

## **AMENDMENTS TO DPP 2016**

**(BPR III Amendments to DPP 2016 issued vide MoD ID dated 07.03.2019)**

<b><u>Ser No</u></b>	<b><u>Amendment</u></b>	<b><u>MoD ID No</u></b>	<b><u>Date of Issue</u></b>
1.	Revision of Evaluation Criteria and Price Bid Format (L1 determination).	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
2.	Permitting LC Payment through all banks authorized by RBI for Government transactions.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
3.	Date of Delivery to be reckoned from Date of release of Advance Payment.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
4.	Provisional Acceptance of Vendor's Letter of Application to their Government for Export License in lieu of Export License for Release of Advance Payment in 'Buy (Global)' cases.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
5.	Exclusion of Cost of Buyer Nominated Equipment (BNE) sourced from Single Vendor while determining L1 Vendor.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
6.	Amendment to Integrity Pact Bank Guarantee (IPBG) amount.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
7.	Amendment to provisions of Fast Track Procedure (Chapter V of DPP 2016).	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
8.	Amplification / Amendment to Para 72 of Chapter II, DPP 2016.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
9.	Approval of Extension upto 15 Days for submission of Technical Oversight Committee (TOC) Report by DG (Acq).	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
10.	Exemption of CNC from Furnishing Reasonability of Cost Certificate for DPSU Equipment already Priced by Committee constituted under orders of RM.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
11.	Amendment to Undertaking from vendor on Never Being Debarred in Past.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
12.	AoN Cost to include all Taxes & Duties.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
13.	Alignment of Period of Payment of Guaranteed Sum by Bank in Pre-Contract Integrity Pact (PCIP) & Integrity Pact Bank Guarantee (IPBG).	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
14.	Incorporating Full form of additional abbreviations.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019
15.	Amendment to Increase Effectiveness of LD Clauses.	1(13)/D(Acq)/16-Vol.III	07 Mar 2019

**Ministry of Defence**  
**[Acquisition Wing Secretariat]**

**Subject: Amendment to Defence Procurement Procedure (DPP)  
2016.**

Since issuance of the Defence Procurement Procedure (DPP) 2016 which came into effect from 1<sup>st</sup> April, 2016, the procedure has been further refined incorporating amendments as and when required.

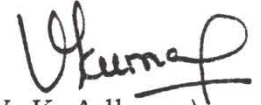
2. Based on the experience gained during the implementation of the DPP-2016, some additional areas of improvement in DPP were identified and a proposal was placed before the DAC. DAC has considered the same and approved the following amendments in its meeting held on 31.01.2019, for incorporation in the DPP-2016:

- (a) Revision of Evaluation Criteria and Price Bid Format (L1 determination).
- (b) Permitting LC payment through all banks authorised by RBI for Government transactions.
- (c) Date of Delivery to be reckoned from Date of release of Advance Payment.
- (d) Provisional Acceptance of Vendor's Letter of Application to their Government for Export License in lieu of Export License for Release of Advance Payment in 'Buy (Global)' cases.
- (e) Exclusion of Cost of Buyer Nominated Equipment (BNE) sourced from Single Vendor while determining L1 Vendor.
- (f) Amendment to Integrity Pact Bank Guarantee (IPBG) amount.
- (g) Amendment to provisions of Fast Track Procedure (Chapter V of DPP 2016).
- (h) Amplification /Amendment to Para 72 of Chapter II of DPP-2016.
- (i) Approval of Extension upto 15 days for submission of Technical Oversight Committee (TOC) Report by DG(Acq).
- (j) Exemption of CNC from furnishing Reasonability of Cost Certificate for DPSU Equipment already Priced by Committee constituted under orders of RM.
- (k) Amendment to Undertaking from vendor on Never Being Debarred in Past.
- (l) AoN cost to include all Taxes and Duties.
- (m) Alignment of Period of Payment of Guaranteed Sum by Banks in Pre-Contract Integrity Pact (PCIP) and Integrity Pact Bank Guarantee (IPBG).
- (n) Incorporating Full form of additional abbreviations.
- (o) Amendment to Increase Effectiveness of LD clauses.

3. The amendments on the above are attached as Enclosures 'A' & 'O'.

4. The above amendments will be applicable with immediate effect. In respect of ongoing cases, the amendments will be applicable to such cases where the stage/activity/procedure being amended has not yet been initiated.

Encl. As above



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Director (Acq)

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CISC	VCOAS	VCNS VCAS	DG(CG)
AS(SC)	AS(JN)	AS(DP)	AS&FA(Acq) CGDA
JS&AM(LS)	JS&AM(MS)	JS&AM(Air)	
FM(LS)	FM(MS)	FM(Air)	
TM(LS)	TM(MS)	TM(Air)	

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MoD ID No.1(13)/D(Acq)/16-Vol.III dated 07.03.2019

**Copy to:-**

- (i) Director, RM Office
- (ii) PS to RRM
- (iii) SO to Defence Secretary
- (iv) PPS to Secretary(DP)
- (v) PPS to Secretary(R&D)
- (vi) PPS to FA(DS)
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**REVISION OF EVALUATION CRITERIA AND PRICE BID FORMAT**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Appendix O to Schedule I, Chapter II (Page 186)	<p align="center"><b>Appendix O to Schedule I to Chapter II</b> (Refers to Para 46 (b) of Schedule I)</p> <p align="center"><b><u>EVALUATION CRITERIA &amp; PRICE BID FORMAT</u></b></p> <p>1. <b><u>Evaluation Criteria.</u></b> The guidelines for evaluation of Bids will be as follows:-</p> <p>1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.</p> <p>1.2. <b><u>In ‘Buy (Global)’ Cases.</u></b> While carrying out evaluation of bids to determine L1, the following criteria would be followed in order to neutralise the impact of taxes and duties payable by Indian industry -</p> <p>1.2.1 <b><u>In Case of Foreign Bidders.</u></b> The basic cost (on CIP basis) quoted by them would be the basis for the purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting <b>Base</b> Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, <b>on the ERV reckoning date (as defined in Annexure I to Appendix L)</b>, as decided by the Buyer. (For ‘Buy and Make’ cases also).</p> <p>1.2.2 <b><u>In Case of Indian Bidders including Defence PSUs/OFs.</u></b> Excise duty on fully formed equipment, VAT/Sales tax and other local levies i.e. octroi, entry tax, etc., quoted by Indian bidders would not be considered for purpose of comparison of various bids.</p> <p>1.2.3 <b><u>Where DCF Technique as Given in Para 2 is Not Applicable.</u></b> L-1 bidder will be determined on the basis of quoted cost of all items excluding all levies/taxes payable to central/state/local Government indicated in row M of Price Bid Format under Para 1.7.</p> <p>1.2.4 <b><u>Where DCF Technique as Given in Para 2 is Applicable.</u></b> DCF technique will be applied excluding taxes and duties indicated in Row M of Price Bid Format to ascertain the NPV which would be used for determining L1 bidder.</p> <p>1.3 <b><u>In ‘Buy (Indian-IDDM)’, ‘Buy Indian’ and ‘Buy &amp; Make Indian’ Cases</u></b></p> <p>1.3.1 <b><u>Where DCF Technique As Given In Para 2 Is Not Applicable.</u></b> L-1 bidder will be determined on the basis of quoted cost of all items excluding excise</p>	<p align="center"><b>Appendix O to Schedule I to Chapter II</b> (Refers to Para 46 (b) of Schedule I)</p> <p align="center"><b><u>EVALUATION CRITERIA AND PRICE BID FORMT</u></b></p> <p>1. <b><u>Evaluation Criteria.</u></b> The guidelines for evaluation of Bids will be as follows:-</p> <p>1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.</p> <p>1.2. While carrying out evaluation of bids to determine L1 (including where DCF Technique is applicable), the following criteria would be followed:-</p> <p>1.2.1 <b><u>In Case of Foreign Bidders.</u></b> All costs, taxes (<u>including GST</u>) and duties quoted by foreign bidders at Serials A to L of Para 2 below [including the basic cost {on CIP/<u>DAT/DAP</u> basis, (as <u>applicable to the procurement case</u>)} along with Basic Custom Duty (BCD) &amp; IGST (as applicable)] would be considered for purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting <b>Base</b> Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, <b>on the ERV reckoning date (as defined in Annexure I to Appendix L),ie, the last date of submission of commercial bids as per RFP.</b></p> <p>1.2.2 <b><u>In Case of Indian Bidders including Defence PSUs/OFs.</u></b> All costs, taxes (<u>including GST</u>) and duties quoted by the vendor at Serials A to L of Para 2 below would be considered for purpose of comparison of various bids.</p> <p>1.2.3 <b><u>Where DCF Technique as Given in Para 4 is Not Applicable.</u></b> L-1 bidder will be determined on the basis of quoted cost of all items <u>including all taxes and duties payable to Central/State/Local Governments.</u></p> <p>1.2.4 <b><u>Where DCF Technique as Given in Para 4 is Applicable.</u></b> DCF technique will be applied <u>including taxes and duties</u> to ascertain the NPV which would be used for determining L1 bidder.</p> <p>1.3 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer. In cases where Custom Duty is not exempted, Basic Custom Duty on input material is to be included in the cost of Basic Equipment, Installation/Commissioning/Integration, BNE, ToT, MRLS, SMT, STE , ESP <u>and any other item listed at Column (ii) of Para 2 below.</u></p> <p>1.4 If there is a discrepancy between the unit price and the total price that is obtained by multiplying the</p>

duty payable to central Government but will take into account other levies/taxes/duties payable to central/state/local Government.

1.3.2 **Where DCF Technique As Given In Para 2 Is Applicable.** DCF technique will be applied excluding taxes and duties indicated in Row M of price Bid Format to ascertain the NPV. Thereafter, all items of Row M, excluding excise duty payable to Central Government, would be added to the NPV to determine L1 bidder.

1.4 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer.

1.5 In case of foreign bidders, all taxes and duties, which are to be paid for the delivery of goods, shall be paid by the Buyer and Seller in their respective countries.

1.6 If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

1.7 **Price Bid Format.** The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. The columns of 'quantity', 'unit cost' and 'total cost' are to be filled up with positive numerical values or 'Nil' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

<u>Ser</u>	<u>Items</u>	<u>Qty</u>	<u>Unit</u>	<u>Total Cost</u>	<u>Remarks</u>
A.	Cost of <b>Basic Equipment</b> Full break-up details may be given.				
B.	Cost of <b>Transfer of Technology</b> (where applicable).				
C.	Cost of <b>Manufacturer's Recommended List of Spares</b> as per the format given at Annexure I to Appendix E. In case equipment is already in usage, the spare parts requirement must be specific rather than being based on MRLS).				
D.	Cost of <b>Special Maintenance Tools and Special Test Equipment</b> as per format given at Annexure II to Appendix E.				

unit price and quantity, the unit price will prevail and the total price will be corrected based on indicative rates of taxes and duties at columns (vi) and (vii) of Para 2 below. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

2. **Price Bid Format.** The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. Columns of 'quantity', 'unit cost', 'total cost (including all taxes and duties)', 'GST/IGST (%) and Custom Duty (%) are to be filled up with positive numerical values or 'Nil' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

<u>Ser</u>	<u>Items</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost (including all taxes &amp; duties)</u>	<u>Indicative Rate of Taxes &amp; Duties used to arrive at Total Cost (as applicable)</u>		<u>Remarks</u>
					<u>GST/IGST (%)</u>	<u>Custom Duty (%)</u>	
					<u>(vi)</u>	<u>(vii)</u>	
<u>(i)</u>	<u>(ii)</u>	<u>(iii)</u>	<u>(iv)</u>	<u>(v)</u>	<u>(vi)</u>	<u>(vii)</u>	<u>(viii)</u>
A.	Cost of <b>Basic Equipment</b> . Full break-up details may be given.						
B.	Cost of <b>Installation / Commissioning/ Integration</b> (where applicable)						
B1.	Cost of <b>Buyer Nominated Equipment</b> (if applicable)						
C.	Cost of <b>Transfer of Technology</b> (where applicable).						
D.	Cost of <b>Manufacturer's Recommended List of Spares</b> as per the format given at Annexure I to Appendix E. In case equipment is already in usage, the spare parts requirement must be specific rather than being based on MRLS).						
E.	Cost of <b>Special Maintenance Tools and Special Test Equipment</b> as per format given at Annexure II to Appendix E.						
F.	Cost of <b>Operator's Manual and Technical Literature</b> (in English Language) including Illustrated Spare Parts List as per Annexure III to Appendix E.						

