



GOVERNMENT OF INDIA
MINISTRY OF DEFENCE



DPM 2021
(Revenue Procurement)
APPENDICES AND FORMS



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GOVERNMENT OF INDIA
MINISTRY OF DEFENCE

DPM 2021

(Revenue Procurement)

APPENDICES AND FORMS

DPM 2021 - APPENDICES AND FORMS

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Ser	Appendix/ DPMF	Heading/ Subject	Authority (Letter Ref)	Date	Signature

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APPENDICES

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Appendix A
{Refers to
Sub-Paragraph 2.4.5(a)}

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
23rd July 2020

ORDER (PUBLIC PROCUREMENT NO. 1)
(Paraphrased)

SUBJECT: RESTRICTIONS UNDER RULE 144 (XI) OF THE GENERAL FINANCIAL RULES
(GFR) 2017

Attention is invited to this office OM no. 6/18/2019-PPD dated 23rd July 2020 inserting Rule 144 (xi) in GFRs 2017. In this regard, the following is hereby ordered under Rule 144 (xi) on the grounds stated therein:-

Requirement of Registration

1. Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority, specified in **Annexure 1**.
2. This Order shall not apply to (i) cases where orders have been placed or contract has been concluded or Letter/ notice of Award/ Acceptance (LoA) has been issued on or before the date of this order; and (ii) cases falling under **Annexure 2**.#

#Note:- Clarification issued vide Order (Public Procurement No. 2) at **Annexure 4**.

Transitional Cases

3. Tenders where no contract has been concluded or no LoA has been issued so far shall be handled in the following manner:-
 - (a) **In tenders which are yet to be opened, or where evaluation of technical bid or the first exclusionary qualificatory stage (i.e. the first stage at which the qualifications of tenderers are evaluated and unqualified bidders are excluded) has not been completed.** No contracts shall be placed on bidders from such countries. Tenders received from bidders from such countries shall be dealt with as if they are non-compliant with the tender conditions and the tender shall be processed accordingly.
 - (b) **If the tendering process has crossed the first exclusionary qualificatory stage.** If the qualified bidders include bidders from such countries, the entire process

shall be scrapped and initiated *de novo*. The *de novo* process shall adhere to the conditions prescribed in this Order.#

#Note:- Clarification issued vide Order (Public Procurement No. 3) at **Annexure 5**.

(c) As far as practicable, and in cases of doubt about whether a bidder falls under paragraph 1, a certificate shall be obtained from the bidder whose bid is proposed to be considered or accepted, in terms of paragraphs 8, 9 and 10 read with paragraph 1 of this Order.

Incorporation in Tender Conditions

4. In tenders to be issued after the date of this order, the provisions of paragraph 1 and of other relevant provisions of this Order shall be incorporated in the tender conditions.

Applicability

5. Apart from Ministries/ Departments, attached and subordinate bodies, notwithstanding anything contained in Rule 1 of the GFRs 2017, this Order shall also be applicable:-

- (a) to all Autonomous Bodies;
- (b) to public sector banks and public sector financial institutions; and
- (c) subject to any orders of the Department of Public Enterprises, to all Central Public Sector Enterprises; and
- (d) to procurement in Public Private Partnership projects receiving financial support from the Government or public sector enterprises/ undertakings.
- (e) Union Territories, National Capital Territory of Delhi and all agencies/ undertakings thereof.

Definitions

6. "Bidder" for the purpose of this Order (including the term 'tenderer', 'consultant', 'vendor' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency, branch or office controlled by such person, participating in a procurement process.

7. "Tender" for the purpose of this Order will include other forms of procurement, except where the context requires otherwise.

8. "Bidder from a country which shares a land border with India" for the purpose of this Order means:-

- (a) An entity incorporated, established or registered in such a country; or
- (b) A subsidiary of an entity incorporated, established or registered in such a country; or
- (c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
- (d) An entity whose beneficial owner is situated in such a country; or
- (e) An Indian (or other) agent of such an entity; or
- (f) A natural person who is a citizen of such a country; or

- (g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.
9. "Beneficial owner" for the purpose of paragraph 8 above will be as under:-
- (i) In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person(s), has a controlling ownership interest or who exercises control through other means.
- Explanation:-**
- (a) "Controlling ownership interest" means ownership of, or entitlement to, more than twenty-five per cent of shares or capital or profits of the company;
- (b) "Control" shall include the right to appoint the majority of the directors or to control the management or policy decisions, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.
- (ii) In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
- (iii) In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
- (iv) Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
- (v) In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
10. "Agent" for the purpose of this Order is a person employed to do any act for another, or to represent another in dealings with third persons.

Sub-Contracting in Works Contracts

11. In works contracts, including turnkey contracts, contractors shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. The definition of "contractor from a country which shares a land border with India" shall be as in paragraph 8 above. This shall not apply to sub-contracts already awarded on or before the date of this Order.

Certificate regarding Compliance

12. A certificate shall be taken from bidders in the tender documents regarding their compliance with this Order. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

Validity of Registration

13. In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance/ placement of order, registration shall not be a relevant consideration during contract execution.

Government e-Marketplace (GeM)

14. The GeM shall, as soon as possible, require all vendors/ bidders registered with GeM to give a certificate regarding compliance with this Order, and after the date fixed by it, shall remove non-compliant entities from GeM unless/ until they are registered in accordance with this Order.

Model Clauses/ Certificates

15. Model Clauses and Model Certificates which may be inserted in tenders/ obtained from Bidders are enclosed as **Annexure 3**. While adhering to the substance of the Order, procuring entities are free to appropriately modify the wording of these clauses based on their past experience, local needs etc. without making any reference to this Department.

Sd/-
(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: js.pfc2.doe@gov.in
Telephone: 011-23093882

To,

- (1) Secretaries of All Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
- (2) Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect of Public Enterprises.
- (3) Secretary DPIIT with a request to initiate action as provided under **Annexure 1**.
- (4) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.

Annexure 1
(Refers to
Paragraph 1 of Appendix A)

COMPETENT AUTHORITY AND PROCEDURE FOR REGISTRATION

A The Competent Authority for the purpose of registration under this Order shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*.

B The Registration Committee shall have the following members:-

- (i) An officer, not below the rank of Joint Secretary, designated for this purpose by DPIIT, who shall be the Chairman;
- (ii) Officers (ordinarily not below the rank of Joint Secretary) representing the Ministry of Home Affairs, Ministry of External Affairs, and of those Departments whose sectors are covered by applications under consideration;
- (iii) Any other officer whose presence is deemed necessary by the Chairman of the Committee.

C DPIIT shall lay down the method of application, format etc. for such bidders as stated in para 1 of this Order.

D On receipt of an application seeking registration from a bidder from a country covered by para 1 of this Order, the Competent Authority shall first seek political and security clearances from the Ministry of External Affairs and Ministry of Home Affairs, as per guidelines issued from time to time. Registration shall not be given unless political and security clearance have both been received.

E The Ministry of External Affairs and Ministry of Home Affairs may issue guidelines for internal use regarding the procedure for scrutiny of such applications by them.

F The decision of the Competent Authority, to register such bidder may be for all kinds of tenders or for a specified type(s) of goods or services, and may be for a specified or unspecified duration of time, as deemed fit. The decision of the Competent Authority shall be final.

G Registration shall not be granted unless the representatives of the Ministries of Home Affairs and External Affairs on the Committee concur*.

H Registration granted by the Competent Authority of the Government of India shall be valid not only for procurement by Central Government and its agencies/ public enterprises etc. but also for procurement by State Governments and their agencies/ public enterprises etc. No fresh registration at the State level shall be required.

I The Competent Authority is empowered to cancel the registration already granted if it determines that there is sufficient cause. Such cancellation by itself, however, will not affect the execution of contracts already awarded. Pending cancellation, it may also suspend the registration of a bidder, and the bidder shall not be eligible to bid in any further tenders during the period of suspension.

J For national security reasons, the Competent Authority shall not be required to give reasons for rejection/ cancellation of registration of a bidder.

K In transitional cases falling under para 3 of this Order, where it is felt that it will not be practicable to exclude bidders from a country which shares a land border with India, a reference seeking permission to consider such bidders shall be made by the procuring entity to the Competent Authority, giving full information and detailed reasons. The Competent Authority

shall decide whether such bidders may be considered, and if so shall follow the procedure laid down in the above paras.

L Periodic reports on the acceptance/ refusal of registration during the preceding period may be required to be sent to the Cabinet Secretariat. Details will be issued separately in due course by DPIIT.

* **Notes:-**

(i) In respect of application of this Order to procurement by/ under State Governments, all functions assigned to DPIIT shall be carried out by the State Government concerned through a specific department or authority designated by it. The composition of the Registration Committee shall be as decided by the State Government and para G above shall not apply. However, the requirement of political and security clearance as per para D shall remain and no registration shall be granted without such clearance.

(ii) Registration granted by State Governments shall be valid only for procurement by the State Government and its agencies/ public enterprises etc. and shall not be valid for procurement in other states or by the Government of India and their agencies/ public enterprises etc.

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Annexure 2
(Refers to
Paragraph 2 of Appendix A)

SPECIAL CASES

A Till 31st December 2020, procurement of medical supplies directly related to containment of the Covid-19 pandemic shall be exempt from the provisions of this Order.

B *Bona fide* procurements made through GeM without knowing the country of the bidder till the date fixed by GeM for this purpose, shall not be invalidated by this Order.

C *Bona fide* small procurements, made without knowing the country of the bidder, shall not be invalidated by this Order.

D In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this Order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.

E This Order shall not apply to procurement by Indian missions and by offices of government agencies/ undertakings located outside India.

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Annexure 3
(Refers to
Paragraph 15 of Appendix A)

MODEL CLAUSE/ CERTIFICATE TO BE INSERTED IN TENDERS

(While adhering to the substance of the Order, procuring entities and GeM are free to appropriately modify the wording of the clause/ certificate based on their past experience, local needs etc.)

Model Clauses for Tenders

I Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.

II "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

III "Bidder from a country which shares a land border with India" for the purpose of this Order means:-

- (a) An entity incorporated, established or registered in such a country; or
- (b) A subsidiary of an entity incorporated, established or registered in such a country; or
- (c) An entity substantially controlled through entities incorporated, established or registered in such a country; or
- (d) An entity whose beneficial owner is situated in such a country; or
- (e) An Indian (or other) agent of such an entity; or
- (f) A natural person who is a citizen of such a country; or
- (g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

IV The beneficial owner for the purpose of (III) above will be as under:-

1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation:-

- (a) "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;
- (b) "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
 3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
 4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
 5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- V An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI *(To be inserted in tenders for Works contracts, including Turnkey contracts)* The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

Model Certificate for Tenders (for transitional cases as stated in para 3 of this Order)

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country and is eligible to be considered."

Model Certificate for Tenders

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered. (Where applicable, evidence of valid registration by the Competent Authority shall be attached)."

Model Certificate for Tenders for Works involving possibility of Sub-contracting

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered. (Where applicable, evidence of valid registration by the Competent Authority shall be attached)."

Model Certificate for GeM

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this vendor/ bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this vendor/ bidder fulfils all requirements in this regard and is eligible to be considered for procurement on GeM. (Where applicable, evidence of valid registration by the Competent Authority shall be attached)."

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Annexure 4
(Refers to Note at Paragraph 2
of Appendix A)

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
23rd July 2020

ORDER (PUBLIC PROCUREMENT NO. 2)
(Paraphrased)**EXCLUSION FROM RESTRICTIONS UNDER RULE 144 (XI) OF THE GENERAL FINANCIAL
RULES (GFRs), 2017**

1. In Order (Public Procurement No 1) dated 23rd July 2020, orders have been issued requiring registration of bidders from a country sharing a land border with India in order to be eligible to bid in public procurement.
2. Notwithstanding anything contained therein, it is hereby clarified that the said Order will not apply to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects.
3. Updated lists of countries to which lines of credit have been extended or in which development projects are undertaken are given in the website of the Ministry of External Affairs.

Sd/-
(Sanjay Prasad)
Joint Secretary (PPD)
Email ID: js.pfc2.doe@gov.in
Telephone: 011-23093882

To,

- (1) Secretaries of All Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities.
- (2) Secretary, Department of Public Enterprises with a request to immediately reiterate these orders in respect of Public Enterprises.
- (3) Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.

Annexure 5
{Refers to Note at
Sub-Paragraph 3(b) of
Appendix A}

F.No.6/18/2019-PPD
Ministry of Finance
Department of Expenditure
Public Procurement Division

161, North Block,
New Delhi
24th July 2020

ORDER (PUBLIC PROCUREMENT NO. 3)
(Paraphrased)

CLARIFICATION TO ORDER (PUBLIC PROCUREMENT NO. 1) DATED 23rd JULY 2020

1. Attention is invited to paragraph 3 (b) of the Order (Public Procurement No.1), under the heading "Transitional provisions". It is hereby clarified that for the purpose of paragraph 3 (b), "qualified bidders" means only those bidders who would otherwise have been qualified for award of the tender after considering all factors including price, if Order (Public Procurement No. 1) dated 23rd July 2020 had not been issued.

2. If bidders from such countries would not have qualified for award for reasons unconnected with the said Order (for example, because they do not meet tender criteria or their price bid is higher or because of the provisions of purchase preference under any other order or rule or any other reason) then there is no need to scrap the tender/ start the process *de novo*.

3. The following examples are given to assist in implementation of the Order:-

Example 1. Four bids are received in a tender. One of them is from a country which shares a land border with India. The bidder from such country is found to be qualified technically by meeting all prescribed criteria and is also the lowest bidder. In this case, the bidder is qualified for award of the tender, except for the provisions of the Order (Public Procurement No. 1) dated 23rd July 2020. In this case, the tender should be scrapped and fresh tender initiated.

Example 2. The facts are as in Example 1, but the bidder from such country, though technically qualified is not the lowest because there are other technically qualified bidders whose price is lower. Hence the bidder from such country would not be qualified for award of the tender irrespective of the Order (Public Procurement No. 1) dated 23rd July 2020. In such a case, there is no need to scrap the tender.

Example 3. The facts are as in Example 1, but the bidder from a country which shares a land border with India, though technically qualified, is not eligible for award due to the application of price preference as per other orders/ rules. In such a case, there is no need to scrap the tender.

Example 4. Three bids are received in a tender. One of them is a bidder from a country sharing a land border with India. The bidder from such a country does not meet the technical requirements and hence is not qualified. There is no need to scrap the tender.

Sd/-
(Sanjay Prasad)
Joint Secretary (PPD)

To,

(Addressees same as **Annexure 4**)

Appendix B
(Refers to Paragraph 2.5.2)

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

Udyog Bhawan, New Delhi
Dated 16 Sep 20

To

All Central Ministries/ Departments/ CPSUs/ All concerned

ORDER
(Paraphrased)

**SUBJECT: PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA),
ORDER 2017 - REVISION**

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

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

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

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

Now therefore the following Order is issued:-

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.

2. **Definitions.** For the purposes of this Order:-

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

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

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

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

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

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

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

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

3. **Eligibility of 'Class-I local supplier' 'Class-II local supplier' 'Non-local suppliers' for Different Types of Procurement.**

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

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

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

3A. **Purchase Preference.**

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to Class-I local supplier in procurements undertaken by procuring entities in the manner specified hereunder.

(b) In the procurement of goods or works, which are covered by sub-para 3(b) above and which are divisible in nature, the Class-I local supplier shall get purchase preference over Class-II local supplier as well as Non-local supplier, as per following procedure:-

(i) Among all qualified bids, the lowest bid shall be termed as L1. If L1 is Class-I local supplier, the contract for full quantity shall be awarded to L1.

(ii) If L1 bid is not a Class-I local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the Class-I local suppliers shall be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such Class-I local supplier subject to matching the L1 price. In case such lowest eligible Class-I local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher Class-I local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurement of goods or works, which are covered by sub-para 3(b) above and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the Class-I local supplier shall get purchase preference over Class-II local supplier as well as Non-local supplier, as per following procedure:-

(i) Among all qualified bids, the lowest bid shall be termed as L1. If L1 is Class-I local supplier, the contract shall be awarded to L1.

(ii) If L1 is not Class-I local supplier, the lowest bidder among the Class-I local suppliers shall be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such Class-I local supplier subject to matching the L1 price.

(iii) In case such lowest eligible Class-I local supplier fails to match the L1 price, the Class-I local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the Class-I local suppliers, within the margin of purchase preference, match the L1 price, the contract may be awarded to the L1 bidder.

(d) Class-II local supplier shall not get purchase preference in any procurement undertaken by procuring entities.

3B. Applicability in Tenders where Contract is to be Awarded to Multiple Bidders. In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:-

(a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class-I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class-I Local suppliers'.

(b) In other cases, 'Class-II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class-I Local suppliers' as per provisions of this Order.

(c) If 'Class-I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class-I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase

preference should be given to the 'Class-I local supplier' over 'Class-II local suppliers'/ 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class-I local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.

(d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.

(e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

4. **Exemption of Small Purchases.** Notwithstanding anything contained in para 3, procurements where the estimated value to be procured is less than ₹ 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

5. **Minimum Local Content.** The 'local content' requirement to categorise a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher percentage of minimum local content requirement to categorise a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

6. **Margin of Purchase Preference.** The margin of purchase preference shall be 20%.

7. **Requirement for Specification in Advance.** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

8. **Government e-Marketplace (GeM)**. In respect of procurement through the GeM, the GeM portal shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

9. **Verification of Local Content.**

(a) The Class-I local supplier/ Class-II local supplier at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for Class-I local supplier/ Class-II local supplier, as the case may be. They shall also give details of the location(s) at which the local value addition is made.

(b) In cases of procurement for a value in excess of ₹ 10 Crores, the Class-I local supplier/ Class-II local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

(c) Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

(d) Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.

(e) Nodal Ministries and procuring entities may prescribe fees for such complaints.

(f) False declarations shall be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

(g) A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of

other procurement entities, in the manner prescribed under sub-para 9(h) below.

(h) The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:-

(i) The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the Ministry/ Department concerned or in some other manner.

(ii) On a periodical basis, such cases are consolidated and a centralised list or decentralised lists of such suppliers with the period of debarment is maintained and displayed on website(s).

(iii) In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in such a manner that ongoing procurements are not disrupted.

10. **Specifications in Tenders and Other Procurement Solicitations.**

(a) Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.

(b) Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of Class-I local supplier/ Class-II local supplier who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.

(c) Procuring entities shall, within two months of the issue of this Order, review all existing eligibility norms and conditions with reference to sub-paras 10(a) and 10(b) above.

(d) **Reciprocity Clause.**

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

Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

(ii) Entities of countries which have been identified by the nodal Ministry/ Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.

(iii) The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.

(iv) State Governments should be encouraged to incorporate similar provisions in their respective tenders.

(v) The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.

(e) Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/ or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.

(f) "All administrative Ministries/ Departments whose procurement exceeds ₹ 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/ PSUs, for the next 5 years on their respective website."

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

11. **Assessment of Supply Base by Nodal Ministries.** The Nodal Ministry shall keep in view the domestic manufacturing/ supply base and assess the

available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

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

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

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

14. **Powers to Grant Exemption and to Reduce Minimum Local Content.** The administrative department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister In-charge, may by written order, for reasons to be recorded in writing:-

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

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

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

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

- (a) Secretary, Department for Promotion of Industry and Internal Trade (DPIIT) - Chairman.
- (b) Secretary, Commerce - Member.
- (c) Secretary, Ministry of Electronics and Information Technology - Member.
- (d) Joint Secretary (Public Procurement), Department of Expenditure - Member.
- (e) Joint Secretary (DPIIT) - Member-Convener.

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

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

- (a) Shall oversee the implementation of this order and issues arising there from, and make recommendations to Nodal Ministries and procuring entities.
- (b) Shall annually assess and periodically monitor compliance with this Order.
- (c) Shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content.
- (d) May require furnishing of details or returns regarding compliance with this Order and related matters.
- (e) May, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelisation or increase in public expenditure and suggest remedial measures.

(f) May examine cases covered by para 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenisation.

(g) May consider any other issue relating to this Order which may arise.

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

19. **Ministries having Existing Policies.** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 01 Jan 15, such policies shall prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

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

Sd/-
(Director)

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Appendix C
{Refers to
Sub-Paragraph 2.5.3(a)}

**SALIENT FEATURES OF PUBLIC PROCUREMENT POLICY FOR MICRO
AND SMALL ENTERPRISES (MSEs)**

Salient Features

1. From time to time, the Government of India lays down procurement policies to help inclusive national economic growth by providing long-term support to small and medium enterprises and disadvantaged sections of society and to address environmental concerns. The Procurement Policy for MSE, 2012 (as amended from time to time) has been notified by the Government in exercise of the powers conferred in Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Details of the policy are available on the MSME website <<http://dcmsme.gov.in/pppm.htm>>

2. The MSE must, along with their offer, provide proof of their being registered as MSE (indicating the terminal validity date of their registration) for the item tendered, with any agency mentioned in the notification of the Ministry of Micro, Small and Medium Enterprises (MSME), indicated below:-

- (a) District Industries Centres.
- (b) Khadi and Village Industries Commission (KVIC).
- (c) Khadi and Village Industries Board.
- (d) Coir Board.
- (e) National Small Industries Corporation (NSIC).
- (f) Directorate of Handicraft and Handloom.
- (g) Any other body specified by the Ministry of MSME.

3. For ease of registration of MSMEs, Ministry of MSME has started Udyog Aadhaar Memorandum (UAM), which is an online registration system (free of cost) wef 18 Sep 15 and all MSEs who are having UAM are also provided all the benefits available for MSEs under the Public Procurement Policy for MSEs, Order 2012.

4. The MSEs are provided tender documents free of cost and are exempted from payment of earnest money, Subject to furnishing of relevant valid certificate for claiming exemption.

5. Chapter V of the MSMED Act, 2006 also has provision for ensuring timely payments to the MSE suppliers. The period agreed upon for payment must not exceed 30 days after the supplies. For delays in payment, the buyer shall be liable to pay compound interest to the supplier on the delayed amount at three times of the bank rate notified by the Reserve Bank. For arbitration and conciliation regarding recovery of such payments and interests, MSE Facilitation Council has been setup in states.

6. In tender, participating MSE quoting price within price band of L1+15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25% of total tendered value. The 25% quantity is to be distributed proportionately among these bidders, in case there are more than one MSEs within such price band.

7. Within this 25% quantity, a purchase preference of 25% out of 25% is reserved for MSEs owned by Scheduled Caste (SC)/ Scheduled Tribe (ST) entrepreneurs (if they participate in the tender process and match the L1 price). Provided that, in event of failure of such SC/ ST MSE to participate in tender process or meet tender requirements and L1 price, 4% sub-target shall be met from other MSE. MSEs would be treated as owned by SC/ ST entrepreneurs under following cases:-

- (a) In case of proprietary MSE, proprietor(s) shall be SC/ ST.
- (b) In case of partnership MSE, the SC/ ST partners shall be holding at least 51% shares in the unit.
- (c) In case of Private Limited Companies, at least 51% share shall be held by SC/ ST promoters.

8. Out of the total annual procurement from MSEs, 3% from within the 25% target shall be earmarked for procurement from MSEs owned by women.

9. For enhancing participation of MSEs owned by SC/ ST in Government procurement, Central Government Ministries/ Departments/ PSUs may conduct Special Vendor Development Programmes/ Buyer-Seller Meets. In the opinion of Ministry of MSME, in case of tender item is non-split-able or non-dividable, etc., MSE quoting price within price band L1+15% may be awarded full/ complete supply of total tendered value, considering spirit of policy for enhancing the Govt. procurement from MSE, in terms of para 6 above.

10. Ministry of MSME have clarified that all Central Ministries/ Departments/ Central Public Sector Undertakings may relax condition of prior turnover and prior experience with respect to MSEs in all public procurements subject to meeting of quality and technical specifications.

11. Where any Aggregator has been appointed by the Ministry of MSME, themselves quote on behalf of some MSE units, such offers will be considered as offers from MSE units and all such facilities would be extended to these also.

12. This Policy is meant for procurement of only goods produced and services rendered by MSEs and not for any trading activities by them. An MSE Unit will not get any purchase preference over another MSE Unit.

Exemptions from the Policy

13. Given their unique nature, defence armament imports shall not be included in computing 25% goal for Ministry of Defence. In addition, defence equipment like weapon systems, missiles, etc. shall remain out of purview of such Policy of reservation. In other cases, Review Committee of Ministry of MSME may consider any request of Ministries/ Departments/ CPSUs for exemption from 25% procurement targets on case to case basis.

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Appendix D
(Refers to
Paragraphs 2.6.1 and 4.8.1)

INDICATIVE TIME FRAME FOR PROCUREMENT UNDER SINGLE BID SYSTEM, TWO BID SYSTEM AND TWO STAGE BIDDING

Ser	Activity	Average Time Period (In Weeks)		
		Single Bid	Two Bid	Two Stage Bidding
Receipt of Indent				
1.	Vetting and Registration of Indent	1	1	1
2.	Vendor Selection and preparation of RFP	1	1	1
3.	IFA's concurrence, CFA's approval and floating of RFP	2	2	2
Procurement Action				
4.	Time allowed for submission of offers	2 to 3	3	3 weeks for technical bids and 2 weeks for commercial bids.
5.	Opening of technical bid and technical evaluation by TEC	NA	3	3 weeks for initial round, 2 weeks for each subsequent round.
6.	Opening of commercial bids, preparation of CST and vetting etc.	2	2	2
7.	Submission of proposal for procurement or making counter offer or for holding negotiations with the concurrence of the IFA and approval of the proposal by the CFA	2	2	2
8.	Preparation of brief for the CNC, issuing notice for the CNC and actual conduct of CNC meeting	4	4	4

Ser	Activity	Average Time Period (In Weeks)		
		Single Bid	Two Bid	Two Stage Bidding
9.	Preparation of the minutes of the CNC meeting and obtaining of signatures of the members/ chairman of the CNC	1	1	1
10.	IFA's concurrence and CFA's approval of the purchase proposal	2	2	2
11.	Preparation and dispatch of the Supply Order/ signing of the contract	1	1	1
Total		18 to 19	22	24

Note:- The Time periods indicated above are indicative and may vary to meet the specific requirements of each procurement case.

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Appendix E
(Refers to Paragraph 5.30.5)

DISCOUNTED CASH FLOW (DCF) TECHNIQUE

1. **Introduction.** The DCF Technique reduces both cash inflows and outflows into Net Present Values (NPV). The use of NPV analysis is based on the concept of time value of money. Money has a time value because of the opportunity to earn interest or the cost of paying interest on borrowed capital. This means that a sum to be paid today is worth more than a sum to be paid in a future time. The cash outflows/ inflows and the average cost of capital i.e., cost of borrowing becomes an important constituent in evaluation process. The DCF Technique is to be used only if the payment schedules span over a period greater than 12 months.

2. **Formula.** The following formula is to be used for calculating NPV of a bid:-

$$NPV = \sum_{t=0}^N \frac{R_t}{(1+i)^t}$$

Where:-

NPV = Net Present Value.

t = The Time Period of the cash outflow {0 (cash flow in current FY), 1 (cash flow in next FY), 2,.....N}.

i = Discount Rate per Time Period.

R_t = Cash outflow at a given Time Period.

N = Total number of Time Periods of payment.

\sum = Summation sign.

3. **Discount Rate.** The Overnight (ON) Marginal Cost of funds Lending Rate (MCLR) of the State Bank of India (SBI) on the last date of submission of price bids is to be used as the Discount Rate. The same is also to be indicated in the RFP. The MCLR of SBI may be obtained from any of the SBI branches and is also available at web address <<https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>>.

4. Calculation of NPV.

(a) **Step 1.** Determine cash outflows (payment schedule) for each vendor from the tenders received. Where cash outflows are not available from the tender documents, the same are to be obtained from the vendors concerned.

(b) **Step 2.** Calculate NPV of each tender document as per example given in Paragraph 7 below. The tender with the lowest NPV is to be selected.

