank of India, from the date of expiry of the payment date to actual date of payment (actual date of payment inclusive).

36.2.4 The lot or lots in respect of which forfeiture has been made, shall be deemed to have been abandoned by the purchaser to all intents and purposes and may be re-sold or otherwise disposed of at the discretion of the BRBNMPL without reference to the purchaser concerned and without incurring any liability on part of BRBNMPL whatsoever in respect there under.

36.2.5 In case extension is granted by BRBNMPL and due to late payment of sale amount the delivery cannot be completed by the purchaser, in accordance with the relevant clause of Special Conditions of Tender sale, then ground rent shall also be leviable as per relevant clause of Special Conditions of Tender sale.

36.2.6 On production of proof of having made payment, nominated authority shall issue a delivery order authorizing the purchaser to take delivery of the Scrap Materials.

36.3 Deliveries, Delays and Breach of Contract

36.3.1 The Title of goods or material sold shall not be deemed to have been passed to the Purchaser / Bidder until and unless the full and final payment has been made by the purchaser, in accordance with the contract to the BRBNMPL and the authorized Officer has issued the Delivery Order in favour of the purchaser.



The materials sold may be removed from the premises only on production of the cash receipt for the payment and a delivery order from the Officer authorized by the BRBNMPL.

- 36.3.2** Unless specified otherwise in SIT, delivery period for lifting of material shall be within 60 days from the date of finalization of contract agreement.
- 36.3.3** The work of delivery will be supervised by Stock Holder or his authorized representative, representative of accounts Department and Security Staff duly authorized by BRBNMPL for the propose of delivery. Delivery will be allowed during working hours.
- 36.3.4** No delivery of or materials sold shall be given on Sundays, Gazetted holidays and other shall holidays observed by BRBNMPL. The delivery of the goods or material shall be effected from the premises concerned only during its normal working hours. In order to complete the delivery within the working hours all loading must cease half an hour before the normal closing time of the concerned premises. The decision of the BRBNMPL with regard to the working hour shall be final and binding on the purchaser. Purchaser will not be allowed to lift the Scrap Material from more than one location at a time.
- 36.3.5** The purchased stores will be carried away by the purchaser at his risk and no claims against the BRBNMPL will be entertained for shortage in weight which may be discovered after the materials have left the premises wherefrom delivery is taken. If required the purchaser shall provide his own bags, cases or other receptacles for the removal of the scrap.
- 36.3.6** The BRBNMPL shall not be responsible for any accident that may occur to purchaser's labours/servants for any reasons whatsoever. The purchaser will himself have to ensure the safety of his workers and shall be liable to pay claims, whatsoever if any. BRBNMPL will not carry any responsibility of such payments. The purchaser will be responsible to supply personal protection equipment to his labour/servant and staff and no additional charges are admissible for the same.
- 36.3.7** The materials sold, shall be removed by the purchaser within the period specified in relevant clause of Special Condition of Sale.
- 36.3.8** If due to any default on the part of the BRBNMPL, the purchaser is unable to remove the materials sold within the specified period, the BRBNMPL may extend the period therefore and in such an event purchaser will be entitled to take delivery of the goods or the materials sold within such extended Delivery period.
- 36.3.9** If contractor fails to lift sold scrap within the specified period, penalty shall be levied at the rate of 0.5% per day of the value of un-removed Scrap. Moreover the material shall remain at the purchaser's risk until removal thereof. Further BRBNMPL will be



entitled to charge the ground rent as stated in relevant Para of SCC, for the area in which the materials sold are kept or stored - which would be recovered by the BRBNMPL from the Purchaser before removal of the material and in the event of default in payment thereof, the BRBNMPL at may its discretion shall be entitled to order the re-sale of such materials and forfeit the Security deposit or sale amount or both, paid by the purchaser.

- 36.3.10** If the purchaser makes slow progress with his contract and the BRBNMPL is of opinion that he may fail to fulfil the contract within the time specified in the conditions of sale, it will be lawful for the BRBNMPL to cancel the whole contract or such portion thereof as may not have been completed and the BRBNMPL shall be at liberty to dispose of the goods in any manner at the risk and expense of the purchaser.
- 36.3.11** The purchaser will have to comply with the provisions of the Contract Labour (Regulations and Abolition Act 1970 and Central Rules 1971 and obtain license from the Assistant Labour Commissioner or the competent authorities empowered to issue such license. Any failure on the part of the purchaser in this regard will be at his risk and consequences. He shall comply with Workman's Compensation Act 1923, Payment of Wages Act 1936, and Minimum Wages Act 1948 and all the other related statutory and legal provisions and obligations, the purchaser shall also indemnify the BRBNMPL against any claim / liabilities that may occur to the contractor's labours and servants due to any reasons whatsoever.
- 36.3.12** If the purchaser makes default in complying with any of the condition of the contract, the sale of lot or lots in respect of which such default is made may be cancelled and such lot or lots may be put up again for sale and in such an event if a lower price is offered and accepted for such lot or lots then the purchaser shall be liable to pay the difference in price thereof together with all expenses occasioned by such resale in default to the BRBNMPL provided further that the purchaser in default shall not be entitled to claim any profit which may arise from such resale.