	E.	Cost of <b>Operator's Manual and Technical Literature</b> (in English Language) including Illustrated Spare Parts List as per Annexure III to Appendix E.							
	F.	Cost of <b>Training Aids</b> such as simulators, cut out models, films, charts etc as recommended by the supplier as per Annexure IV to Appendix E.							
	G.	Cost of recommended period of <b>Training</b> excluding the cost of travel and boarding and lodging. This should be given under the following two heads as per Annexure IV to Appendix E. (a) In India. (b) Abroad.							
	H.	<b>Any other</b> cost (to be specified).							
	J.	<b>Freight and Transit Insurance</b> Cost (where applicable).							
	K.	<b>AMC</b> Cost giving year-wise break-up (where applicable).							
	L.	<b>Total Cost</b> (Total of Serial A to K)							
	M.	<b>Taxes and Duties on completed goods in respect of Indian bidders</b> 1. Excise Duty. 2. VAT. 3. Service Tax. 4. Customs Duty payable on import component for which Custom Duty Exemption Certificate is required (mention the Custom notification number under which CDEC can be given). 5. Octroi/Entry tax/Any other tax.							
	N.	<b>Foreign Exchange component</b> of the proposal in r/o Indian bidders only.							This will be with reference to Para 1.2.2 of Appendix L
	G.	Cost of <b>Training Aids</b> such as simulators, cut out models, films, charts etc as recommended by the supplier as per Annexure IV to Appendix E.							
	H.	Cost of recommended period of <b>Training</b> excluding the cost of travel and boarding and lodging. This should be given under the following two heads as per Annexure IV to Appendix E. (a) In India. (b) Abroad.							
	J.	<b>Any other</b> cost (to be specified).							
	K.	<b>Freight and Transit Insurance</b> Cost (where applicable).							
	L.	<b>AMC</b> Cost giving year-wise break-up (where applicable).							
	M.	<b>Total Cost</b> (Total of Serial A to L)				#			# This will be used in determining L1 vendor (duly applying provisions of Para 1 above).
	N.	<b>Foreign Exchange component</b> of the proposal.  (for Indian Vendors only)							This will be with reference to Para 1.2.2 of Appendix L.
	O.	<b>CDEC (if applicable)</b> , its authority and amount for which required.							
	<p><b>Note: Taxes and Duties.</b> If there is a change in tax structure promulgated by the GoI, then rates of taxes indicated at columns (vi) &amp; (vii) above will be used for revising the total cost.</p> <p>3. <b>Evaluation of L1 in case of EPP.</b> If the equipment supplied by a vendor does not have the EPP, then the total cost of Row M of the price bid format, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the total cost at Row M of the price bid format will be multiplied by a credit factor less than 1 and greater than or equal to 0.9, based on the additional technical score assigned for the EPP, as detailed in the RFP.</p>								

**Note : Taxes and Duties.** Reimbursement of taxes and duties will be as per rates and amounts indicated in the commercial bid/contract or as per actuals whichever is lower.

1.8 **Evaluation of L1 in case of EPP.** If the equipment supplied by a vendor does not have the EPP, then the total cost of Row L of the price bid format, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the total cost at Row L of the price bid format will be multiplied by a credit factor less than 1 and greater than or equal to 0.9, based on the additional technical score assigned for the EPP, as detailed in the RFP.

**For Example,** if a vendor quotes ` 10 Crores in Row L of the price bid format and meets a certain EPP for which an additional credit score of 2% is being provided, then the commercial quote of this vendor will be considered, for L1 determination purpose only, as ` 9.8 Crores (10 Crores multiplied by 0.98) and not ` 10 Crores; however, for all purposes other than L1 determination, the value of the commercial quote will be considered as ` 10 Crores only. In cases where DCF technique is to be applied, the credit factor will be applied before working out the NPV i.e if DCF technique were to be applied in the example given above, the NPV would be calculated on the basis of ` 9.8 Crore.

2. **Evaluation of Bids by DCF Technique** (*Note: This clause is be included only if there is AMC clause or any other condition in RFP, resulting in different cash outflows in successive years*) -

2.1 **Net Present Value (NPV)** is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid will be equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid -

$$NPV_n = \sum_{t=1}^n At/(1+r)^t$$

Where,

NPV = Net Present Value

At = Expected cash flow occurring at the end of year 't' as mentioned in the Payment schedule of Bid

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

The bid with the lowest NPV would be selected.

4. **Evaluation of Bids by DCF Technique** (*Note: This clause is be included only if there is AMC clause or any other condition in RFP, resulting in different cash outflows in successive years*) -

4.1 **Net Present Value (NPV)** is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid will be equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid -

$$NPV_n = \sum_{t=1}^n At/(1+r)^t$$

Where,

NPV = Net Present Value

At = Expected cash flow occurring at the end of year 't' as mentioned in the Payment schedule of Bid

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

The bid with the lowest NPV would be selected.

4.2 The Discounting rate will be ---%. (Note-This will be the Government of India's lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually).

4.3 **Structuring Cash Flows for Tenders/Bids Received in the Same Currency.** The cash outflows as shown in price bids will be taken into consideration. NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

4.4 **Structuring Cash Flows for Tenders/Bids Received in Different Currencies.** Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi on the ERV reckoning date (as defined in Annexure I to Appendix L), ie the last date of submission of Commercial Bids as per RFP. Thereafter, the procedure as described above in Para 4.3 will be applied to arrive at NPV.

4.5 All bidders are required to indicate year-wise and currency-wise amount required as per their price bid in format given below. In case a bidder does not provide year-wise cash flow details in price bid, the amount quoted in their price bid will not be discounted for comparison purposes.

2.2 The Discounting rate will be ---%”. (Note-This will be the Government of India’s lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually)

2.3 **Structuring Cash Flows for Tenders/Bids Received in the Same Currency.** The cash outflows as shown in price bids will be taken into consideration. NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

2.4 **Structuring Cash Flows for Tenders/Bids Received in Different Currencies.** Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi on the ERV reckoning date (as defined in Annexure I to Appendix L). Thereafter, the procedure as described above in Para 2.3 will be applied to arrive at NPV.

2.5 All bidders are required to indicate year-wise and currency-wise amount required as per their price bid in format given below. In case a bidder does not provide year-wise cash flow details in price bid, the amount quoted in their price bid will not be discounted for comparison purposes.

<u>Year</u>	<u>Dollars</u>	<u>Euros</u>	<u>Pound Sterling</u>	<u>Rupees</u>	<u>Total Cash-flow</u>

\*\*\*\*

<u>Year</u>	<u>Dollars</u>	<u>Euros</u>	<u>Pound Sterling</u>	<u>Rupees</u>	<u>Total Cash-flow</u>

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**EVALUATION CRITERIA & PRICE BID FORMAT**

1. **Evaluation Criteria.** The guidelines for evaluation of Price Bids will be as follows:-
- (a) Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this **Appendix**, will be declared as L-1 bidder by Buyer.
- (b) **In 'Buy (Global)'/ 'Buy and Make' Cases.** While carrying out evaluation of bids to determine L1, the following criteria would be followed in order to neutralise the impact of taxes and duties payable by Indian industry:-
- (i) **In Case of Foreign Bidders.** The basic cost (CIP) quoted by them would be the basis for the purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting Base exchange rate as BC selling rate of the State Bank of India, Parliament Street Branch, New Delhi on the ERV Reckoning date (as defined in Para 6(c) of Appendix F).
- (ii) **In Case of Indian bidders Including Defence PSUs.** Excise duty on fully formed equipment, VAT/Sales tax and other local levies i.e. octroi, entry tax, etc, quoted by Indian bidders would not be considered for purpose of comparison of various bids.
- (iii) **Where DCF Technique As Given In Para 4 Is Not Applicable:** L-1 bidder will be determined on the basis of quoted cost of all items (ie row (n) of Price Bid Format) excluding all levies/taxes/duties payable to Central/State/Local Governments indicated in row (r) of Price Bid Format under Para 2.
- (iv) **Where DCF Technique As Given In Para 4 Is Applicable:** DCF technique will be applied excluding taxes and duties indicated in **row (r) of Price Bid Format** to ascertain the NPV, which will be used for determining L1 bidder.
- (c) **In Buy (Indian-IDDM), Buy(Indian) and Buy and Make (Indian) Cases.**
- (i) **Where DCF Technique As Given In Para 4 Is Not Applicable.** L1 bidder will be determined on the basis of quoted cost of all items excluding excise duty payable to Central Government but will take into account other levies/taxes/duties payable to Central/State/Local Government.
- (ii) **Where DCF Technique, As Given In Para 4 Is Applicable:** DCF Technique will be applied excluding taxes and duties indicated in row (r) of Price Bid Format to ascertain the NPV. Thereafter, all items of row (r), excluding excise duty payable to Central Government, would be added to the NPV to determine L1 bidder.

**EVALUATION CRITERIA AND PRICE BID FORMAT**

1. **Evaluation Criteria.** The guidelines for evaluation of Price Bids will be as follows:-
- 1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.
- 1.2. While carrying out evaluation of bids to determine L1 (including where DCF Technique is applicable), the following criteria would be followed:-
- 1.2.1 **In Case of Foreign Bidders.** All costs, taxes (including GST) and duties quoted by foreign bidders at Serials (a) to (m) and Serial (p) (where applicable) of Para 2 below [including the basic cost {on CIP/DAT/DAP basis, (as applicable to the procurement case)} along with Basic Custom Duty (BCD) & IGST (as applicable)] would be considered for purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting **Base Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, on the ERV reckoning date (as defined in Para 6(c) to Appendix F),ie, the last date of submission of commercial bids as per RFP.**
- 1.2.2 **In Case of Indian Bidders including Defence PSUs/OFs.** All costs, taxes (including GST) and duties quoted by the vendor at Serials (a) to (m) and Serial (p) (where applicable) of Para 2 below would be considered for purpose of comparison of various bids.
- 1.2.3 **Where DCF Technique as Given in Para 4 is Not Applicable.** L-1 bidder will be determined on the basis of quoted cost of all items including all taxes and duties payable to Central/State/Local Governments.
- 1.2.4 **Where DCF Technique as Given in Para 4 is Applicable.** DCF technique will be applied including taxes and duties to ascertain the NPV which would be used for determining L1 bidder.
- 1.3 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer. In cases where Custom Duty is not exempted, Basic Custom Duty on input material is to be included in the cost of Basic Equipment, Installation/Commissioning/Integration, BNE, ToT, MRLS, SMT, STE, ESP and any other item listed at Column (ii) of Para 2 below.
- 1.4 If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected based on indicative rates of taxes and duties at columns (vi) and (vii) of Para 2 below. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.
2. **Price Bid Format.** The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. Columns of 'quantity', 'unit cost', 'total cost (including all taxes and duties)', 'GST/IGST (%) and Custom Duty (%) are to be filled up with positive numerical values or 'Nil' at every row as applicable. If any

(d) Custom duty/Excise duty on input materials shall not be taken into account by the Indian Bidders while quoting the price bid, if they are exempted under the existing Notifications. In such cases, necessary Duty Exemption Certificate shall be issued by the Buyer. In case of foreign bidders, all taxes and duties, which are to be paid for the delivery of vessels, shall be paid by the Buyer and Seller in their respective countries.