5. Payment Schedules at Irregular Time Periods or Multiple Times within a FY.

(a) DCF Technique assumes that all payments are made in the end of the Time Period. This method is therefore most suitable for cash outflows that fall due at the end of each time period.

(b) In case, there are multiple payment schedules that fall within a FY, the sum total of the payments falling due in the entire FY may be taken as a single payment schedule for the entire FY.

6. **Structuring Cash Outflows for Tenders Received in Different Currencies.** Where bids are received in different foreign currencies/ combination of foreign currencies, the cash outflow may be brought to a common denomination in rupees by adopting a Base Exchange rate. The Base Exchange rate adopted shall be the BC Selling Rate of State Bank of India (SBI) as on the last date of submission of the commercial bid. Thereafter, the same procedure as described above is to be used.

7. **Example.** Assume two Commercial Bids have been received with differing payment schedules spread over a period of five FYs. The NPVs for each Vendor are to be calculated as follows:-

Discount Rate = 7% (MCLR of SBI as on the last date of submission of price bids)

(₹ in Lakhs)

Payment Schedule	Vendor 1			Vendor 2		
	Cash Outflow	NPV		Cash Outflow	NPV	
		Formula	Value		Formula	Value
FY 0 (Current FY, $t = 0$)	1.00	$\frac{1.00}{(1 + 0.07)^0}$	1.00	1.00	$\frac{1.00}{(1 + 0.07)^0}$	1.00
FY 1 (Next FY, $t = 1$)	1.00	$\frac{1.00}{(1 + 0.07)^1}$	0.93	--	--	--

Payment Schedule	Vendor 1			Vendor 2		
	Cash Outflow	NPV		Cash Outflow	NPV	
		Formula	Value		Formula	Value
FY 2	1.00	$\frac{1.00}{(1 + 0.07)^2}$	0.87	1.50	$\frac{1.50}{(1 + 0.07)^2}$	1.31
FY 3	1.00	$\frac{1.00}{(1 + 0.07)^3}$	0.82	0.50	$\frac{0.50}{(1 + 0.07)^3}$	0.41
FY 4	1.00	$\frac{1.00}{(1 + 0.07)^4}$	0.76	2.00	$\frac{2.00}{(1 + 0.07)^4}$	1.53
Total	5.00	--	4.39	5.00	--	4.24

Result = Vendor 2 {NPV of Vendor 2 (4.24) being lower than that of Vendor 1 (4.39) is to be selected despite the total cash outflow being the same for both Vendors}.

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Appendix F
(Refers to Paragraph 6.11.9)

DELEGATION OF POST CONTRACT MANAGEMENT ACTIVITIES

Post Contract Management for revenue expenditure for which CFA is MoD, in respect of under mentioned list of activities (as amended from time to time), is delegated to the Service HQs, wherein, the concurring and approving authorities shall be the Principal IFA/ associated IFA and the TLBH of the organisation/ PSOs of the service concerned, respectively.

- (a) Extension of Delivery Period (DP) with imposition of LD and extension of Letter of Credit (LC).
- (b) Amendments to financial implications of contracts on account of changes in statutory levies.
- (c) Payment of additional Bank charges/ LC charges/ transportation charges, additional cost in opening of LC, etc.
- (d) Amendments to Item description/ Drawing No/ Part No/ denomination/ substitute item acceptance certificate in PAC cases.
- (e) Approval of part shipment/ transshipment/ lot size without affecting DP and terms of payment.
- (f) Amendment to Delivery Terms/ Consignee for specific operational reasons.
- (g) To invoke Guarantee/ Warranty clauses including free of cost repairs/ replacement.
- (h) Approval to conclude all AMC/ CMC Contracts with value up to ₹ 25 crores in case of STE and Full Powers in case of PAC/ OTE/ LTE may be concluded.
- (j) Approval for change of inspection agency with the DGQA.
- (k) Payment of Foreign Exchange (FE) and opening of LC as per contract.
- (l) Payment to Govt. counsels/ Advocates and Law Firms for their professional advice/ legal services rendered in Arbitration/ Court cases in Defence Revenue Contracts.

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Appendix G
(Refers to Paragraph 6.26.1;
Paragraph 3 of Part III of
DPMF 11)

STANDARD ARBITRATION CLAUSES

Indigenous Private Bidders

1. All disputes or differences arising out of or in connection with the present contract including the one connected with the validity of the present contract or any part thereof, should be settled by bilateral discussions.
2. Any dispute, disagreement or question arising out of or relating to this contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within 60 (sixty) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to a sole Arbitrator.
3. Within 60 (sixty) days of the receipt of the said notice, an arbitrator shall be nominated in writing by the authority agreed upon by the parties.
4. The sole Arbitrator shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.
5. The arbitration proceedings shall be conducted under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.
6. Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses shall be shared equally by the parties, unless otherwise awarded by the sole arbitrator.
7. The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

Note:- In the event of the parties deciding to refer the dispute(s) for adjudication to an Arbitral Tribunal then one arbitrator each will be appointed by each party and the case will be referred to the International Centre for Alternative Dispute Resolution (ICADR) for nomination of the third arbitrator. The fees of the arbitrator appointed by the parties shall be borne by each party and the fees of the third arbitrator, if appointed, shall be equally shared by the buyer and seller.

Foreign Bidders

1. All disputes or differences arising out of or in connection with the present contract including the one connected with the validity of the present contract or any part thereof, should be settled by bilateral discussions.
2. Any dispute, disagreement or question arising out of or relating to this contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within 60 (sixty) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.
3. Within 60 (sixty) days of the receipt of the said notice, one arbitrator shall be nominated in writing by the Seller and one arbitrator shall be nominated by the Buyer.
4. The third arbitrator, who shall not be a citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties, the said arbitration shall be nominated by the parties within 90 (ninety) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of the United Nations Commission on International Trade Law (UNCITRAL) by the International Chamber of Commerce, Paris at the request of either party. However the said nomination would be after consultation with both the parties and shall preclude any citizen or domicile of any country as mentioned above. The arbitrator nominated under this clause shall not be regarded nor act as an umpire.
5. The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.
6. The arbitration proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts or as may be mutually agreed between the parties.
7. The decision of the majority of the arbitrators shall be final and binding on the parties to the contract.
8. Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the Seller and the Buyer, unless otherwise awarded by the Arbitration Tribunal.
9. In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator shall be entitled to nominate another in his

place and the arbitration proceedings shall continue from the stage they were left by the outgoing arbitrator.

10. In the event of one of the parties failing to nominate its arbitrator within 60 (sixty) days as above or if any of the parties does not nominate another arbitrator within 60 (sixty) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least 30 (thirty) days to request the International Chamber of Commerce to nominate another arbitrator as above.

11. If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

12. The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

Note:- The provisions with regard to appointment of an Arbitrator by the International Chamber of Commerce, Paris shall only be resorted to in cases of International Commercial Arbitration. Similarly, the UNCITRAL provisions will only apply with regard to appointment of Arbitrator, fixation of fees of the Arbitrator when it is a foreign arbitration. The procedure to be adopted during arbitration will be as provided in the Indian Arbitration & Conciliation Act, 1996.

CPSUs/ DPSUs

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contract, such dispute or difference shall be referred by either party to the Permanent Arbitration Machinery setup in the Department of Public Enterprises and that if the Department of Public Enterprises fails to settle the dispute, the same will be referred to the Committee constituted by the Cabinet Secretariat.

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Appendix H (Refers to Paragraph 7.5.1)

GUIDE TO INCOTERMS 2020

1. **General**. Incoterms are referred to as **International Commercial Terms**. They are a set of rules published by the International Chamber of Commerce (ICC), which relate to International Commercial Law. Incoterms provide internationally accepted definitions and rules of interpretation for most common commercial terms used in contracts for the sale of goods. The ICC have published new Incoterms 2020 that came into force wef 01 Jan 20. These are amended from time to time by ICC and their website may be referred for the latest updates.

2. **Division of Incoterms**. There are a total of 11 Incoterms rules that are divided into four groups (C, D, E, and F). The rules are classified according to the fees, risk, responsibility for formalities, as well as issues related to import and export. The groups along with the corresponding Incoterms are briefly explained below:-

(a) **Group C**. In Group C (Main Carriage Paid), the seller concludes a transport contract with the forwarder and takes the costs. In this case, the seller is responsible for conducting export clearance. The risk is transferred at the time of posting the goods to the buyer. All matters arising after loading costs related to transporting and other events are the buyer's responsibility. This group includes four Incoterms rules as below:-

(i) **Cost and Freight (CFR)**. CFR means that the seller delivers the goods to the buyer on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all. In CFR, the seller owes no obligation to the buyer to purchase insurance cover. CFR rule is to be used only for sea or inland waterway transport. In CFR, two ports are important, the port where the goods are delivered on board the vessel and the port agreed as the destination of the goods. Risk transfers from seller to buyer when the goods are delivered to the buyer by placing them on board the vessel at the shipment port or by procuring the goods already so delivered. However, the seller must contract for the carriage of the goods from delivery to the agreed destination. If the seller incurs costs under its contract of carriage related to unloading at the specified point at the port of destination, the

seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties. CFR requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.

(ii) **Cost Insurance and Freight (CIF)**. CIF means that the seller delivers the goods to the buyer on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all. This rule is to be used only for sea or inland waterway transport. Where more than one mode of transport is to be used, which will commonly be the case where goods are handed over to a carrier at a container terminal, the appropriate rule to use is CIP rather than CIF. If CIF is being used then risk transfers when the goods have been delivered to the first carrier. In CIF, two ports are important, the port where the goods are delivered on board the vessel and the port agreed as the destination of the goods. Risk transfers from seller to buyer when the goods are delivered to the buyer by placing them on board the vessel at the shipment port or by procuring the goods already so delivered. However, the seller must contract for the carriage of the goods from delivery to the agreed destination. The seller must also contract for insurance cover against the buyer's risk of loss of or damage to the goods from the port of shipment to at least the port of destination. In CIF, the seller is required to obtain limited insurance cover complying with Institute Cargo Clauses or similar clauses, rather than with the more extensive cover under Institute Cargo Clauses. It is, however, still open to the parties to agree on a higher level of cover. If the seller incurs costs under its contract of carriage related to unloading at the specified point at the port of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties. CIF requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.

(iii) **Carriage Paid To (CPT)**. CPT means that the seller delivers the goods and transfers the risk to the buyer by handing them over to the carrier contracted by the seller or by procuring the goods so delivered. The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means of transport used. Once the goods have

been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity, or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier. The seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination. In CPT, two locations are important, the place or point (if any) at which the goods are delivered (for the transfer of risk) and the place or point agreed as the destination of the goods (as the point to which the seller promises to contract for carriage). If the seller incurs costs under its contract of carriage related to unloading at the named place of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties. CPT requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, or to pay any import duty or to carry out any import customs formalities.

(iv) **Carriage and Insurance Paid To (CIP)**. CIP means that the seller delivers the goods and transfers the risk to the buyer by handing them over to the carrier contracted by the seller, or by procuring the goods so delivered. The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means of transport used. Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier. The seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination. In CIP, two locations are important, the place or point at which the goods are delivered (for the transfer of risk) and the place or point agreed as the destination of the goods (as the point to which the seller promises to contract for carriage). The seller must also contract for insurance cover against the buyer's risk of loss of or damage to the goods from the point of delivery to at least the point of destination. If the seller incurs costs under its contract of carriage related to unloading at the named place of destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties. CIP requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, or to pay any import duty or to carry out any import customs formalities.

(b) **Group D.** In Group D (Arrival) the seller is obliged to deliver the goods to a specific place or the port of destination. This group includes three Incoterms rules as below:-

(i) **Delivered at Place (DAP).** DAP means that the seller delivers the goods and transfer risk to the buyer when the goods are placed at the disposal of the buyer, on the arriving means of transport ready for unloading, at the named place of destination, at the agreed point within that place, if any such point is agreed. The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In DAP, therefore, delivery and arrival at destination are the same. The seller is not required to unload the goods from the arriving means of transportation. However, if the seller incurs costs under its contract of carriage related to unloading at the place of delivery/ destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties. DAP requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for post-delivery transit to clear the goods for import or for post-delivery transit through third countries, to pay any import duty or to carry out any import customs formalities. As a result, if the buyer fails to organise import clearance, the goods will be held up at a port or inland terminal in the destination country and the risk of loss that might occur as a result shall be borne by the buyer.

(ii) **Delivered at Place Unloaded (DPU).** DPU means that the seller delivers the goods and transfers risk to the buyer when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named place of destination, or the agreed point within that place, if any such point is agreed. The seller bears all risks involved in bringing the goods to and unloading them at the named place of destination. In DPU, therefore, the delivery and arrival at destination are the same. DPU is the only Incoterms rule that requires the seller to unload goods at destination. The seller should therefore ensure that it is in a position to organise unloading at the named place. Should the parties intend the seller not to bear the risk and cost of unloading, the DPU rule should be avoided and DAP should be used instead. DPU requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for post-delivery transit through third countries, to pay any import duty or to carry out any import customs formalities. As a result, if the buyer fails to organise import clearance, the goods will be held up at a port or inland terminal in the destination country and the risk of loss that might occur as a result shall be borne by the buyer.

(iii) **Delivered Duty Paid (DDP)**. DDP means that the seller delivers the goods to the buyer when the goods are placed at the disposal of the buyer, cleared for import, on the arriving means of transport, ready for unloading, at the named place of destination or at the agreed point within that place, if any such point is agreed. The seller bears all risk involved in bringing the goods to the named place of destination or to the agreed point within that place. In DDP, therefore, delivery and arrival at destination are the same. With delivery happening at destination and with the seller being responsible for the payment of import duty and applicable taxes, the DDP imposes maximum level of obligation of all eleven Incoterms on the seller. If the seller incurs costs under its contract of carriage related to unloading at the place of delivery/ destination, the seller is not entitled to recover such costs separately from the buyer unless otherwise agreed between the parties. DDP requires the seller to clear the goods for export, where applicable, as well as for import and to pay any import duty or to carry out any customs formalities. Thus if the seller is unable to obtain import clearance and would rather leave that side of things in the buyer's hands in the country of import clearance being left to the buyer. There may be tax implications and this tax may not be recoverable from the buyer.

(c) **Group E**. In Group E (Departure), the seller makes the goods available to the buyer at the delivery point indicated by the seller. The seller is not obliged either to customs or export clearance and does not bear the risk and costs of loading. In group E, there is only one Incoterm Ex Works (EXW). EXW means that the seller delivers the goods to the buyer when it places the goods at the disposal of the buyer at a named place (like a factory or warehouse), and that named place may or may not be the seller's premises. For delivery to occur, the seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable. EXW imposes the least obligations on the seller. In EXW, delivery occurs and risk transfers when the goods are placed, not loaded, at the buyer's disposal. However, risk of loss or of damage to the goods occurring while the loading operation is carried out by the seller, as it may well be, might arguably lie with the buyer, who has not physically participated in the loading. Given this possibility, it is advisable, where the seller is to load the goods, for the parties to agree in advance who is to bear the risk of any loss of or damage to the goods during loading. Further, the seller has no obligation to organise export clearance of clearance within third countries through which the goods pass in transit. From the buyer's perspective, therefore, this rule should be used with care.

(d) **Group F**. In Group F (Main Carriage Unpaid) the seller is obliged to perform export customs clearance. The seller does not pay transport

and insurance costs. This group includes three Incoterms rules as below:-

(i) **Free Carrier (FCA)**. FCA means that the seller delivers the goods to the buyer in one or other of two ways as below. Whichever of the two is chosen as the place of delivery, that place identifies where risk transfers to the buyer and the time from which costs are from the buyer's account. FCA requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import or for transit through third countries, to pay any import duty, or to carry out any import customs formalities.

(aa) When the named place is the seller's premises, the goods are delivered, when they are loaded on the means of transport arranged by the buyer.

(ab) When the named place is another place, the goods are delivered, when, having been loaded on the seller's mean of transport, they reach the named other place, are ready for unloading from the seller's mean of transport and are at the disposal of the carrier or of another person nominated by the buyer.

(ii) **Free Alongside Ship (FAS)**. FAS means that the seller delivers the goods to the buyer when the goods are placed alongside the ship (e.g. on a quay or a barge), nominated by the buyer, at the named port of shipment or when the seller procures goods already so delivered. The risk of loss or damage to the goods transfers when the goods are alongside the ship, and the buyer bears all costs from that moment onwards. This rule is to be used only for sea or inland waterway transport where the parties intend to deliver the goods by placing the goods alongside a vessel. FAS requires the seller to clear the goods for export, where applicable. However, the seller has no obligations to clear the goods for import or for transit through third countries, to pay any import duty or to carry out any import customs formalities.

(iii) **Free On Board (FOB)**. FOB means that the seller delivers the goods to the buyer on board the vessel, nominated by the buyer, at the named port of shipment or procures the goods already so delivered. The risk of loss or damage to the goods transfers when the goods are on board the vessel, and the buyer bears all costs from that moment onwards. This rule is to be used only for sea or inland waterway transport where the parties intend to deliver the goods by placing the goods on board a vessel. FOB requires the seller to clear the goods for export, where applicable. However, the seller has no obligation to clear the goods for import

or for transit through third countries, to pay any import duty or to carry out any import formalities.

3. **Documents.** In all cases of foreign contracts, the suppliers shall forward to the purchaser copies of all documents concerning delivery and payment, by speed post, courier or other fastest means of dispatch including electronic communication. This shall be in addition to the documents dispatched to the bank for payment through Letter of Credit. The supplier shall give at least six weeks' notice, with regard to the readiness of the consignment, to the purchaser and his agent. The date of bill of lading or air waybill shall be considered as the actual date of delivery with reference to the stipulated date of delivery in the contract.

4. **Consignee's Right of Rejection.** Notwithstanding the fact that an item may have been inspected prior to dispatch, the consignee shall have the right to reject it, in whole or part, if it is observed that the item supplied does not conform to the specifications or has been damaged. Such rejection shall be communicated to the supplier within 90 days of the item reaching the consignee's premise. If an item is rejected, the supplier is required to replace the item within a period determined by the consignee, which shall not be less than 45 days, failing which the consignee shall make financial restitution based on the order value. However, in all such cases the provisions contained in the ICC Publication, Incoterms 2020, including change of the right of property, as amended from time to time, are to be considered, as foreign contracts are governed by international laws.

5. A quick reference guide and a guide chart to rules and responsibilities are placed at **Annexures 1 and 2** respectively.

Annexure 1
(Refers to
Paragraph 5 of Appendix H)

INCOTERMS 2020 RULES RESPONSIBILITY QUICK REFERENCE GUIDE

Groups	Freight Collect Terms				Freight Prepaid Terms						
	Any Modes or Modes of Transport		Sea and Inland Water Transport		Any Mode or Modes of Transport						
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP
Incoterms	Ex Works (Place)	Free Carrier (Place)	Free Alongside Ship (Port)	Free On Board (Port)	Cost and Freight (Port)	Cost Insurance & Freight (Port)	Carriage Paid To (Place)	Carriage & Insurance Paid To (Place)	Delivered at Place (Place)	Delivered at Place Unloaded (Place)	Delivered Duty Paid (Place)
	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Transfer of Risk											
Obligations & Charges											
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/ Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Customs Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	Seller *	Negotiable	Seller **	Negotiable	Negotiable	Negotiable
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Unloading at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
Import Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

Notes:-

* CIF requires at least an insurance with the minimum cover of the Institute Cargo Clause (C) (Number of listed risks, subject to itemised exclusions).

** CIP requires at least an insurance with the minimum cover of the Institute Cargo Clause (A) (All risks, subject to itemised exclusions)

Annexure 2
(Refers to
Paragraph 5 of Appendix H)

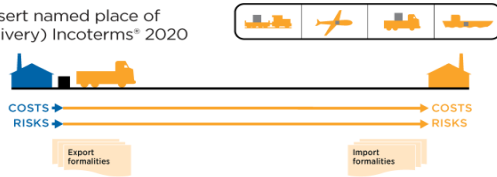
INCOTERMS 2020 GUIDE CHART

Blue indicates seller's; Gold indicates buyer's; Green indicates mixed or shared

RULES FOR ANY MODE OR MODES OF TRANSPORT

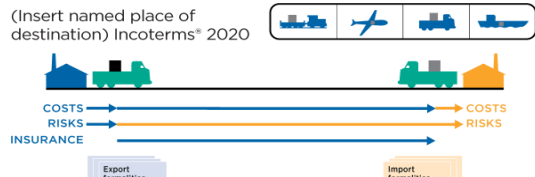
EXW Ex Works

(Insert named place of delivery) Incoterms® 2020



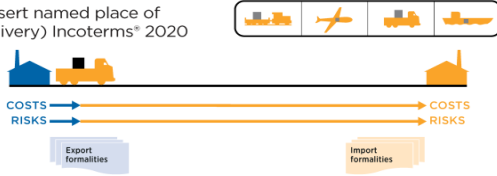
CIP Carriage and Insurance Paid To

(Insert named place of destination) Incoterms® 2020



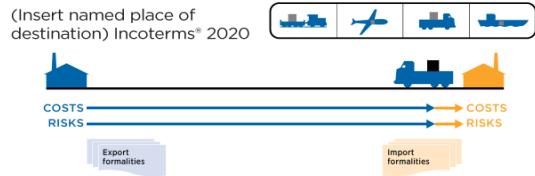
FCA Free Carrier

(Insert named place of delivery) Incoterms® 2020



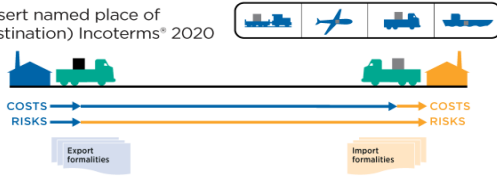
DAP Delivered at Place

(Insert named place of destination) Incoterms® 2020



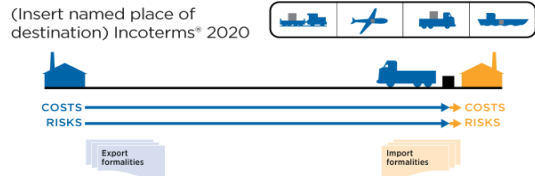
CPT Carriage Paid To

(Insert named place of destination) Incoterms® 2020



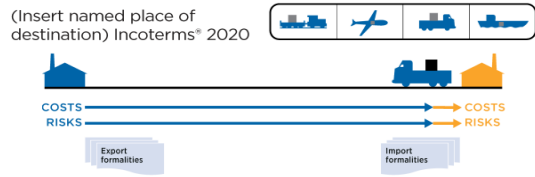
DPU Delivered at Place Unloaded

(Insert named place of destination) Incoterms® 2020



DDP Delivered Duty Paid

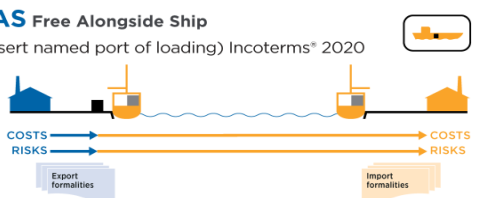
(Insert named place of destination) Incoterms® 2020



RULES FOR SEA AND INLAND WATERWAY TRANSPORT

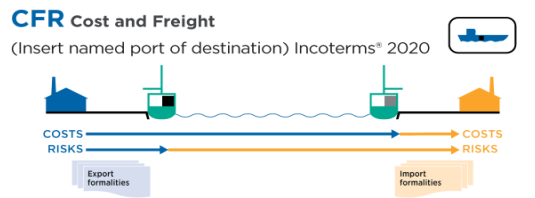
FAS Free Alongside Ship

(Insert named port of loading) Incoterms® 2020



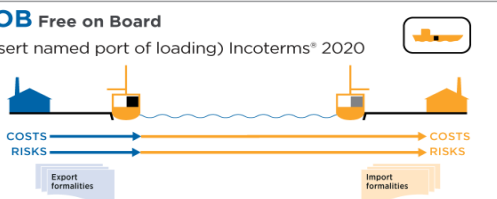
CFR Cost and Freight

(Insert named port of destination) Incoterms® 2020



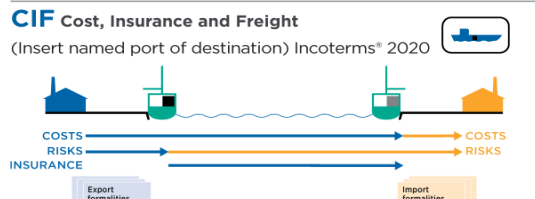
FOB Free on Board

(Insert named port of loading) Incoterms® 2020



CIF Cost, Insurance and Freight

(Insert named port of destination) Incoterms® 2020



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Appendix J
(Refers to
Paragraphs 9.8.3 and 15.9.6)

GUIDELINES ON CONFIRMATION OF BANK GUARANTEES OF FOREIGN BANKS BY INDIAN BANKS

1. In terms of Reserve Bank of India's guidelines issued vide letter No AP (DIR Series) Circular No 15 dated 17 Sep 03, all remittances of foreign exchange beyond USD 100,000.00 are to be against Bank Guarantees (BGs)/stand by Letter of Credit (LC) from banks of international repute. Accordingly, Ministry of Defence (MoD) will obtain BGs from foreign suppliers through banks of international repute for:-
 - (a) Advances paid to them.
 - (b) Performance of contracts as Performance BGs.
 - (c) Warranty bonds to ensure warranty support of equipment supplied by the vendors.
2. To ascertain whether BGs given by foreign vendors are from banks of international repute, MoD will be assisted by the Parliament Street Branch of State Bank of India (SBI).
3. With a view to institutionalise the procedure to be adopted for obtaining advice of SBI, an Arrangement Letter has been signed with SBI, which covers the services that SBI will offer.
4. While CNC commences its commercial deliberations, SBI's advice on the BG will be sought in parallel. The advisory role of SBI will be put into action in the following manner:-
 - (a) On receiving details of BG proposed to be submitted by the vendor, the matter is to be referred to SBI.
 - (b) SBI will render its advice within seven days from the date of receipt of reference/ details of the BG from MoD.
 - (c) SBI's advice will be as follows:-
 - (i) In case the BG is from a bank of international repute and country rating is satisfactory, SBI will advise MoD to accept BG without need for confirmation of the BG by an Indian bank.

(ii) In case the advice of SBI is that the BG is not from a bank of international repute and/ or a confirmation of a local bank is required to be obtained by MoD, the vendor will be asked by MoD to instruct its banker to mutually settle the issue of BG with SBI who will in turn advise MoD regarding further action to be taken.

(iii) Only in case the vendor's bank is unable to settle the issue of BG with SBI, the matter will be referred back to MoD by SBI.

(iv) In such cases, as required, MoD will associate SBI officials in Contract Negotiation Committee (CNC) for settling the issue of BG with the vendors.

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Appendix K

{Refers to
Sub-Paragraphs 10.10.2(a) and
11.8.5(a)}

INTELLECTUAL PROPERTY RIGHTS (IPR) MANAGEMENT

1. Standard clauses that may be included as special conditions in the contract are listed in succeeding paragraphs.
2. The IPR developed under a developmental contract will be the property of Govt. of India if the contract is funded by the Govt. In such cases, the vendor will provide technical know-how/ design data for production of the item to the designated production agency nominated by the Contract Operating Agency/ Authority (COA). The vendor will, however, be permitted to receive, upon demand, a royalty free license to use these intellectual properties for its own purposes, which specifically excludes sale or licensing to any third party.
3. Government shall have Government Purpose Rights (GPRs) which will be non-exclusive, non-transferable irrevocable license to use the intellectual property for internal consumption or manufacture. The Government may use this right to manufacture either directly or through sub-contractor. The Government shall be liable to pay license fee/ royalty fee for use of GPRs in intellectual property/ technology/ product. A royalty up to 2% on each manufactured unit with a cap on total maximum royalty payable shall be included in the contract with innovator, if Government or its sub-contractor uses the intellectual property generated for defence manufacturing. The cap on total maximum royalty payable to the innovator shall be decided on a case-to-case basis.
4. The Government may put restrictions on transfer/ licensing of technology/ IPR developed under the contract on considerations of national security or other strategic reasons.
5. The Government shall have 'March-In' rights for all items covered under its GPRs for reasons of national security and other strategic reasons. The 'March-In' rights of the Government shall be subject to the payment of acquisition cost/ licence fee/ royalty fee by the Government or the production agency concerned as per the terms stated in preceding Paragraph. 'March-In' rights shall include the right to work the patent, either by itself or by another entity on behalf of the Government, in any of the following cases:-
 - (a) The company/ institution fails to work the patent on its own within a specified and reasonable period of time.