Section V: Special Conditions of Contract (SCC)

The following Special Conditions of Contract (SCC) will apply for this purchase. The corresponding clauses of General Conditions of Contract (GCC) relating to the SCC stipulations have also been incorporated below. These Special Conditions will modify / substitute / supplement the corresponding (GCC) clauses.

Whenever there is any conflict between the provision in the GCC and that in the SCC, the provision contained in the SCC shall prevail.

(Clauses of GCC listed below include a possibility for variation in their provisions through SCC. There could be other clauses in SCC as deemed fit)

S. No	GCC Clause No.	Topic	SCC Provision
1	8.2	Packing and Marking	
2	11.2	Transportation of Domestic Goods	
3	12.2	Insurance	
4	14.1	Incidental Services	
5	15	Distribution of Dispatch Documents for clearance / Receipt of Goods	
6	16.2, 16.4	Warrantee Clause	
7	19.3	Option Clause	
8	20.1	Price Adjustment Clause	
9	21.2	Taxes and Duties	
10	22, 22.1, 22.2, 22.3, 22.4, 22.6	Terms and Mode of Payments	
11	24.1	Quantum of LD	
12	25.1	Bank Guarantee and Insurance for Material loaned to Contractor	
13	33.1	Resolution of Disputes	
14	36	Escrow Arrangement	
	37.3.2, 37.3.9	Disposal / Sale of Scrap by Tender	



Section VI: List of Requirements

Schedule No.	Brief description of goods and services (Related specifications etc. are in Section-VII)	Accounting unit	Quantity	Amount of Earnest Money

Required Delivery Schedule:

Required Terms of Delivery, Destination and preferred mode of Transportation:



Section VII: Technical Specifications

Schedule-I:

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Schedule-II:

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Note: Tenderer's attention is drawn to GIT clause 17 and GIT sub-clause 10.1.

The tenderer is to provide the required details, information, confirmations, etc. accordingly, failing which its tender is liable to be ignored.



Section VIII: Quality Control Requirements

(to be inserted by the office inviting tender as applicable to specific tender)



Section IX: Qualification/Eligibility Criteria

(to be inserted by the office inviting tender as applicable to specific tender)

Bidder to furnish stipulated documents in support of fulfilment of qualifying criteria.
Non-submission or incomplete submission of documents may lead to rejection of offer.



Section X: Tender Form

Date

To

.....

(complete address of BRBNMPL)

Ref: Your Tender document No. dated

We, the undersigned have examined the above mentioned tender enquiry document, including amendment No., dated (if any), the receipt of which is hereby confirmed. We now offer to supply and deliver (description of goods and services) in conformity with your above referred document for the sum as mentioned in financial bid, attached herewith and made part of this tender.

If our tender is accepted, we undertake to supply the goods and perform the services as mentioned above, in accordance with the delivery schedule specified in the List of Requirements.

We further confirm that, if our tender is accepted, we shall provide you with a performance security of required amount in an acceptable form in terms of GCC clause 6, read with modification, if any, in Section V - "Special Conditions of Contract", for due performance of the contract.

We agree to keep our tender valid for acceptance for a period upto as required in the GIT clause 19, read with modification, if any in Section - III - "Special Instructions to Tenderers" or for subsequently extended period, if any, agreed to by us. We also accordingly confirm to abide by this tender upto the aforesaid period and this tender may be accepted any time before the expiry of the aforesaid period. We further confirm that, until a formal contract is executed, this tender read with your written acceptance thereof within the aforesaid period shall constitute a binding contract between us.

We further understand that you are not bound to accept the lowest or any tender you may receive against your above-referred tender enquiry.

Dated this _____ day of _____

For & on behalf of.....

.....
 (Signature with date)

.....
 (Name and designation)

Duly authorized to sign tender for and on behalf of

.....