(e) If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

2. **Price Bid Format.** The Price Bid Format is given below and Bidders are required to fill up this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. The columns of 'quantity', 'unit cost' and 'total cost' are to be filled up with positive numerical values or 'Nil' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

Ser	Items	Qty	Unit cost	Total cost	Remarks
(a)	1. Yard material including steel Aluminum etc. 2. Equipment cost (Indigenous) 3. Equipment cost (Imported) 4. Equipment and Material Overhead 5. Labour 6. Labour Overhead 7. Direct expenses 8. First outfit of Naval stores				
(b)	Basic Cost of Vessel (Total of SI 'a' above)				
(c)	Cost of <b>Onboard Spares</b> (Manufacturers Recommended List of Spares) as per <b>Annexure I to Appendix D</b> . In case equipment is already in usage, the spare parts requirement must be specific rather than being based on MRLS)				
(d)	Cost of <b>Special Maintenance Tools and Special Test Equipment and software</b> as per <b>Annexure III to Appendix D</b>				

column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

<u>Ser</u>	<u>Items</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost (including all taxes &amp; duties)</u>	<u>Indicative Rate of Taxes &amp; Duties used to arrive at Total Cost (as applicable)</u>		<u>Remarks</u>
					<u>GST/IGST</u>	<u>Custom Duty</u>	
					<u>(%)</u>	<u>(%)</u>	
<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>	<b>(v)</b>	<b>(vi)</b>	<b>(vii)</b>	<b>(viii)</b>
(a)	1. Yard material including steel Aluminum etc. 2. Equipment cost (indigenous) <u>2a. Basic cost of Buyer Nominated Equipment – Indigenous (if applicable)</u> 3. Equipment Cost (Imported) <u>3a. Basic cost of Buyer Nominated Equipment – Imported (if applicable)</u> 4. Equipment and material Overhead 5. Labour 6. Labour Overhead 7. Direct Expenses 8. First outfit of Naval stores						
(b)	Basic Cost of Vessel (Total of SI 'a' above)						
(c)	Cost of onboard Spares (Manufacturers Recommended List of Spares) as per <b>Annexure I to Appendix D</b> . In case equipment is already in usage, the spare parts requirement must be specific rather than being based on MRLS)						
(d)	Cost of Special Maintenance Tools and Special Test Equipment and software as per <b>Annexure III to Appendix D</b> .						
(e)	Cost of Technical Documentation (in English Language) as per <b>Annexure IV to Appendix D</b> .						
(f)	Cost of Training Aggregates as per <b>Annexure V to Appendix D</b> .						

(e)	Cost of Technical <b>Documentation</b> (in English Language) as per <b>Annexure IV to Appendix D</b>				
(f)	Cost of <b>Training Aggregates</b> as per <b>Annexure V to Appendix D.</b>				
(g)	Cost of <b>Training</b> excluding the cost of travel, boarding and lodging separately for operators and maintenance technicians and QA Representative. This should be given under the following two heads (as applicable)( <b>Appendix D</b> , Para 10 refers)				
(h)	Cost of <b>ToT</b> (as applicable)(As per <b>Appendix K</b> )				
(j)	Cost of <b>Knowhow/Information for setting up of Maintenance Infrastructure</b> {as applicable} ( <b>Appendix E</b> refers)				
(k)	<b>Freight and Transit Insurance</b> Cost (as applicable)				
(l)	<b>Cost of Project Monitoring System</b> (as per <b>Annexure II to Appendix F</b> )				
(m)	<b>Cost of Handling B &amp; D Spares</b>				
(n)	<b>Total Cost</b> (Total of SI (b) to (m) above)				
(p)	<b>AMC Cost giving year-wise break-up (where applicable)</b>				
(q)	<b>Grand Total Cost (SI n + p)</b>				
(r)	Taxes and Duties on completed goods in respect of Indian bidders 1. Excise Duty on completed vessel 2. VAT on completed vessel 3. Service Tax on completed vessel 4. Excise Duty on indigenous input material/Customs Duty payable on import component for which Excise/Custom Duty Exemption Certificate is required (mention the Excise/Custom notification number under which EDEC/CDEC can be given) 5. Octroi/Entry tax/Any other tax				
(s)	Foreign Exchange component of the proposal in r/o Indian bidders only				

(g)	Cost of Training excluding the cost of travel, boarding and lodging separately for operators and maintenance technicians and QA Representative. This should be given under the following two heads (as applicable) (Appendix D, Para 10 refers):  (i) In India  (ii) Abroad					
(h)	Cost of ToT (as applicable) (as per <b>Appendix K</b> )					
(j)	Cost of <b>Knowhow/Information</b> for setting up of maintenance Infrastructure (as applicable) ( <b>Appendix E</b> refers)					
(k)	<b>Freight and Transit Insurance</b> Cost (as applicable)					
(l)	<b>Cost of Project Monitoring System</b> (as per <b>Annexure II to Appendix F</b> )					
(m)	<b>Cost of handling B &amp; D spares</b>					
(n)	<b>Total Cost</b> (Total of SI (b) to (m) above)					
(p)	<b>AMC Cost giving year-wise break-up (where applicable)</b>					
(q)	<b>Grand Total Cost (SI n + p)</b>					# This will be used in determining L1 vendor (duly applying provisions of Para 1 above).
(r)	Foreign Exchange component of the proposal.				#	This will be in reference to Para 1 (b)(ii) of Appendix F
(s)	CDEC (if applicable), its authority and amount for which required.					

**Note: Taxes and Duties.** If there is a change in tax structure promulgated by the GoI, then rates of taxes indicated at columns (vi) & (vii) above will be used for revising the total cost.

3. **Evaluation of L1 in case of EPP.** If the vessel supplied by a vendor does not have the EPP, then the total cost of Serial(q) of the price bid format, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the total cost at Serial(q) of the price bid format will be multiplied by a credit

**Note:**

**Taxes and Duties.** Reimbursement of taxes and duties will be as per rates and amounts indicated in the commercial bid/contract or as per actuals whichever is lower.

3. **Evaluation of L1 in case of EPP.**

If the equipment supplied by a vendor does not have the EPP, then the total cost of Serial (q) of the price bid format, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the total cost at Serial (q) of the price bid format will be multiplied by a credit factor less than 1 and greater than or equal to 0.9, based on the additional technical score assigned for the EPP, as detailed in the RFP. **For example**, if a vendor quotes ` 10 crores in Serial (q) of the price bid format and meets a certain EPP for which an additional credit score of 2% is being provided, then the commercial quote of this vendor will be considered, for L1 determination purpose only, as ` 9.8 crores (10 crores multiplied by 0.98) and not ` 10 crores; however, for all purposes other than L1 determination, the value of the commercial quote will be considered as ` 10 crores only. In cases where DCF technique is to be applied, the credit factor will be applied before working out the NPV i.e if DCF technique were to be applied in the example given above, the NPV would be calculated on the basis of ` 9.8 crore.

4. **Evaluation of Bids by DCF Technique ( For Cases With AMC/Life Cycle Costing)**

(a) Net Present Value (NPV) is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid is equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid :-

$$NPV_n = \sum_{t=1}^n \frac{At}{(1+r)^t}$$

Where,

- NPV - Net Present Value
- At - Expected cash flow occurring at the end of year 't' as mentioned in the Payment schedule of Bid
- n - Duration of cash flow stream
- r - Discounting Rate
- t - The period after which payment is done

(Note-The bid with the lowest NPV would be selected)

(b) The Discounting rate will be ---%.

**(Note:** This will be the Government of India's lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually)

factor less than 1 and greater than or equal to 0.9, based on the additional technical score assigned for the EPP, as detailed in the RFP.

4. **Evaluation of Bids by DCF Technique** (**Note:** This clause is to be included only if there is AMC clause or any other condition in RFP, resulting in different cash outflows in successive years) -

4.1 **Net Present Value (NPV)** is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid will be equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid -

$$NPV_n = \sum_{t=1}^n \frac{At}{(1+r)^t}$$

Where,

NPV = Net Present Value

At = Expected cash flow occurring at the end of year 't' as mentioned in the Payment schedule of Bid

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

The bid with the lowest NPV would be selected.

4.2 The Discounting rate will be ---%. (Note-This will be the Government of India's lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually).

4.3 **Structuring Cash Flows for Tenders/Bids Received in the Same Currency.** The cash outflows as shown in price bids will be taken into consideration. NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

4.4 **Structuring Cash Flows for Tenders/Bids Received in Different Currencies.** Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi on the ERV reckoning date (as defined in Para 6(c) to Appendix F), ie the last date of submission of Commercial Bids as per RFP. Thereafter, the procedure as described above in Para 4.3 will be applied to arrive at NPV.

4.5 All bidders are required to indicate year-wise and currency-wise amount required as per their price bid in format given below. In case a bidder does not provide year-wise cash flow details in price bid, the amount quoted in their price bid will not be discounted for comparison purposes.

(c) **Structuring Cash Flows for Tenders/Bids Received in the Same Currency.** Unknown variables like escalation factors etc will be excluded while determining the cash flows. Thereafter, the cash outflows as shown in price bids will be taken into consideration. Once the outflows of different tenders become available, NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

(d) **Structuring Cash Flows for Tenders/Bids Received in Different Currencies.** Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi as on the ERV reckoning date (as defined in Para 6(c) of Appendix F) Thereafter, the procedure as described above, in the case of bids received in the same currency, will be applied to arrive at NPV.

(e) All bidders are required to indicate year-wise and currency-wise amount required as per their quote in format given below. In case a bidder does not provide cash flow details in price bid, the actual values quoted in their bid, without application of discount factor, will be reflected in DCF table for comparison purposes.