- (b) The effective management and control of the company/ institution is taken over by a foreign company without the approval of the Government.
6. The ownership of any rights by the contractor (entity receiving grants) does not include an absolute right to transfer of any software, product or documentation; and such transfer, including export thereof, shall continue to be governed by and be subjected to the export policy, export guidelines and all applicable laws, rules, regulations, orders and the instruction of the Government of India. Transfers and exports, which require prior and explicit approval of the Ministry of Defence would require such approval to be taken.
7. In case of collaborative project, the ownership rights in the Intellectual Property generated under project, upon dissolution of the collaboration, shall vest amongst the partners as per their agreement on the subject, without Government rights being adversely affected in any manner.
8. The company/ institution/ innovator (entity receiving support) shall be responsible for protecting and maintaining the Intellectual Properties generated in the project.
9. Export control regulations of Ministry of Defence shall apply to the export of technology or product developed in the project.
10. **Joint IPR.** In case of design, development and fabrication of equipment/ systems of complex nature, where no design and development input is provided and only broad specifications are given by the COA, and/ or the developer is sharing the developmental cost, Joint IPR may be considered. Even where Joint IPRs are accepted, MoD/ GoI/ COA reserves the right to develop an alternate source. In such cases, it would be mandatory for the developer to transfer the know-how of the product to the agency designated by the COA. However, in such cases the development partner would be eligible to receive license fee/ royalty as per mutually agreed terms.

Appendix L
(Refers to Paragraph 11.8.6)

INFOSEC GUIDELINES FOR PROCUREMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) GOODS AND SERVICES

General

1. ICT projects are complex systems integration projects which have hardware, system software (Operating systems/ hypervisor/ virtualisation layer etc) and application software (both off-the-shelf and custom developed in various programming languages).

2. “Malicious code or malware” is defined as a computer program attached to or a section of code and hidden within the software that performs a function unauthorised by the OEM’s published documentation and is intended to damage/ conduct detrimental activity. Malware is generally in the form of Trojans, viruses, worms, root kits, spyware, code scripts, active content etc. It is also known as “computer contaminant” in legal parlance. Malicious code could be introduced into information & communication systems, to be exploited by external or internal agents to do one or more of the following:-

- (a) Disrupt the functioning of the system at a critical juncture.
- (b) Provide a backdoor entry for leakage of information from the system.

3. Hence, from a cyber threat perspective, it is important that clear guidelines are laid down on the cyber/ information security threat mitigation approach, which address the risks, are implementable and verifiable.

4. The approach followed by leading IT manufacturing companies against cyber threats is to control the firmware installed in the IT components, which is the “intelligence” in the hardware that is targeted by malicious code. The sub-systems like controller cards & hard disks get shipped with the OEM’s approved firmware or microcode version while configuring the system before delivery or installation. These firmware and microcode are common for all the countries across the world and the files are usually available on OEM’s website.

5. In addition, it is also important to track the malicious code in systems during the project lifecycle as follows:-

- (a) OEMs may certify that their products do not have malicious code embedded in them when the products are dispatched from their premises. However, it is possible that malicious code could be introduced into the hardware and software systems after they have been

- dispatched from the OEM premises or even later on during the operational phase, through unauthorised patches/ upgrades.
- (b) The System Integrator (SI) shall therefore have the ownership and responsibility to MoD during installation, warranty and support period, to mitigate the risks due to malicious code and security vulnerabilities in all the products supplied by them. SI in turn, shall have the required agreements with the OEMs.
6. In view of the above, the following measures are to be implemented:-
- (a) A certificate shall be obtained by the Buyer from the Seller stating that all known security issues and malware have been addressed in the products including hardware/ firmware at the time of supplying the hardware/ software products.
- (b) Seller shall also provide a document indicating the patch level update of the system.
- (c) In case any security issue has not been addressed in the hardware/ firmware/ software at the time of supply, the seller is to provide an undertaking that such issues shall be addressed whenever solutions/ patches for the same are available. In such a case, the Buyer may exercise the discretion to accept such a product provided such security issues do not interfere with the functionality/ integrity of the system.
- (d) The seller shall also undertake to provide security patches and updates to address subsequent vulnerabilities during the installation, warranty and support period of the equipment provided OEM has not declared end of support for the same.
7. Sample malicious code certificates to be provided by OEMs and SI are given at **DPMF 45**.
8. Notwithstanding the provisions specified elsewhere in the Security Guidelines, the SI shall be overall responsible for all cyber/ information security related aspects pertaining to the ICT goods and services and shall be the single point of contact for addressing all Cyber/ information security related issues for the goods and services supplied by the SI as part of the contract. It shall be responsibility of the SI to enter into such agreements/ contracts with the OEMs as may be necessary to ensure that all cyber/ information security aspects are addressed holistically and comprehensively. The SI shall provide list of tests conducted by OEM or an accredited certification agency along with list of such test reports for the ICT goods and services provided as part of contract.

Information Security Aspects Related to ICT Hardware

9. From a cyber-security threat perspective, ICT hardware is broadly categorised as follows:-

- (a) Components which have no electronic circuitry e.g., power & other cables, connectors, racks, chassis hardware etc.
- (b) Sub-systems/ PCBs which have electronic circuitry, but no intelligence in terms of software/ firmware/ microcode e.g. backplanes, keyboard, mouse, monitor, printer etc.
- (c) Sub systems/ PCBs which have device-specific intelligence that is built into firmware/ microcode e.g. controller cards, hard disk drives, motherboards, server management modules etc.
- (d) Appliances with a high level of intelligence built into firmware/ microcode, embedded OS & software e.g. L2/ L3 switches, routers, etc.

10. Following may be considered to mitigate Information Security Risks in ICT hardware:-

- (a) Identify critical projects and procurements, which are vital to the organisation and whose disruption can cause catastrophic failure. This step is basically to keep the scope of validation to a manageable limit.
- (b) Shortlist the trusted OEMs, who have clear and verifiable processes in managing their suppliers and supply chains, both from quality and cyber security threat perspectives.
- (c) At the RFP stage, specifically mention the components/categories out of those mentioned at para 9 above, which shall be tested by the customer for cyber threats, which may be done in the OEM's or an accredited lab premises.
- (d) Obtain malicious code certificate from OEM and SI as specified in **DPMF 45**.
- (e) At the time of delivery, the OEM shall provide details of the firmware/ microcode installed in each of the components specified in para 9 above. If required, Buyer may ask for the firmware/ microcode may be reloaded in the OEM's service centres.
- (f) Step at Sub-Paragraph 10 (e) above be carried out every time the component is replaced or upgraded.

Information Security Aspects Related to Software Projects

11. In case of software projects including be spoke software development, the following information shall be supplied by Seller:-

- (a) List of changes being made to Operating System due to software installation. e.g. Files added to the system, registry entries being made.
- (b) List of dependencies e.g. software components such as DOTNET framework, DLL files.
- (c) List of processes including 'child processes' and service/ daemon being created in the Operating System.
- (d) Network Protocols and Ports being used by the product e.g. SMB, TCP, HTTP, Port 80 etc. In the event of custom protocols, complete description of the protocols is to be given.
- (e) Cryptographic Hash values of the files being provided.
- (f) A certificate stating "No known security issues, Malware, Trojans exist in the software components being provided".
- (g) A code Audit Certificate providing details regarding known exploit techniques (e.g. buffer/ heap overflow), bugs, backdoors, list of components that could not be audited and Third party DLLs used.
- (h) Any other aspect related to information/ cyber security depending on type/ nature of the project.

12. For Management Information Systems, bespoke/ customised software and Enterprise wide solutions, Vulnerability Assessment shall be undertaken by a CERT-In empanelled vendor or Info Security agencies/ dept of the respective Services and shall be included in the RFP.

Appendix M
{Refers to
Sub-Paragraph 12.5.3(b)}

**SALIENT FEATURES AND SHORT-LISTING PROCESSING IN
EXPRESSION OF INTEREST (EoI) FOR CONSULTANCY CASES**

Sections of EoI Document

1. The EoI document shall contain following sections:-
 - (a) **Letter of Invitation.** It shall include a copy of the advertisement whereby consultants are invited to submit their EoI.
 - (b) **Instructions to the Consultants.** It may include instructions regarding nature of job, submission requirement, requirement of bid processing fees, if any, last date of submission, place of submission, and any related instruction.
 - (c) **Description of Services - Brief Purpose and Scope of Work.** This may include brief purpose/ objective statement, Service outcomes statement, broad scope of work including time frames, inputs to be provided by the Procuring Entity, and expected deliverables of the assignment. This may also include the place of execution of the assignment. The request for EoI shall not include the assignment ToR. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry.
 - (d) **Qualification Criteria.** This may clearly lay down the qualification criteria, which shall be applied by the Procuring Entity for short-listing the consultants. The EoI shall ask for sufficient information so that the Procuring Entity may evaluate the consultant's capabilities and eligibility to undertake the assignment. Information should include:-
 - (i) Core business and years in business.
 - (ii) Qualifications in the field of the assignment.
 - (iii) Technical and managerial organisation of the firm.
 - (iv) General qualifications and number of key staff.
 - (e) **Additional Information.** In addition, the consultants shall indicate information relating to their eligibility and any conflict of interest that they know, may impact objective performance and impartial advice for their services. Consultants should not be asked about their approach to the services or to submit any curricula vitae of key personnel because these documents are to be dealt with in the RFP. No legal documents

such as certificates of incorporation of the firm, powers of attorney, financial statements or translations of standard brochures shall be requested. Given the often-large number of submissions, the advertisement should stress the importance of brevity of the information to be sent.

Short-Listing Process of Consultants

2. The Procuring Entity shall evaluate the consultants for short-listing, *inter alia*, based on their past experience of handling similar types of projects, strength of their man power and financial strength of the firm. For example, it is important to find out if the firm:-

- (a) Is a small specialised firm or a large firm with access to a pool of expertise.
- (b) Has been in business for an extended period and has a track record in the field of assignment and in the region.
- (c) Has appropriate certification in in-house quality control {firm adheres to the requirement of International Organization for Standardization (ISO)} as relevant to the task and has an ethics code in place.

3. It is important for the Procuring Entity to hire consultants who have a reputation for integrity and impartiality rooted in independence from third parties. It is seen that the process of short-listing is one of the most difficult and time-consuming tasks in the selection process of a consultant. This could be eased by writing a clear 'Description of Service' (objectives and scope) and short-listing criteria.

4. Finally, if the same firm is considered for concurrent assignments (for example, a construction supervision consultant for different stretches/packages of rehabilitation/ reconstruction of a road contract), the Procuring Entity shall assess the firm's overall capacity to perform multiple contracts before including it in more than one short-list. However, this needs to be pre-declared in the EoI documents.

5. The short-list of firms is required for the selection of consultancy services in a competitive process with a minimum of three and generally not more than eight.

6. The Procuring Entity may assign scores to the response of each consultant based on weightages assigned to each of the criteria in the EoI. Each criteria may be sub-divided into further sub-criteria, if called for. Normally, the weightages shown in Table below may be used for such an evaluation (This

is just an indicative criteria to assist the evaluators. The criteria and their weightage may be changed as per the need of Procuring Entity).

Ser	Criteria/ Sub-Criteria	Criteria/ Sub-Criteria Weightage
(a)	Past Experience of the Consultant (Track Record)	60%
	(i) Number of years' relevant experience	20%
	(ii) Past experience of studies of similar nature	50%
	(iii) Past experience in carrying out:-	30%
	(aa) Studies in the related sector	20%
	(ab) Studies carried out in the region	10%
(b)	General profile of qualification, experience and number of key staff (not individual CVs)	25%
	(i) Qualifications	30%
	(ii) Relevant Experience	70%
(c)	Overall financial strength of the consultant in terms of turnover, profitability and cash flow (liquid assets) situation	15%
	(i) Turnover figure for last three years	50%
	(ii) Net profit figure for last three years	50%
(d)	Total	100%

7. The Procuring Entity shall short-list all the consultants who secure the minimum required marks {normally 75% (seventy five percent)}. The minimum qualifying requirement shall be specified in the EoI document.

8. In EoI, simplified evaluation criteria may also be used, instead of marking schemes as mentioned above. A fail-pass, minimum benchmark in each criteria/ sub-criteria may be specified (for example, Must have past experience of at least two similar projects; key professionals must have at least seven years' experience and must have Master's Qualification in relevant field; Firm must have a turnover of at least ₹ 10 Crores and so on). Any bidder which passes these benchmarks is declared as qualified.

9. However, this exercise of scoring is not merely for disqualification of firms below a threshold, but to establish the relative strengths and weaknesses of the applicants, in order to arrive at a robust short-list of qualified consultants who have the required experience and qualifications to deliver the required services at the desired level of quality.

10. The short-lists shall normally comprise at least three firms but not more than eight (to avoid inordinate delays in evaluation of subsequent RFP). The short-list may comprise only national consultants (firms registered or

incorporated in the country), for small assignments and indicated in the Eol. This situation is applicable where qualified national firms are available at a competitive cost or if the nature of the assignment is such that a foreign consultant's inclusion is not justified (for example, a training or outreach to be carried out in local language) or if foreign consultants have not expressed any interest. RFP documents are to be issued only to the short-listed consultants.

11. The evaluation committee may submit its Eol evaluation report to CFA for approval may be *mutadis mutandis* used for this purpose.

12. **Risks and Mitigations.**

Ser	Risks	Mitigation
(a)	<p><u>Conflict of Interest Situations.</u> It is possible that conflict of interest situations are not reported or declared by the participating consultants (or sometimes by members of the evaluation committee).</p>	<p>These situations need to be dealt with by signing declarations in specified formats both at the Eol bid stage as also in the technical proposal (and by CEC members before undertaking the evaluation of proposals).</p>
(b)	<p><u>Qualifications Leasing.</u> Local Bidders with insufficient qualifications may show association with well qualified (foreign or local) consultants, just to use their qualification documents to get the contract. These well-qualified consultants lease their qualification, but do not or only minimally contribute experience or key personnel at the execution stage.</p>	<p>This issue needs to be dealt with from the Eol stage by very clearly identifying the qualified applicant and putting on record/contract the guaranteed contribution from the partner with qualification.</p>

Appendix N
{Refers to
Sub-Paragraph 13.6.4(b)}

**GUIDELINES FOR PREPARING REQUEST FOR PROPOSAL (RFP) FOR
NON-CONSULTANCY OUTSOURCING PROCUREMENTS**

1. **Preparation of the RFP.** In procurement of non-consultancy services, a standard RFP document should be the basis for preparation of bid documents. There are variations in the way information and sections in standard RFPs are formulated but essential information/ sections are as follows:-

- (a) **A letter of Invitation (LoI).**
- (b) **Instructions to Bidders (ITB) and data sheet (which contains assignment specific information).**
- (c) **Qualification/ Eligibility Criteria for service providers.**
- (d) **Activity Schedules and other Requirements:-**
 - (i) Description of Service.
 - (ii) Activity Schedule.
 - (iii) Manpower Schedule: Assessment of Manpower for Deployment.
 - (iv) Materials Schedule (indicating the specification and quantity of such materials/ consumables/ tools to be consumed/ deployed per unit activity/ day/ location/ per manpower deployed).
 - (v) Essential Equipment. (*Any essential equipment, machinery that the service provider must have as a qualifying requirement along with specification, capacity, age of equipment etc.*)
 - (vi) The statutory and contractual obligations to be complied with by the contractor.
 - (vii) Services & Facilities to be provided by the Procuring Entity and respective obligations of the Procuring Entity and service provider.
- (e) **General Conditions of Contract (GCC).**
- (f) **Special Conditions of Contract (SCC).**
- (g) **Formats:-**
 - (i) Service Provider's Bid Cover Letter.
 - (ii) Qualification Information.
 - (iii) Standard formats for the technical proposal.

- (iv) Standard Format for the Financial Proposal.
- (v) Letter of Acceptance.
- (vi) Contract Form.
- (vii) Securities Formats:-
 - (aa) Bid Security (Bank Guarantee),
 - (ab) Advance Payment Bank Guarantee (APBG),
 - (ac) Performance Security (Bank Guarantee)

2. **Important Provisions of RFP.**

(a) **Eligibility Criteria.** *{Eligibility for firms to be considered as responsive bid in procurement of other (Non-consultancy) services should be specified. For example:-}*

- (i) *The bidder must be registered under appropriate authorities i.e. must be registered with Service Tax authorities/ Income Tax/ EPF/ ESI authorities/ PSARA/ PAN etc.}*
- (ii) *Joint Ventures (JV) are normally not permitted in the procurement of other (non-consulting) services.*
- (iii) *Must not have been under any declaration of ineligibility by any authority. A declaration to the effect should be furnished.*
- (iv) *A consistent history of litigation or arbitration awards against the applicant may result in disqualification.*
- (v) *Each bidder shall submit only one bid for one RFP. The system shall consider only the last bid submitted through the e-Procurement Portal. In case of packaging/ slicing of services, it should be clarified, how multiple bids and discounts by a bidder in different slices would be considered.*

(b) **Sample Qualifying Criteria.** *(Qualifying criteria to be met by bidders to qualify for award of the contract may be specified. Although the qualification criteria would depend on the type of service, its complexity and volume, but a sample qualifying criteria is given below:-)*

- (i) **Financial Capability.**
 - (aa) Average annual financial turnover of related services during the last three years, ending 31st March of the previous financial year, should be at least 30% (Thirty percent) of the estimated cost.
 - (ab) Liquid assets and/ or credit facilities, net of other contractual commitments and exclusive of any advance payments which may be made under the contract, of no less than the amount specified in the BDS.

(ii) Past Experience.

(aa) The bidder must have at least three years experience (ending month of March prior to the bid opening) of providing similar type of services to Central/ State Government/ PSUs/ Nationalised Banks/ Reputed Organisations. Services rendered with list of such Central/ State/ PSUs/ Nationalised Banks/ Reputed Organisations with duration of service shall be furnished.

(ab) The bidder must have successfully executed/ completed similar services (definition of "similar services" should be clearly defined), over the last three years i.e. the current financial year and the last three financial years:-

1. Three similar completed services costing not less than the amount equal to 40% (Forty percent) of the estimated cost; or
2. Two similar completed services costing not less than the amount equal to 50% (Fifty percent) of the estimated cost; or
3. One similar completed service costing not less than the amount equal to 80% (Eighty percent) of the estimated cost.

(iii) Equipment and Managerial Capability:-

(aa) Ownership/ proposals for the timely acquisition (own, lease, hire, etc.) of the essential equipment listed in the BDS.

(ab) A Contract Manager with five years experience in services of an equivalent nature and volume, including no less than three years as Manager.

(c) Qualification Documents to be Submitted. (To judge their qualification, all bidders should be asked to include the following information and documents with their bids:-)

(i) Copies of original registration certificate documents defining the constitution or legal status, place of registration and principal place of business; written power of attorney of the signatory of the bid to commit the bidder. Appropriate business licences/ registrations:-

- (aa) Service Tax registration certificate.
- (ab) PAN number.
- (ac) Copies of EPF, ESI, Labour license.
- (ad) Copy of valid license under the Private Security Agencies (Regulation) Act, 2005 or the similar Act/ Rules

promulgated by State in which the service is performed (in case of Security Service).

- (ii) Total monetary value of services performed for each of the last five years.
 - (iii) Copies of work orders and experience in services of a similar nature and size for each of the last three years and details of services under way or contractually committed; and names and address of clients who may be contacted for further information on those contracts.
 - (iv) Evidence of adequacy of working capital for this contract {access to line(s) of credit and availability of other financial resources}.
 - (v) Audited financial statements for the last three years (copies of the Profit and Loss (P/L) statements along with Balance Sheet for the concerned period).
 - (vi) Bank Account details.
 - (vii) Authority to seek references from the bidder's bankers.
 - (viii) Information regarding any litigation, current or during the last five years, in which the Bidder is involved, the parties concerned and disputed amount.
 - (ix) Proposals for sub-contracting components of the services amounting to more than 10% (Ten percent) of the contract price.
- (d) **Site Visit.** The bidder, at the bidder's own responsibility and risk, may be encouraged to visit at their own cost and examine the site of required services and its surroundings and obtain all information that may be necessary for preparing the bid and entering into a contract for the services.
- (e) **Restrictions regarding Personnel Deployed.** The quoted rates shall not be less than the minimum wage fixed/ notified by the Central/ State Governments, whichever is higher, where the service is performed and shall include all statutory obligations. However bids without any element of cost over and above such minimum wage (or below it) shall be treated as 'Nil' price quotation and would be rejected. The service provider shall be liable for all kinds of dues payable in respect of all personnel provided under the contract and the Procuring Entity shall not be liable for any dues for availing the services of the personnel. The service provider shall ensure that persons to be deployed are not alcoholic, drug addict and not indulge in any activity prejudicial to the interest of the Procuring Entity. The service provider shall ensure to get the Police verification for all the manpower deployed by them and the contractor shall ensure that the manpower deputed should bear good moral character.

(f) **Workmen Safety and Insurance.** The service provider shall alone be fully responsible for safety and security and insurance or life insurance of their personnel who is working on the operation and maintenance works. The service providers:-

(i) Shall take out and maintain and shall cause any Sub-contractors to take out and maintain, at their (or the Sub-contractors', as the case may be) own cost but on terms and conditions approved by the Procuring Entity, insurance against the risks and for the coverage, as shall be specified in the SCC.

(ii) At the Procuring Entity's request, shall provide evidence to the Procuring Entity showing that such insurance has been taken out and maintained and that the current premiums have been paid. The service provider shall provide and ensure sufficient protection gears like safety shoes, hand gloves, ladders, etc. are being used by their workers while carrying out works. The Procuring Entity shall not be liable for any compensation in case of any fatal injury/ death caused to or by any man power while performing/ discharging their duties/ for inspection or otherwise.

(g) **Liquidated Damages for Delay in Performance.** The service provider shall pay liquidated damages to the Procuring Entity at the rate per day stated in the SCC for each day that the completion date is later than the intended completion date. The total amount of liquidated damages shall not exceed the amount defined in the SCC. The Procuring Entity may deduct liquidated damages from payments due to the service provider. Payment of liquidated damages shall not affect the service provider's liabilities.

(h) **Penalty for Non-Performance.** If the service provider has not corrected a defect within the time specified in the Procuring Entity's notice, a penalty for lack of performance will be paid by the service provider. The amount to be paid will be calculated as a percentage of the cost of having the defect corrected, assessed as described in SSC.

(j) **Filling up the Financial Bid by the Bidders.** The Bidder is to be asked to fill in rates and prices for all items of the services described in the in the Activity Schedule. Items for which no rate or price is entered by the bidder will not be paid for by the Procuring Entity when executed and shall be deemed covered by the other rates and prices in the Activity Schedule. The priced Activity Schedule contains sections on Remuneration for Staff deployed, Reimbursable Expenses and Miscellaneous Expenses. All duties, taxes and other levies payable by the service provider under the contract, or for any other cause, as in the month prior to the month of the deadline for submission of bids, shall be included in the total bid price submitted by the bidder. For the purpose of determining the remuneration due for additional services, a breakdown of the Lump-sum price shall be provided by the bidder. Bidding documents shall include a clause that "if a firm quotes NIL charges/

consideration, the bid shall be treated as unresponsive and will not be considered”.

3. **Standard Formats for Technical and Financial Proposals.**

- (a) The standard formats for technical proposals shall include:-
- (i) Service provider’s Bid Cover Letter {including eligibility, following Code of Integrity in Public Procurement (CIPP)}.
 - (ii) Power of attorney.
 - (iii) Qualification Information with enclosures.
 - (iv) Write-up on Bidder’s Organisation, confirmation of compliance with (or deviations from) Description of Services, Activity Schedule, Essential Equipment Schedule, Manpower/ Team, Statutory Obligation and Facilities to be provided by the Procuring Entity, Statutory and Contractual requirements, Respective obligations of Procuring Entity and service provider, Contract For, GCC and SCC; etc.
 - (v) Enclosures. (*Cost of Bid/ Bid Processing Fee/ Bid Security*)
- (b) The standard formats for a financial proposal shall include:-
- (i) Financial Bid Format.
 - (ii) Summary Price Schedule.
 - (iii) Priced Activity Schedule.
 - (iv) Priced Material Schedule.
 - (v) Priced Miscellaneous Schedule (including administrative costs, essential equipment, operating manpower).
 - (vi) Breakdown of Contract Prices.

DPM 2021
DPM FORMS (DPMFs)

The DPM Forms are suggestive in nature and may be modified to suit the specific requirements of procurement without violating the provisions of DPM 2021

DRAFT

DPMF 1
(Refers to Paragraph 2.4.9)

FORMAT OF CERTIFICATE FOR PURCHASE OF GOODS AND SERVICES
WITHOUT QUOTATION

Ref No			
Place		Date	
<p>"I,, am personally satisfied that the goods/ services (described below) purchased are of the requisite quality and specification and have been purchased from a reliable supplier/ service provider at a reasonable price."</p>			
Item			
Quantity			
Purpose			
Indenter			
Purchased From			
Unit Cost			
Taxes/ Duties			
Other Charges			
Total Unit Cost			
Total Cost			
Vide Bill No			
Name of Buyer			
Designation			
Signature			

DRAFT

DPMF 2
(Refers to Paragraph 2.4.10)

FORMAT OF LOCAL PURCHASE COMMITTEE CERTIFICATE

Ref No							
"Certified that we, the undersigned, members of the local purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier/ contractor recommended is reliable and competent to supply the goods in question, and it is not debarred by the Department of Commerce or Ministry/ Department concerned."							
The details of recommended purchase are:-							
Item							
Quantity							
Indenter							
Details of Prices Ascertained							
Bidder	Unit Cost	Taxes/ Duties	Other Charges	Total Unit Cost	Total Cost	Recommendations & Comments	
Selected Quotation							
Unit Cost, Taxes/ Duties/ Other Charges							
Total Unit Cost							
Total Cost							
Details of Payee							
Members of the Local Purchase Committee							
Member	1	2	3				
Signature							
Name							
Designation							
Place							
Date							

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DPMF 3

{Refers to Paragraph 3.2.4;
Sub-Paragraph 10.2.3(d)}

FORMAT OF CAPACITY/ CAPABILITY REPORT ON FIRMS**PART I - FACTUAL INFORMATION FURNISHED BY THE FIRM**

Ser	Subject	Details
1.	Name and registered address of the Firm	
2.	Name and address of subsidiary/ associated industry within India	
3.	Factory location and address	
4.	Telegraphic address	
5.	Name and address of Managing Director	
6.	Telephone No:-	
	(a) Office	
	(b) Factory	
7.	Details of the Organisation:-	
	(a) Brief History	
	(b) Area - present setup and provisions for future expansion	
	(c) Covered accommodation	
	(d) Main Departments:-	
	(i) Technical	
	(ii) Managerial	
	(e) Design office and Library details	
	(f) Sales and service setup	
8.	Approximate capital Investment:-	
	(a) Authorised capital	
	(b) Capital Investment	
	(c) Financial position (comments with latest copy of Balance Sheet and income)	
9.	Main items of machinery/ equipment and test/ inspection facilities available	
10.	Labour:-	
	(a) Strength presently employed:-	
	(i) Skilled	
	(ii) Semi-skilled	
	(iii) Non-skilled	
	(b) Availability of labour for future expansion	
11.	Power:-	
	(a) Source	
	(b) Present load	
	(c) Availability of power for future expansion	
12.	Raw materials:-	
	(a) Requirements	
	(b) Period for which reserve stock of	

Ser	Subject	Details
	raw materials is/ are held	
	(c) Sources of procurement	
	(d) Percentage of indigenous improved raw materials	
	(e) Any difficulty regarding normal product or likely order	
13.	Is the firm registered on GeM, CPPP, DePP or with any other Defence or Civil Govt Department? If so, give details	
14.	Is the firm granted Green Channel Status by DDP? If so, give details	
15.	Has the firm any collaboration and technical know-how agreement with foreign firms? If so, give details	
16.	Details of items for which patent rights of the firm exist	
17.	Are you having any development activities?	
18.	Are you having in hand any basic research program?	
19.	Details of qualified managerial and technical personnel	
20.	Is your product "Type Approved" or has ISI certification mark? If so, give details	
21.	Training programme of staff	
22.	Details of stores under production or development (indicate in DPMF 4)	(Enclose DPMF 4)
23.	Any other information you wish to provide	

Place:

Firm's Seal

Date :

Signature :

Name :

Designation :

Enclosure:- DPMF 4 - Details of Stores under Production or Development.