Section XI: Price Schedule

A price schedule appropriate to the nature of goods / services to be attached here



Section XII: Questionnaire

The Tenderer should furnish specific answers to all the questions / issues mentioned below. In case a question / issue do not apply to a tenderer, the same should be answered with the remark "Not Applicable".

Wherever necessary and applicable, the tenderer shall enclose certified copy as documentary proof / evidence to substantiate the corresponding statement.

In case a tenderer furnishes a wrong or evasive answer against any of the under mentioned question / issues, its tender will be liable to be ignored.

1. Brief description and of goods and services offered:
2. Name and Address of the Firm:
3. Nature of the Firm: (Proprietorship/Partnership/Ltd. Company/Co-op. Society)
4. Offer is valid for acceptance up to:
5. Your Permanent Income Tax A/c No. as allotted by the Income Tax Authority of Government of India:

Please attach certified copy of your latest / current Income Tax clearance certificate issued by the above authority.

6. Your GSTIN (Copy of registration to be enclosed):
7. Status:

a) Are you currently registered with the Central Purchase Organization, and/or as a Micro and Small Enterprise (MSE) as defined in MSEs Order 2012 issued by Ministry of Micro, Small and Medium Enterprises (MSME), and/or as a Startup as recognised by Department for Promotion of Industry and Internal Trade (DPIIT) and/or the present BRBNMPL and/or the Directorate of Industries of the concerned State Government for the goods quoted? If so, indicate the date up to which you are registered and whether there is any monetary limit imposed on your registration.

b) Are you currently registered under the Indian Companies Act, 2013 or any other similar Act?

Please attach certified copy(s) of your registration status etc. in case your answer(s) to above queries is in affirmative.

8. Please indicate Name & full Address of your Banker(s)
9. Please state whether business dealings with you currently stand suspended/ banned by any Ministry / Dept. of Government of India or by any State Govt.

.....
(Signature with date)

(Full name, designation & address of the person duly authorized sign on behalf of the tenderer)

For and on behalf of

(Name, address and stamp of the tendering firm)



Section XIII: Bank Guarantee Form for EMD (PM/SBD/003)

B.G. No. _____

Date _____

WHEREAS Bharatiya Reserve Bank Note Mudran Private Limited (A wholly owned subsidiary of Reserve Bank of India) having its office at Bangalore and site offices at Mysore / Salboni (hereinafter referred as "The Owner/Company" which expression shall unless repugnant to the subject or context includes its legal representatives, successors and assigns), has issued tender paper/purchase order (PO) vide its Tender/purchase order No. _____ for _____ (herein after called "the said tender") to _____ (hereinafter called "the said tenderer(s)" which expression shall unless repugnant to the subject or context includes their legal representatives, successors and assigns) and as per terms and conditions of the said tender, the tenderer shall submit a Bank Guarantee for Rs. _____ (Rupees _____ only) towards Earnest Money/Security Deposit in lieu of cash.

1. We _____ Bank having its branch office at _____ do hereby undertake to pay the amounts due and payable under this guarantee without any demur merely on a demand from the Company stating that in the opinion of the company, which is final & binding, the amount claimed is due because of any withdrawal of the tender or any material alteration to the tender after the opening of the tender/any violation of Purchase Order by way of any loss or damage caused or would be caused or suffered by the Company by reason of any breach by the said tenderer(s)/supplier(s) of any terms and conditions contained in the said tender/PO or failure to accept the letter of Intent/Agreement or that the amount covered under this Guarantee is forfeited. Any such demand made on the Bank by the owner shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____ (Rupees _____ only)
2. We undertake to pay to the Company any money so demanded notwithstanding any dispute or disputes raised by the tenderer(s) in any suit or proceeding pending before any office, court or Tribunal relating thereto, our liability under this present guarantee being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under. Our liability for payment there under. Our liability to pay is not dependent or conditional on the owner proceeding against the tenderer(s).
3. The guarantee herein contained shall not be determined or affected or suspended by the liquidation or winding up, dissolution or change of continuation or insolvency of the said tendered(s) but shall in all respects and for all purposes be binding and operative until payment of all money due or liabilities under the said tender are fulfilled.