<u>Year</u>	<u>Dollars</u>	<u>Euros</u>	<u>Pound Sterling</u>	<u>Rupees</u>	<u>Total Cash Flow</u>

*(Note: This clause is to be included only if there is AMC clause/Life Cycle Costing or its variants clause in RFP, resulting in different cash outflows in successive years).*

\*\*\*\*

<u>Year</u>	<u>Dollars</u>	<u>Euros</u>	<u>Pound Sterling</u>	<u>Rupees</u>	<u>Total Cash-flow</u>

\*\*\*\*

**PAYMENT BY LC THROUGH ALL BANKS AUTHORIZED BY RBI**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
<p>Para 1.3.2, Appendix L, Schedule I, Chapter II (Page 157)</p>	<p>1.3.2 <b><u>On Dispatch.</u></b> (<i>Note: The percentages for this stage can be fixed in the RFP on merits of case.</i>) ____% of the Contract Price of the Goods shipped shall be paid through Irrevocable Letter of Credit (LC). The payment will be arranged through any of the four Public Sector Banks i.e State bank of India/Bank of Baroda/Canara bank/Syndicate Bank (as decided by the Buyer), to the Bank of the Foreign Seller. The Seller will give a notification to Buyer about the readiness of goods for dispatch at least 45 days prior to delivery of goods. Letter of Credit will be opened by the Buyer within expiry of this period of 45 days provided the Performance-cum-Warranty Guarantee for full value of contract has been received. The Letter of Credit will be valid for ____days from the date of its opening. In case the delivery is in multiple consignments and there is a long delivery schedule, then Revolving LC can be opened. Paid shipping documents are to be provided to the Bank by the Seller as proof of dispatch of goods as per contractual terms so that the Seller gets payment from LC. The Bank will forward these documents to the Buyer for getting the goods/stores released from the Port/Airport. Documents will include- (<i>Note: The list given below is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP.</i>)</p>	<p>1.3.2 <b><u>On Dispatch.</u></b> (<i>Note: The percentages for this stage can be fixed in the RFP on merits of case.</i>) ____% of the Contract Price of the Goods shipped shall be paid through Irrevocable Letter of Credit (LC). The payment will be arranged through any <b>Public / Private Sector Indian bank authorized for government transactions by RBI</b> (as decided by the Buyer), to the Bank of the Foreign Seller. The Seller will give a notification to Buyer about the readiness of goods for dispatch at least 45 days prior to delivery of goods. Letter of Credit will be opened by the Buyer within expiry of this period of 45 days provided the Performance-cum-Warranty Guarantee for full value of contract has been received. The Letter of Credit will be valid for ____days from the date of its opening. In case the delivery is in multiple consignments and there is a long delivery schedule, then Revolving LC can be opened. Paid shipping documents are to be provided to the Bank by the Seller as proof of dispatch of goods as per contractual terms so that the Seller gets payment from LC. The Bank will forward these documents to the Buyer for getting the goods/stores released from the Port/Airport. Documents will include- (<i>Note: The list given below is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP.</i>)</p>
<p>Clause 5(c), 2<sup>nd</sup> Column, Para 1.4.9, Appendix L, Schedule I, Chapter II (Page 162)</p>	<p>(c) The Letter of Credit will be opened with the State Bank of India, Parliament Street Branch, New Delhi, for ____% of the Contract value with the SELLER's Bank, i.e. _____ &amp; Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening. <i>Note: Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending</i></p>	<p>(c) The Letter of Credit will be opened with <b>a Public / Private Sector Indian bank authorized for government transactions by RBI</b>, for ____% of the Contract value with the SELLER's Bank, i.e. _____ &amp; Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening. <i>Note: Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270</i></p>

	<i>upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.</i>	<i>days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.</i>
Para 1(c)(v), Appendix F, Schedule I, Chapter IV (Page 299)	(v) <b>Mode of Payment.</b> Payment shall be made through Irrevocable Letter of Credit (LC) or Direct Bank Transfer (as applicable). The payment will be arranged through State Bank of India/Bank of Baroda/Canara Bank/Syndicate Bank (as decided by the Buyer), to the Bank of the Foreign Seller. Letter of Credit will be opened by the Buyer within one month of receipt of the Performance-cum-Warranty Bank Guarantee for full value of contract. The Letter of Credit will be revolving and valid for ___days from the date of its opening. Payments through LC and DBT will be subject to the instant Uniform Customs and Practice for Documentary Credit (UCPDC) of the International Chamber of Commerce. The LC will be confirmed at Seller's cost if requested specifically by the supplier. Where extension of LC is necessitated, the Bank charges for extension shall be borne by the Party whose default causes such an extension. Banking charges will be paid by the Buyer and Seller in their respective countries.	(v) <b>Mode of Payment.</b> Payment shall be made through Irrevocable Letter of Credit (LC) or Direct Bank Transfer (as applicable). The payment will be arranged through any <b>Public / Private Sector Indian bank authorized for government transactions by RBI</b> (as decided by the Buyer), to the Bank of the Foreign Seller. Letter of Credit will be opened by the Buyer within one month of receipt of the Performance-cum-Warranty Bank Guarantee for full value of contract. The Letter of Credit will be revolving and valid for ___days from the date of its opening. Payments through LC and DBT will be subject to the instant Uniform Customs and Practice for Documentary Credit (UCPDC) of the International Chamber of Commerce. The LC will be confirmed at Seller's cost if requested specifically by the supplier. Where extension of LC is necessitated, the Bank charges for extension shall be borne by the Party whose default causes such an extension. Banking charges will be paid by the Buyer and Seller in their respective countries.
Clause 5(c), 2 <sup>nd</sup> Column, Para 1.1, Schedule I, Appendix F, Chapter IV (Page 303)	(c) The Letter of Credit will be opened with the State Bank of India, Parliament Street Branch, New Delhi, for _____% of the Contract value with the SELLER's _____ Bank, i.e. _____ & Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening. <b>Note:</b> <i>Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.</i>	(c) The Letter of Credit will be opened with a <b>Public / Private Sector Indian bank authorized for government transactions by RBI</b> , for _____% of the Contract value with the SELLER's _____ Bank, i.e. _____ & Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening. <b>Note:</b> <i>Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.</i>
Para 5A.4(c), Article 5A,	(c) The LC will be opened in any of the four public sector Banks i.e State Bank of India/Bank of Baroda/Canara	(c) The LC will be opened in any <b>Public / Private Sector Indian bank authorized for government transactions by RBI</b> (as

Chapter VI (Page 377)	Bank/Syndicate Bank	<b>decided by the Buyer).</b>
Clause 5(c), 2 <sup>nd</sup> Column, Para 5C.1, Article 5C, Chapter VI (Page 381)	<p>(c) The LC will be opened with the State Bank of India, Parliament Street Branch, New Delhi, for _____% of the Contract value with the SELLER's Bank, i.e. _____ &amp; Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening.</p> <p><b>Note</b> - <i>Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving LC can be opened.</i></p>	<p>(c) The LC will be opened with a <b>Public / Private Sector Indian bank authorized for government transactions by RBI</b>, for _____% of the Contract value with the SELLER's Bank, i.e. _____ &amp; Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening.</p> <p><b>Note</b> - <i>Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving LC can be opened.</i></p>



**DATE OF DELIVERY RECKONED FROM DATE OF RELEASE OF ADVANCE PAYMENT**

<u>Para Ref</u>	<u>For</u>	<u>Read</u>
<p>Para 91, Chapter II (Page 28)</p>	<p>91. <b><u>Standard Contract Document.</u></b> The Standard Contract Document at Chapter VI indicates the general conditions of contract that would be the guideline for all acquisitions. The date of signing of the contract would be the effective date of contract for all acquisitions, unless the contract specifies otherwise. The draft contract would be prepared as per these guidelines. However, for single vendor procurements, if there is a situation where Government of India has entered into agreements with that country regarding specific contractual clauses, then the terms and conditions of such agreements would supersede the corresponding standard clauses of DPP. Consequent to the approval of the CFA, the contract would be signed by the Acquisition Manager/Director (Procurement) concerned in the Acquisition Wing or by an officer authorised by the PSO at the SHQ.</p>	<p>91. <b><u>Standard Contract Document.</u></b> The Standard Contract Document at Chapter VI indicates the general conditions of contract that would be the guideline for all acquisitions. The date of signing of the contract would be the effective date of contract for all acquisitions, unless the contract specifies otherwise. <b>However the date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. The above will apply to Fast Track Procedure (FTP) cases also. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b> The draft contract would be prepared as per these guidelines. However, for single vendor procurements, if there is a situation where Government of India has entered into agreements with that country regarding specific contractual clauses, then the terms and conditions of such agreements would supersede the corresponding standard clauses of DPP. Consequent to the approval of the CFA, the contract would be signed by the Acquisition Manager/Director (Procurement) concerned in the Acquisition Wing or by an officer authorised by the PSO at the SHQ.</p>
<p>Para 1.3.1, Appendix L, Schedule I, Chapter II, (Page 157)</p>	<p>1.3.1 <b><u>Advance Payment.</u></b> Fifteen (15%) of the contract price shall be paid within thirty (30) days of signing of Contract through Direct Bank Transfer (DBT) and upon submission of claim</p>	<p>1.3.1 <b><u>Advance Payment.</u></b> Fifteen (15%) of the contract price shall be paid within thirty (30) days of signing of Contract through Direct Bank Transfer (DBT) and upon submission of claim and a Bank Guarantee</p>

	<p>and a Bank Guarantee (BG) for equivalent amount. The seller is required to furnish BG for advance payment from banks of international repute and the details of the bank have to be furnished in the commercial bid. Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi as to whether to get the BG from a foreign bank confirmed. The Advance Payment Bank Guarantee (APBG) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided.</p>	<p>(BG) for equivalent amount. The seller is required to furnish BG for advance payment from banks of international repute and the details of the bank have to be furnished in the commercial bid. Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi as to whether to get the BG from a foreign bank confirmed. The Advance Payment Bank Guarantee (APBG) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. <b>The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b></p>
<p>Para 1.4.1, Appendix L, Schedule I, Chapter II, (Page 159)</p>	<p>1.4.1 <b>Advance Payment.</b> Fifteen (15) % of the total contract price shall be paid within thirty (30) days of signing of Contract and upon submission of claim and a Bank Guarantee for the equivalent amount. Bank Guarantee should be from Public Sector Banks or Private Sector Banks authorised by RBI<sup>17</sup>. The Advance Payment Bank Guarantee (APBG) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided.</p>	<p>1.4.1 <b>Advance Payment.</b> Fifteen (15) % of the total contract price shall be paid within thirty (30) days of signing of Contract and upon submission of claim and a Bank Guarantee for the equivalent amount. Bank Guarantee should be from Public Sector Banks or Private Sector Banks authorised by RBI<sup>17</sup>. The Advance Payment Bank Guarantee (APBG) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. <b>The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45</b></p>

		<p><b>days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b></p>
<p>Para 1(c)(ii), Appendix F, Schedule I, Chapter IV (Page 298)</p>	<p>(ii) <b><u>Advance Payment.</u></b> All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at <b>Annexure I to Appendix F</b>). The Seller is required to furnish BG for advance payment from banks of international repute and the details of the bank have to be furnished in the commercial bid. Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi as to whether to get the BG from a foreign bank confirmed. The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract.</p>	<p>(ii) <b><u>Advance Payment.</u></b> All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at <b>Annexure I to Appendix F</b>). The Seller is required to furnish BG for advance payment from banks of international repute and the details of the bank have to be furnished in the commercial bid. Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi as to whether to get the BG from a foreign bank confirmed. The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract. <b>The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the</b></p>

		<b>date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b>
Para 1(d)(ii), Appendix F, Schedule I, Chapter IV (Page 300)	(ii) <b>Advance Payment.</b> All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at Annexure I to Appendix F). The Seller is required to furnish BG for advance payment. Bank Guarantee should be from any Public Sector bank or Private Sector bank authorised by RBI <sup>17</sup> . The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract.	(ii) <b>Advance Payment.</b> All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at Annexure I to Appendix F). The Seller is required to furnish BG for advance payment. Bank Guarantee should be from any Public Sector bank or Private Sector bank authorised by RBI <sup>17</sup> . The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract. <b>The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b>
Para 22, Chapter V (Page 362)	22. <b>Contract Conclusion.</b> The contract will be signed after the CFA approval of the case. The date of signing of the contract would be the effective date of contract. To ensure adherence to	22. <b>Contract Conclusion.</b> The contract will be signed after the CFA approval of the case. The date of signing of the contract would be the effective date of contract. <b>However the date of delivery would be</b>