PART II - CERTIFICATE BY INSPECTION TEAM

Ser	Subject	Details
1.	Name and designation of the Inspecting team	
2.	Date on which the firm was inspected	
3.	Comment on the standard of know-how and adequacy of the production process for the end product	
4.	Comments on arrangement for inspection/ testing and quality control of products:-	
	(a) Adequacy of equipment	
	(b) Application of planned inspection during production	
	(c) Inspection of components raw materials procured from sub-contractors	
	(d) Evidence of proper work study possibility of improvement of man power	
	(e) Built in training programme for improvement of man power	
5.	Are Management-labour relations good?	
6.	Any labour problems which may hold up production	
7.	Are they supplying their product to any leading Manufacturers or Govt undertakings/ departments? Give details	
8.	Comments on potential to carry out research/ development as normal feature. If so, percentage of total expenditure on such activities	
9.	Are they considered suitable for production/ development order	
10.	Is the firm capable of providing a relevant paper particulars for AHSP work, i.e., user handbook/ workshop manual, part/ identification list recommended spares for two years maintenance and one overhaul	
11.	Comments on past performances for producing quality goods, adhering delivery schedule, attention to complaints as security consciousness	
12.	General remarks (give any other observation not already covered)	
13.	Do you consider the firm to be financially sound	
14.	Final recommendations regarding suitability of the firm for placement of development orders	

Signature and designation of the
Inspecting Team

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DPMF 4(Refers to Paragraph 3.2.4;
Serial 22 of Part I of DPMF 3)**FORMAT OF DETAILS OF STORES UNDER PRODUCTION OR
DEVELOPMENT BY THE FIRM**(To be filled by the Firm and enclosed along with **DPMF 3**)**M/s****DETAILS OF STORES****Present Production**

Ser	Present Products	Monthly Production (Give number of shifts)		Remarks
		Present Capacity	Spare Capacity	
1.				
2.				
3.				

Production under Development

Ser	Products	Remarks
1.		
2.		
3.		

Future Plan for Development

Ser	Products	Remarks
1.		
2.		
3.		

Date :
Place :**Firm's Seal**Signature :
Designation :

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DPMF 5
(Refers to Paragraph 4.3.1)

FORMAT OF STATEMENT OF CASE (SoC)

STATEMENT OF CASE

PROCUREMENT OF (CASE TITLE)

Ser	Particulars	Details
1.	Unit/ Directorate/ Office initiating SoC	
2.	Name of the Item(s)/ Service(s) being Procured (Nomenclature of items with details like part numbers, etc. to be indicated in DPMF 7)	[Category: Ordnance, Medical, IT, Engineering, MT, Electronic, Electronic, Clothing, Aviation, General, etc. Machinery, Spares, Communications, Navigational, Provisions, Weapons, Armament, Ammunition, Repairs, Services and other categories (to be specified)] (Enclose DPMF 7 for Nomenclature of items)]
3.	Justification for Procurement	
	(a) Authority, if any, under which the Proposal is being Initiated	Govt Rules/ Orders, Service specific instructions, Subsidiary instructions, etc. to be quoted)
	(b) If Scaled Item	(Reference number and date of the Government letter/ Service HQ letter authorising the scale to be quoted)
	(c) If Non-Scaled Item	
	(i) Which item was serving the purpose till the date?	
	(ii) How the present proposal will serve the purpose?	
	(iii) Whether scaling action has been initiated? If yes, reference number to be given. If not, reasons for not doing so to be given	
	(d) Broad Purpose of Items being Procured	
	(e) Detailed Justification from User	
	(i) Category of Proposal	<input type="checkbox"/> Fresh purchase <input type="checkbox"/> Up-gradation <input type="checkbox"/> Replacement <input type="checkbox"/> Maintenance <input type="checkbox"/> Repair <input type="checkbox"/> Any other (to be specified)

Ser	Particulars		Details
	(ii)	If a Case of Fresh Purchase	
	(aa)	How was the purpose being served till date?	
	(ab)	Why it can't be met with up-gradation of the existing items?	
	(iii)	If a Case of Up-gradation	
	(aa)	Details of original purchase viz., year, cost, quantity, residual life, residual life after up-gradation, etc.	
	(ab)	Confirmation that issues of standardisation and compatibility have been taken care of.	
	(iv)	If a Case of Replacement	
	(aa)	Details of disposal of existing items (BER certificate, etc. to be enclosed).	
	(ab)	Possibility of buy-back or otherwise, along with reasons.	
4.	Schedule of Requirements (SoR) (indicate in DPMF 8)		<i>(Enclose DPMF 8)</i>
5.	Quantity		
	(a)	Basis for Working out the Quantity against each item	<i>(Formula, methodology, etc. to be indicated.)</i>
	(b)	Details	<i>(Net quantity along with Authorised holdings, existing holdings, Dues-in, Dues-out, etc to be indicated.)</i>
	(c)	Calculation Sheets/ PR Documents	<i>(To be enclosed with DPMF 7)</i>
	(d)	Proposed distribution of items being bought with justification to be indicated	
6.	Estimated Cost of Proposal (indicate in DPMF 7)		<i>(Enclose DPMF 7)</i>
	(a)	Last Purchase Price	<i>(Year, Escalation Factor and its basis, source, quantity to be mentioned)</i>
	(b)	Budgetary Quotes	<i>(Source, period, etc. to be mentioned along with copy of budgetary quotes. Reasons for obtaining Budgetary Quotes from particular prospective bidder(s) are to be indicated.)</i>
	(c)	Market Intelligence	<i>(Source, period, etc to be mentioned along with relevant enclosures)</i>
	(d)	Rates obtained from other Organisations	<i>(Source, period, quantity, etc to be mentioned along with relevant enclosures)</i>
	(e)	Professional Officers' Evaluation	<i>(Detailed reasoning and inputs used to be enclosed)</i>
	(f)	Any other method adopted	<i>(To be specified and explained, along with the</i>

Ser	Particulars	Details
		<i>reasons)</i>
7.	Details of the Last Purchase	
	(a) The quantity and dates on which similar items were procured in last one year.	
	(b) If it is a recurring item, the total period for which the items:-	
	(i) Were procured in the last purchase.	
	(ii) Are proposed to be procured.	
	(c) The mode of tendering in respect of Last Purchase.	
	(d) The source of Last Purchase.	
	(e) Any other relevant information.	
8.	Availability of Funds (give details in DPMF 9)	<i>(Enclose DPMF 9)</i>
	(a) Is it included in the PPP? (if applicable)	
	(b) If yes, relevant serial number of PPP to be quoted.	
	(c) Name of the paying agency.	
9.	Competent Financial Authority	
	(a) Particulars of the Schedule/ Sub-Schedule and the serial number thereof under which powers are being exercised.	
	(b) Name/ level of the CFA as mentioned in the Schedule, under whom the proposal falls.	
10.	Mode of Tendering	<input type="checkbox"/> GeM Procurement <input type="checkbox"/> Open Tendering <input type="checkbox"/> Limited Tendering <input type="checkbox"/> Single Tendering <input type="checkbox"/> PAC Tendering <input type="checkbox"/> Rate Contract <input type="checkbox"/> Any other (to be specified)
	(a) If GeM Procurement	<i>(Give details of options available)</i>
	(b) If Open Tendering	<i>{Mention the, Procurement Portals and newspapers in which the advertisement is proposed to be published. (Draft advertisement to be enclosed)}</i>
	(c) If Limited Tendering	<i>(Mention the reasons for LTE if value of the proposal is more than ₹ 25 lakhs. The list of vendors for LTE and reasons for including them to be enclosed)</i>
	(d) If PAC Tendering (Enclose DPMF 10)	<i>(Enclose DPMF 10. Give detailed justification for PAC Tendering)</i>
	(e) If Single Tendering	<i>(Mention the grounds of urgency/ Operation reasons/ technical requirements, etc. on which</i>

Ser	Particulars	Details
	(f) If Rate Contract	<i>STE is being proposed</i> <i>(Enclose copy of relevant RC under which the items are being proposed to be bought)</i>
11.	Draft RFP	
	(a) Draft RFP (Enclose DPMF 11)	<i>(Enclose DPMF 11)</i>
	(b) Special conditions applicable to the proposal.	<i>(Special conditions, which have been proposed in draft RFP, to be highlighted in the SoC. Important Technical and Commercial clauses proposed to be included may be mentioned with brief justification. Also, Evaluation Criteria proposed to be adopted may also be mentioned.)</i>

(.....)
Officer initiating the proposal/
Indenter

Notes:-

- (a) Details may be enclosed, indicating the enclosure number in the corresponding field.
- (b) This is only an indicative format. Information may be provided as per this format, to the extent feasible. If required, additional information may also be provided.

DPMF 6
(Refers to Paragraph 4.3.1)

FORMAT OF SIMPLIFIED STATEMENT OF CASE (SoC)

PROCUREMENT OF (CASE TITLE)

Ser	Particulars	Details
1.	Procuring Agency initiating SoC	
2.	Name of the Item(s)/ Service(s) being Procured	
3.	Justification for Procurement	
	(a) Scaled Items	<i>(Reference number and date of the Government letter/ Service MO letter authorising the scale to be quoted)</i>
	(b) Non-Scaled Item	
	(i) Which item was serving the purpose till the date?	
	(ii) How the present proposal will serve the purpose?	
	(iii) Whether scaling action has been initiated? If yes, reference number to be given. If not, reasons for not doing so to be given	
	(c) Detailed Justification from User	
	(d) Category of Proposal	<input type="checkbox"/> Fresh purchase <input type="checkbox"/> Up-gradation <input type="checkbox"/> Replacement <input type="checkbox"/> Maintenance <input type="checkbox"/> Repair <input type="checkbox"/> Any other (to be specified)
4.	Schedule of Requirements (SoR) (indicate in DPMF 8)	<i>(Enclose DPMF 8)</i>
5.	Quantity	<i>(Indicate Net Quantity. The basis for Working out the Net Quantity against each item to be indicated in DPMF 7)</i>
6.	Estimated Cost of Proposal (indicate in DPMF 7)	<i>(Enclose DPMF 7)</i>
8.	Availability of Funds (give details in DPMF 9)	<i>(Enclose DPMF 9)</i>
9.	Competent Financial Authority	

Ser	Particulars	Details
10.	Mode of Tendering	<input type="checkbox"/> GeM Procurement <input type="checkbox"/> Open Tendering <input type="checkbox"/> Limited Tendering <input type="checkbox"/> Single Tendering <input type="checkbox"/> PAC Tendering (<i>Enclose DPMF 10</i>) <input type="checkbox"/> Rate Contract <input type="checkbox"/> Any other (to be specified)
11.	Draft RFP (Enclose DPMF 11)	<i>(Enclose DPMF 11)</i>

(.....)
 Officer initiating the proposal/
 Indenter

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DPMF 7

{Refers to Paragraph 4.4.3;
Serials 2, 5(c) and 6 of
DPMF 5;
Serials 5 and 6 of DPMF 6}

FORMAT OF ESTIMATED QUANTITY AND COST OF PROPOSAL

Ser	Description of Item (to be same as the description to be given in the RFP)	Net Qty proposed for procurement ¹	Estimated Cost (per unit) ²	Taxes and duties (on total Qty)	Transportation cost (on total Qty)	Any other estimated associated cost, if any (total) ³	Total Cost
A	B	C	D	E	F	G	$H = C \times D + (E + F + G)$
1.							
2.							
3.							

Method of derivation of the Estimated Cost (per unit):- ²

.....

.....

.....

.....

(.....)
Officer initiating the proposal

Notes:-

1. Enclose Calculation Sheets/ PR Documents used to determine the net quantity.
2. Basis for working out the estimated cost (per unit) of proposal to be indicated as under:-
 - (a) The per unit Last Purchase Price (LPP), its vintage and the escalation factor (if applied) to arrive at the present rate, and/ or
 - (b) The per unit rate determined through Professional Officers' Valuation, Market Survey, enquiry from other organisations, Budgetary Quotes, or any other method (to be specified).
3. Similar details, as indicated above, may be given in respect of associated procurements also (if any), such as the training cost, installation, commissioning, AMC, etc., should be shown separately where these have not been included in the basic cost of the item.

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DPMF 8

(Refers to Serial 4 of DPMF 5 and DPMF 6)

FORMAT OF SCHEDULE OF REQUIREMENTS (SoR)

(The essential technical particulars to be specified in the SoR shall include the following to the extent applicable for a particular procurement)

Ser	Particulars	Details
1.	Scope of supply and, also, end use of the required goods.	
2.	All essential technical, qualitative, functional, environmental and performance characteristics and requirements. ¹ (Details to be enclosed as Annexure 1 . Refer to Note 1 below).	<i>(Enclose Annexure 1)</i>
3.	Drawings. (To be enclosed as Annexure 2).	<i>(Enclose Annexure 2)</i>
4.	Requirement of the BIS mark, where applicable, mentioning all parameters where such a specification provides options.	
5.	Requirement of an advance sample, if any, at the post contract stage before bulk production.	
6.	Special requirements of preservation, packing and marking, if any.	
7.	Inspection procedure for goods ordered and criteria of conformity.	
8.	Requirements of special tests or type test certificate or type approval for compliance of statutory requirements with reference to pollution, emission, noise, if any.	
9.	Other additional work and/ or related services required to achieve full delivery/ completion, installation, commissioning, training, technical support, after-sales service and Annual Maintenance Contract (AMC) requirements, if any.	
10.	Warranty requirements.	
11.	Qualification criteria of the bidders, if any.	

Ser	Particulars	Details
12.	Any other aspects peculiar to the goods in question such as shelf life of the equipment, and so on.	

Notes:-

1. Details to include material composition, physical, dimensions and tolerances, workmanship and manufacturing process wherever applicable; test schedule; if any), including guaranteed or acceptable maximum or minimum values, as appropriate. Whenever necessary, the user may include an additional format for guaranteed technical parameters (as an attachment to the bid submission sheet), where the bidder shall provide detailed information on such technical performance characteristics in reference to the corresponding acceptable or guaranteed values.

2. Any other relevant documents, if any, may be indicated in the respective rows above and enclosed.

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DPMF 9

(Refers to Paragraph 4.4.6;
Serial 8 of DPMF 5 and
DPMF 6)

FORMAT OF FUND AVAILABILITY DETERMINATION AND CERTIFICATE¹

Ser	Particulars	Current FY (CFY)	Subsequent FYs			Remarks (If any)
			CFY+1	CFY+2	CFY+3	
A	Code head under which the expenditure is proposed.					
B	Total allocation under the code head. ²					
C	Payments against on-going Contracts/Supply Orders (Committed Liabilities)					
D	Payments to be made in respect of the procurement proposals for which availability of funds has already been certified ¹					
E	Provision for emergency purchases ³					
F= B-C-D -E	Balance available for fresh commitments in CFY ⁴					
G	Funds required for the proposed procurement					

It is certified that as per the details given above, funds are available for the proposal under consideration.

(.....)
Officer initiating the proposal

Notes:-

1. In all cases, likely availability of funds shall be reassessed and certified by the Procuring Agency before award of the contract or placement of the

Supply/ Purchase Order against the proposal. For this purpose also this format may be used without filling any figures in the columns for 'Row D'.

2. Allocation for the subsequent years (as many years as required to cover the delivery schedule) may be worked out by escalating the current year's allocation by the average increase in allocation over the previous three years.
3. It would be desirable, but not necessary, to keep a certain percentage of the allocation for emergency purchases, as decided by the Procuring Agency.
4. This amount should normally be greater than the amount indicated in 'Row G' of the Table to ensure that adequate funds are available to meet the requirement of cash outgo over the entire delivery period. Processing of a procurement proposal shall however need not be stopped even if it is a negative figure, if the CFA is convinced that requisite funds shall be available when the payment is to be made.

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DPMF 10

{Refers to Paragraph 5.8.6;
Serial 10(d) of DPMF 5;
Serial 10 of DPMF 6}

FORMAT OF PROPRIETARY ARTICLE CERTIFICATE (PAC)

PROPRIETARY ARTICLE CERTIFICATE

..... ***(Description of Goods/ Services)***

It is certified that:-

(a) The goods are manufactured/ services are provided by
M/s *(Name of the OEM)*

(b) No other make or model/ service provider is acceptable for the
following reasons:-

(i)

(ii)

(As required)

(c) M/s *(Name of the firm)*
are the authorised dealer/ stockist/ distributor of the OEM/ original
service provider.

(d) Concurrence of Integrated Finance to grant this PAC has been
obtained vide

(e) Grant of this PAC has been approved by
as the competent authority, vide

(Signature with date and
designation of the Officer
signing the PAC)

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DPMF 11

{Refers to Paragraphs 5.12.7 and 6.17.2;
Sub-Paragraph 14.5.3(e);
Serial 11(a) of DPMF 5;
Serial 11 of DPMF 6}

FORMAT OF REQUEST FOR PROPOSAL (RFP)**INSTRUCTIONS TO BUYER FOR FRAMING RFP**

1. The RFP is divided into five Parts, each Part dealing with a different aspect.
2. **Part I.** Part I contains General Instructions to the bidders. Generally, all these instructions are mentioned as it is, though minor changes may be made to suit a particular case. Paragraph 5.11 (Chapter 5) is relevant for applicability of Paragraph 14 on EMD.
3. **Part II.** In Part II, the Technical Details would be different for various types of equipment. As such, only the broad guidelines for formulating this aspect have been stated here. The information may contain the following:-
 - (a) The purpose for which the items are needed or broadly outlines the capabilities that are required. It shall be ensured that user requirements are laid down in a comprehensive, structured and concrete manner in terms of functional characteristics and are broad-based.
 - (b) Relevant technical parameters like size, weight, performance, operating environment, power, torque, preservation, utility life, storage, shelf life etc, may be specified as applicable. Examples are as under:-
 - (i) User requirements in terms of functional characteristics.
 - (ii) Specifications/ Drawings, if applicable.
 - (iii) Technical details along with essential technical parameters.
 - (iv) Compliance chart for technical evaluation.
 - (v) Requirement of Tender/ Advance Sample.
 - (vi) Requirement of training/ on-job training.
 - (vii) Requirement of installation and commissioning.
 - (viii) Requirement of FATs, HATs and SATs.
 - (ix) Requirement of technical documentation.

- (x) Type of future assistance on completion of warranty.
 - (xi) Earliest acceptable year of manufacture.
 - (xii) Any other relevant/ technical requirements.
- (c) In case of Two-Bid system, the essential performance parameters shall be mentioned, fulfilment of which would be the basis for technical evaluation.
- (d) In Paragraph 5 pertaining to Incoterms, only the applicable Term of Delivery may be mentioned as decided for that particular case.

4. **Part III.** Part III contains Standard clauses which might have a legal implication. Therefore, no deviation from the text given in the clauses nor deletion of any of these clauses is allowed. In case a deviation from these clauses has to be considered/ allowed due to insistence of the Seller, then approval of Raksha Mantri shall be required. Paragraph 15 on Integrity pact clause may be included only in cases above ₹ 100 crores.

5. **Part IV.** Part IV contains several commercial clauses, which may or may not be relevant for a particular type of RFP. Hence, the title is given as 'Special Conditions of Contract'. A conscious decision may be taken to incorporate the relevant clauses from this list based on the guidelines given in the DPM Chapters concerned. The wordings of these clauses may be appropriately modified to suit a particular case.

6. **Part V.** In Part V, the Evaluation Criteria may be suitably amplified/ modified to suit the specific requirements of a particular case. Similarly, the Format of the Price Bid may be amended to include/ exclude items as per requirements.

7. The RFP format applies both to indigenous and foreign procurement cases. The main difference is in the selection of relevant 'Special Condition Clauses' from those given in Part IV of the RFP. This in turn depends upon the guidelines contained in corresponding paragraphs of various DPM chapters. In particular, the provisions of Chapters 5 & 6 would be relevant for indigenous procurements and Chapter 7 for foreign procurements are to be examined by the Buyer for appropriate selection of commercial clauses.

RFP FORMAT**(Particulars of the Buyer issuing the RFP)****INVITATION OF BIDS FOR SUPPLY OF (TITLE OF RFP)****REQUEST FOR PROPOSAL (RFP) DATED**

1. Online bids/ bids in sealed cover (cases which are exempted from e-Procurement) are invited for supply of items listed in Part II of this RFP. Please super-scribe the above mentioned Title, RFP number and date of opening of the bids on the sealed cover to avoid the bid being declared invalid.
2. In case of e-Procurement, clarifications are sought and provided online. In case of manual bidding, the address and contact numbers for seeking clarifications regarding this RFP or sending Bids are given below:-
 - (a) Bids/ queries to be addressed to:
 - (b) Postal address for sending the Bids:
 - (c) Name/ designation of the contact personnel:
 - (d) Telephone numbers of the contact personnel:
 - (e) e-Mail IDs of contact personnel:
 - (f) Fax number:
3. This RFP is divided into five Parts as follows:-
 - (a) **Part I.** Contains General Information and Instructions for the Bidders about the RFP such as the time, place of submission and opening of tenders, Validity period of tenders, etc.
 - (b) **Part II.** Contains essential details of the items/ services required, such as the Schedule of Requirements (SoR), Technical Specifications, Delivery Period, Mode of Delivery and Consignee details.
 - (c) **Part III.** Contains Standard Conditions of RFP, which shall form part of the Contract with the successful Bidder.
 - (d) **Part IV.** Contains Special Conditions applicable to this RFP and which also form part of the contract with the successful Bidder.
 - (e) **Part V.** Contains Evaluation Criteria and Format for Price Bids.
4. This RFP is being issued with no financial commitment and the Buyer reserves the right to change or vary any part thereof at any stage. Buyer also reserves the right to withdraw the RFP, should it become necessary at any stage.

PART I - GENERAL INFORMATION

1. **Last Date and Time for Submitting the Bids:** (hh:mm AM/ PM) on (DD MM YYYY)

{The online bids/ sealed bids (both technical and commercial, in case two bids are called for) should be submitted/ reach by the due date and time. The responsibility to ensure this lies with the Bidder}.

2. **Manner of Submitting the Bids.** Online bids should be submitted in the manner prescribed in the relevant e-Procurement Portal. In case of manual bidding, sealed bids should be either dropped in the Tender Box marked as or sent by registered post at the address given above so as to reach by the due date and time. Late tenders will not be considered. No responsibility will be taken for postal delay or non-delivery/ non-receipt of Bid documents. Bids sent by Fax or e-mail will not be considered (unless they have been specifically called for by these modes due to urgency).

3. **Time and Date for Opening of Bids:**

(If due to any exigency, the due date for opening of the Bids is declared a closed holiday, the Bids will be opened on the next working day at the same time or on any other day/ time, as intimated by the Buyer.)

4. **Location of the Tender Box (in case of Manual Bidding):**

(Only those Bids that are found in the tender box will be opened. Bids dropped in the wrong Tender Box will be rendered invalid.)

5. **Place of Opening of the Bids:**

(The Bidders may depute their representatives, duly authorised in writing, to attend the opening of Bids on the due date and time. Rates and important commercial/ technical clauses quoted by all Bidders will be read out in the presence of the representatives of all the Bidders. This event will not be postponed due to non-presence of your representative.)

6. **Two-Bid System.** In case of the Two-Bid system, only the Technical Bid would be opened on the time and date mentioned above. Date of opening of the Commercial Bid will be intimated after acceptance of the Technical Bids. Commercial Bids of only those firms will be opened, whose Technical Bids are found compliant/ suitable after Technical evaluation is done by the Buyer.

7. **Submission of Bids.** Bids should be submitted online by Bidders under their Digital Signature or in case of manual bidding under their original memo/ letter pad *inter alia* furnishing details like TIN number, GST number, Bank address with EFT Account if applicable, etc. and complete postal & e-mail address of their office.

8. **Clarification Regarding Contents of the RFP.** The e-Procurement application provides an interface for vendors to seek clarifications online and the procurement authority to reply to the same. The start date and end date for seeking clarifications will be included in the critical dated indicated in the tender. In case of manual bidding, a prospective bidder, who requires clarification regarding the contents of the bidding documents, shall notify to the Buyer in writing about the clarifications sought not later than 14 (fourteen) days prior to the date of opening of the Bids. Copies of the query and clarification by the purchaser will be sent to all prospective bidders who have received the bidding documents.

9. **Modification and Withdrawal of Bids.** A bidder may modify or withdraw his bid after submission as per the modalities given in relevant e-Procurement Portal. In manual bidding, a written notice of modification or withdrawal is received by the Buyer prior to deadline prescribed for submission of bids. A withdrawal notice may be sent by fax but it should be followed by a signed confirmation copy to be sent by post and such signed confirmation should reach the purchaser not later than the deadline for submission of bids. No bid shall be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity specified. Withdrawal of a bid during this period will result in Bidder's forfeiture of bid security.

10. **Clarification Regarding Contents of the Bids.** During evaluation and comparison of bids, the Buyer may, at its discretion, ask the bidder for clarification of his bid. The request for clarification will be given in writing and no change in prices or substance of the bid will be sought, offered or permitted. No post-bid clarification on the initiative of the bidder will be entertained.

11. **Rejection of Bids.** Canvassing by the Bidder in any form, unsolicited letter and post-tender correction may invoke summary rejection with forfeiture of EMD. Conditional tenders will be rejected.

12. **Unwillingness to Quote.** Bidders unwilling to quote should ensure that intimation to this effect reaches before the due date and time of opening of the Bid, failing which the defaulting Bidder may be delisted for the given range of items as mentioned in this RFP.

13. **Validity of Bids.** The Bids should remain valid till (Date) from the last date of submission of the Bids.

14. **Earnest Money Deposit (EMD)**. Bidders are required to submit EMD for amount of along with their bids. The EMD may be submitted in the form of a Fixed Deposit Receipt, or Bank Guarantee from any of the Indian Public or Private Sector Scheduled Commercial Bank or online payment in acceptable form. EMD is to remain valid for a period of forty-five days beyond the final bid validity period. EMD of the unsuccessful bidders will be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract. The Bid Security of the successful bidder would be returned, without any interest whatsoever, after the receipt of Performance Security from them as called for in the contract. EMD is not required to be submitted by Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME)/ MSEs registered with NSIC and under Udyog Aadhaar Memorandum (UAM) and those Bidders who are registered with the Central Purchase Organisation or Department or Ministries of the Government of India concerned for the same item/ range of products, goods or services for which tender has been issued. The EMD will be forfeited if the bidder withdraws or amends, impairs or derogates from the tender in any respect within the validity period of their tender.

OR

15. **Bid Securing Declaration**. In place of a Bid security, the bidders are required to sign a bid securing declaration accepting that if they withdraw or modify their bids during the period of validity, or if they are awarded the contract and they failed to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit bids for contracts with the entity that invited the bids.

16. Special Instructions to Contractors/ Bidders for e-Submission of bids online through e-Procurement Portals may be adhered to. The details of the EMD, documents submitted physically to the Organisation/ Unit and the scanned copies furnished at the time of bid submission online should be same otherwise the Tender will be summarily rejected.

17. In case of e-Bidding, EMD instruments and certificates/ documents etc. should be dropped in either Tender Box marked as or sent by registered post at the address given above so as to reach by the due date and time.