4. We _____ Bank Ltd, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the finalisation of the said tender/conclusion of supply or fulfilment of all contractual obligation under the said PO and that it shall continue to be enforceable till the said tender is finally decided and order placed/ all contractual obligation under the said PO fulfilled on the successful tenderer(s) and/or till the dues of the Company under/or by virtue of the said tender have been fully paid and its claims satisfied or discharged or till a duly authorised officer of the Company certifies that the terms and conditions of the said tender have been fully and properly carried out by the said tenderer(s)/Supplier have been fully and properly carried out by the said tenderer/supplier and accordingly discharges the guarantee.
5. That the owner/Company will have fully liberty without reference to us and without affecting this guarantee to postpone for any time or from time to time, the exercise of any of the power of the owner under the tender.
6. Notwithstanding anything contained herein before, our liability shall not exceed Rs. _____ (Rupees _____ only) us and shall remain in force till _____ unless a demand or claim under this guarantee is made on us within three months from the date of expiry we shall be discharged from all the liability under this guarantee.
7. We _____ Bank, lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Company in writing. We further undertake to keep this Guarantee renewed from time to time on the request of the Tenderer(s)

Date:
Corporate Seal of the Bank

_____ Bank
By its constitutional Attorney

Signature of duly Authorised Person
on behalf of the Bank with seal &
signature code

- a) B.G. to be furnished from any of the Scheduled Banks.
- b) Address of BRBNMPL Office where tender is to be finalised should be referred in the BG.



Section XIV: Manufacturer's Authorization Form (PM/SBD/004)

To

.....

.....

(Name and address of BRBNMPL)

Dear Sirs,

Ref. Your Tender document No..... dated

We,, who are proven and reputable manufacturers of (name and description of the goods offered in the tender) having factories at hereby authorise Messrs (name and address of the authorized dealer/distributor/representative) to submit a tender, process the same further and enter into a contract with you against your requirement as contained in the above referred tender enquiry documents for the above goods manufactured by us.

We further confirm that no supplier or firm or individual other than Messrs. (name and address of the above authorized dealer/distributor/representative) is authorized to submit a tender, process the same further and enter into a contract with you against your requirement as contained in the above referred tender enquiry documents for the above goods manufactured by us.

We also hereby extend our full warranty, as applicable as per clause 16 of the General Conditions of Contract read with modification, if any, in the Special Conditions of Contract for the goods and services offered for supply by the above firm against this tender document and also undertake to abide by other tender terms and conditions.

Yours faithfully,

.....

.....

[signature with date, name and designation]

for and on behalf of Messrs.....

[name & address of the manufacturers]

Note: This letter of authorisation should be on the letter head of the manufacturing firm and should be signed by a person competent and having the power of attorney to legally bind the manufacturer



SECTION XV: Bank Guarantee Form for Performance Security (PM/SBD/005)

.....
[Insert Bank's Name, and Address of Issuing Branch or Office)

Beneficiary

[Insert Name and Address of BRBNMPL]

Performance Guarantee No.

Date:

WHEREAS (name and address of the supplier) (hereinafter called "the supplier") has undertaken, in pursuance of contract no. dated to supply (description of goods and services) (herein after called "the contract").

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a scheduled commercial bank recognized by you for the sum specified therein as security for compliance with its obligations in accordance with the contract:

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of (amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding me said debt from the supplier before presenting us with the demand. We further agree that no change or addition to or other modification of the terms of the contract to be performed thereunder or of any of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

We undertake to pay BRBNMPL up to the above amount upon receipt of its first written demand, without BRBNMPL having to substantiate its demand.

This guarantee will remain in force for a period of sixty days after the date of all contractual obligations by the supplier, including the warranty obligations and any demand in respect thereof should reach the Bank not later than the above date.

.....
(Signature of the authorized officer of the Bank)

.....
Name and designation of the officer

(Seal, name & address of the Bank and address of the Branch)



Section XVI: Contract Form (PM/SBD/006)

.....
(Address of BRBNMPL's office issuing the contract)

Contract No. dated

This is in continuation to this office' Notification of Award No. dated

1. Name & address of the Supplier:
2. BRBNMPL's Tender document No. dated and subsequent Amendment No. dated (if any), issued by BRBNMPL.
3. Supplier's Tender No. dated and subsequent communication(s) No..... dated (If any), exchanged between the supplier and BRBNMPL in connection with this tender
4. In addition to this Contract Form, the following documents etc., which are included in the documents mentioned under paragraphs 2 and 3 above, shall also be deemed to form and be read and construed as part of this contract:
 - i. General Conditions of Contract;
 - ii. Special Conditions of Contract;
 - iii. List of Requirements;
 - iv. Technical Specifications;
 - v. Quality Control Requirements;
 - vi. Tender Form furnished by the supplier;
 - vii. Price Schedule(s) furnished by the supplier in its tender;
 - viii. Manufacturers' Authorisation Form (if applicable for this tender);
 - ix. BRBNMPL's Notification of Award

Note: The words and expressions used in this contract shall have the same meanings as are respectively assigned to them in the conditions of contract referred to above. Further, the definitions and abbreviations incorporated under Section-V - 'General Conditions of Contract' of BRBNMPL's Tender document shall also apply to this contract.