	<p>the delivery schedule the contract should specify the date by which the vendor would have to submit the BGs as also the date by which MoD would have to open the LCs. The Standard Contract Document as in DPP would be the guidelines for acquisitions under FTP. Any deviations to the standard contractual clauses would be accorded by Raksha Mantri on recommendation of the CNC/Empowered Committee.</p>	<p><b>reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b></p> <p>To ensure adherence to the delivery schedule the contract should specify the date by which the vendor would have to submit the BGs as also the date by which MoD would have to open the LCs. The Standard Contract Document as in DPP would be the guidelines for acquisitions under FTP. Any deviations to the standard contractual clauses would be accorded by Raksha Mantri on recommendation of the CNC/Empowered Committee.</p>
<p>Clause 2.1, Article 2, Chapter VI (Page 373)</p>	<p style="text-align: center;"><b><u>ARTICLE 2</u></b> <b><u>EFFECTIVE DATE OF CONTRACT</u></b></p> <p>2.1 The contract shall come into effect on the date of signature of both the parties on the contract (Effective Date) and shall remain valid until the completion of the obligations of the parties under the contract. The deliveries, supplies and performance of the services shall commence from the effective date of the contract.</p>	<p style="text-align: center;"><b><u>ARTICLE 2</u></b> <b><u>EFFECTIVE DATE OF CONTRACT</u></b></p> <p>2.1 The contract shall come into effect on the date of signature of both the parties on the contract (Effective Date) and shall remain valid until the completion of the obligations of the parties under the contract. The deliveries, supplies and performance of the services shall commence from the effective date of the contract. <b>However the date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T<sub>0</sub>), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45<sup>th</sup> day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for</b></p>

		<p><b>reckoning date of delivery would be the date of signing of contract. The above will apply to Fast Track Procedure (FTP) cases also. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.</b></p>
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**PROVISIONAL ACCEPTANCE OF VENDOR'S LETTER OF APPLICATION TO THEIR GOVERNMENT FOR EXPORT LICENSE**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Addendum, Para 1.3.1.1, Appendix L, Schedule I, Chapter II, (Page 157)	-	<b>1.3.1.1 In cases where Export License is required to be submitted by the Seller to the Buyer prior to release of Advance Payment, a copy of vendor's application for export license to their government may be provisionally accepted in lieu of export license, for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer.</b>
Addendum, Para 1(c)(ii)(aa), Appendix F, Schedule I, Chapter IV (Page 298)	-	<b>(aa) In cases where Export License is required to be submitted by the Seller to the Buyer prior to release of Advance Payment, a copy of vendor's application for export license to their government may be provisionally accepted in lieu of export license, for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer.</b>
Clause 2.2, Article 2, Chapter VI (Page 373)	<p>2.2 The BUYER and the SELLER have to fulfill the following obligations:-</p> <p>(a) <b><u>SELLER.</u></b> The SELLER shall furnish the following documents to the BUYER:-</p> <p>(i) Advance Bank Guarantee and Invoice.</p> <p>(ii) Performance cum Warranty Bank Guarantee; and</p> <p>(iii) Export License from the Seller's Government.</p> <p>(b) <b><u>BUYER.</u></b> The BUYER shall also provide End User's Certificate to the SELLER within 30 days of signing of the contract.</p>	<p>2.2 The BUYER and the SELLER have to fulfill the following obligations:-</p> <p>(a) <b><u>SELLER.</u></b> The SELLER shall furnish the following documents to the BUYER:-</p> <p>(i) Advance Bank Guarantee and Invoice.</p> <p>(ii) Performance cum Warranty Bank Guarantee; and</p> <p>(iii) Export License from the Seller's Government <b>(a copy of vendor's application for export license to their government may be provisionally accepted in lieu of export license for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer).</b></p> <p>(b) <b><u>BUYER.</u></b> The BUYER shall also provide End User's Certificate to the SELLER within 30 days of signing of the contract.</p>

**EXCLUSION OF COST OF BNE SOURCED FROM SINGLE VENDOR WHILE DETERMINING L1 VENDOR**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 84, Chapter II (Page 26)	84. In cases involving <b>Buyer Nominated Equipment (BNE)</b> being procured from OFB, the commercial bid will clearly indicate the cost of BNE as quoted by OFB, with documentary proof. L1 in such cases will be determined after deducting the cost of the OFB supplied BNE, from the total cost quoted by the vendor. However, payment will be made after adding the actual cost of BNE, at the time of purchase from OFB by the vendor, to the L1 cost determined as mentioned above; the cost of equipment supplied by OFB will be considered minus excise duties and other applicable levies. This provision is applicable only in cases where the BNE has to be procured from OFB.	84. In cases involving <b>Buyer Nominated Equipment (BNE)</b> being procured from a <b>common single source, whether OFB, DPSU or private vendor</b> , the commercial bid will clearly indicate the cost of BNE as quoted by OFB / <b>DPSU / private vendor</b> , with documentary proof. L1 in such cases will be determined after deducting the cost of the OFB / <b>DPSU / private vendor</b> supplied BNE, from the total cost quoted by the vendor. However, payment will be made after adding the actual cost of BNE, at the time of purchase from OFB / <b>DPSU / private vendor</b> by the vendor, to the L1 cost determined as mentioned above. This provision is applicable only in cases where the BNE has to be procured from a <b>common single source, whether OFB, DPSU or private vendor &amp; BNE rate in such cases would also be separately negotiated.</b>
Para 21, Chapter IV (Page 254)	21. Variations in cost of equipment nominated to be supplied by OFB will be paid as per actuals in the variable cost element of the project in accordance with Para 84 of Chapter II of the DPP. For new design ships, the estimated cost shall be as close to the final cost as possible explicitly indicating variable cost elements and projected cost of weapons, related sensors and other items under development, if any.	21. Variations in cost of equipment nominated to be supplied by a <b>common single source, whether OFB, DPSU or private vendor</b> will be paid as per <b>the negotiated cost of BNE</b> in the variable cost element of the project in accordance with Para 84 of Chapter II of the DPP. For new design ships, the estimated cost shall be as close to the final cost as possible explicitly indicating variable cost elements and projected cost of weapons, related sensors and other items under development, if any.
Para 25, Chapter IV (Page 254)	25. Variations in cost of equipment nominated to be supplied by OFB in accordance with Para 84 of Chapter II of the DPP will be paid as per actual; in the variable cost element of the project.	25. Variations in cost of equipment nominated to be supplied by a <b>common single source, whether OFB, DPSU or private vendor</b> . in accordance with Para 84 of Chapter II of the DPP will be paid as per <b>the negotiated cost of BNE</b> ; in the variable cost element of the project.



**AMENDMENT TO INTEGRITY PACT BANK GUARANTEE (IPBG) AMOUNT**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>																																	
Para 8.1, Annexure I, Schedule I, Chapter II (Page 179)	<p>8.1. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of * _____ in favour of the Buyer in Indian Rupees only.</p> <p>(i) Guarantee will be from an Indian Public Sector Bank or Private Sector Banks authorised by RBI,<sup>17</sup> promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.</p> <p>*At present, the amount of Integrity Pact Bank Guarantee is ₹ 5 Lakh in cases where the cost as estimated by the Buyer is above ₹ 20 Crore and below ₹ 100 Crore, ₹ 1 Crore above ₹ 100 Crore and up to ₹ 300 Crore and ₹ 5 Crore above ₹ 300 Crore and up to ₹ 5000 Crore and ₹ 10 Crore if above ₹ 5000 Cr.</p>	<p>8.1. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of ____ (<b>as per IPBG table below</b>) in favour of the Buyer in Indian Rupees only.</p> <p>(i) Guarantee will be from an Indian Public Sector Bank or Private Sector Banks authorised for government transactions by RBI,<sup>17</sup> promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within <b>five</b> working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.</p> <p style="text-align: center;"><b><u>IPBG TABLE</u></b></p> <table border="1"><thead><tr><th colspan="2"><b><u>Estimated Cost of Procurement Scheme (Crore Rs)</u></b></th><th><b><u>IPBG Amount (Rs)</u></b></th></tr><tr><th><b><u>Above (Not including)</u></b></th><th><b><u>To (Including)</u></b></th><th></th></tr></thead><tbody><tr><td>-</td><td>20</td><td>Nil</td></tr><tr><td>20</td><td>50</td><td>10 Lakh</td></tr><tr><td>50</td><td>150</td><td>30 Lakh</td></tr><tr><td>150</td><td>300</td><td>70 Lakh</td></tr><tr><td>300</td><td>1000</td><td>2 Crore</td></tr><tr><td>1000</td><td>2000</td><td>5 Crore</td></tr><tr><td>2000</td><td>3000</td><td>10 Crore</td></tr><tr><td>3000</td><td>5000</td><td>15 Crore</td></tr><tr><td>5000</td><td>-</td><td>25 Crore</td></tr></tbody></table>	<b><u>Estimated Cost of Procurement Scheme (Crore Rs)</u></b>		<b><u>IPBG Amount (Rs)</u></b>	<b><u>Above (Not including)</u></b>	<b><u>To (Including)</u></b>		-	20	Nil	20	50	10 Lakh	50	150	30 Lakh	150	300	70 Lakh	300	1000	2 Crore	1000	2000	5 Crore	2000	3000	10 Crore	3000	5000	15 Crore	5000	-	25 Crore
<b><u>Estimated Cost of Procurement Scheme (Crore Rs)</u></b>		<b><u>IPBG Amount (Rs)</u></b>																																	
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2000	3000	10 Crore																																	
3000	5000	15 Crore																																	
5000	-	25 Crore																																	
Para 9, Annexure I, Schedule I, Chapter IV	9. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount	9. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of ____ ( <b>as per IPBG table below</b> ) in favour of the Buyer in																																	

of \* \_\_\_\_\_ in favour of the Buyer in Indian Rupees only. Guarantee will be from Public Sector Banks or Private Sector Banks authorised by RBI, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the Buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.

\*At present, the amount of Integrity Pact Bank Guarantee is 5 Lakh for all cases where the cost as estimated by the Buyer is above ₹ 20 Crore and below 100 Crore, ₹ 1 Crore above ₹ 100 Crore upto ₹ 300 Crore, ₹ 5 Crore above ₹ 300 Crore. and upto ₹ 5000 Crore and ₹ 10 Crore. if above ₹ 5000 Crore.

Indian Rupees only. Guarantee will be from Public Sector Banks or Private Sector Banks authorised for government transactions by RBI, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within **five** working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the Buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.