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PART II - ESSENTIAL DETAILS OF ITEMS/ SERVICES REQUIRED

1. **Schedule of Requirements.** List of items/ services required is as follows:-

(Name/ Type of item/ services/ description of stores/ qty required)

.....

2. **Technical Details:-**

- (a) Specifications/ drawings, as applicable.
- (b) Technical details with technical parameters.
- (c) Requirement of training/ on-job training.
- (d) Requirement of installation/ commissioning.
- (e) Requirement of Factory Acceptance Trials (FAT), Harbour Acceptance Trials (HAT) and Sea Acceptance Trials (SAT).
- (f) Requirement of Technical documentation.
- (g) Nature of assistance required after completion of warranty.
- (h) Requirement of pre-site/ equipment inspection.
- (j) Any other details, as considered necessary.

3. **Two-Bid System.** In respect of Two-Bid system, Bidders are required to furnish clause by clause compliance of specifications bringing out clearly the deviations from specification, if any. The Bidders are advised to submit the compliance statement in the following format along with Technical Bid:-

Para of RFP Specifications Item-Wise	Specification of Item Offered	Compliance to RFP Specification - Whether Yes/ No	In case of Non-compliance, deviation from RFP to be specified in unambiguous terms

4. **Delivery Period.** Delivery period for supply of items would be from the effective date of contract. Please note that Contract can be cancelled unilaterally by the Buyer in case items are not received within the contracted delivery period. Extension of contracted delivery period will be at the sole discretion of the Buyer, with applicability of LD clause.

5. **International Commercial Terms (Incoterms) for Delivery and Transportation (“E” / “F” / “C” / “D” Terms).** Unless otherwise specifically agreed to by the Buyer and the Seller and incorporated in the contract, the applicable rules & regulations for transportation of goods from foreign countries will be as per the contemporary version of Incoterms evolved by International Chamber of Commerce, Paris. Definition of Delivery Period is given below:-

Ser	Terms of Delivery	Date of Delivery
(a)	Local Delivery at Site	The date on which the delivery is made at the consignee’s site mentioned in the contract.
(b)	EXW	The date the Seller delivers the goods to the Buyer at Seller’s factory/ premises.
(c)	FOR Station of Dispatch	The date on which the goods are placed by the Seller on rail with clear Rail Receipt.
(d)	By Post Parcel	The date of postal receipt.
(e)	Dispatch by Air	The date of Air Waybill.
(f)	FOR Destination	The date on which the goods reach the destination railway station specified in the contract, unless otherwise stated.
(g)	CIP Destination	The date on which the delivery is effected at the destination mentioned in the contract.
(h)	FAS Port of Shipment	The date on which the Seller delivers the goods alongside the vessel at the specified port of shipment. This date is reflected in Bill of Lading.
(j)	FOB Port of Shipment	The date on which the Seller delivers the goods on-board the vessel at the specified port of shipment. This date is reflected in Bill of Lading.
(k)	CIF Port of Destination	The date on which the goods actually arrived at the Destination Port.

Notes:-

- (i) The FAS, FOB & CIF terms of delivery are applicable for goods which are directly imported from foreign countries against the subject contract and not imported already by the Seller under its own arrangement.
- (ii) The CIP terms of delivery may be applied both for domestic as well as imported supplies.

6. **Consignee Details:-**

PART III - STANDARD CONDITIONS OF RFP

The Bidder is required to give confirmation of their acceptance of the Standard Conditions of the RFP mentioned below which will automatically be considered as part of the Contract concluded with the successful Bidder (i.e. Seller in the Contract) as selected by the Buyer. Failure to do so may result in rejection of the Bid submitted by the Bidder.

1. **Law.** The Contract shall be considered and made in accordance with the laws of the Republic of India. The Contract shall be governed by and interpreted in accordance with the laws of the Republic of India.
2. **Effective Date of the Contract.** The Contract shall come into effect on the date of signatures 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 and supplies and performance of the services shall commence from the effective date of the Contract.
3. **Arbitration.** All disputes or differences arising out of or in connection with the Contract shall be settled by bilateral discussions. Any dispute, disagreement or question arising out of or relating to the Contract or relating to construction or performance, which cannot be settled amicably, may be resolved through arbitration. The standard clause of arbitration is as per **Appendix G** (Available in MoD website and can be provided on request).
4. **Penalty for use of Undue Influence.** The Seller undertakes that he has not given, offered or promised to give, directly or indirectly, any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the present Contract or any other Contract with the Government of India for showing or forbearing to show favour or disfavour to any person in relation to the present Contract or any other Contract with the Government of India. Any breach of the aforesaid undertaking by the Seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the Seller) or the commission of any offers by the Seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act, 1986 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the Contract and all or any other Contracts with the Seller and recover from the Seller the amount of any loss arising from such cancellation. A decision of the Buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the Seller. Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the Seller towards any officer/ employee of the Buyer or to any other person in a position to influence any officer/ employee of the Buyer for showing any favour in relation to this or any other Contract, shall render the Seller to such liability/ penalty as the Buyer may deem proper, including but not limited to termination of the Contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.
5. **Agents/ Agency Commission.** The Seller confirms and declares to the Buyer that the Seller is the original manufacturer of the stores/ provider of the services referred to in this Contract and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the Contract to the Seller; nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The Seller agrees that if it is established at any time to the satisfaction of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the Seller has engaged any such individual/ firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this Contract, the Seller will be liable to refund that amount to the Buyer. The Seller will also be debarred from entering into any Supply Contract with the Government of India for a minimum period of five years. The Buyer will also have a right to consider cancellation of the Contract either wholly or in part, without any entitlement or compensation to the Seller, who shall, in such an event, be liable to refund all payments made by the Buyer in terms of the Contract along with interest at the rate of 2% per annum above LIBOR rate. The Buyer will also have the right to recover any such amount from any Contracts concluded earlier with the Government of India.
6. **Access to Books of Accounts.** In case it is found to the satisfaction of the Buyer that the Seller has engaged an Agent or paid commission or influenced any person to obtain the Contract as described in clauses relating to Agents/ Agency Commission and penalty for use of undue influence, the Seller, on a specific request of the Buyer, shall provide necessary information/ inspection of the relevant financial documents/ information.
7. **Non-Disclosure of Contract Documents.** Except with the written consent of the Buyer/ Seller, other party shall not disclose the Contract or any provision, specification, plan, design, pattern, sample or information with proprietary markings thereof to any third party, unless required by either Government of the Parties or by Seller's suppliers solely for the purpose of performing the obligations under the Contract.
8. **Liquidated Damages (LD).** 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, etc as specified in this Contract, the Buyer may, at his discretion, withhold any payment until the delay has been rectified by Seller. The Buyer may also deduct from the Seller as agreed, LD to the sum of 0.5% of the Contract price {Basic cost (excluding taxes and duties)} 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 LD being not higher than 10% of the value of delayed stores {Basic cost (excluding taxes and duties)}. The Buyer may also deduct from the Seller as agreed, LD to the sum of 0.5% of the

value of Bank Guarantee (BG) for every week or part thereof, for delays in submission of any of the bonds, guarantees and documents, subject to the maximum value of such LD being not higher than 10% of the value of BG. However, total LD for delays in delivery of goods, services, BGs and documents together shall not exceed 10% of the total Contract price (basic cost (excluding taxes and duties)).

9. **Termination of Contract.** The Buyer shall have the right to terminate this Contract in part or in full, by written notice of default sent to the Supplier, in any of the following cases:-

- (a) The delivery of the material is delayed for causes not attributable to Force Majeure for more than (..... months) after the scheduled date of delivery.
- (b) The Seller is declared bankrupt or becomes insolvent.
- (c) The delivery of material is delayed due to causes of Force Majeure by more than (..... months) provided Force Majeure clause is included in Contract.
- (d) The Buyer has noticed that the Seller has utilised the services of any Indian/ Foreign agent in getting this Contract and paid any commission to such individual/ company etc.
- (e) As per decision of the Arbitration Tribunal.

10. **Notices.** Any notice required or permitted by the Contract shall be written in the English language and may be delivered personally or may be sent by Fax or registered pre-paid mail/ airmail, addressed to the last known address of the party to whom it is sent.

11. **Transfer and Subletting.** The Seller has no right to give, bargain, sell, assign or sublet or otherwise dispose of the Contract or any part thereof, as well as to give or to let a third party take benefit or advantage of the present Contract or any part thereof. The Seller may utilise its wholly owned subsidiary in India to provide product support related to the Contract, however, it shall not relieve the Seller of any obligation, duty or liability attributable to the Seller under the present Contract.

12. **Patents and other Industrial Property Rights.** The prices stated in the present Contract shall be deemed to include all amounts payable for the use of patents, copyrights, registered charges, trademarks and payments for any other industrial property rights. The Seller shall indemnify the Buyer against all claims from a third party at any time on account of the infringement of any or all the rights mentioned in the previous paragraphs, whether such claims arise in respect of manufacture or use. The Seller shall be responsible for the completion of the supplies including spares, tools, technical literature and training aggregates irrespective of the fact of infringement of the supplies, irrespective of the fact of infringement of any or all the rights mentioned above.

13. **Amendments.** No provision of present Contract shall be changed or modified in any way (including this provision) either in whole or in part except by an instrument in writing made after the date of this Contract and signed on behalf of both the parties and which expressly states to amend the present Contract.

14. **Taxes and Duties.**

(a) **In respect of Foreign Bidders.** All taxes, duties, levies and charges which are to be paid for the delivery of goods, including advance samples, shall be paid by the parties under the present Contract in their respective countries.

(b) **In respect of Indigenous Bidders.**

(i) **General.**

(aa) Bidders must indicate separately the relevant Taxes/ Duties likely to be paid in connection with delivery of completed goods specified in RFP. In absence of any such stipulation, it will be presumed that the prices include all such charges and no claim for the same will be entertained.

(ab) If a Bidder is exempted from payment of any duty/ tax up to any value of supplies from them, he should clearly state that no such duty/ tax will be charged by them up to the limit of exemption, which they may have. If any concession is available in regard to rate/ quantum of any duty/ tax, it should be brought out clearly. In such cases, relevant certificate will be issued by the Buyer later to enable the Seller to obtain exemptions from taxation authorities.

(ac) Bidders should note that in case any refund of any duty/ tax is granted to them by Central/ State authorities in respect of Stores supplied under the Contract, they will pass on the credit to the Buyer immediately along with a certificate that the credit so passed on relates to the duty/ tax, originally paid for the stores supplied under the Contract.

(ad) Any changes in levies, taxes and duties levied by Central/ State/ Local governments on final product upward as a result of any statutory variation taking place within Contract period shall be allowed reimbursement by the Buyer, to the extent of

actual quantum of such duty/ tax paid by the Seller. Similarly, in case of downward revision in any such duty/ tax, the actual quantum of reduction of such duty/ tax shall be reimbursed to the Buyer by the Seller. All such adjustments shall include all reliefs, exemptions, rebates, concessions etc, if any, obtained by the Seller. Section 64-A of Sales of Goods Act will be relevant in this situation.

(ae) Levies, taxes and duties levied by Central/ State/ Local governments on final product will be paid by the Buyer on actuals, based on relevant documentary evidence. Taxes and duties on input items will not be paid by Buyer and they may not be indicated separately in the bids. Bidders are required to include the same in the pricing of their product.

(ii) **Customs Duty.**

(aa) For imported stores offered against forward delivery, the Bidder shall quote prices thereof exclusive of customs duty. The Bidder shall specify separately the CIF/ CIP prices and total amount of customs duty payable. In case where CIF/ CIP is not indicated by a foreign bidder, their FOB/ FCA cost would be loaded by 10% to arrive at CIF/ CIP cost for the purposes of evaluation. They will also indicate correctly the rate of customs duty applicable along with Indian Customs Tariff Number. Customs duty as actually paid will be reimbursed on production of necessary documents i.e. Triplicate copy of the bill of entry, Copy of bill of lading and a Copy of foreign principal's invoice. However, if the Bidder imports the stores in question against his own commercial quota Import Licences, he will also be required to submit, in addition, the triplicate copy of bills of entry etc., a certificate from his Internal Auditor on the bill itself, to the effect that the following items/ quantity in the bill of entry related to the stores imported against Defence Buyer Contract number dated

(ab) Subsequent to the reimbursement of customs duty, the Bidder will submit to the Payment Authority concerned a certificate to the effect that he has not obtained any refund of customs duty subsequent to the payment of duty to the Customs authority by him. In addition, he shall also submit to the Paying Authority concerned a certificate immediately after a period of three months from the date of payment of the duty to customs authorities to the effect that he has not applied for refund of the customs duty subsequent to the payment of duty to the customs authorities by him.

(ac) In case the Bidder obtains any refund of customs duty, subsequent to the payment of the same by him to the customs authorities and reimbursement of the customs duty to him by the Payment Authority, he should forthwith furnish the details of the refund obtained and afford full credit of the same to the Buyer.

15. **Integrity Pact Clause.** An "Integrity Pact" would be signed between the Ministry of Defence/ Buyer and the Bidder for purchases exceeding ₹ 20 crores. This is a binding agreement between the Buyer and Bidders for specific contracts in which the Buyer promises that it will not accept bribes during the procurement process and Bidders promise that they will not offer bribes. Under this Pact, the Bidders for specific services or contracts agree with the Buyer to carry out the procurement in a specified manner. If the estimated cost exceeds ₹ 100 crores, the Bidders are also required to submit an Integrity Pact Bank Guarantee (IPBG) from any Indian or Private Sector Scheduled Commercial Bank, along with the Integrity Pact. The IPBG shall be for an amount of ₹, promising payment of the guaranteed sum to the Buyer 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. The Bidders are to submit the Integrity Pact and IPBG along with their bids (Technical/ commercial, whichever is earlier). This requirement is in addition to EMD (if applicable). The validity of the Integrity Pact and IPBG shall be from date of its signing and extend up to five years or the complete execution of the contract to the satisfaction of both, the Buyer and the Bidder/ Seller, including warranty period, whichever is later. In case Bidder is unsuccessful, the Integrity Pact shall expire after six months from the date of the signing of the contract and the IPBG shall be returned to the Bidder on expiry of the Integrity Pact. No interest shall be payable by the Buyer to the Bidder on the IPBG for the period of its currency. The Format of Integrity Pact and the IPBG will be as per **DPMF 14** and **DPMF 15** respectively (Available in MoD website, and can be provided on request). The essential elements of the Pact are as follows:-

- (a) A pact (Contract) between the Government of India (Ministry of Defence) (the authority or the "principal") and those companies submitting a tender for this specific activity (the "Bidder").
- (b) An undertaking by the Principal that its officials will not demand or accept any bribes, gifts etc., with appropriate disciplinary or criminal sanctions in case of violation.
- (c) A statement by each Bidder that it has not paid, and will not pay, any bribes.
- (d) An undertaking by each Bidder to disclose all payments made in connection with the Contract in question to anybody (including agents and other middlemen as well as family members, etc., of officials). The disclosure would be made either at the time of submission of Bids or upon demand of the Principal, especially when a suspicion of a violation by that Bidder emerges.

(e) The explicit acceptance by each Bidder that the no-bribery commitment and the disclosure obligation as well as the attendant sanctions remain in force for the winning Bidder until the Contract has been fully executed.

(f) Undertaking on behalf of a Bidding company will be made "in the name and on behalf of the company's Chief Executive Officer".

(g) The following set of sanctions shall be enforced for any violation by a Bidder of its commitments or undertakings:-

(i) Denial or loss of Contracts.

(ii) Forfeiture of any or all forms of security deposits/ bonds/ guarantees submitted by the Bidder either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason thereof.

(iii) Provisions of Sanctions for Violation of the Integrity Pact shall also be applicable for forfeiture of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reasons for imposing sanction for violation of this Pact.

(iv) Liability for damages to the principal and the competing Bidders.

(v) Debarment of the violator by the Principal for an appropriate period of time.

(h) Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour and compliance program for the implementation of the code of conduct throughout the company).

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PART IV - SPECIAL CONDITIONS OF RFP

The Bidder is required to give confirmation of their acceptance of Special Conditions of the RFP mentioned below, which will automatically be considered as part of the Contract concluded with the successful Bidder (i.e. Seller in the Contract) as selected by the Buyer. Failure to do so may result in rejection of Bid submitted by the Bidder.

1. **Performance Guarantee.**

(a) **Indigenous Cases.** The Bidder will be required to furnish a Performance Guarantee by way of Bank Guarantee through any Indian Public or Private Sector Scheduled Commercial Bank for a sum equal to % of the Contract value within 45 days of receipt of the confirmed order. Performance Bank Guarantee (PBG) should be valid up to 60 days beyond the date of warranty.

(b) **Foreign Cases.** The Seller will be required to furnish a Performance Guarantee by way of a Bank Guarantee from a any Indian Public or Private Sector Scheduled Commercial Bank or an International Bank of repute in favour of the Government of India, Ministry of Defence to be confirmed by the (Buyer's bank) equal to % of the total value of this Contract i.e. for US \$ {US Dollars (in words) only}. Performance Bank Guarantee (PBG) should be valid up to 60 days beyond the date of warranty. The Performance Bank Guarantee shall be considered open upon receipt by the Buyer's Bank.

(c) The specimen of PBG is given in **DPMF 16** (Available in MoD website and can be provided on request).

(d) In case any claims or any other Contract obligations are outstanding, the Seller will extend the Performance Bank Guarantee as asked for by the Buyer till such time as the Seller settles all claims and completes all Contract obligations. The Performance Bank Guarantee will be subject to encashment by the Buyer, in case the conditions regarding adherence to delivery schedule, settlement of claims and other provisions of the Contract are not fulfilled by the Seller.

(e) Provisions of sanctions for violation of the Integrity Pact shall also be applicable for forfeiture of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reasons for imposing sanction for violation of the Integrity Pact.

2. **Option Clause.** The Contract will have an Option Clause, wherein the Buyer can exercise an option to procure an additional 50% of the original contracted quantity in accordance with the same terms & conditions of the present Contract. This will be applicable within the currency of Contract. The Bidder is to confirm the acceptance of the same for inclusion in the Contract. It will be entirely the discretion of the Buyer to exercise this option or not.

3. **Repeat Order Clause.** The Contract will have a Repeat Order Clause, wherein the Buyer can order up to 50% quantity of the items under the present Contract within twelve months from the date of supply/ successful completion of this Contract, the cost, terms & conditions remaining the same. The Bidder is to confirm acceptance of this clause. It will be entirely the discretion of the Buyer to place the Repeat Order or not.

4. **Tolerance Clause.** To take care of any change in the requirement during the period starting from issue of RFP till placement of the Contract, Buyer reserves the right to % \pm increase or decrease the quantity of the required goods up to that limit without any change in the terms & conditions and prices quoted by the Seller. While awarding the Contract, the quantity ordered can be increased or decreased by the Buyer within this tolerance limit.

5. **Payment Terms for Indigenous Sellers.** It will be mandatory for the Bidders to indicate their bank account numbers and other relevant e-payment details so that payments could be made through ECS/ EFT mechanism instead of payment through cheques, wherever feasible. A copy of the model mandate form prescribed by RBI to be submitted by Bidders for receiving payments through ECS is at **DPMF 18** (Available in MoD website and can be given on request). The payment will be made as per the following terms, on production of the requisite documents:-

(a) 95% Payment against Inspection note, Proof of dispatch, duly supported by photocopy of the Bank Guarantee and against Consignee's provisional receipt. Balance of 5% will be paid on receipt of items in good condition by consignee(s) along with user's certificate of complete installation and successful commissioning.

OR

(b) 100% payment on delivery and acceptance by the user.

OR

(c) Stage-wise payments (To be defined as per complexity of case).

OR

(d) Quarterly payments on submission of User clearance certificate in respect of AMC Contracts.

6. **Payment Terms for Foreign Sellers.**

(a) The payment will be arranged through Letter of Credit from Reserve Bank of India/ State bank of India/ any other Indian Public Sector Bank as decided by the Buyer, to the Bank of the Foreign Seller. The Seller will give a notification within a specified period about the readiness of goods. Letter of Credit is to be opened by the Buyer within days on receipt of notification of readiness from the firm. The Letter of Credit will be valid for days from the date of its opening, on extendable basis by mutual consent of both the Seller and Buyer.

OR

(b) If the value of the Contract is up to US \$ 100,000, payments will be made by Direct Bank Transfer (DBT). DBT payment will be made within 30 days of receipt of clean Bill of Lading/ AWB/ Proof of shipment and such other documents as are provided for in the Contract, but such payments will be subject to the deductions of such amounts as the Seller may be liable to pay under the agreed terms of the Contract.

OR

(c) Stage-wise payments (To be defined as per complexity of case).

OR

(d) Quarterly payments on submission of User clearance certificate in respect of AMC Contracts.

7. **Advance Payments.**

(a) No advance payment(s) will be made.

OR

(b) Advance payments may be made up to% against appropriate Bank Guarantee as per format at **DPMF 27** (Available in MoD website and can be given on request) or any authorised guarantee, as acceptable to the Buyer. The Advance Payment Bank Guarantee (APBG) shall be proportionately and automatically reduced until full extinction along with and prorate to the value of each delivery of goods/ services as evidenced by the corresponding copy of document proving delivery {Joint Receipt Inspection (JRI) Certificate or Certified Receipt Voucher (CRV), issued by the Buyer} and invoices of deliverables supplied/ provided.

8. **Paying Authority.**

(a) **Indigenous Sellers.** (Name and address, contact details). The payment of bills will be made on submission of the following documents (as applicable) by the Seller to the Paying Authority along with the bill:-

- (i) Ink-signed copy of Contingent bill/ Seller's bill.
- (ii) Ink-signed copy of Commercial invoice/ Seller's bill.
- (iii) Copy of Supply Order/ Contract with UO number and date of IFA's concurrence, where required under delegation of powers.
- (iv) CRVs in duplicate.
- (v) Inspection note.
- (vi) Claim for statutory and other levies to be supported with requisite documents/ proof of payment such as GST challan, Customs duty clearance certificate, proof of payment for EPF/ ESIC contribution with nominal roll of beneficiaries, etc as applicable.
- (vii) Exemption certificate for taxes/ duties, if applicable.
- (viii) Copy of Advance Payment Bank Guarantee (APBG), if any.
- (ix) Guarantee/ Warranty certificate.
- (x) Copy of Integrity Pact, IPBG, Performance Bank Guarantee/ Indemnity bond where applicable.
- (xi) DP extension letter with CFA's sanction, UO number and date of IFA's concurrence, where required under delegation of powers, indicating whether extension is with or without LD.
- (xii) Details for electronic payment viz Account holder's name, Bank name, Branch name and address, Account type, Account number, IFSC code, MICR code (if these details are not incorporated in Supply Order/ Contract).
- (xiii) Any other document/ certificate that may be provided for in the Supply Order/ Contract.
- (xiv) User Acceptance.
- (xv) Photocopy of PBG.

Note:- From the above list, the documents that may be required depending upon the peculiarities of the procurement being undertaken, may be included in RFP.

(b) **Foreign Sellers.** (Name and address, contact details). Paid shipping documents (as applicable) 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) Clean on Board Air Waybill/ Bill of Lading.
- (ii) Original Invoice.
- (iii) Packing List.
- (iv) Certificate of country of origin of goods.
- (v) Certificate of Quality and current manufacture from OEM.
- (vi) Dangerous Cargo certificate, if any.
- (vii) Insurance policy of 110% if CIF/ CIP Contract, wherever applicable.
- (viii) Certificate of Conformity & Acceptance Test at PDI, signed by Buyer's and Seller's QA Dept, if provided in the Contract.
- (ix) Phytosanitary/ Fumigation Certificate, if applicable.
- (x) Copy of Performance Bond.
- (xi) Warranty Certificate.

9. **Fall Clause.** The following Fall clause will form part of the Contract placed on successful Bidder:-

(a) The price charged for the stores supplied under the Contract by the Seller shall in no event exceed the lowest prices at which the Seller sells the stores or offer to sell stores of identical description to any persons/ organisation including the purchaser or any department of the Central government or any Department of state government or any statutory undertaking of the Central or State government, as the case may be, during the period till performance of all Supply Orders placed during the currency of the Rate Contract is completed.

(b) If at any time, during the said period, the Seller reduces the sale price, sells or offer to sell such stores to any person/ organisation including the Buyer or any Dept of Central government or any Dept of the State government or any statutory undertaking of the Central or State government, as the case may be, at a price lower than the price chargeable under the Contract, the Seller shall forthwith notify such reduction or sale or offer of sale to the Director General of Supplies & Disposals and the price payable under the Contract for the stores of such reduction of sale or offer of the sale shall stand correspondingly reduced. The above stipulation will, however, not apply to:-

- (i) Exports by the Seller.
- (ii) Sale of goods as original equipment at price lower than the prices charged for normal replacement.
- (iii) Sale of goods such as drugs, which have expiry dates.
- (iv) Sale of goods at lower price on or after the date of completion of sale/ placement of the order of goods by the authority concerned under the existing or previous Rate Contracts as also under any previous contracts entered into with the Central or State government depts, including their undertakings, excluding joint sector companies and/ or private parties and bodies.

(c) The Seller shall furnish the following certificate to the Paying Authority along with each bill for payment for supplies made against the Rate Contract:-

"We certify that there has been no reduction in sale price of the stores of description identical to the stores supplied to the Government under the Contract herein and such stores have not been offered/ sold by me/ us to any person/ organisation including the purchaser or any department of Central Government or any Department of a State Government or any Statutory Undertaking of the Central or state Government, as the case may be, up to the date of bill/ the date of completion of supplies against all supply orders placed during the currency of the Rate Contract at price lower than the price charged to the government under the Contract except for quantity of stores categories under sub-clauses (i), (ii) and (iii) of sub-para (b) above, details of which are given below:-

.....
"

10. **Exchange Rate Variation (ERV) Clause.**

(a) Detailed time schedule for procurement of imported material/ services and their value at the FE

rates adopted for the Contract is to be furnished by the foreign Bidder as per the format given below:-

Year-Wise and Major Currency-Wise Import Content Break-Up					
Financial Year (01 Apr to 31 Mar)	Total Cost of Imported Material/ Services (In ₹ Crores)	FE Content Outflow (Equivalent in ₹ Crores)			
		USD (\$) Denominated	EUR (€) Denominated	GBP (£) Denominated	Other Currencies Denominated

(b) The Base Exchange Rate on the ERV reckoning date will be adopted for each of the major foreign currencies. The Base Exchange Rate will be the BC Selling Rate of the State Bank of India, Parliament Street, New Delhi. The ERV reckoning date will be the last date of submission of commercial bids as per RFP.

(c) ERV will be payable/ refundable depending upon the exchange rate as prevalent on the date of transaction with reference to the Base Exchange Rate on the ERV Reckoning date. In cases where Option/ Repeat Order Clause is exercised, the date of reckoning of ERV will be the last date of submission of bids for the RFP of the Original Procurement Case.

(d) The impact of notified ERV shall be computed

(e) ERV will not be admissible if it falls within a band of% of the total quoted price.

(f) ERV clause will not be applicable in case delivery periods for imported content are subsequently to be re-fixed/ extended unless the reasons for delivery period extension are attributable to the buyer.

11. **Risk & Expense Clause.**

(a) Should the stores or any instalment thereof not be delivered within the time or times specified in the Contract documents, or if defective delivery is made in respect of the stores or any instalment thereof, the Buyer shall after granting the Seller 45 days to cure the breach, be at liberty, without prejudice to the right to recover Liquidated Damages (LD) as a remedy for breach of Contract, to declare the Contract as cancelled either wholly or to the extent of such default.

(b) Should the stores or any instalment thereof not perform in accordance with the specifications/ parameters provided by the Seller during the check-proof tests to be done in the Buyer's country, the Buyer shall be at liberty, without prejudice to any other remedies for breach of Contract, to cancel the Contract wholly or to the extent of such default.

(c) In case of a material breach that was not remedied within 45 days, the Buyer shall, having given the right of first refusal to the Seller, be at liberty to purchase, manufacture, or procure from any other source as he thinks fit, other stores of the same or similar description to make good:-

(i) Such default.