5. Some terms, conditions, stipulations etc. out of the above-referred documents are reproduced below for ready reference:
 - (i) Brief particulars of the goods and services which shall be supplied / provided by the supplier are as under:

Schedule No.	Brief description of goods / services	Accounting unit	Quantity to be supplied	Unit Price (In Rs.)	Total price

Any other additional services (if applicable) and cost thereof:

Total value (in figure) (In words)



- (ii) Delivery schedule
- (iii) Details of Performance Security
- (iv) Quality Control
 - (a) Mode(s), stage(s) and place(s) of conducting inspections and tests.
 - (b) Designation and address of BRBNMPL's inspecting officer
- (v) Destination and despatch instructions
- (vi) Consignee, including port consignee, if any
- (vii) Warranty clause
- (viii) Payment terms
- (ix) Paying authority

.....
(Signature, name and address of BRBNMPL's authorized official)
For and on behalf of

Received and accepted this contract

.....
(Signature, name and address of the supplier's executive duly authorized to sign on behalf of the supplier)
For and on behalf of
(Name and address of the supplier)

.....
(Seal of the supplier)

Date :

Place :



Section XVII: Letter of Authority for attending a Bid Opening

(Refer to clause 24.2 of GIT)

(PM/SBD/007)

The General Manager

.....

[Unit Address]

Subject: Authorization for attending bid opening on _____ (date) in the tender of _____ against tender enquiry _____.

Following persons are hereby authorized to attend the bid opening for the tender mentioned above on behalf of _____ (Bidder) in order of preference given below:

Order of Preference	Name	Specimen Signatures
I.		
II.		
Alternate Representative		
Signature of Bidder or Officer authorized to sign the bid documents on behalf of the bidder		

Note:

- Maximum of two representatives will be permitted to attend bid opening. In cases where it is restricted to one, first preference will be allowed. Alternate representative will be permitted when regular representatives are not able to attend.
- Permission for entry to the hall where bids are opened may be refused in case authorization as prescribed above is not produced.

Signatures of bidder
with date and seal

or

Officer authorized to
sign the bid documents
on behalf of the bidder



Section XVIII: Shipping Arrangements for Liner Cargoes (PM/SBD/008)

A: In Respect of CFR / CIF / Turnkey / F.O.R. Contracts for Import

1.

- (a) SHIPMENTS FROM PORTS OF U.K. INCLUDING NORTHERN IRELAND (ALSO EIRE), FROM THE NORTH CONTINENT OF EUROPE (GERMANY, HOLLAND, BELGIUM, FRANCE, NORWAY, SWEDEN, DENMARK, FINLAND AND PORTS ON THE CONTINENTAL SEABOARD OF THE MEDITERRANEAN (I.E. FRENCH AND WESTERN ITALIAN PORTS), TO PORTS IN INDIA.

The Seller should arrange shipment of the goods by vessels belonging to the member Lines of the India-Pakistan-Bangladesh Conference. If the Seller finds that the space on the Conference Lines' vessels is not available for any specific shipment, he should take up with India-Pakistan-Bangladesh Conference, Conferity House, East Grinstead, Sussex (U.K.), for providing shipping space and also inform the Shipping Co-ordination Officer, Ministry of shipping & Transport, New Delhi (Cable: TRANSCHART, NEW DELHI; Telex: VAHAN ND - 2312, 2448 & 3104).

The Sellers should arrange shipment through the Government of India's Forwarding agents, M/s Schenker & Co. 2000- Hamburg (Cable: SCHENKERCO HAMBURG) or obtain a certificate from them to the effect that shipment has been arranged in accordance with instructions of the Ministry of Shipping & Transport (TRANSCHART), New Delhi

- (b) **SHIPMENTS FROM ADRIATIC PORTS OF EASTERN ITALY AND YUGOSLAVIA**

The Seller should arrange shipment of the goods by vessels belonging to the following Indian Member lines;

1. The Shipping Corporation of India Ltd.
2. The Scandia Steam Navigation Co. Ltd.
3. Indian Steamship Co. Ltd.

For the purpose of ascertaining the availability of suitable Indian vessels and granting dispensation in the event of their non-availability, the Seller should give adequate notice about the readiness of each consignment from time to time at least six weeks in advance of the required position to M/s Schenker & Co. 2000 HAMBURG (Cable: SCHENKERCO HAMBURG) and also endorse a copy thereof to the Shipping Co-ordination Officer, Ministry of Shipping & Transport, New Delhi (Cable: TRANSCHART, NEW DELHI; Telex: VAHAN ND -2312, 2448 & 3104).