**IPBG TABLE**

<b><u>Estimated Cost of Procurement Scheme</u></b> <b><u>(Crore Rs)</u></b>		<b><u>IPBG Amount</u></b> <b><u>(Rs)</u></b>
<b><u>Above (Not including)</u></b>	<b><u>To (Including)</u></b>	
-	20	Nil
20	50	10 Lakh
50	150	30 Lakh
150	300	70 Lakh
300	1000	2 Crore
1000	2000	5 Crore
2000	3000	10 Crore
3000	5000	15 Crore
5000	-	25 Crore

**AMENDMENTS TO FAST TRACK PROCEDURE**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 14, Chapter V (Page 361)	14. <b><u>Technical Evaluation.</u></b> The Technical Evaluation Committee (TEC) will carry out evaluation of the technical bids received in response to RFP, with reference to QRs. It will examine the extent of variations/differences, if any, in the technical characteristics of the equipment offered by various vendors with reference to the QRs and prepare a compliance statement shortlisting the equipment, which are acceptable for procurement. DG (Acq) will formally accept the report of the TEC on recommendations of the TMs. Any deviation/waiver to SQRs or any single vendor situation that may emerge, would have to be recommended by the concerned Service Chief for consideration and approval of the Raksha Mantri. However, cases where the procurement has been approved ab-initio on a single vendor basis, no relaxation of SQRs would be permitted.	14. <b><u>Technical Evaluation.</u></b> The Technical Evaluation Committee (TEC) will carry out evaluation of the technical bids received in response to RFP, with reference to QRs. It will examine the extent of variations/differences, if any, in the technical characteristics of the equipment offered by various vendors with reference to the QRs and prepare a compliance statement shortlisting the equipment, which are acceptable for procurement. <b>In all FTP cases where all participating vendor(s) are found compliant during TEC, approval of the TEC report shall be done within SHQ. However, in case of vendor(s) being found non compliant at the TEC stage, formal approval of such TEC reports will be obtained from DG (Acq) through TMs prior to progressing the case further.</b> Any deviation/waiver to SQRs or any single vendor situation that may emerge, would have to be recommended by the concerned Service Chief for consideration and approval of the Raksha Mantri. However, cases where the procurement has been approved ab-initio on a single vendor basis, no relaxation of SQRs would be permitted.
Para 15, Chapter V (Page 361)	15. <b><u>Empowered Committee.</u></b> Although there would be no requirement of any trial evaluation of the identified equipment, an Empowered Committee may be authorised to visit the premises of vendors to witness demonstrations/ evaluate the equipment as required. The Empowered Committee would have the powers to negotiate and conclude contracts in the shortest possible time and would have adequate representations from different wings of the Ministry/Service HQs to ensure that requisite expertise and authority for procurement action is available. They would be provided with a range of deviations in performance according to TEC Report (where applicable) from that laid down in the QRs, to expedite the selection of equipment.	15. <b><u>Empowered Committee.</u></b> Although there would be no requirement of any trial evaluation of the identified equipment, an Empowered Committee may be authorised to visit the premises of vendors to witness demonstrations/ evaluate the equipment as required. The Empowered Committee would have the powers to negotiate and conclude contracts in the shortest possible time and would have adequate representations from different wings of the Ministry/Service HQs to ensure that requisite expertise and authority for procurement action is available. They would be provided with a range of deviations in performance according to TEC Report (where applicable) from that laid down in the QRs, to expedite the selection of equipment. <b>In case the Empowered Committee is not empowered to negotiate &amp; conclude contract, CNC may be constituted on receipt of the Report of such Empowered Committee.</b>

<p>Para 21, Chapter V (Page 362)</p>	<p>21. <b><u>Oversight Committee.</u></b> For projects over ₹ 300 Crore, a committee comprising Secretary (Defence R&amp;D), Secretary (Defence Finance), Additional Secretary of the Department of Defence and Deputy Chief at SHQ would scrutinise each case from the procedural angle within three days before the contract is signed/order is placed.</p>	<p>21. <b><u>Oversight Committee.</u></b> For projects over Rs 300 crores, a committee <b>chaired by Secretary (Defence R&amp;D) with officer not below ADG level (preferably DG) from SHQ, Nominee of Defence Secretary not below Joint Secretary level and representative of Financial Advisor (Defence Service) as members, will check whether the process of FTP as per DPP has been followed and bring out deviations, if any. The committee will also review and bring out the status of grievances or complaints in the case. The Committee will submit the report to Defence Secretary within 10 days of its constitution. Secretarial support will be provided by the Acquisition Wing MoD.</b></p>
<p>Para 27, Chapter V (Page 362)</p>	<p>27. <b><u>Performance Bank Guarantee (PBG).</u></b> Since the contract will be for short term duration and supplies will be required in shorter time frame, the performance of the contractual obligations by the vendor need to be enforced by obtaining a PBG @ 10% of the value of the contract from a first class international bank.</p>	<p>27. <b><u>Performance Bank Guarantee (PBG).</u></b> Since the contract will be for short term duration and supplies will be required in shorter time frame, the performance of the contractual obligations by the vendor need to be enforced by obtaining a PBG @ 10% of the value of the contract from a first class international bank <b>or Public Sector &amp; Private Sector bank authorized for government transactions by RBI.</b></p>

**AMPLIFICATION / AMENDMENT TO PARA 72**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 72(b) & (d), Chapter II (Page 23)	<p><b><u>Design and Development Cases</u></b></p> <p>72. Design and Development cases undertaken by DRDO/DPSUs/OFB will be progressed as follows:-</p> <p>(a) SHQs will initiate SoCs for Design and Development cases from LTIPP/SCAP/AAP in consultation with DRDO/DPSUs/ OFB.</p> <p>(b) AoN for Design and Development cases under 'Buy (Indian-IDDM)' category, with IC as specified by DRDO/DPSUs/ OFB, would be sought by SHQ from the DAC prior to commencing the case. The SoC would include, inter alia, PSQRs; Minimum Order Quantity (MoQ); and timelines upto successful completion of trials and issue of commercial RFP. In certain cases where the quantities are limited and production by industry is not feasible, production could be undertaken by DRDO/DPSUs/ OFB with the approval of DAC.</p> <p>(c) Design and Development of prototype by DRDO/DPSUs/OFB would be done as per their internal procedures. Competitive procedures shall invariably be followed. Once the prototype is ready, the PSQRs would be frozen and Commercial RFP would be issued to Development-cum-Production partner of DRDO or the DPSU which has undertaken the Design and Development project or to Production Agency(s) (PA) nominated by them. Indent would be placed on OFB in cases where it has undertaken the Design and Development.</p>	<p><b><u>Design and Development Cases</u></b></p> <p>72. Design and Development cases undertaken by DRDO/DPSUs/OFB will be progressed as follows:-</p> <p>(a) SHQs will initiate SoCs for Design and Development cases from LTIPP/SCAP/AAP in consultation with DRDO/DPSUs/ OFB.</p> <p>(b) AoN for Design and Development cases under 'Buy (Indian-IDDM)' category, with IC as specified by DRDO/DPSUs/ OFB, would be sought by SHQ from the DAC prior to commencing the case. <b>The AoN will be valid till six months from date of approval of SQR (post freezing of PSQR after successful developmental trials / UATT) by relevant SEPC.</b> The SoC would include, inter alia, PSQRs; Minimum Order Quantity (MoQ); and timelines upto successful completion of trials and issue of commercial RFP. In certain cases where the quantities are limited and production by industry is not feasible, production could be undertaken by DRDO/DPSUs/ OFB with the approval of DAC.</p> <p>(c) Design and Development of prototype by DRDO/DPSUs/OFB would be done as per their internal procedures. Competitive procedures shall invariably be followed. Once the prototype is ready, the PSQRs would be frozen and Commercial RFP would be issued to Development-cum-Production partner of DRDO or the DPSU which has undertaken the Design and Development project or to Production Agency(s) (PA) nominated by them. Indent would be placed on OFB in cases where it has undertaken the Design and Development. These cases would not be treated as single vendor cases.<sup>14</sup></p>

	<p>These cases would not be treated as single vendor cases.<sup>14</sup></p> <p>(d) After issue of Commercial RFP/ placing of indent<sup>14</sup>, User trials of the prototype would then be conducted by SHQ followed by Staff Evaluation to be approved by VCOAS/VCNS/ DCAS/DG ICG. The Staff Evaluation would also recommend validation trials, if felt necessary.</p>	<p>(d) After issue of Commercial RFP/ placing of indent,<sup>14</sup> <b>post receipt of commercial bids from participating vendors</b>, User trials of the prototype would be conducted by SHQ followed by Staff Evaluation to be approved by VCOAS/VCNS/ DCAS/DG ICG. The Staff Evaluation would also recommend validation trials, if felt necessary.</p>
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**APPROVAL OF EXTENSION OF TOC PERIOD BY DG(ACQUISITION)**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
<p>Para 74, Chapter II (Page 24)</p>	<p>74. <b><u>Technical Oversight Committee</u></b> It is expected that oversight should be part of the normal process of higher level approvals within SHQ/ Acquisition Wing. TOC, when constituted, must provide expert oversight over the technical evaluation process. The DG(Acq) may constitute a TOC for acquisition cases in excess of ₹ 300 Crores and for any other case recommended by the Defence Secretary/DPB/DAC. Technical Oversight through a special committee would be resorted to in multivendor cases where a complaint has been received and not for Single Vendor Cases and cases where only DPSU(s) / OFB are participating. The TOC will comprise three members drawn from a standing panel of specialists (serving Service Officers, DRDO scientists and DPSU officials). Members of the standing panel should be maintained by the Acquisition Wing for a maximum term of 2 years. Panelist nominated should have adequate seniority and experience and should not have been involved with that acquisition case, in any capacity in the past. The TOC will be tasked to see whether the trials, trial evaluations, compliance to QRs and selection of vendors were done according to prescribed procedures. Mandate of TOC would also include providing oversight on the adopted trial methodology during trials vis-a-vis trial methodology given in the RFP and the trial directive. The TOC will also review and bring out the status of a grievance or complaint, if any existing at this stage, pertaining to acquisition scheme and will have to give its observations and recommendations, based on a majority decision, within 30 days, which may be extended by a maximum period of 15 days, with the consent of the Defence Secretary. In case of complaints, cases may be referred to the nominated IMs. TMs of the Acquisition Wing will provide the secretarial support to the TOC and ensure availability of all inputs from DDP/Acquisition Wing, Def (Fin) and SHQ to the TOC. The SHQ will clarify any queries raised by the TOC. The TOC report will be submitted to the Defence Secretary for approval.</p>	<p>74. <b><u>Technical Oversight Committee</u></b> It is expected that oversight should be part of the normal process of higher level approvals within SHQ/ Acquisition Wing. TOC, when constituted, must provide expert oversight over the technical evaluation process. The DG(Acq) may constitute a TOC for acquisition cases in excess of ₹ 300 Crores and for any other case recommended by the Defence Secretary/DPB/DAC. Technical Oversight through a special committee would be resorted to in multivendor cases where a complaint has been received and not for Single Vendor Cases and cases where only DPSU(s) / OFB are participating. The TOC will comprise three members drawn from a standing panel of specialists (serving Service Officers, DRDO scientists and DPSU officials). Members of the standing panel should be maintained by the Acquisition Wing for a maximum term of 2 years. Panelist nominated should have adequate seniority and experience and should not have been involved with that acquisition case, in any capacity in the past. The TOC will be tasked to see whether the trials, trial evaluations, compliance to QRs and selection of vendors were done according to prescribed procedures. Mandate of TOC would also include providing oversight on the adopted trial methodology during trials vis-a-vis trial methodology given in the RFP and the trial directive. The TOC will also review and bring out the status of a grievance or complaint, if any existing at this stage, pertaining to acquisition scheme and will have to give its observations and recommendations, based on a majority decision, within 30 days, which may be extended by a maximum period of 15 days, with the consent of the <b>DG(Acq)</b>. In case of complaints, cases may be referred to the nominated IMs. TMs of the Acquisition Wing will provide the secretarial support to the TOC and ensure availability of all inputs from DDP/Acquisition Wing, Def (Fin) and SHQ to the TOC. The SHQ will clarify any queries raised by the TOC. The TOC report will be submitted to the Defence Secretary for approval.</p>