(ii) In the event of the Contract being wholly determined the balance of the stores remaining to be delivered there under.

(d) Any excess of the purchase price, cost of manufacturer, or value of any stores procured from any other supplier, as the case may be, over the Contract price appropriate to such default or balance, shall be recoverable from the Seller. Such recoveries shall not exceed% of the value of the Contract.

12. **Force Majeure Clause.**

(a) Neither party shall bear responsibility for the complete or partial non-performance of any of its obligations (except for failure to pay any sum which has become due on account of receipt of goods under the provisions of the present Contract), if the non-performance results from such Force Majeure circumstances as flood, fire, earthquake and other acts of god as well as war, military operation, blockade, acts or actions of state authorities or any other circumstances beyond the parties control that have arisen after the conclusion of the present Contract.

(b) In such circumstances the time stipulated for the performance of an obligation under the present Contract is extended correspondingly for the period of time of action of these circumstances and their consequences.

(c) The party for which it becomes impossible to meet obligations under this Contract due to Force Majeure conditions, is to notify in written form to the other party of the beginning and cessation of the above circumstances immediately, but in any case not later than 10 (ten) days from the moment of their beginning.

- (d) Certificate of a Chamber of Commerce (Commerce and Industry) or other competent authority or organisation of the respective country shall be a sufficient proof of commencement and cessation of the above circumstances.
- (e) If the impossibility of complete or partial performance of an obligation lasts for more than 6 (six) months, either party hereto reserves the right to terminate the Contract totally or partially upon giving prior written notice of 30 (thirty) days to the other party of the intention to terminate without any liability other than reimbursement on the terms provided in the agreement for the goods received.
13. **Buy-Back Offer.** Buyer is interested to trade the existing old goods while purchasing the new ones. Bidders may formulate and submit their tenders accordingly. Interested Bidders can inspect the old goods to be traded through this transaction. Buyer reserves its right to trade or not to trade the old goods while purchasing the new ones and the Bidders are to frame their bids accordingly covering both the options. Details for Buy-Back Offer are as under:-
- (a) **Details of Items for Buy-Back Scheme:** (Make/ Model, Specs, Year of Production/ Purchase, Period of Warranty/ AMC, etc).
- (b) **Place for Inspection of Old Items:** (Address, Telephone, Fax, e-mail, Contact personnel, etc.)
- (c) **Timings for Inspection:** All weekdays between to
- (d) **Last Date for Inspection:** 1 day before the last date of submission of bids.
- (e) **Period of Handing Over Old Items to Successful Bidder:** Within 15 days of placement of order.
- (f) Handling Charges and Transportation Expenses to take out the Old Items will be on account of the Successful Bidder.
14. **Specification.** The following Specification clause will form part of the Contract placed on successful Bidder:-
- The Seller guarantees to meet the specifications as per Part II of RFP and to incorporate the modifications to the existing design configuration to meet the specific requirement of the Buyer as per modifications/ requirements recommended after the Maintainability Evaluation Trials. All technical literature and drawings shall be amended as the modifications by the Seller before supply to the Buyer. The Seller, in consultation with the Buyer, may carry out technical upgradation/ alterations in the design, drawings and specifications due to change in manufacturing procedures, indigenisation or obsolescence. This will, however, not in any way, adversely affect the end specifications of the equipment. Changes in technical details, drawings repair and maintenance techniques along with necessary tools as a result of upgradation/ alterations will be provided to the Buyer free of cost within days of affecting such upgradation/ alterations.
15. **OEM Certificate.** In case the Bidder is not the OEM, the agreement certificate with the OEM for sourcing the spares shall be mandatory. However, where OEMs do not exist, minor aggregates and spares can be sourced from authorised vendors subject to quality certification. Such quality certification arrangements are to be as per the satisfaction of purchaser and his Quality Assurance Organisation/ AHSP.
16. **Export License.** The Bidders are to confirm that they have requisite export license from their Government and Authorisation from the manufacturing plant, in case they are not the OEM, to export the military/ non-military goods to India.
17. **Earliest Acceptable Year of Manufacture.** Quality/ Life certificate will need to be enclosed with the Bill.
18. **Buyer Furnished Equipment.** The following equipment will be provided by the Buyer at his expense to the Seller:-
- (a)
- (b)
19. **Transportation.** The following Transportation clause will form part of the Contract placed on successful Bidder:-
- (a) **CIF/ CIP.** The stores shall be delivered CIF/ CIP (Port of destination). Seller will bear the costs and freight necessary to bring the goods to the port of destination. The Seller also has to procure marine insurance against the Buyer's risk of loss of or damage to goods during the carriage. The Seller will Contract for insurance and pay the insurance premium. Seller is also required to clear the goods for export. The stores shall be delivered to the Buyer by The date of delivery of the goods will be the (date of Freight Forwarder's receipt/ Master Air Waybill/ Bill of Lading/ or as per relevant Incoterm). No part-shipment of goods would be permitted. Transshipment of goods would not be permitted. In case it becomes inevitable to do so, the Seller shall not arrange part-shipments and/ or transshipment without the express/ prior written consent of the Buyer. The goods should be shipped by However, the Seller can still utilise the services of the MoD, Govt of India Freight Forwarding Agent, details for which will be provided by the Buyer. Seller will be required to communicate the following information invariably by telex/ signed in case of import of Defence Stores being

brought in commercial ships to Embarkation Headquarters concerned well in advance before the Ship sails from the port of loading:-

- (i) Name of the Ship.
- (ii) Port of loading and name of country.
- (iii) ETA at port of discharge.
- (iv) Number of packages and weight.
- (v) Nomenclature and details of major equipment.
- (vi) Special instructions, if any stores of sensitive nature requiring special attention.

OR

(b) **FOB/ FAS.** The stores shall be delivered FOB/ FAS basis (as per the latest version of Incoterms) in accordance with the terms and conditions agreed in the relevant Contract. The stores shall be delivered to the Buyer by The date of issue of the Bill of Lading shall be considered as the date of delivery. No part-shipment of goods would be permitted. Transhipment of goods would not be permitted. In case it becomes inevitable to do so, the Seller shall not arrange part-shipments and/ or transhipment without the express/ prior written consent of the Buyer.

OR

(c) **FCA.** The delivery of the goods shall be FCA Airport. The dispatch of goods shall be made by air to port consignee. The Buyer shall advise full details of its freight forwarder to the Seller no later than 60 days prior to the delivery of the first consignment otherwise the Seller may nominate the freight forwarder which shall be at the Buyer's expense. Any delay in advising or delay by the freight forwarder shall be at the responsibility of the Buyer. The date of issue of the Air Waybill shall be considered as the date of delivery.

20. **Airlift.** The following Airlift clause will form part of the Contract placed on successful Bidder:-

Should the Buyer intend to airlift all or some of the stores, the Seller shall pack the stores accordingly on receipt of intimation to that effect from the Buyer. Such deliveries will be agreed upon well in advance and paid for as may be mutually agreed. Airlift will be done only through the national carrier i.e. Air India.

21. **Packing and Marking.** The following Packing and Marking clause will form part of the Contract placed on successful Bidder:-

(a) The Seller shall provide packing and preservation of the equipment and spares/ goods contracted so as to ensure their safety against damage in the conditions of land, sea and air transportation, transhipment, storage and weather hazards during transportation, subject to proper cargo handling. The Seller shall ensure that the stores are packed in containers, which are made sufficiently strong, and with seasoned wood. The packing cases should have hooks for lifting by crane/ forklift truck. Tags with proper marking shall be fastened to the special equipment, which cannot be packed.

(b) The packing of the equipment and spares/ goods shall conform to the requirements of specifications and standards in force in the territory of the Seller's country.

(c) Each spare, tool and accessory shall be packed in separate cartons. A label in English shall be pasted on the carton indicating the under mentioned details of the item contained in the carton. A tag in English with said information shall also be attached to six samples of the item. If quantity contracted is less than six then tag shall be affixed to complete quantity contracted of the item. The cartons shall then be packed in packing cases as required.

- (i) Part Number :
- (ii) Nomenclature :
- (iii) Contract annex number :
- (iv) Annex serial number :
- (v) Quantity contracted :

(d) One copy of the packing list in English shall be inserted in each cargo package, and the full set of the packing lists shall be placed in Case No.1 painted in yellow colour.

(e) The Seller shall mark each package with indelible paint in the English language as follows:-

- (i) Contract No :
- (ii) Consignee :

- (iii) Importer :
- (iv) Port/ airport of destination :
- (v) Ultimate consignee :
- (vi) SELLER :
- (vii) Package No :
- (viii) Gross/ net weight :
- (ix) Overall dimensions/ volume :
- (x) The Seller's marking :

(f) If necessary, each package shall be marked with warning inscriptions: <Top>, "Do not turn over", category of cargo etc.

(g) Should any special equipment be returned to the Seller by the Buyer, the latter shall provide normal packing, which protects the equipment and spares/ goods from the damage of deterioration during transportation by land, air or sea. In this case the Buyer shall finalise the marking with the Seller.

22. **Quality.** The quality of the stores delivered according to the present Contract shall correspond to the technical conditions and standards valid for the deliveries of the same stores ~~for~~ in Seller's country or specifications enumerated as per RFP and shall also include therein modification to the stores suggested by the Buyer. Such modifications will be mutually agreed to. The Seller confirms that the stores to be supplied under this Contract shall be new i.e. not manufactured before (Year of Contract), and shall incorporate all the latest improvements and modifications thereto and spares of improved and modified equipment are backward integrated and interchangeable with same equipment supplied by the Seller in the past, if any. The Seller shall supply an interchangeability certificate along with the changed part numbers, wherein it should be mentioned that item would provide as much life as the original item.

23. **Quality Assurance.** Seller would provide the Standard Acceptance Test Procedure (ATP) within month(s) of this date of Contract. Buyer reserves the right to modify the ATP. Seller would be required to provide all test facilities at his premises for acceptance and inspection by Buyer. The details in this regard will be coordinated during the negotiation of the Contract. The item should be of the latest manufacture, conforming to the current production standard and having 100% defined life at the time of delivery.

24. **Inspection Authority.** The Inspection will be carried out by The mode of Inspection will be Departmental Inspection/ User Inspection/ Joint Inspection/ Self-certification.

25. **Pre-Dispatch Inspection (PDI).** The following PDI clause will form part of the Contract placed on successful Bidder:-

(a) The Buyer's representatives will carry out PDI of the stores/ equipment in order to check their compliance with specifications in accordance with its usual standard procedures. Upon successful completion of such PDI, the Seller and Buyer will issue and sign a Certificate of Conformity to certify the completeness of item(s).

(b) The Seller shall intimate the Buyer at least 45 days before the scheduled date of PDI. The time required for completing visa formalities by the Seller should not be included in this notice. The Buyer will send his authorised representative(s) to attend the PDI.

(c) The list of Buyer's representatives together with their particulars including name, title, date and place of birth, passport numbers including date of issue and date of expiry, address, etc. must be communicated by the Buyer at least (No of days) in advance to apply for the necessary authorisations and clearances to be granted.

(d) The Buyer reserves the right not to attend the PDI or to request for postponement of the beginning of the PDI by a maximum of 15 days from the date fixed for such PDI in order to allow his representative(s) to attend such tests, in which cases he shall inform in writing to the Seller within 15 days before the date of the beginning of the PDI. Should the Buyer request for such postponement, liquidated damages, if any, shall not apply. In case the Buyer informs the Seller within the period mentioned hereinabove that he cannot attend the PDI or in case the Buyer does not come at the postponed date requested by him for performance of the PDI as mentioned above, the Seller shall be entitled to carry out said tests alone as scheduled. The Certificate of Conformity and the Acceptance Test Report will be signed by the Seller's QA representative alone and such documents bearing the sole signature of the Seller's QA representative shall have the same value and effect as if they have been signed by both the parties. In case Buyer does not elect to attend the PDI, the Buyer shall intimate the Seller in writing that it does not wish to attend the PDI.

(e) The Seller shall provide all reasonable facilities, access and assistance to the Buyer's representative for safety and convenience in the performance of their duties in the Seller's country.

(f) All costs associated with the stay of the Buyer's Representative(s) in the country where the PDI is to be carried out, including travel expenses, boarding and lodging, accommodation, daily expenses, shall be borne by the Buyer.

(g) The Seller shall provide Acceptance Test Procedure to the Buyer's QA Agency within one month from the signing of the Contract.

26. **Joint Receipt Inspection (JRI)**. The following JRI clause will form part of the Contract placed on successful Bidder:-

(a) The Parties agree that the JRI of delivered goods shall be conducted on arrival in India at location to be nominated by the Buyer. JRI shall be completed within 120 days (for armament/ ammunition)/ 90 days (for other than armament/ ammunition) of arrival of good at the Port of Consignee. JRI will consist of following:-

(i) Quantitative checking to verify that the quantities of the delivered goods correspond to the quantities defined in this Contract and the invoices.

(ii) Complete functional checking of the stores/ equipment as per specifications in the Contract and as per procedures and tests laid down by Buyer but functional checking of spares shall not be done.

(iii) Check proof and firing, if required.

(b) JRI will be carried out by the Buyer's representative(s). The Buyer will invite the Seller with a prior notice of a minimum of 15 days to attend the JRI for the delivered goods. The Seller shall have the right not to attend the JRI. The bio-data of the Seller's representative will need to be communicated 15 days prior to the dispatch of goods to the Buyer for obtaining necessary security clearance in accordance with the rules applicable in the Buyer's country.

(c) Upon completion of each JRI, JRI proceedings and Acceptance Certificate will be signed by both the parties. In case the Seller's representative is not present, the JRI proceedings and Acceptance Certificate shall be signed by the Buyer's representative only and the same shall be binding on the Seller. Copy of JRI proceedings and Acceptance Certificate shall be dispatched to the Seller within 30 days of completion of the JRI. In case of deficiencies in quantity and quality or defects, details of these shall be recorded in the JRI proceedings, Acceptance Certificate shall not be issued and claims raised as per the Article on Claims in the Contract. In case of claims, Acceptance Certificate shall be issued by Buyer's representative after all claims raised during JRI are settled. If the Buyer does not perform the JRI as mentioned above for reasons exclusively attributable to him, the JRI in India shall be deemed to have been performed and the stores/ equipment fully accepted.

27. **Franking Clause**. The following Franking clause will form part of the Contract placed on successful Bidder:-

(a) **Franking Clause in the case of Acceptance of Goods**. "The fact that the goods have been inspected after the delivery period and passed by the Inspecting Officer will not have the effect of keeping the Contract alive. The goods are being passed without prejudice to the rights of the Buyer under the terms and conditions of the Contract."

(b) **Franking Clause in the case of Rejection of Goods**. "The fact that the goods have been inspected after the delivery period and rejected by the Inspecting Officer will not bind the Buyer in any manner. The goods are being rejected without prejudice to the rights of the Buyer under the terms and conditions of the Contract."

28. **Claims**. The following Claims clause will form part of the Contract placed on successful Bidder:-

(a) The claims may be presented either:-

(i) On quantity of the stores, where the quantity does not correspond to the quantity shown in the Packing List/ Insufficiency in packing.

OR

(ii) On quality of the stores, where quality does not correspond to the quality mentioned in the Contract.

(b) The quality claims for defects or deficiencies in quality noticed during the JRI shall be presented within 45 days of completion of JRI and acceptance of goods. Quality claims shall be presented for defects or deficiencies in quality noticed during warranty period earliest but not later than 45 days after expiry of the guarantee period. The quality claims shall be submitted to the Seller as per **DPMF 19** (Available in MoD website and can be given on request).

(c) The quantity claims for deficiency of quantity shall be presented within 45 days of completion of JRI and acceptance of goods. The quantity claim shall be submitted to the Seller as per **DPMF 20** (Available in MoD website and can be given on request).

(d) The description and quantity of the stores are to be furnished to the Seller along with concrete reasons for making the claims. Copies of all the justifying documents shall be enclosed to the presented claim. The Seller will settle the claims within 45 days from the date of the receipt of the claim at the Seller's office, subject to acceptance of the claim by the Seller. In case no response is received during this period, the claim will be deemed to have been accepted.

(e) The Seller shall collect the defective or rejected goods from the location nominated by the Buyer and deliver the repaired or replaced goods at the same location under Seller's arrangement.

(f) Claims may also be settled by reduction of cost of goods under claim from bonds submitted by the Seller or payment of claim amount by Seller through demand draft drawn on any Indian Public or Private Scheduled Commercial Bank, in favour of Principal Controller/ Controller of Defence Accounts concerned.

(g) The quality claims will be raised solely by the Buyer and without any certification/ countersignature by the Seller's representative stationed in India.

29. **Warranty:-**

(a) The following Warranty will form part of the Contract placed on the successful Bidder:-

(i) Except as otherwise provided in the invitation tender, the Seller hereby declares that the goods, stores articles sold/ supplied to the Buyer under this Contract shall be of the best quality and workmanship and new in all respects and shall be strictly in accordance with the specification and particulars contained/ mentioned in Contract. The Seller hereby guarantees that the said goods/ stores/ articles would continue to conform to the description and quality aforesaid for a period of 12 months from the date of delivery of the said goods stores/ articles to the Buyer or 15 months from the date of shipment/ dispatch from the Seller's works whichever is earlier and that notwithstanding the fact that the Buyer may have inspected and/ or approved the said goods/ stores/ articles, if during the aforesaid period of 12/ 15 months the said goods/ stores/ articles be discovered not to conform to the description and quality aforesaid not giving satisfactory performance or have deteriorated, and the decision of the Buyer in that behalf shall be final and binding on the Seller and the Buyer shall be entitled to call upon the Seller to rectify the goods/ stores/ articles or such portion thereof as is found to be defective by the Buyer within a reasonable period, or such specified period as may be allowed by the Buyer in his discretion on application made thereof by the Seller, and in such an event, the above period shall apply to the goods/ stores/ articles rectified from the date of rectification mentioned in warranty thereof, otherwise the Seller shall pay to the Buyer such compensation as may arise by reason of the breach of the warranty therein contained.

(ii) Guarantee that they will supply spare parts, if and when required on agreed basis for an agreed price. The agreed basis could be, and including but without any limitation, an agreed discount on the published catalogue or an agreed percentage of profit on the landed cost.

(iii) Warranty to the effect that before going out of production for the spare parts they will give adequate advance notice to the Buyer of the equipment so that the latter may undertake the balance of the lifetime requirements.

(iv) Warranty to the affect that they will make available the blue prints of drawings of the spares if and when required in connection with the main equipment.

OR

(b) The following Warranty will form part of the Contract placed on successful Bidder:-

(i) The Seller warrants that the goods supplied under the Contract conform to technical specifications prescribed and shall perform according to the said technical specifications.

(ii) The Seller warrants for a period of months from the date of acceptance of stores by JRI or date of installation and commissioning, whichever is later, that the goods/ stores supplied under the Contract and each component used in the manufacture thereof shall be free from all types of defects/ failures.

(iii) If within the period of warranty, the goods are reported by the Buyer to have failed to perform as per the specifications, the Seller shall either replace or rectify the same free of charge, within a maximum period of 45 days of notification of such defect received by the Seller, provided that the goods are used and maintained by the Buyer as per instructions contained in the Operating Manual. Warranty of the equipment would be extended by such duration of downtime. Record of the down time would be maintained by the user in the logbook. Spares required for

warranty repairs shall be provided free of cost by the Seller. The Seller also undertakes to diagnose, test, adjust, calibrate and repair/ replace the goods/ equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty period, at the cost mutually agreed to between the Buyer and the Seller.

(iv) The Seller also warrants that necessary service and repair back up during the warranty period of the equipment shall be provided by the Seller and he will ensure that the downtime is within % of the warranty period.

(v) The Seller shall associate technical personnel of the Maintenance agency and Quality Assurance Agency of the Buyer during warranty repair and shall also provide the details of complete defects, reasons and remedial actions for defects.

(vi) If a particular equipment/ goods fails frequently and/ or, the cumulative down time exceeds % of the warranty period, the complete equipment shall be replaced free of cost by the Seller within a stipulated period of days of receipt of the notification from the Buyer. Warranty of the replaced equipment would start from the date of acceptance after JRI by the Buyer/ date of installation and commissioning.

(vii) In case the complete delivery of Engineering Support Package is delayed beyond the period stipulated in this Contract, the Seller undertakes that the warranty period for the goods/ stores shall be extended to that extent.

(viii) The Seller will guarantee the shelf life of years under the Indian tropical condition as given below:-

- (aa) Minimum temperature :
- (ab) Maximum temperature :
- (ac) Average Humidity :

(ix) For procurement of oils and lubricants, the following will be applicable:-

(aa) The Seller warrants that the special oils and lubricants required during the warranty period of the equipment shall be provided by the Seller himself.

(ab) The penalty amounting to % of the value of the equipment shall be imposed on the Seller in case the Seller refuses or fails to meet the requirement of oils and lubricants during the warranty period of the equipment.

(ac) The Seller shall make available the detailed specifications of all oils and lubricants required to be used in the equipment at the line of initial delivery of equipment to facilitate identification and development of indigenous equivalents to be used after the expiry of the warranty period.

30. **Product Support.** The following Product Support clause will form part of the Contract placed on successful Bidder:-

(a) The Seller agrees to provide Product Support for the stores, assemblies/ sub-assemblies, fitment items and consumables, Special Maintenance Tools (SMT)/ Special Test Equipment (STE) sub-contracted from other agencies/ manufacturer by the Seller for a maximum period of years including years of warranty period after the delivery of (*name of equipment*).

(b) The Seller agrees to undertake Maintenance Contract for a maximum period of months, extendable till the complete Engineering Support Package is provided by the Seller.

(c) In the event of any obsolescence during the above mentioned period of product support in respect of any component or sub-system, mutual consultation between the Seller and Buyer will be undertaken to arrive at an acceptable solution including additional cost, if any.

(d) Any improvement/ modification/ upgradation being undertaken by the Seller or their sub-suppliers on the stores/ equipment being purchased under the Contract will be communicated by the Seller to the Buyer and, if required by the Buyer, these will be carried out by the Seller at Buyer's cost.

(e) The Seller agrees to provide an Engineering Support Package as modified after confirmatory Maintenance Evaluation Trials (MET). The Seller agrees to undertake the repair and maintenance of the equipment, SMTs/ STE test setup, assemblies/ sub-assemblies and stores supplied under this Contract for a period of years as maintenance Contract as specified or provision of complete Engineering Support Package to the Buyer whichever is later, as per terms and conditions mutually agreed between the Seller and the Buyer.

31. **Annual Maintenance Contract (AMC) Clause.** The following AMC clause will form part of the Contract placed on successful Bidder:-

(a) The Seller would provide comprehensive AMC for a period of years. The AMC services should cover the repair and maintenance of all the equipment and systems purchased under the present Contract. The Buyer Furnished Equipment which is not covered under the purview of the AMC should be separately listed by the Seller. The AMC services would be provided in two distinct ways:-

(i) **Preventive Maintenance Service.** The Seller will provide a minimum of four Preventive Maintenance Service visits during a year to the operating base to carry out functional check-ups and minor adjustments/ tuning as may be required.

(ii) **Breakdown Maintenance Service.** In case of any breakdown of the equipment/ system, on receiving a call from the Buyer, the Seller is to provide maintenance service to make the equipment/ system serviceable.

(b) **Response Time.** The response time of the Seller should not exceed hours from the time the breakdown intimation is provided by the Buyer.

(c) Serviceability of % per year is to be ensured. This amounts to total maximum downtime of days per year. Also unavailability should not exceed days at one time. Required spares to attain this serviceability may be stored at site by the Seller at his own cost. Total down time would be calculated at the end of the year. If downtime exceeds permitted downtime, LD would be applicable for the delayed period.

(d) Maximum repair turnaround time for equipment/ system would be days. However, the spares should be maintained in a serviceable condition to avoid complete breakdown of the equipment/ system.

(e) **Technical Documentation.** All necessary changes in the documentation (Technical and Operators manual) for changes carried out on hardware and software of the equipment will be provided.

(f) During the AMC period, the Seller shall carry out all necessary servicing/ repairs to the equipment/ system under AMC at the current location of the equipment/ system. Prior permission of the Buyer would be required in case certain components/ sub-systems are to be shifted out of location. On such occasions, before taking over the goods or components, the Seller will give suitable bank guarantee to the Buyer to cover the estimated current value of item being taken.

(g) The Buyer reserves its right to terminate the maintenance contract at any time without assigning any reason after giving a notice of months. The Seller will not be entitled to claim any compensation against such termination. However, while terminating the Contract, if any payment is due to the Seller for maintenance services already performed in terms of the Contract, the same would be paid to it as per the Contract terms.

32. **Engineering Support Package (ESP) Clause.** The following ESP clause will form part of the Contract placed on successful Bidder:-

(a) **Repair Philosophy.** The Engineering Support Philosophy shall conform to the repair philosophy as follows:-

(i) **Unit Level Repairs.** These are repairs carried out within the unit holding this equipment with tools generally held within the unit or supplied by the manufacturer with each equipment or as per scaling of 1:10 or any other scaling recommended by the manufacturer as per population held in the unit. These pertain to cleaning, lubrications, minor repairs and replacement of components and minor assemblies that can be carried out in field without any sophisticated tools or test equipment. For carrying out such repairs, the manufacturer is required to provide the following:-

(aa) Table of Tools and Equipment (TOTE) with each equipment including operators manual.

(ab) Scaling of special tools and spares as mentioned above including Maintenance manual.

(ii) **Field Repairs.** These are repairs carried out in the field by technicians specially trained for this purpose and where the required special tools and spares have to be provided. These repairs comprise replacement of major assemblies and other components beyond the scope of unit level repairs. Normally a field workshop that carries out such repairs looks after three to four units holding the said equipment. The manufacturer is required to provide the following:-

(aa) Quantity and specification of spares that need to be stocked for a population of equipment.

- (ab) Special Maintenance Tools and Test Equipment that need to be provided to each such field workshop (The total number of such facilities would also have to be stated based on deployment pattern of the equipment concerned to carryout total costing).
- (iii) **Base Overhaul.** All repairs including repairs to components, sub-assemblies and overhaul of the complete equipment are carried out by this facility. Depending on the population of the equipment, one to five such facilities may be established in India for this purpose (The actual number would have to be stated for costing). The manufacturer is required to provide the following:-
- (aa) All Special Maintenance Tools, jigs, fixtures and test equipment for carrying out repairs up to component level.
- (ab) Quantity and specification of spares, sub-assemblies as per population expected to be maintained.
- (ac) Oils and lubricants necessary for overhaul.
- (ad) All necessary technical literature.
- (ae) Calibration facilities for test equipment. This level of repair defines stripping and rebuilding of equipment in a Base workshop.
- (b) **Manufacturers Recommended List of Spares (MRLS).**
- (i) Based on the explanation given above, Bidders are requested to provide MRLS to sustain the equipment for a period of years for various levels of repair as per format given at **DPMF 21** (Available in MoD website and can be given on request). Bidders will be required to provide these both with Technical and Commercial proposals. (In case where the equipment has been in usage, the spares would be sought by Buyer, on the recommended list to be furnished by the maintenance agency, based on the exploitation of the equipment, and not as per MRLS). While with the commercial proposal, the actual costs of each component/ spare will be provided, in the case of Technical Proposal these will be reflected as Low Cost/ Medium Cost/ High Cost. A guideline for this purpose is as under:-
- (aa) **Low Cost.** Less than 2% of the unit cost of the equipment/ sub-system.
- (ab) **Medium Cost.** 2% to 10% of the unit cost of the equipment/ sub-system.
- (ac) **High Cost.** Greater than 10% of the unit cost of equipment/ sub-system.
- (ii) If the complete equipment comprises a number of different sub-systems, for e.g. it is coming mounted on a vehicle or is provided with a stand for mounting or is inclusive of a generator or an air conditioner or has a sight, the MRLS must be provided separately for each such sub-system.
- (c) **Special Maintenance Tools and Test Equipment.** This is to be formulated in a similar manner as explained for MRLS. A suggested format is given at **DPMF 22** (Available in MoD website and can be given on request) and is to be included in both Technical and Commercial Proposals. The cost column may be left blank in the Technical Proposal.
- (d) **Training.** The details of technical training to be imparted on the item/ system supplied should be catered for as per the suggested format at **DPMF 23** (Available in MoD website and can be given on request). This should be provided with both Technical and Commercial Proposals.
- (e) **Miscellaneous Aspects (Applicable only when trials are required).** In cases where the equipment is required to undergo trials, the equipment will also be put through Maintenance Evaluation Test. Based on this evaluation and in consultation with the supplier, the MRLS may be refined. During user trials it may be brought out that the equipment is acceptable subject to carrying out certain modifications/ improvements.
- (f) **Maintainability Evaluation Trials (MET).** This clause will form part of the contract with the successful bidder. This is carried with a view to facilitate provisioning of effective engineering support during life cycle of the equipment and This would involve stripping of the equipment and carrying out recommended tests and adjustments and establishing adequacy of maintenance tools, test equipment and technical literature. To facilitate this process the vendor would be required to provide one complete set of the equipment apart from the quantity being procured vide the contract, along with following additional items:-
- (i) **Technical Literature.** The details of technical literature to be supplied with the system should be as listed below. This should be provided with both Technical and Commercial Proposals. The cost column may be left blank in the Technical Proposal.
- (aa) User Handbook/ Operators Manual in English and Hindi.
- (ab) Design Specifications.