The Seller should arrange shipment through the Government of India's Forwarding Agents, M/s. Schenker & Co., HAMBURG (Cable: SCHENKERCO HAMBURG) or obtain certificate from them to the effect that shipment has been arranged in accordance with the instructions of the Ministry of Shipping & Transport, (TRANSHART), New Delhi

(c) SHIPMENTS FROM POLAND & CZECHOSLOVAKIA

(i) IMPORTS FROM POLAND

Shipments under this contract would be made by the National flag lines of the two parties and vessels of third flag conference lines, in accordance with the agreement between the Govt. of the Republic of India and the Govt. of the Polish People's Republic regarding shipping co-operation dated 27.6.1960 as amended up-to-date.

(ii) IMPORTS FROM CZECHOSLOVAKIA

Goods under this contract would be shipped by the National flag lines of the two parties and vessels of the third flag conference lines, in accordance with the Agreement on co-operation in Shipping between India and Czechoslovakia signed on 3.11.1978 and ratified on 19.12.1979, as amended up-to-date.

Shipping arrangements should be made by the Sellers in consultation with the Resident Representative of the Indian shipping Lines in Gdynia, C/o Morska Agencja W. Gdyni, Gdyni, ul, Pulaskiego 8, P.O. Box III-10 246; Gdynia (Po—and) - Telex: MAG, PL. 054301, Tel: 207621), to whom details regarding contract number, nature of cargo, quantity, port of loading/discharging, name of Government consignee, expected date of readiness of each consignment etc., should be furnished at least six weeks in advance of the required position, with a copy thereof endorsed to the Shipping Co-ordination Officer, Ministry of Shipping & Transport (Chartering Wing), New Delhi (Cable: TRANSHART, NEW DELHI; Telex: VAHAN ND-2312, 2448 & 3104.).

(d) SHIPMENTS FROM RUSSIA & OTHER MEMBER COUNTRIES OF C.I.S.

Shipment under this contract should be made in accordance with the Agreement between the Government of the Republic of India and the Government of the Russia & other member countries of C.I.S. on Merchant Shipping, by vessels of Indo-C.I.S. Shipping Service.

(e) SHIPMENT FROM JAPAN

The shipment of goods should be made by Indian vessels to the maximum extent possible subject to a minimum of 50%.



The Seller should arrange shipment of the goods in consultation with the Embassy of India in Japan, Tokyo, to whom details regarding contract number, nature of cargo, quantity, port of loading/ discharge, name of the Govt. consignee, expected date of readiness of each consignment etc. should be furnished at least six weeks in advance of the required position.

Note: The copies of such contracts are to be endorsed both to the Attaché (Commercial), Embassy of India in Japan, Tokyo, and the Shipping Co-ordination Officer, Ministry of Shipping & Transport, New D.

(f) SHIPMENTS FROM AUSTRALIA, ALGERIA, BULGARIA, ROMANIA, EGYPT

The Seiler shall arrange shipment of the goods by Indian flag vessels to the maximum extent possible subject to a minimum of 50% For the purpose of ascertaining the availability of suitable Indian vessels, the Seller shall give adequate notice of not less than six weeks about the readiness of each consignment to the Shipping Corporation of India Ltd., SHIPPING HOUSE, 245, Madame Cama Road, Bombay - 400 021 (CABLE: SHIPINDIA BOMBAY) and also endorse a copy thereof to the Shipping Coordination Officer, Ministry of Shipping & Transports, New Delhi (Cable: TRANSCHART, NEW DELHI; Telex: VAHAN ND - 2312, 2448 & 3.

(g) SHIPMENTS FROM PAKISTAN

The shipment of cargoes should be made by Indian vessels to the maximum extent possible subject to a minimum of 50%.