**EXEMPTION OF CNC FROM FURNISHING REASONABILITY OF COST  
CERTIFICATE FOR DPSU ITEMS PRICED BY PRICING COMMITTEE**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Addendum <u>Para 82A</u> , Chapter II (Page 26)	-	<b>In cases where DPSU equipment has been already priced by the Committee constituted under Secretary (DP) for Pricing of DPSU equipment on orders of RM, such price may be adopted by the CNC and the CNC may not furnish reasonability of cost certificate for such DPSU items. Such pricing by said Committee for Pricing shall take into account economies of scales and shall have validity of three years from its date of promulgation.</b>



**UNDERTAKING FROM VENDOR ON NOT BEING DEBARRED**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 4, Schedule I, Chapter II (Page 100)	4. The vendor shall declare that their sub-contractor(s) / supplier(s) / technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s)/ supplier(s)/ technology partner(s) of the vendor are Suspended or Debarred by Ministry of Defence, the vendor shall indicate the same with justification for participation of such sub-contractor(s)/supplier(s)/ technology partner(s) in the procurement case.	4. <b>The Firm / Company / Vendor will submit an undertaking that they are currently not banned / debarred / suspended from doing business dealings with Government of India / any other government organisation and that there is no enquiry going on by CBI / ED / any other government agencies against them. In case of ever having been banned / debarred / suspended from doing business dealings with Government of India / any other government organisation, in the past, the Firm / Company / Vendor will furnish details of such ban / debarment alongwith copy of government letter under which this ban / debarment / suspension was lifted / revoked.</b> The vendor shall <b>also</b> declare that their sub-contractor(s) / supplier(s) / technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s)/supplier(s)/ technology partner(s) of the vendor are Suspended or Debarred by Ministry of Defence, the vendor shall indicate the same with justification for participation of such sub-contractor(s)/supplier(s)/ technology partner(s) in the procurement case.
Para 2(a), Schedule I, Chapter IV (Page 271)	2(a) The vendor shall declare that their sub-contractor(s) /supplier(s) / technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s) / supplier(s) / technology partner(s) of the vendor are Suspended or Debarred by Ministry of Defence, the vendor shall indicate the same with justification for participation of such sub-contractor(s) / supplier(s) / technology partner(s) in the procurement case.	2(a) <b>The Firm / Company / Vendor will submit an undertaking that they are currently not banned / debarred / suspended from doing business dealings with Government of India / any other government organisation and that there is no enquiry going on by CBI / ED / any other government agencies against them. In case of ever having been banned / debarred / suspended from doing business dealings with Government of India / any other government organisation, in the past, the Firm / Company / Vendor will furnish details of such ban / debarment alongwith copy of government letter under which this ban / debarment / suspension was lifted / revoked.</b> The vendor shall <b>also</b> declare that their sub-contractor(s) /supplier(s) / technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s) / supplier(s) / technology partner(s) of the vendor are Suspended or Debarred by Ministry of Defence, the vendor shall indicate the same with justification for participation of such sub-contractor(s) / supplier(s) / technology partner(s) in the procurement case.

ESTIMATED COST IN AoN TO INCLUDE ALL TAXES & DUTIES

<u>Para Ref</u>	<u>For</u>	<u>Read</u>
Para 18, Chapter II (Page 14)	18. After evaluating the recommendations of the SHQs/initiating departments, the SCAPCC will refer the cases for according AoN to SCAPCHC for an estimated cost up to ₹150 Crores. For cases beyond ₹ 150 Crores, the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out categorisation, based on the recommendations of SHQs/initiating departments and refer the cases upto ₹ 300 Crores to the DPB and beyond ₹ 300 Crores to the DAC for accord of AoN.	18. After evaluating the recommendations of the SHQs/initiating departments, the SCAPCC will refer the cases for according AoN to SCAPCHC for an estimated cost <b>(including all taxes and duties)</b> up to ₹150 Crores. For cases beyond ₹ 150 Crores, the SHQs/initiating departments will refer cases to the SCAPCHC, which will carry out categorisation, based on the recommendations of SHQs/initiating departments and refer the cases upto ₹ 300 Crores to the DPB and beyond ₹ 300 Crores to the DAC for accord of AoN.
Para 4(a), Appendix C, Chapter II (Page 50)	(a) To include cost of proposal and recurring expenditure, if any; the basis of cost estimation and the Base year for which the cost is indicated. The SoC should clearly bring out the future requirements with timeline details to decide whether 'Option Clause' will be economically viable or not.	(a) To include cost of proposal <b>(including all taxes and duties)</b> and recurring expenditure, if any; the basis of cost estimation and the Base year for which the cost is indicated. The SoC should clearly bring out the future requirements with timeline details to decide whether 'Option Clause' will be economically viable or not.
Para 13(c), Appendix C, Chapter II (Page 52)	(c) Quantity and Estimated cost.	(c) Quantity and Estimated cost <b>(including all taxes and duties)</b> .

**ALIGNMENT OF PERIOD OF PAYMENT OF GUARANTEED SUM BY BANK**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 8.1, Annexure I, Appendix M, Schedule I, Chapter II (Page 179)	<p>8.1. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of * _____ in favour of the Buyer in Indian Rupees only.</p> <p>(i) Guarantee will be from an Indian Public Sector Bank or Private Sector Banks authorised by RBI, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without .....</p>	<p>8.1. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of ____ (<b>as per IPBG table below</b>) in favour of the Buyer in Indian Rupees only.</p> <p>(i) Guarantee will be from an Indian Public Sector Bank or Private Sector Banks authorised for government transactions by RBI,<sup>17</sup> promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within <b>five</b> working days without .....</p>
Para 9, Annexure I, Appendix H, Schedule I, Chapter IV (Page 330)	<p>9. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of * _____ in favour of the Buyer in Indian Rupees only. Guarantee will be from Public Sector Banks or Private Sector Banks authorised by RBI, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without .....</p>	<p>9. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of ____ (<b>as per IPBG table below</b>) in favour of the Buyer in Indian Rupees only. Guarantee will be from Public Sector Banks or Private Sector Banks authorised for government transactions by RBI, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within <b>five</b> working days without any demur whatsoever and without.....</p>

ABBREVIATIONS AND ACRONYMS

<u>Sl.No.</u>	<u>Abbreviation</u>	<u>Full Form</u>
1.	AAP	Annual Acquisition Plan
2.	Acq	Acquisition
3.	Addl FA	Additional Financial Advisor
4.	AIP	Approval In Principle
5.	AGM	Annual General Meeting
<b>5A</b>	<b>AHSP</b>	<b>Authority Holding Sealed Particulars</b>
6.	AM	Acquisition Manager
7.	AMC	Annual Maintenance Contract
8.	AoN	Acceptance of Necessity
9.	APBG	Advance Payment Bank Guarantee
10.	AS	Additional Secretary
11.	ATP	Acceptance Test Procedure
12.	BC	Bank Commission
13.	B&D	Base and Depot
14.	BER	Beyond Economical Repairs
15.	BFE	BUYER Furnished Equipment
16.	BG	Bank Guarantee
17.	BNE	Buyer Nominated Equipment
<b>17A</b>	<b>BPC</b>	<b>Bulk Production Clearance</b>
<b>17B</b>	<b>BPR</b>	<b>Business Process Reengineering</b>
18.	CAE	Computer Aided Engineering
19.	CAM	Computer Aided Machining
20.	CCS	Cabinet Committee on Security
21.	CDA	Controller of Defence Account
<b>21A</b>	<b>CDEC</b>	<b>Customs Duty Exemption Certificate</b>
22.	CFA	Competent Financial Authority

<b><u>Sl.No.</u></b>	<b><u>Abbreviation</u></b>	<b><u>Full Form</u></b>
23.	CFO	Chief Financial Officer
24.	CFR	Cost and Freight
25.	CIF	Cost Insurance and Freight
26.	CIP	Carriage and Insurance Paid to
27.	CIR	Cargo Integration Review
28.	CKD	Complete Knocked Down
<b>28A</b>	<b>CLR</b>	<b>Component Level Repair</b>
29.	CNC	Contracts Negotiation Committee
30.	CMD	Chairman & Managing Director
31.	CMMi	Capability Maturity Model.Integration
32.	COD	Central Ordinance Depot
33.	CPT	Carriage Paidto
34.	CST	Comparative Statement
35.	CTOT	Complete Transfer of Technology
36.	CWP&A	Controller of Warship Production and Acquisition
37.	COTS	Commercial Off The Shelf
<b>37A</b>	<b>DA</b>	<b>Development Agency</b>
38.	DAC	Defence Acquisition Council
39.	DCAS	Deputy Chief of Air Staff
40.	DCF	Discounted Cash Flow
41.	DDP	Department of Defence Production
<b>41A</b>	<b>D&amp;D</b>	<b>Design &amp; Development</b>
42.	DDP&S	Department of Defence Production & Supplies
43.	DGICG	Director General of Indian Coast Guard
44.	DGNAI	Director General Naval Armament Inspectorate
45.	DGQA	Director General of Quality Assurance
46.	DGAQA	Director General of Aeronautical Quality Assurance
47.	DGS&D	Director General of Supply and Disposal

<u>Sl.No.</u>	<u>Abbreviation</u>	<u>Full Form</u>
48.	DIPP	Department of Industrial Policy and Promotion
49.	Dir	Director
50.	DPB	Defence Procurement Board
51.	DPP	Defence Procurement Procedure
52.	DPR	Detailed Project Report
53.	DPSU	Defence Public Sector Unit
54.	DRDO	Defence Research and Development Organisation
55.	DD	Demand Draft
56.	DoD	Department of Defence
57.	DG	Director General
58.	DIITM	Directorate of Industry Interface and Technology Management
59.	DOMW	Defence Offsets Management Wing
60.	EFC	Expenditure Finance Committee
61.	ESP	Engineering Support Package
62.	EMI	Electro Magnetic Interference
63.	EMC	Electro Magnetic Compatibility
64.	EME	Electronic and Mechanical Engineers
65.	EIC	Equipment Induction Cell
<b>65A</b>	<b>EOI</b>	<b>Expression of Interest</b>
66.	EPP	Enhanced Performance Parameters
67.	ERV	Exchange Rate Variation
<b>67A</b>	<b>EUC</b>	<b>End User Certificate</b>
68.	FDI	Foreign Direct Investment
69.	FET	Field Evaluation Trials
70.	FF	Fully Formed
71.	Fin	Finance
72.	FM	Financial Manager
73.	FMS	Foreign Military Sales