(ac) **Technical Manuals.**

1. **Part I.** Tech description, specifications, functioning of various systems.
2. **Part II.** Inspection/ Maintenance tasks repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/ Special Test Equipment (STE).
3. **Part III.** Procedure for assembly, disassembly, repair up to component level, safety precautions.
4. **Part IV.** Part list with drawing reference and List of SMTs/ STE Test Bench.

(ad) Manufacturers Recommended List of Spares (MRLS) with schematic references and part numbers for all the items.

(ae) Illustrated Spare Parts List (ISPL) and along with the prices in the Commercial offer.

(af) Technical Manual on SMT & STE with drawing reference.

(ag) Complete Equipment Schedule.

(ah) Table of Tools & Equipment (TOTE) & carried spares.

(ai) Rotable list, norms of consumption, mandatory/ non mandatory spares list for each system.

(ii) One set of Gauges.

(iii) One set of complete SMTs, STE, Test Jigs (TJs), and Test setup.

(iv) Servicing Schedule and Condemnation limits.

(v) Permissive repair schedule for repairs possible at various levels with available infrastructure.

(vi) Packing specifications/ instructions.

(vii) Any additional information suggested by the OEM such as infrastructure/ facilities/ Buyer furnished items for use and maintenance/ repair of equipment.

(g) Vendors quoting lesser ESP/ MRLS in terms of range and depth will have to make good the deficiency. The vendors quoting surplus items in ESP/ MRLS should agree to buy back the surplus spares.

(h) The vendor technical representative shall be present during complete duration of MET. On completion of MET, the vendor can take back all the items produced for evaluation and maintenance training.

33. **Price Variation (PV) Clause.** The following PV clause will form part of the Contract placed on successful Bidder:-

(a) The formula for PV should ordinarily include a fixed element, a material element and a labour element. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while the fixed element may range from 10% to 25%. The portion of the price represented by the fixed element, will not be subject to variation. The portions of the price represented by the material element and labour element will attract PV. The formula for PV will thus be:-

$$P_a = P_0 \left\{ \frac{F + a \left(\frac{M_1}{M_0} \right) + b \left(\frac{L_1}{L_0} \right)}{100} \right\} - P_0$$

Where:-

P_a is the adjustment amount payable to the supplier (a minus figure will indicate a reduction in the Contract Price) on the date of Supply.

P_0 is the Contract Price on the base date, which is taken as the date on which tender is due to open.

F is the Fixed element (as the percentage of the total price) not subject to PV.

a is the assigned percentage to the material element in the Contract Price.

b is the assigned percentage to the labour element in the Contract Price.

(*F*, *a* & *b* being percentages should total 100)

L_0 and L_1 are the wage indices for the quarter before the quarter in which base month falls and for the quarter before the quarter in which date of supply falls respectively. For example for a tender opening on 01 Mar 21 (base date), L_0 would be average wage index for the quarter of Oct-Dec 2020.

M_0 and M_1 are the material prices/ indices as average of the month, two month prior to the month in which base month falls and average of the month, two month prior to the month in which date of supply falls, respectively. For example, for a tender opening on 01 Mar 21 (base date), M_0 would be prices/ index as average of the month of Jan 2021. All material prices/ indices will be basic prices without excise duty and without any other central, state, local taxes and duties and Octroi.

(b) If more than one major item of material is involved, the material element can be broken up into two or three components such as M_x , M_y , M_z . Where PV clause has to be provided for services (with insignificant inputs of materials) as for example, in getting Technical Assistance normally paid in the form of *per diem* rates, the PV formula should have only two elements, viz. a high fixed element and a labour element. The fixed element can in such cases be 50% or more, depending on the mark-up by the supplier of the *per diem* rate vis-a-vis the wage rates.

(c) Following conditions would be applicable to Price Adjustment:-

- (i) Base dates shall be the last date of submission of Commercial bids.
- (ii) Date of supply shall be the date of calculation/ determination of the PV.
- (iii) No price increase is allowed beyond original DP unless the delay is attributable to the Buyer.
- (iv) Total adjustment will be subject to maximum ceiling of %.
- (v) No price adjustment shall be payable on the portion of Contract price paid to the Seller as an advance payment/ interim payment after the date of such payment.
- (vi) No price adjustment shall be payable if this is less than or equal to 2% of P_0 .
- (vii) Payments for each supply would initially be made as per the base price mentioned in the Contract. Price adjustment bill should be submitted only quarterly for the supplies made during the quarter.
- (viii) In GTE tenders extra care should be taken in selecting the price indices. Preferably the price indices should be from the same country and of same currency as the country and currency of the bidder. In case price is in a currency of a country where inflation is low and the indices are from country with much higher inflation rates, $\left(\frac{M_1}{M_0}\right)$ and $\left(\frac{L_1}{L_0}\right)$ should be multiplied by a correction factor of exchange rates, where E_0 is the exchange rate $\left(\frac{E_0}{E_1}\right)$ of country of M and L indices with reference to currency of price P . For example, if M and L are from India and P is in US \$, then E_0 is Number of ₹ in a US \$ on base date and E_1 is the exchange rate on determination date.
- (ix) Even if there is no price adjustment claim, supplier must submit all relevant data to prove that there is no downward variation. In any case, he must submit a declaration as follows:-

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

PART V - EVALUATION CRITERIA & PRICE BID ISSUES

1. **Evaluation Criteria.** The broad guidelines for evaluation of 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.

(b) In respect of Two-Bid system, the technical Bids forwarded by the Bidders will be evaluated by the Buyer with reference to the technical characteristics of the equipment as mentioned in the RFP. The compliance of Technical Bids would be determined on the basis of the parameters specified in the RFP. The Price Bids of only those Bidders will be opened whose Technical Bids would clear the technical evaluation.

(c) The Lowest Bid will be decided upon the lowest price quoted by the particular Bidder as per the Price Format given at Paragraph 2 below for LCS or QCBS as applicable. The consideration of taxes and duties in evaluation process will be as follows:-

(i) In cases where only Indian Bidders are competing, L1 bidder will be determined on all elements of costs including taxes and duties, etc. quoted by the Bidders.

(ii) In cases where both foreign and indigenous Bidders are competing, following criteria would be followed:-

(aa) In case of foreign Bidders, the total costs including customs duty and other similar import duties/ taxes, which will be contractually payable (to the tenderer) on the goods, are to be added.

(ab) In case of indigenous Bidders, the total costs including all taxes/ duties on fully formed equipment would be added.

(d) In import cases, all the foreign quotes will be brought to a common denomination in Indian Rupees by adopting the exchange rate as BC Selling rate of the State Bank of India (SBI) on the last date for submission of Price Bids. 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.

(e) The Buyer reserves the right to evaluate the offers received by using Discounted Cash Flow method at a discounting rate as per overnight MCLR of SBI on the last date of submission of Price Bids. In case cash flow involves more than one currency, the same will be brought to a common denomination in Indian Rupees by adopting exchange rate as BC Selling rate of the SBI on the last date for submission of Price Bids.

(f) The Lowest Acceptable Bid will be considered further for placement of Contract/ Supply Order after complete clarification and price negotiations as decided by the Buyer. The Buyer will have the right to award contracts to different Bidders for being lowest in particular items. The Buyer also reserves the right to Apportionment of Quantity, if the Lowest Bidder is not in a position to supply full quantity in stipulated time.

(g) Any other criteria as applicable to suit a particular case.

2. **Price Bid Format.** The Price Bid Format in general is given below and Bidders are required to fill this up correctly with full details:-

(a) **Basic cost of the item(s):-**

Ser	Item	Unit Price	Qty	Total
(i)	A			
(ii)	B			
(iii)	C			
Total of Basic Price				

(b) **Accessories:**

(c) **Installation/ Commissioning charges:**

(d) **Training:**

(e) **Technical Literature:**

(f) **Tools:**

(g) **AMC:**

(h) **Any other item:**

- (j) **Is GST/ Customs Duty extra? If yes, mention the following:-**
- (i) Total value of items on which GST/ Customs Duty is leviable:
 - (ii) Rate of GST/ Customs Duty (item-wise if different rates are applicable):
 - (iii) Total value of GST/ Customs Duty payable:
- (k) **Any other Taxes/ Duties/ Overheads/ Other costs:**
- (l) **Grand Total:**

Note:- Determination of L1 will be done based on total Cost to the Buyer.

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DPMF 12

(Refers to Paragraphs 5.21.1,
10.10.1 and 14.10.1)

FORMAT OF CONTRACT**INSTRUCTIONS TO THE BUYER FOR FRAMING THE CONTRACT**

1. **Part I.** Part I contains the Preamble and it should be mentioned as it is.
2. **Part II.** Part II contains details of items being contracted and their finalised prices. Format of Price bid in Part V of RFP should be the base for listing out the details. The information may also contain the following as mentioned in Part II of the RFP and finalised by the Buyer:-
 - (a) Relevant technical parameters.
 - (b) User requirements in terms of functional characteristics.
 - (c) Specifications/ Drawings, if applicable.
 - (d) Requirement of training/ on-job training.
 - (e) Requirement of installation, commissioning.
 - (f) Requirement of FATs, HATs and SATs.
 - (g) Requirement of technical documentation.
 - (h) Type of future assistance on completion of warranty.
 - (j) Earliest Acceptable Year of manufacture.
 - (k) Delivery Period.
 - (l) Relevant Incoterm for Delivery and Transportation.
 - (m) Consignee details.
3. **Part III.** Part III contains Standard clauses which might have a legal bearing. Therefore, neither any deviation from the text given in these clauses nor deletion of any of these clauses should be allowed. In case a deviation from these clauses is required to be allowed due to insistence of the Seller during negotiations, then approval of Raksha Mantri will be required. Paragraph 15 pertaining to Integrity pact is to be included only for cases above ₹ 100 crores.
4. **Part IV.** Part IV contains Special Conditions of the Contract as mentioned in Part IV of RFP. Though major deviations from RFP should not be done as it will amount to denial of equal opportunity to unsuccessful bidders, minor changes in wordings of these clauses may be done if the Seller insists upon the same or to suit a particular case.

5. **Part V**. Part V contains the list of addresses and Signing formalities.

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FORMAT OF CONTRACT**CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF INDIA, MINISTRY OF DEFENCE AND
(NAME OF THE SELLER) FOR
(BRIEF PARTICULARS OF THE GOODS/ SERVICES)****CONTRACT No. DATED****PART I****Preamble**

1. This contract is made on this day, (Date) day of the month of (Month) (Year) in New Delhi, between the President of India represented by the, Ministry of Defence, Government of India, South Block, New Delhi/, hereinafter referred to as the 'Buyer' (which term, unless excluded by the context, shall be deemed to include his successor in office) on one part, and (name of the company with address), duly represented by and incorporated under the laws of (name of the country), having its registered office at (address of the registered office) (which term, unless expressly excluded by the context, shall be deemed to include its successors and assignees), hereinafter referred to as the 'Seller' on the other part.
2. The Seller undertakes to sell and deliver to the Buyer, and the Buyer undertakes to accept and pay for on the terms & conditions stipulated in this contract, the items/ services, quantity, unit price and total value as specified in Part II of this contract.
3. This Contract is divided into five parts. The Buyer and Seller agree for the following as mentioned in other four parts of this contract:-
 - (a) **Part I.** Preamble.
 - (b) **Part II.** Buyer agrees to buy and Seller agrees to sell items/ services mentioned in Part II at the prices mentioned therein. This Part also contains essential details of the items/ services required, such as the Technical Specifications, Delivery Period, Place of Delivery and Consignee details agreed by the Seller.
 - (c) **Part III.** Buyer and Seller agree to abide by the Standard Conditions of Contract mentioned in Part III.
 - (d) **Part IV.** Buyer and Seller agree to abide by the Special Conditions of Contract mentioned in Part IV.
 - (e) **Part V.** It contains list of other addresses, other relevant details and signing formalities pertaining to this Contract.

PART II - ESSENTIAL DETAILS OF ITEMS/ SERVICES CONTRACTED

1. **Schedule of Prices.** List of items/ services Contracted is as follows:-

Ser	Denomination of Items/ Services	Quantity	Unit Price	Total Price	Remarks (if any)
Grand Total					

2. **Technical Details:-**

- (a) Functional characteristics of items Contracted.
- (b) Specifications/ drawings, as applicable.
- (c) Technical details with technical parameters.
- (d) Details of training/ on-job training.
- (e) Details of installation/ commissioning.
- (f) Details of Factory Acceptance Trials (FAT), Harbour Acceptance Trials (HAT) and Sea Acceptance Trials (SAT).
- (g) Details of technical documentation.
- (h) Nature of assistance required after completion of warranty.
- (j) Details of pre-site/ equipment inspection.
- (k) Any other details, as considered necessary.

3. **Delivery Period.** Delivery Period for supply of items would be from the effective date of Contract. Please note that Contract can be cancelled unilaterally by the Buyer in case items are not received within the Contracted Delivery Period. Extension of Contracted Delivery Period will be at the sole discretion of the Buyer, with applicability of LD clause.

4. **Incoterms for Delivery and Transportation.** The definition of Delivery Period for this Contract will be (“E”/ “F”/ “C”/ “D” Terms)

5. **Consignee Details.**

PART III - STANDARD CONDITIONS OF CONTRACT

(As per Paragraphs 1 to 15 of Part III of DPMF 11)

PART IV - SPECIAL CONDITIONS OF CONTRACT

(As per Paragraphs 1 to 33 of Part IV of DPMF 11)

PART V - OTHER DETAILS

1. Following details are given to enable internal audit to admit payments in connection with this Contract:-

- (a) Head of Account for this Contract:
 - (i) Major Head:
 - (ii) Minor Head:
 - (iii) Code Head:
- (b) CFA for this Contract:
- (c) Schedule of Powers applicable for this Contract:
- (d) IFA's concurrence accorded vide UO number dated

2. **Distribution (Addressees).**

- (a) **Paying Authority:**
-
-
-
-
-
-
-
-
-
- (b) **IFA:**
-
-
-
-
-
-
-
-
-
- (c) **Inspection Authority:**
- (Please ensure timely)

- inspection by the
Inspecting Officer)
- (d) **Consignee:**
(For information and
necessary action)
- (e) **Indenter:**
(If applicable)
- (f) **User:**
(If applicable)

3. **Testimonial and Signature.** The authorised representative of the Seller should be shown to have been so authorised by the Resolution of the Board of Directors of the Company of the Seller or duly authorised by the Memorandum/ Article of Association of the Company along with supporting documents for the same.

4. **Legal Addresses of Buyer and Seller.**

<u>Seller</u>	<u>Buyer</u>
(Full Name and Designation)	(Full Name and Designation) for and on behalf of the President of India
Address, Telephone, Fax, e-mail details	Address, Telephone, Fax, e-mail details

DPMF 13
(Refers to Paragraph 5.21.1)

FORMAT OF SUPPLY ORDER (SO)

INSTRUCTIONS TO THE BUYER FOR FRAMING THE SUPPLY ORDER

1. **Part I.** Part I contains the Preamble and it should be mentioned as it is.
2. **Part II.** Part II contains details of items being Supplied/ Ordered and their finalised prices. Format of Price bid in Part V of RFP should be the base for listing out the details. The information may also contain the following as mentioned in Part II of the RFP and finalised by the Buyer:-
 - (a) Relevant technical parameters.
 - (b) User requirements in terms of functional characteristics.
 - (c) Specifications/ Drawings, if applicable.
 - (d) Requirement of training/ on-job training.
 - (e) Requirement of installation, commissioning.
 - (f) Requirement of FATs, HATs and SATs.
 - (g) Requirement of technical documentation.
 - (h) Type of future assistance on completion of warranty.
 - (j) Earliest Acceptable Year of manufacture.
 - (k) Delivery Period.
 - (l) Relevant Incoterm for Delivery and Transportation.
 - (m) Consignee details.
3. **Part III.** Part III contains Standard clauses which might have a legal bearing. Therefore, neither any deviation from the text given in these clauses nor deletion of any of these clauses should be allowed. In case a deviation from these clauses is required to be allowed due to insistence of the Seller during negotiations, then approval of Raksha Mantri will be required. Paragraph 15 pertaining to Integrity pact is to be included only for cases above ₹ 100 crores.
4. **Part IV.** Part IV contains Special Conditions of the Supply Order as mentioned in Part IV of RFP. Though major deviations from RFP should not be done as it will amount to denial of equal opportunity to unsuccessful bidders, minor changes in wordings of these clauses may be done if the Seller insists upon the same or to suit a particular case.
5. **Part V.** Part V contains the list of addresses and Signing formalities.

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FORMAT OF SUPPLY ORDER

**(Name and address of Buyer,
Contact details like
telephone, fax, email,
File Number
Date)**

To,

Name of Seller

Address

PLACEMENT OF SUPPLY ORDER NUMBER DATED
AGAINST RFP NUMBER DATED

PART I

Dear Sir/ Madam,

1. This is to inform you that a formal Supply Order is being placed on you for supply of items/ services at prices mentioned in Part II. The Commercial terms and conditions are contained in Part III and Part IV of this Supply Order (SO in short). The word "Seller" in this SO is meant for your organisation while the word "Buyer" is meant for this organisation acting on behalf of President of India.

2. Following documents shall be the sole repository of this transaction:-

- (a) Our RFP number dated
- (b) Your Bid number dated
- (c) Our letters dated
- (d) Your letters dated
- (e) Five Parts of this Supply Order as under:-
 - (i) **Part I**. Communication of acceptance of Seller's Bid as finalised by Buyer.
 - (ii) **Part II**. Buyer agrees to buy and Seller agrees to sell items/ services mentioned in Part II at the prices mentioned therein. This Part also contains essential details of the items/ services required, such as the Technical Specifications, Delivery

Period, Place of Delivery and Consignee details agreed by the Seller.

(iii) **Part III.** Buyer and Seller agree to abide by the Standard Conditions of Supply Order mentioned in Part III.

(iv) **Part IV.** Buyer and Seller agree to abide by the Special Conditions of Supply Order mentioned in Part IV.

(v) **Part V.** It contains list of other addresses and other relevant details pertaining to this SO.

3. Two copies of ink-signed Supply Order are being sent to you. Please acknowledge receipt within seven days of receipt of this Supply Order, on your office letterhead duly signed by the authorised signatory. One copy of Supply Order duly signed and stamped on all pages should be returned to this office along with your acknowledgment letter. If such an acceptance or communication conveying any objection to certain part of this Supply Order is not received within seven days, then it would be deemed that this Supply Order is fully accepted by you and all obligations of Seller will be applicable to you under this SO.

Thanking you,

Yours sincerely,

Name and Designation of Buyer
On and behalf of
President of India

PART II - ESSENTIAL DETAILS OF ITEMS/ SERVICES SUPPLY ORDERED

(Same as Part II of DPMF 12)

PART III - STANDARD CONDITIONS OF SUPPLY ORDER

(As per Paragraphs 1 to 15 of Part III of DPMF 11)

PART IV - SPECIAL CONDITIONS OF SUPPLY ORDER

(As per Paragraphs 1 to 33 of Part IV of DPMF 11)

PART V - OTHER DETAILS

(As per Part V of DPMF 12)

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DPMF 14

(Refers to Paragraph 5.11.10;
Paragraph 15 of Part III of
DPMF 11)

FORMAT OF INTEGRITY PACT**General**

1. This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on day of the month of 20....., between, on one hand, the President of India acting through (*name and designation of the officer*), (*name of organisation of the officer*), Government of India (hereinafter called the "BUYER", which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s represented by..... (*name and designation of the individual*), (hereinafter called the "BIDDER/ SELLER" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

2. WHEREAS the BUYER proposes to procure {*name of good(s)/ service(s)*} and the BIDDER/ SELLER is willing to offer/ has offered the stores and

WHEREAS the BIDDER is a private company/ public company/ Government undertaking/ partnership/ registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a Ministry/ Department/ Organisation of the Government of India/ PSU performing its functions on behalf of the President of India.

Objectives

3. NOW, THEREFORE, the BUYER and the BIDDER agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/ prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

3.1 Enabling the BUYER to obtain the desired said stores/ equipment at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

3.2 Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER shall commit to prevent corruption, in any form by its officials by following transparent procedures.

Commitments of the BUYER

4. The BUYER commits itself to the following:-

4.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, shall demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.

4.2 The BUYER shall during the pre-contract stage, treat all BIDDERS alike, and shall provide to all BIDDERS the same information and shall not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

4.3 All the officials of the BUYER shall report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

4.4 In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is *prima facie* found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

Commitments of BIDDERS

5. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

5.1 The BIDDER shall not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

5.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.

5.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.

5.4 BIDDERS shall disclose the payments to be made by them to agents/ brokers or any other intermediary, in connection with this bid/ contract.

5.5 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/ integrator/ authorised government sponsored export entity of the defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the BUYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.

5.6 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

5.7 The BIDDER shall not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

5.8 The BIDDER shall not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

5.9 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

5.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts. Complaint shall be processed as per Guidelines for Handling of Complaints in vogue. In case the complaint is found to be vexatious, frivolous or malicious in nature, it would be construed as a violation of Integrity Pact.

5.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

5.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of an officer of the BUYER has financial interest/ stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filling of tender. The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.

5.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

Previous Transgression

6. The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.

7. The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Sanctions for Violations

8. Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), shall entitle the BUYER to take all or any one of the following actions, wherever required:-

8.1 To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.

8.2 Forfeiture of any or all forms of security deposits/ bonds/ guarantees submitted by the BIDDER either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason thereof.

8.3 To immediately cancel the Contract, if already signed, without giving any compensation to the BIDDER.

8.4 To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing MCLR of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also be utilised to recover the aforesaid sum and interest.

8.5 To encash the Advance Payment Bank Guarantee and Performance Bond/ Warranty Bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.

8.6 To cancel all or any other Contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/ rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

8.7 To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the BUYER.

8.8 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is closely related to any of the officers of the BUYER, or alternatively, if any close relative of an officer of the BUYER has financial interest/ stake in the BIDDER's firm, the same shall be

disclosed by the BIDDER at the time of filing of tender. Any failure to disclose the interest involved shall entitle the BUYER to debar the BIDDER from the bid process or rescind the contract without payment of any compensation to the BIDDER. The term 'close relative' for this purpose would mean spouse whether residing with the Government servant or not, but not include a spouse separated from the Government servant by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon the Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependent upon the Government servant.

8.9 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER and if he does so, the BUYER shall be entitled forthwith to rescind the contract and all other contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

8.10 To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the Contract.

8.11 In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER, the same shall not be opened.

9. The BUYER shall also be entitled to take all or any of the actions mentioned at Sub-Paragraphs 8.1 to 8.11 of this Pact, on the commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal Code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

10. The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and binding on the BIDDER. However, the BIDDER may approach the Independent Monitor(s) appointed for the purposes of this Pact.

Independent Monitors

11. The BUYER has appointed independent Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission. The names and addresses of nominated Independent Monitors (at the time of issue of RFP) are as follows (However, the vendor must refer to the MoD website at <mod.gov.in> to check for any updates/ changes):-

(Names and Addresses of the Monitors to be given).

12. A copy of all communications to Independent Monitors made by the BUYER and/ or the BIDDER(s) shall be sent to the Director (Vigilance). The Designation and Contact details of the Director (Vigilance) for the instant procurement case are as follows:-

{Designation and Address of the Director (Vigilance) to be included}.

13. After the Integrity Pact is signed, the BUYER shall provide a copy thereof, along with a brief background of the case to the Independent Monitors, if required by them.
14. The BIDDER(s), if they deem it necessary, may furnish any information as relevant to their bid to the Independent Monitors.
15. If any complaint with regard to violation of this Pact is received by the BUYER in a procurement case, the BUYER shall refer the complaint to the Independent Monitors for their comments/ enquiry.
16. If the Independent Monitors need to peruse the relevant records of the BUYER in connection with the complaint sent to them by the BUYER, the BUYER shall make arrangement for such perusal of records by the Independent Monitors.
17. Both the parties accept that the Independent Monitors have the right to access all the documents relating to the project/ procurement, including minutes of meetings.
18. As soon as the Independent Monitor notices, or has reason to believe, a violation of this Pact, he shall so inform the Authority designated by the BUYER.
19. The BIDDER(s) accepts that the Independent Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER shall also grant the Independent Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Sub-contractor(s). The Independent Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/ Sub-contractor(s) with confidentiality.
20. The BUYER shall provide to the Independent Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties shall offer to the Independent Monitor the option to participate in such meetings.
21. The Independent Monitor shall submit a written report to the designated Authority of BUYER/ Secretary in the Department within eight to ten weeks from the date of reference or intimation to him by the BUYER/ BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

Facilitation of Investigation

22. In case of any allegation of violation of any provisions of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

Law and Place of Jurisdiction

23. This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER.

Other Legal Actions

24. The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

Validity

25. The validity of this Integrity Pact shall be from date of its signing and extend up to five years or the complete execution of the contract to the satisfaction of both, the BUYER and the BIDDER/ SELLER, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

26. Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties shall strive to come to an agreement to their original intentions.

27. The parties hereby sign this Integrity Pact at on

BUYER

BIDDER

Name of the Officer	:	Name of the Individual	:
Designation	:	Designation	:
Dept/ Ministry/ Org	:	Name of the Firm	:

Witnesses:-

1.
2.

Witnesses:-

1.
2.

DRAFT

DPMF 15

(Refers to Paragraph 5.11.11;
Paragraph 15 of Part III of
DPMF 11)

FORMAT OF INTEGRITY PACT BANK GUARANTEE (IPBG)**INTEGRITY PACT GUARANTEE BOND**

To,

.....
.....

(Complete postal address of the beneficiary)

1. In consideration of President of India represented by*(name and designation of the officer)*, (hereinafter referred to as the Buyer and/ or the First party) having agreed to accept a sum of ₹ (Rupees) from M/s of (hereinafter referred to as Bidder and/ or the Second party) in the form of Bank Guarantee towards Integrity Pact for the Request For Proposal for procurement of *{name of good(s)/ service(s)}*, we *(name of the Bank)*, (hereinafter referred to as the Bank), do hereby undertake to pay to the Buyer on demand within five working days, without any demur and without seeking any reasons whatsoever, an amount not exceeding ₹ (Rupees) and the Guarantee will remain valid up to five years from the date of its submission i.e. *(submission date)*. The demand for payment by the Buyer shall be treated as conclusive proof for payment. The Integrity Pact Bank Guarantee shall be extended from time to time as required by the Buyer and agreed by the Bidder to the Bank.

2. We undertake not to revoke this Guarantee during this period except with the previous consent of the Buyer in writing and we further agree that our liability under the Guarantee shall not be discharged by any variation in the term of the commercial offer.