Shipping arrangements should be made by the Sellers in consultation with Mis Mogul Line Ltd. 16- Bank Street, Fort, Bombay-400 023 (Cable: MOGUL BOMBAY; Telex011-4049 MOGUL), to whom details regarding contract number, nature of cargo, quantity, port of loading/discharging, name of Government consignee, expected date of readiness of each consignment etc. should be furnished at least six weeks in advance of the required position with a copy thereof endorsed to the Shipping Co-ordination Officer, Ministry of Shipping & Transport (Chartering Wing), New Delhi (Cable : TRANSCHART, NEW DELHI ; Telex : VAH-N ND - 2312, 2448 & 3)

(h) SHIPMENTS FROM U.S. ATLANTIC & GULF PORTS

The Seller should arrange shipment of the goods by vessels belonging to the member lines of the India-Pakistan-Bangladesh-Ceylon and Burma Outward Fright Conference. If the Seller finds that the space on the Conference Lines vessels is not available for any specific shipment, he should take up with India-Pakistan-Bangladesh-Ceylon and Burma Outward Fright Conference, 19, Rector Street, New York N.Y 10006 U.S.A. for providing shipping space and also inform the Shipping Co-ordination Officer, Ministry of Shipping & Transport, New Delhi (Cable: TRANSCHART, NEW DELHI; Telex: VAH—N ND - 2312, 2448 & 3.



(i) SHIPMENTS FROM ST. LAWRENCE AND EASTERN CANADIAN PORTS

The Seller should arrange shipment of the goods by vessels belonging to the following shipping lines:-

- (1) The Shipping Corporation of India Ltd.
- (2) The Scindia Steam Navigation Co. Ltd.

If the Seller finds that the space in vessels of these Lines is not available for any particular consignment, he should inform the Shipping Co-ordination Officer, Ministry of Shipping & Transport, New Delhi (Cable : TRANSCART, NEW DELHI ; Telex : VAH—N ND - 2312, 2448 & 3104) immediately so that dispensation from the shipping lines concerned to use alternative lifting may be so.

(j) SHIPMENTS FROM WEST COAST PORTS OF U.S.A., CANADA AND OTHER AREAS NOT SPECIFICALLY MENTIONED ABOVE

The Seller should arrange shipment of the goods by Indian vessels to the maximum extent possible subject to a minimum of 50%. For the purpose of ascertaining the availability of suitable Indian vessel and granting dispensation in the event of their non-availability, the Seller should furnish the details regarding contract number, nature of cargo, quantity, port of loading/discharge, name of the Govt. consignee and expected date of readiness of each consignment etc. to the Shipping Coordination Officer, Ministry of Shipping & Transport, New Delhi (Cable : TRANSCART, NEW DELHI : Telex : VA—ANND - 2312, 2448 & 3104) at least six weeks in advance of the required position.

2. BILLS OF LADING**(i) C.I.F./CFR/TURNKEY SHIPMENTS**

The Bills of lading should be drawn to indicate "Shipper" and "Consignee" as under:-

SHIPPER: The C.I.F/CFR/TURNKEY SUPPLIERS concerned.

CONSIGNEE: As per Consignee's particulars in the contract (The name and address of the "Port Consignee" and "Ultimate Consignee" both should be indicated).

(ii) F.O.R. SHIPMENTS

The bills of Lading should be drawn to indicate "Shipper" and "Consignee" as under: - SHIPPER: The F.O.R. suppliers concerned. CONSIGNEE: Suppliers' Indian Agents on order.



Note: -

1. Moreover, the name of the "Purchaser" and "Ultimate Consignee" should appear in the body of the Bills of Lading as the "Notify Part" or as a remark.
2. Two non-negotiable copies of the Bills of Lading indicating the freight amount and discount, if any allowed, should be forwarded to the Shipping Co-ordination Officer, Ministry of Shipping and Transport (Chartering Wing), New Delhi after the Shipment of each consignment is effected.
3. The seller should avoid the use of over-aged vessels for the shipment of the goods under the contract and if so used, the cost of additional insurance, if any, shall be borne by the Seller.

B: In Respect of F.O.B./F.A.S Contracts for Imports

1. Shipping arrangements will be made by the Ministry of Shipping and Transport (Chartering Wing), New Delhi (Cable: TRANSCHART, NEW DELHI: Telex: VA-ANND - 2312, 2448 & 3104) through their respective Forwarding Agents/Nominees as mentioned below, to whom adequate notice about the readiness of cargo for shipment should be given by the Sellers from time to time at least six weeks in advance of the required position for finalizing the shipping arrangements.