<u>Sl.No.</u>	<u>Abbreviation</u>	<u>Full Form</u>
74.	FMECA	Failure Mode, Effect and Criticality Analysis
75.	FOB	Free on Board
<b>75A</b>	<b>FOPM</b>	<b>First off Production Model</b>
76.	FPGA	Field Programmable Gate Array
77.	GSQR	General Staff Qualitative Requirement
<b>77A</b>	<b>GSEPC</b>	<b>General Staff Equipment Policy Committee</b>
78.	iaw	In accordance with
79.	IC	Indigenous Content
80.	ICA	Indian Council of Arbitration
81.	ICADR	International Centre for Alternative Dispute Resolution
82.	ICG	Indian Coast Guard
83.	IDS	Integrated Defence Staff
84.	IDDM	Indigenously Designed, Developed & Manufactured
<b>84A</b>	<b>IEC</b>	<b>Independent Experts Committee</b>
<b>84B</b>	<b>IEM</b>	<b>Independent External Monitors</b>
85.	IETMs	Interactive Electronic Training Manuals
86.	IGA	Inter Governmental Agreement
87.	IM	Indigenously Manufactured
88.	IOP	Indian Offset Partner
89.	IP	Integrity Pact
90.	IPBG	Integrity Pact Bank Guarantee
<b>90A</b>	<b>IPMT</b>	<b>Integrated Project Management Team</b>
91.	IPR	Intellectual Property Right
92.	IPL	Itemised Price List
93.	ISPL	Illustrated Spare Part List
94.	JS	Joint Secretary
95.	JSEPC	Joint Staff Equipment Policy Committee
96.	JSQR	Joint Service Qualitative Requirement

<u>Sl.No.</u>	<u>Abbreviation</u>	<u>Full Form</u>
97.	JRI	Joint Receipt Inspection
98.	L1	Lowest Bidder
99.	LC	Letter of Credit
100.	LOI	Letter of Intent
<b>100A</b>	<b>LPP</b>	<b>Last Purchase Price</b>
101.	LRU	Line Replaceable Unit
102.	LTIPP	Long Term Integrated Perspective Plan
103.	MET	Maintainability Evaluation Trial
104.	MF	Main File
105.	MGO(PPO)	Master General of Ordinance ( Planning and Policy Office)
106.	Mil	Military
107.	MoD	Ministry of Defence
108.	MOU	Memorandum of Understanding
109.	MoQ	Minimum Order Quantity
110.	MRL-OBS	Manufacturer's Recommended list of On Board Spares
<b>110B</b>	<b>MPG</b>	<b>Manual for Procurement of Goods</b>
111.	MTBF	Mean Time Between Failure
112.	MTBO	Minimum Time Before Overhaul
113.	MTBUR	Mean Time Between Unit Replacement
114.	MTTR	Mean Time To Repair
115.	MRLS	Manufacturer Recommended List of Spares
116.	MSME	Micro Small & Medium Enterprises
117.	MSP	Maintenance Support Package
118.	MToT	Maintenance Transfer of Technology
119.	NCNC	No Cost No Commitment
120.	NHQ	Naval Headquarters
121.	NPV	Net Present Value
122.	OEM	Original Equipment Manufacturer



<u>Sl.No.</u>	<u>Abbreviation</u>	<u>Full Form</u>
123.	OF	Ordnance Factory
124.	OFB	Ordnance Factory Board
125.	O, I, D	Operator, Intermediate, Depot Level
126.	OM	Office Memorandum
127.	ORs	Operational Requirements
128.	PA	Production Agency
129.	PBG	Performance Bank Guarantee
130.	PCB	Printed Circuit Board
131.	PCDA	Principal Controller of Defence Accounts
<b>131A</b>	<b>PCIP</b>	<b>Pre Contract Integrity Pact</b>
<b>131B</b>	<b>PDD</b>	<b>Project Definition Document</b>
132.	PDI	Pre Dispatch Inspection
133.	PERT	Programme Evaluation & Revenue Technique
134.	PIB	Public Investment Board
135.	PMS	Project Management System
136.	PMT	Project Monitoring Team
137.	POL	Petroleum, Oil and Lubricant
<b>137A</b>	<b>POV</b>	<b>Professional Officers Valuation</b>
138.	Proc	Procurement
139.	PROM	Programmable Read Only Memory
140.	PSO	Principal Staff Officer
141.	PSR	Preliminary Staff Requirements
142.	PSU	Public Sector Undertaking
143.	PWBG	Performance-cum-Warranty Bank Guarantee
144.	QA	Quality Assurance
145.	QRs	Qualitative Requirements
146.	R&D	Research and Development
147.	RFI	Requestfor Information

<u>Sl.No.</u>	<u>Abbreviation</u>	<u>Full Form</u>
148.	RFP	Requestfor Proposal
149.	RM	Raksha Mantri
150.	ROC	Registrar of Companies
<b>150A</b>	<b>RoD</b>	<b>Record of Discussion</b>
151.	SA to RM	Scientific Advisor to Raksha Mantri
152.	SBI	State Bank of India
153.	SCAP	Services Capital Acquisition Plan
154.	SCAPCC	Services Capital Acquisition Categorisation Committee.
155.	SCAPCHC	Services Capital Acquisition Categorisation Higher Committee.
<b>155A</b>	<b>SCoC</b>	<b>Standard Clauses of Contract</b>
156.	SEPC	Staff Equipment Policy Committee
157.	SHQ	Service Headquarters
158.	SKD	Semi Knocked Down
159.	SMD	Storage Module Device
<b>159A</b>	<b>SME</b>	<b>Subject Matter Expert</b>
160.	SMT	Special Maintenance Tool
161.	SO	Supply Order
162.	SoC	Statement of Case
163.	SOP	Standard Operating Procedure
164.	SQR	Services Qualitative Requirement
165.	SR	Short Refit
166.	SRAM	Sideways Random Access Memory
167.	SRU	Shop Replaceable Unit
168.	SS	Special Secretary
169.	STE	Special Test Equipment
<b>169A</b>	<b>SVC</b>	<b>Single Vendor Case</b>
170.	TAC	Technology Acquisition Committee
171.	TCA	Technical Collaboration Agreement

<b><u>Sl.No.</u></b>	<b><u>Abbreviation</u></b>	<b><u>Full Form</u></b>
172.	TEC	Technical Evaluation Committee
173.	TM	Technical Manager
174.	TNC	Technical Negotiations Committee
175.	TOC	Technical Oversight Committee
176.	TOEC	Technical Offsets Evaluation Committee
177.	TOOC	Technical Offer Opening Committee
178.	ToT	Transfer of Technology
179.	TOTE	Table of Tools and Equipment
180.	TPCR	Technology Perspective and Capability Road Map
<b>180A</b>	<b>UATT</b>	<b>User Assisted Technical Trials</b>
181.	UCPDC	Uniform Customs and Practice for Documentary Credit
182.	USD	United States Dollars
183.	UW	Under Water
184.	VCNS	Vice Chief of Naval Staff
185.	VCOAS	Vice Chief of Army Staff
186.	VTMS	Vessel Traffic Management Systems
187.	WE	War Establishment
188.	WLR	Weapon Locating Radar
189.	WWR	War Wastage Reserve

**AMENDMENT TO INCREASE EFFECTIVENESS OF LD CLAUSE**

<b><u>Para Ref</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
Para 6, Appendix L, Schedule I, Chapter II (Page 166)	6. <b><u>Liquidated Damages (LD)</u></b> . In the event of the Seller's failure to submit the Bonds/ Guarantees/ Documents or/ and supply/perform the items/services as per Delivery schedule specified in the contract, the Buyer may, at his discretion, withhold any payment until the completion of the contract. The Buyer may also deduct LD to the sum of 0.5% of the contract price of the delayed/undelivered stores/services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 5% of the contract price of the value of delayed stores/services.	6. <b><u>Liquidated Damages (LD)</u></b> . In the event of the SELLER's failure to submit the Bonds, Guarantees and Documents, supply the stores/ goods, perform services, conduct trials, installation of equipment, training and MET as per schedule specified in the contract, the BUYER may, at his discretion withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of 1/100 of the delay percentage {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per contract)} of the contract price of the delayed/ undelivered stores/ services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 10% of the contract price of the value of delayed stores/ services (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period).
Para 57 (b), Chapter IV (Page 262)	<b><u>Liquidated Damages</u></b> . Beyond the Grace Period, LD will be levied at the rate of 0.25% of the Vessel Cost of the ship upto a limit of 5%, for every 1% delay wrt the build period. Vessel cost is as defined at Para 2 of Annexure I to <b>Appendix F</b> of Schedule I to Chapter IV, excluding cost for BFE and B&D spares.	<b><u>Liquidated Damages</u></b> . Beyond the Grace Period, LD will be levied at the rate of 1/100 of the delay percentage {Delay percentage = (Period of Delay wrt the build period, in Weeks) x 100 / (Build Period in weeks as per contract)} of the Vessel Cost of the ship upto a limit of 10%, for every week of delay or part of a week delay (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period). Vessel cost is as defined at Para 2 of Annexure I to <b>Appendix F</b> of Schedule I to Chapter IV, excluding cost for BFE and B&D spares.
Para 5(a)(ii), Appendix F, Schedule I, Chapter IV (Page 307)	<b><u>Liquidated Damages</u></b> . Beyond the Grace Period, LD will be levied at the rate of 0.25% of the Vessel Cost of the ship upto a limit of 5%, for every 1% delay wrt the build period. Vessel cost is as defined at Para 2 of <b>Annexure I to Appendix F</b> of Schedule to Chapter IV, excluding cost for BFE and B&D spares.	<b><u>Liquidated Damages</u></b> . Beyond the Grace Period, LD will be levied at the rate of 1/100 of the delay percentage {Delay percentage = (Period of Delay wrt the build period, in Weeks) x 100 / (Build Period in weeks as per contract)} of the Vessel Cost of the ship upto a limit of 10%, for every week of delay or part of a week delay (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period). Vessel cost is as defined at

		Para 2 of Annexure I to <b>Appendix F</b> of Schedule I to Chapter IV, excluding cost for BFE and B&D spares.
Para 5(c), Appendix F, Schedule I, Chapter IV (Page 307)	<b><u>Consequence of Delay in Delivery of B&amp;D spares.</u></b> In the event of the Seller's failure to have the B&D Spares delivered by the date/dates specified in the contract, the Buyer may, at his discretion withhold any payment until the whole of the Spares have been supplied and the Buyer may also deduct from the seller, liquidated damages to the sum of 0.5 % of the contract price of the undelivered spares for each and every week or part of a week for which the spares have been delayed subject to a maximum of 5 % of the value of delayed spares.	<b><u>Consequence of Delay in Delivery of B&amp;D spares.</u></b> In the event of the Seller's failure to have the B&D Spares delivered by the date/dates specified in the contract, the Buyer may, at his discretion withhold any payment until the whole of the Spares have been supplied and the Buyer may also deduct from the seller, liquidated damages to the sum of <b>1/100 of the delay percentage {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per contract)}</b> of the contract price of the <b>delayed/ undelivered spares mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 10% of the contract price of the value of delayed spares (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period).</b>
Article 13, Chapter VI (Page 389)	<b><u>ARTICLE 13 LIQUIDATED DAMAGES</u></b>  13.1 In the event of the SELLER's failure to submit the Bonds, Guarantees and Documents, supply the stores/goods and conduct trials, installation of equipment, training and MET as per schedule specified in this contract, the BUYER may, at his discretion withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of 0.5% of the contract price of the delayed/undelivered stores/ services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 5% of the contract price of the value of delayed stores/services.	<b><u>ARTICLE 13 LIQUIDATED DAMAGES</u></b>  13.1 <b>In the event of the SELLER's failure to submit the Bonds, Guarantees and Documents, supply the stores/ goods, perform services, conduct trials, installation of equipment, training and MET as per schedule specified in this contract, the BUYER may, at his discretion withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of 1/100 of the delay percentage {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per contract)}</b> of the contract price of the <b>delayed/ undelivered stores/ services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 10% of the contract price of the value of delayed stores/ services (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period).</b>