Area	Forwarding Agents/Nominees
(a) U.K. including Northern Ireland (also Eire) the North Continent of Europe (Germany, Holland, Belgium, France, Norway, Sweden, Finland and Denmark) and Ports on the Continental Sea Board of the Mediterranean, (i.e. French and Western Italian ports) and also Adriatic Ports.	M/s Schenker Deutschland AG, Bel den Muehren 5 20457 Hamburg, Germany Telephone No. +49 40 36135-351 Fax No: +49 40 36135-509 E-mail kay.buedinger@schenker
(b) U.S.A. and Canada	M/s OPT, Overseas Project, Transport Inc., 46, Sellers Street, Kearny, N.J. 07032 USA Tel: 201/998-7771 Tel: 573-3586 Fax : 201/998-78
(c) Japan	The First Secretary (Commercial) Embassy of India, Tokyo, Japan, (Cable: INDEMBASSY TOKYO) Telex: INDEMBASSY J 24850, Telephone – 262 - 2391
(d) Australia, Algeria, Bulgaria, Romania, Czechoslovakia, Egypt.	The Shipping Corporation of India Ltd., 'Shipping House' 229/232 Madame Cama Road, Bombay - 400021 (Cable: SHIP INDIA BOMBAY) Telex: 31-2209 SCID IN Telephone: 232666, 232785
(e) Russia & other member countries of C.I.S.	The Secretaries, Indo-C.I.S. Shipping Service, C/o The Shipping Corporation of India Ltd., 'Shipping House' 245, Madame Cama Road, Bombay - 400021 (Cable: SHIP INDIA BOMBAY FOR SOVIND SHIP) Telex: 31-2209 SCID IN Telephone : 23



Area	Forwarding Agents/Nominees
(f) Poland	The Secretaries, Indo-Polish Shipping Service, C/o The Shipping Corporation of India Ltd., 'Shipping House' 245, Madame Cama Road, Bombay - 400021 (Cable: SHIP INDIA BOMBAY FOR INDOPOL) Telex : 31-2209 SCID IN Telephone : 23
(g) Pakistan	The Mogul-Line Ltd., 16, Bank Street, Fort Bombay - 400023 (Cable : MOGUL BOMBAY) Telex: 011-4049 (MOGUL) Telephone : 252785 II
(h) Other areas not specifically mentioned above	The Shipping Co-ordination Officer, Ministry of Shipping and Transport, (Chartering Wing), New Delhi. (Cable : TRANSCHART, NEW DELHI)

BILLS OF LADING

The Bills of Lading should be drawn to indicate 'Shipper' and 'Consignee' as under: -

1. **SHIPPER:** The Government of India.
2. **CONSIGNEE:** "As per consignee's particulars in the contract. (The name and address of the 'Port Consignee' and 'Ultimate Consignee' should both be indicated.)
3. Two non-negotiable copies of the Bills of Lading indicating the freight amount and discount, if any allowed, should be forwarded to the Shipping Co-ordination Officer, Ministry of Shipping and Transport (Chartering Wing), Parivahan Bhawan, New Delhi after the Shipment of each consignment is effected.
4. The Seller should avoid the use of over-aged vessels for the shipment of the goods under the contract and if so used, the cost of additional insurance, if any, shall be borne by the Seller.



Section XIX: Proforma of Bills for Payment**(PM/SBD/009)**

(Refer Clause 22.6 of GCC)

[Name and Address of the Firm]

PAN : CIN : XXXXXXXXXXXX (as per Company law)

[Regd. Office address] (as per Company law)

[Address of place of business under GST]

GSTIN of the respective place of business:.....

Bill No.....

Dated.....

Purchase order No.....

Dated.....

[Name and address of the consignee]

Place of supply: name of the city, name of the state

Sl. No.	Authority for purchase	Description of Stores	HSN/ SAC	Number or quantity	Taxable value	Rate/ Price	Taxable value
Total							

1. Applicable CGST, SGST, IGST and UTGST Amount
2. Freight (if applicable)
3. Packing and Forwarding charges (if applicable)
4. Others (Please specify)
5. PVC Amount (with Calculation sheet enclosed)
6. (-) deduction/Discount
7. Net amount payable (in words Rs.)

Dispatch detail RR No./other proof of dispatch..... Dated.....(enclosed)

Inspection Certificate No..... Dated.....(enclosed)

Income Tax Clearance Certificate No..... Dated.....(enclosed)

GST Registration certificate..... (enclosed)

(If it is already being collected, the same may be ignored)

Place and Date.....

Received Rs.(Rupees).....

I hereby certify that the payment being claimed is strictly in terms of the contract and all the obligations on the part of the supplier for claiming that payment has been fulfilled as required under the contract.

Signature and Stamp of Supplier



Section XX: Pre-Contract Integrity Pact

**(To be executed on plain paper and applicable for all tenders of value above
Rs.1 crore)**

(Shall be as per the format uploaded in Company's website)