3. No interest shall be payable by the Buyer to the Bidder(s) on the Guarantee for the period of its currency.

4. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed ₹ (Rupees).

(b) This Guarantee shall remain valid until (hereinafter the expiry date of this guarantee). The Guarantee will cease to be valid after irrespective of whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before (*expiry date*).

Dated the day of (*month and year*)

Place:

Signed and delivered by (*name of Bank*).

Through its authorised signatory

(Signature with seal)

DRAFT

DPMF 16

{Refers to Paragraphs 6.19.8
and 15.9.1;

Sub-Paragraph 1(c) of Part IV
of DPMF 11}

FORMAT OF BANK GUARANTEE (BG)**GUARANTEE BOND**

To,

.....
.....

(Complete postal address of the beneficiary)

1. In consideration of the President of India (hereinafter called 'the Government') having agreed to exempt {hereinafter called 'the said Contractor(s)'} from the demand, under the terms and conditions of an Agreement dated made between and for (hereinafter called 'the said Agreement'), of security deposit for the due fulfilment by the said Contractor(s) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee for ₹ (Rupees Only), we, (*indicate the name of the bank*), (hereinafter called 'the Bank'), at the request of the said Contractor(s), do hereby undertake to pay to the Government an amount not exceeding ₹ (Rupees Only) against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We, (*indicate the name of the bank*), do hereby undertake to pay the amounts due and payable under this Guarantee, without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding ₹ (Rupees Only).

3. We undertake to pay to the Government any money so demanded, notwithstanding any dispute or disputes raised by the Contractor(s) in any lawsuit or proceeding pending before any Court or Tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment, so made by us under this

bond, shall be a valid discharge of our liability for payment there under and the contractor(s)/ supplier(s) shall have no claim against us for making such payment.

4. We, (*indicate the name of the bank*), further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable until all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or until Office/ Department/ Ministry of certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this Guarantee is made on us in writing, on or before the, we shall be discharged from all liability under this Guarantee thereafter.

5. We, (*indicate the name of the bank*), further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance/warranty by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or by any such matter or thing whatsoever which, under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/ Supplier(s).

7. We, (*indicate the name of the bank*), lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Dated the day of (*month and year*)

Place:

Signed and delivered by (*name of Bank*).

Through its authorised signatory

(Signature with seal)

DPMF 17
(Refers to Paragraph 6.19.8)

FORMAT OF INDEMNITY BOND

This deed is made on this day of the month of 20....., by M/s, a company registered under the Companies Act 2013 having its registered office at and acting through its corporate office at hereinafter referred to as the "SELLER".

Whereas (*name of organisation*), Government of India on behalf of the President of India (hereinafter referred to as the "BUYER") has placed a Contract No dated

And whereas, the SELLER has agreed to execute this Indemnity Bond for Advance/ Performance/ Warranty on the terms and conditions appearing hereinafter.

It is hereby agreed and declared by the SELLER that:-

- (a) The SELLER shall duly and faithfully perform its obligation under the said contract and comply with the conditions in the said contract.
- (b) The SELLER shall, in as much as within its control, refrain from such actions, which may cause loss, injury, damage to the BUYER.
- (c) In the event of breach/ default by the SELLER in complying and in case the breach/ default is not remedied by the SELLER up to period of the notification of the breach/ default by the BUYER, the SELLER shall indemnify to the BUYER, to the extent of ₹ (Rupees only) being % (5% to 10% as indicated in the Contract) of the total Contract Price (including taxes and duties) of ₹ (Rupees only) of any direct losses or damages suffered by the BUYER due to failure of the SELLER.
- (d) The SELLER shall be fully discharged of its obligations under this bond on meeting its liability and limit as per Sub-Paragraph (c) above.
- (e) The SELLER shall not be liable for any breach/ default arising out of force majeure situation or due to any default, action, inaction or failure on the part of the BUYER.
- (f) The liability of the SELLER under this bond shall remain in full force until the fulfilment of the obligations of the SELLER under the said Contract.
- (g) The SELLER hereby expressly, irrevocably, and unreservedly undertake and guarantee that in the event that the beneficiary submits a written demand to the SELLER stating that they have not performed according to the

warranty obligations for the PRODUCTS as per said Contract, the SELLER will pay the BUYER on demand and without demur any sum up to maximum amount of % (5% to 10% as indicated in the Contract) of the total Contract Price (including taxes and duties). The BUYER's written demand shall be conclusive evidence to the SELLER that such repayment is due under the terms of the said contract. The SELLER undertakes to effect payment within days from receipt of such written demand.

(h) The amount of warranty/ guarantee shall not be increased beyond %. Unless a demand under this warranty/ guarantee is received by the SELLER in writing on or before the expiry date (unless this warranty/ guarantee is extended by the SELLER) all rights under this guarantee shall be forfeited and the SELLER shall be discharged from the liabilities hereunder. This warranty/ guarantee is personal to the BUYER and not assigned to a third party without prior written permission.

This Indemnity Bond for Advance/ Performance/ Warranty guarantee shall be governed by Indian Law.

The parties hereby sign this Indemnity Bond at on

BUYER

SELLER

Name :
Designation :
Organisation :

Name :
Designation :
Firm/ PSU :

Witnesses:-

Witnesses:-

1.

1.

2.

2.

DPMF 18

(Refers to Paragraph 6.22.3;
Paragraph 5 of Part IV
of DPMF 11)

FORMAT OF ELECTRONIC CLEARING SERVICE (ECS) MANDATE

Customer's option to receive payments through e-Payment (ECS/ EFT/ Direct Credit/ RTGS/
NEFT/ Other payment mechanisms as approved by RBI)

1. Customer's name :
2. Particulars of Bank account:-
 - (a) Bank name :
 - (b) Branch name :
 - (c) Branch address :
 - (d) Branch Tele No(s) :
 - (e) IFS code :
 - (f) 9 Digit code :
of the Bank Branch appearing on MICR cheque issued by Bank
 - (g) Account Type :
(Savings/ Current/ Cash etc)
 - (h) Ledger No :
 - (j) Ledger Folio No :
 - (k) Account No :
(as appearing on the Cheque Book)

(Please attach a blank cancelled cheque or photocopy of a cheque or front page of your savings bank passbook issued by your bank for verification of the above particulars)

3. Date of Effect :

"I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme."

Date: (.....)
Signature of Customer

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp: (.....)
Date: Signature of the Authorised
Official from the Bank

DRAFT

DPMF 19

{Refers to Paragraph 9.7.3;
Sub-Paragraph 28(b) of Part IV
of DPMF 11}

FORMAT OF QUALITY CLAIM

Quality Claim to the Contract Number dated
Claim Protocol Number
Laid down on Concerning (*Name of the Claimed Equipment*)

Commission, consisting of Chairman and
Members
has acquainted with the claimed equipment and made the following decision:-

1. (*Item Description and Serial Number
..... (give details of equipment), produced/
manufactured by the (name of producer/
manufacturer) on (date of production/ manufacture), number
of running hours (hours), with guarantee period of
..... (years, months), of which (years, months
completed). From the beginning of operation, the product has been operating
for hours.*)

2.
(*Indicate operation conditions of the equipment, type of fuel and oil used during
operation of the equipment, etc*)

3.
(*Description of the defect, the date and circumstances under which the defect
was ascertained, short description of the probable causes and probable
consequences of the defect*).

4. **List of units (or their parts).**
(defective equipment will remain in that organisation storeroom when it has
been operating till arrival of the Seller's instruction)

5. **Conclusion of the Commission.**
(*e.g. on investigation the commission decided that the claimed equipment is not
serviceable and that it must be subject to repair or must be replaced with a new
equipment. The kind of repair and place where the repair should be carried out
are to be stated*).

(a) The following parts are required for the repair of the equipment
(or its parts)

(b) The defect occurred within the guarantee period from the reason as follows

.....

(c) The costs of the repair of the equipment or its parts

.....

(d) The costs of the repair will be debited to (manufacturer/ owner).

(e) To settle the claim, the Seller has to replace the equipment and dispatch the unit and other parts. (indicate the parts and where the repair should be carried out, the manner of reimbursement of costs connected with the repair of the equipment, etc.)

Supplementary Data

6. The equipment was handed over in accordance with the Number on (date).

7. The following documents are enclosed to this claim protocol to support the justification of the claim:-

(a)

(b)

(Photos, samples, results of analysis, packing sheets, etc.)

Signature of the Commission Members and Chairman

.....
.....
.....

DPMF 20

{Refers to Paragraph 9.7.3;
Sub-Paragraph 28(c) of Part IV
of DPMF 11}

FORMAT OF QUANTITY CLAIM

Quantity Claim to the Contract Number dated
Claim Protocol Number
Laid down for inter/ tare storage

Commission, consisting of Chairman
and Members
having examined the state of the delivered equipment ascertained as follows:-

1. The equipment was delivered by M/s
against Bill of Lading Number of
in the quantity of one collie with the Marking
Case Number

2. The obtained equipment is delivered under Contract Number
Item Serial Number
Cost

3. The state of packing and seals on goods packages, correspondence of the gross weight and the weight indicated in the way bills (packing lists) Numbers of the collies are to be pointed out Condition of the collie Gross weight of the collie Net weight of the collie

4. While unpacking the goods packages, the following discrepancy between the shipping documents (packing lists as the packed equipment was discovered/ separately for the each package

5. Conclusion of the commission

6. The following documents confirming the justification of the complaint are attached to the report (*Packing list, photos of the damaged goods and others*)

Chairman :
Members :
Place and date of issue :

DRAFT

DPMF 21

{Refers to Sub-Paragraph
32(b)(i) of Part IV of DPMF 11}

**FORMAT OF MANUFACTURERS RECOMMENDED LIST OF SPARES
(MRLS)**

Equipment :

OEM :

Ser	Part No	Source of Supply	Nomenclature	Nos fitted in one eqpt	Parts Catalogue reference	Unit Cost	Rec. Scale for Qty 100 eqpt for two years	Total Cost	Remarks
Grand Total									

Notes:-

1. Recommended scale and cost be given separately for Unit repair, Field repair, Intermediate and Base repair.
2. Maintenance spares/ stores like lubricants, sealing compound, gases should be given separately giving source of supply.
3. Spares for component repairs should be included under the column of nodal repair & Base Repair as suggested by OEM.
4. In Remarks column, following information (if applicable) be given:-
 - (a) If an item has a shelf/ operational life, it be marked as 'G' and life indicated.
 - (b) Matching set of components be indicated.
 - (c) Items which can be Locally Manufactured should be marked 'LM'.
 - (d) Items which cannot be manufactured in India due to sophisticated design/ technology/ Special Item may be marked as 'SI'.
 - (e) If a component/ assembly is common to other similar equipment offered by the OEM earlier, these should be marked 'CM' and name of the equipment be indicated.
5. MRLS should be drawn out of the Part List of the equipment, which should be separately given as part of Technical Manual.
6. If the main equipment consists of other equipment, then MRLS should be prepared for them under proper heads.
7. MRLS be prepared as per the maintenance concept of the customer.
8. Items provided along with the equipment as spares should also be included in MRLS.
9. Modules/ Shop Replaceable Unit (SRU)/ assemblies should be listed and their components should be included under them so as to relate each item of spare to their module/ SRU/ assembly.
10. Complete MRLS should be costed separately for Field, Nodal and Base repairs as it is required to be included as part of Total Costed Engineering Support Package (ESP). OEM may give cost details in confidence to Price Negotiation Committee (PNC), but other details as above be provided during Maintainability Equipment Trial (MET).
11. MRLS for test equipment should also be provided on the similar format.

DRAFT

DPMF 22

{Refers to Sub-Paragraph 32(c)
of Part IV of DPMF 11 }

**FORMAT OF SPECIAL MAINTENANCE TOOLS (SMTs)/ SPECIAL TEST
EQUIPMENT (STE)/ TEST JIG (TJs)/ FIXTURES**

**COMPLETE LIST OF ACCOMPANIED ACCESSORIES/ USER REPLACEABLE PARTS/
EXPENDABLES, SPARES AND SMT/ STE/ TJ FOR EQUIPMENT**

1. **Sub-Assemblies for Equipment.**

Ser	Ser No of Offer	Part No	Nomen-clature	Schematic reference	No per eqpt	Unit Cost	Total Cost	Remarks	
Grand Total									

2. **Accessories along with Equipment.**

Ser	Ser No of Offer	Part No	Nomen-clature	Schematic reference	No per eqpt	Unit Cost	Total Cost	Remarks	
Grand Total									

3. **Optional Items.**

Ser	Ser No of Offer	Part No	Nomen-clature	Schematic reference	No per eqpt	Unit Cost	Total Cost	Remarks	
Grand Total									

4. **Spares.**

Ser	Ser No of Offer	Part No	Nomen-clature	Schematic reference	No per eqpt	Unit Cost	Total Cost	Remarks	
Grand Total									

5. **Additional Items Required for Completeness of Spares and Consumables.**

Ser	Ser No of Offer	Part No	Nomen-clature	Schematic reference	No per eqpt	Unit Cost	Total Cost	Remarks	
Grand Total									

6. **List of SMT/ STE/ TJ.**

Ser	Ser No of Offer	Part No	Nomen-clature	Schematic reference	No per eqpt	Unit Cost	Total Cost	Remarks	
Grand Total									

The Seller confirms for authenticity, completeness and correctness of the data given in this Form.

DRAFT

DPMF 23

{Refers to Sub-Paragraph 32(d)
of Part IV of DPMF 11 }

FORMAT OF TRAINING DETAILS

1. **Operator Course.** This course is designed to give the student the necessary knowledge to operate an (*equipment*) effectively. It also covers unit maintenance procedures and procedures for unit level repair and replacement of parts.
2. **Course Description & Materials.**
 - (a) This course covers the theory, operation and proper sampling techniques. It will include hands on and visual presentations. **Materials** - Slide Show, User Guide.
 - (b) This course allows the student to do practical exercises with the (*equipment*) **Materials** - User Guide, (*equipment*) unit, Practical outline.
 - (c) This time allows the student to ask any questions they have and review for the test. **Materials** - User Guide, (*equipment*) unit.
 - (d) **Operator Test.** The student takes the certification test. **Materials** - User Guide, Test paper.
3. **Trainer Course.** This course is designed to give the student an understanding of the (*equipment*) as well as first line maintenance techniques that will help the student to keep the (*equipment*) working properly. In addition to that there will be a course on training others how to use the (*equipment*) by stressing the important issues using the (*equipment*). Following the course there will be a certification test which will then allow the student to train other users on the (*equipment*).
4. **Course Description & Materials.**
 - (a) This course covers the theory, operation and proper sampling techniques. It will include hands on and visual presentations. It will also include first line maintenance techniques used in the field. **Materials** - Slide Show, Supervisor Guide.
 - (b) This course allows the student to do practical exercises with an (*equipment*). **Materials** - Supervisor Guide, (*equipment*) unit, Practical outline.
 - (c) This course covers the important issues in training other users on the (*equipment*). **Materials** - Trainer Guide, (*equipment*) unit.
 - (d) This course allows the students to practice training other users on the (*equipment*) under supervision. **Materials** - Trainer Guide, Slide Show, (*equipment*).
 - (e) **Supervisor Test.** The student takes the certification test. **Materials** - Supervisor Guide, Test paper Trainer Guide.

5. **Field Repair Level Maintenance Training.** This course is designed to give the student an understanding of the (*equipment*) as well as first line maintenance techniques that will enable the student to keep the (*equipment*) working properly. Then the course will discuss the Mechanical/ Automotive/ Electronic/ Armament portion of the (*equipment*). A breakdown of all components as well as the calibration procedure is taught. The student will then take apart and rebuild an (*equipment*) going over various points. Following the classes there will be a certification test which will allow the student to then do any repairs needed on the (*equipment*).
6. **Course Description & Materials.**
- (a) This course covers the theory, operation and proper sampling techniques. It will include hands on and visual presentations. It will also include first line maintenance techniques used in the field. **Materials** - Slide Show, Supervisor Guide.
- (b) This course allows the student to do practical exercises with an (*equipment*). **Materials** - Supervisor Guide, (*equipment*) unit, Practical outline.
- (c) This course covers all the electronics in the (*equipment*). A look at all the PCBs in the unit and the procedure of analysing samples. **Materials** - Technical Guide, (*equipment*) unit.
- (d) This course discusses the troubleshooting techniques used for repairing an (*equipment*). **Materials** - Technical Guide, (*equipment*) unit.
- (e) This course cover the proper procedure in calibrating and (*equipment*). **Materials** - Technical Guide, (*equipment*) unit.
7. **Component Level Maintenance Training.** This course is designed to train students to undertake component level repair of all assemblies, subassemblies, modules, PCBs. etc.
8. **Base Repair Maintenance Training.** The syllabus for base repair maintenance training will be finalised during MET as per the requirement of the BUYER.
9. **Technical Know-How.** The SELLER shall provide the complete know-how on the technology used, repair and maintenance of the equipment and shall not withhold such information during the conduct of the training. Maintenance philosophy will be discussed and suggested norms for major maintenance tasks will be provided by the SELLER.

DPMF 24
(Refers to Paragraph 5.16.6)

FORMAT OF TECHNICAL EVALUATION COMMITTEE (TEC) REPORT

..... **[Clear Cut Parameters/ QRs {as per relevant paragraph(s) of RFP}]**

Ser	Vendor/ Sample	Essential QRs (Serially Listed)	Acceptable Range	Sample Reading	Within Range (Yes/ No)	Technically Acceptable	Remarks
A	B	C	D	E	F	G	H
1.							
2.							
3.							

Note:- TEC Report to form part of the tender documents to provide for transparent technical evaluation criterion.

DRAFT

DRAFT

DPMF 25
(Refers to Paragraph 5.17.9)

**FORMAT OF CERTIFICATE TO RECORD
EXPENDITURE ANGLE SANCTION (EAS)**

Name of the Unit/ Formation/ Establishment/ Organisation		
File No		
Ser	Item	Details
1.	Description of goods and/ or services for which sanction is accorded	
2.	Name of the Supplier/ Vendor etc	
3.	Broad purpose for which the procurement is sanctioned	
4.	Authority/ Schedule/ Sub-schedule of the Delegation of Financial Powers under which the sanction is given	
5.	Quantity Sanctioned	
6.	Amount Sanctioned	
	(a) Cost per Unit	
	(b) Other associated charges, such as freight, etc. (each element to be specified)	
	(c) Total Amount	
7.	Availability of funds over the entire period of delivery	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.	Major, Minor, Sub- and Detailed Heads under which expenditure is to be booked	
9.	Code Head as per the CGDA's Classification Hand-Book	
10.	Reference No of the IFA's concurrence/ Reasons for overruling IFA's advice (where applicable)	
11.	Name of the Paying Agency	

The financial sanction is hereby accorded as per the details given above on the understanding that the correct procurement procedure has been followed and funds are/ shall be available to defray the expenditure.

(Sign, name and designation of the CFA)

(Or, where the sanction is signed by someone other than the CFA)

This document is being signed under the powers delegated by the CFA to sign such financial documents vide CFA's Letter No. dated and on the basis of the financial approval accorded by the CFA on the file mentioned at Ser 9 above.

(Sign, name and designation)

Serial No. of the Sanction :
Date of Issue :

DRAFT

DPMF 26
 {Refers to
 Sub-Paragraph 5.30.3(f)}

FORMAT OF COST ANALYSIS

Dept/ Wing		Produce		
		Base FY (Apr-Mar) of Quote		
Breakup of Fixed Price Quotation (₹ in Lakhs)		Quantity		
Ser	Particulars	Previous FY (₹)	FY of Quote (₹)	Remarks
1	Material			
1.1	Imported:-			
	(a) Raw Materials Rejection (....%)			
	(b) Bought Out Items Rejection (.... %)			
	Sub-total (1.1)			
1.2	Indigenous:-			
	(a) Raw Materials Rejection (....%)			
	(b) Bought Out Items Rejection (.... %)			
	Sub-Total (1.2)			
1.3	Sub Total (1.1+1.2)			
1.4	Freight & Insurance Charges (.....% of 1.3)			
1.5	Storage & Handling Charges (.....% of 1.3)			
1.6	Sub-Total (1.3+1.4+1.5) (Material Cost)			
2	Conversion Costs (Total Man Hour Costs)			
3	Non-Recurring Costs			
4	Sundry Direct Charges			
5	Financing Costs			
6	Sub-Total (1.6+2+3+4+5)			
7	Warranty Cost (....% of 6)			
8	Total Cost (6+7)			
9	Profit (....% of 8)			
10	Selling Price (8+9)			

DRAFT

DPMF 27

(Refers to Paragraph 6.16.4;
Sub-Paragraph 7(b) of Part IV
of DPMF 11)

FORMAT OF ADVANCE PAYMENT BANK GUARANTEE (APBG)

From :

Bank :

To,

The President of India

Sir,

1. With reference to Contract No dated concluded between the President of India, hereinafter referred to as 'the Purchaser' and M/s hereinafter referred to as the "the Contractor" for the development and supply of as detailed in the above contract, which contract is hereinafter referred to as "the Said Contract" and in consideration of the Purchaser having agreed to make an advance payment in accordance with the terms of the Said Contract to the Contractor, we, the bank, hereinafter call 'the Bank', hereby irrevocably undertake and guarantee to you that if the Contractor would fail to develop and supply the stores in accordance with the terms of the Said Contract for any reason whatsoever or fail to perform the Said Contract in any respect or should the whole or part of the advance payments made to the Contractor at any time become repayable to you for any reason whatsoever, we shall, on demand and without demur, pay to you all and any sum up to a maximum of ₹ (Rupees only) paid as advance to the Said Contractor in accordance with the provisions contained in Clause of the Said Contract.

2. We further agree that the Purchaser shall be the sole judge as to whether the Contractor has failed to develop and deliver the stores in accordance with the terms of the Said Contract or has failed to perform the Said Contract in any respect or the whole or part of the advance payment made to the Contractor has become repayable to the Purchaser and to the extent and monetary consequences thereof by the Purchaser.

3. We further hereby undertake to pay the amount due and payable under this Guarantee, without any demur, merely on a demand from the Purchaser

stating the amount claimed. Any such demand made on the Bank shall be conclusive and binding upon us as regards the amounts due and payable by us under this Guarantee and without demur. However, our liability under this Guarantee shall be restricted to an amount not exceeding ₹ (Rupees only).

4. We further agree that the Guarantee herein contained shall remain in full force and effect for a period of 12 months from the date the last advance payment was made or for a period of 90 days from the date on which final delivery of the stores after development was made and accepted by the Purchaser, whichever falls later, unless the Purchaser, at his sole discretion, discharges the Guarantee earlier.

5. We further agree that any change in the constitution of the Bank or the constitution of the Contractor shall not discharge our liability hereunder.

6. We further agree that the Purchaser shall have the fullest liberty without affecting, in any way, our obligations hereunder with or without our consent or knowledge to vary any of the terms and conditions of the Said Contract or to extend the time of development/ delivery from time to time or to postpone for any time or from time to time any of the powers exercisable by the Purchaser against the Contractor and either to forbear or enforce any of the terms and conditions relating to the Said Contract and we shall not be relieved from our liability by reason of any such variation or any indulgence or forbearance shown or any act or omission on the Purchaser or by any such matter or thing whatsoever which, under the law relating to sureties would, but for this provision, have the effect of so relieving us.

7. We lastly undertake not to revoke the Guarantee during the currency of the said Contract except with the prior consent of the Purchaser in writing.

Yours faithfully,

Place :

(Authorised Attorney)

Date :

for Bank

Seal of the Bank

DPMF 28
(Refers to Paragraph 6.23.5)

FORMAT OF PERFORMANCE NOTICE

Registered Acknowledgement Due

..... (Address of the Buyer)
.....

To
M/s (Address of the Seller)
.....

SUBJECT : THIS OFFICE CONTRACT NO
DATED PLACED ON YOU FOR SUPPLY OF

Dear Sirs,

1. Your attention is invited to the acceptance of tender cited above, according to which supplies ought to have been completed by you on or before In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that (*Details of outstanding goods*) are still outstanding even though the date of delivery has expired.

2. Although not bound to do so, the delivery date is hereby extended to and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

3. (*any other conditions as applicable*)

Yours faithfully,

(.....)
for and on behalf of.....

DRAFT

DPMF 29
(Refers to Paragraph 6.23.5)

FORMAT OF CORRESPONDENCE WITH SELLER AFTER BREACH OF CONTRACT

Registered Acknowledgement Due

..... (Address of the Buyer)

.....

To

M/s (Address of the Seller)

.....

SUBJECT : THIS OFFICE CONTRACT NO
DATED PLACED ON YOU FOR SUPPLY OF

Dear Sirs,

1. The date of delivery of the subject contract expired on
As supplies against the same have not yet been completed, there is a breach of the contract on your part. As information is required regarding past supplies against this contract, you are requested to send the particulars regarding the quantity so far supplied and, also, the quantity so far inspected but not yet dispatched and the quantity so far not tendered for inspection before the expiry of the date of delivery.

2. The above information is required for the purpose of verification of our records and is not intended to keep the contract alive and does not waive the breach.

3. This is without prejudice to the rights and remedies available to the Buyer in terms of the contract and law applicable in this behalf.

Yours faithfully,

(.....)
for and on behalf of.....

DRAFT

DPMF 30

(Refers to Paragraph 6.23.5)

**FORMAT OF LETTER FOR EXTENSION OF DELIVERY PERIOD (DP) FOR
FOB/ FAS/ CIF CONTRACT**

Registered Acknowledgement Due

..... (Address of the Buyer)

.....

To

M/s (Address of the Seller)

.....

SUBJECT : THIS OFFICE CONTRACT NO
DATED PLACED ON YOU FOR SUPPLY OF
.....

Ref : Your letter no dated

Dear Sirs,

1. You have failed to deliver the goods/ entire quantity of the goods within the contract deliver period/ delivery period as last extended up to In your above referred letter, you have asked for extension/ further extension of time for delivery. In view of the circumstances stated in your above referred letter, the time of delivery is extended from (*last delivery period*) to (*presently agreed delivery period*).

2. Please note that in terms of clause of the contract, a sum equivalent to % (..... percentage) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/ the last unconditionally re-fixed delivery date (as & if applicable) *viz.* will be recovered from you as liquidated damages.

3. The above extension of delivery date will also be subject to the further condition that, notwithstanding any stipulation in the contract for increase in price on any ground, no such increase, whatsoever, which takes place after shall be admissible on such of the said goods as are

delivered after the said date. But, nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on any ground (including the impact of the price variation clause, if incorporated in the contract), which takes place after the expiry of the above mentioned date namely

4. You are also required to extend the validity period of the performance guarantee for the subject contract from (present validity date) to (required extended date) within fifteen days of issue of this amendment letter.

5. Please intimate your unconditional acceptance of this amendment letter within ten days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

6. All other terms & conditions of the contract remain unaltered.

Yours faithfully,

(.....)
for and on behalf of.....

Copy to:-

.....
.....
.....

Note:- The entries which are not applicable for the case under consideration are to be deleted.

DPMF 31
(Refers to Paragraph 6.23.5)

FORMAT OF LETTER FOR EXTENSION OF DELIVERY PERIOD (DP) FOR CONTRACT OTHER THAN FOB/ FAS/ CIF CONTRACT

Registered Acknowledgement Due

..... (Address of the Buyer)

.....

To

M/s (Address of the Seller)

.....

SUBJECT : THIS OFFICE CONTRACT NO
DATED PLACED ON YOU FOR SUPPLY OF
.....

Ref : Your letter no dated

Dear Sirs,

1. You have failed to deliver the goods/ entire quantity of the goods within the contract deliver period/ delivery period as last extended up to In your above referred letter, you have asked for extension/ further extension of time for delivery. In view of the circumstances stated in your above referred letter, the time of delivery is extended from (*last delivery period*) to (*presently agreed delivery period*).

2. Please note that in terms of clause of the contract, a sum equivalent to % (..... percentage) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/ the last unconditionally re-fixed delivery date (as & if applicable) viz. will be recovered from you as liquidated damages.

3. The above extension of delivery date will also be subject to the following further conditions:-

(a) That no increase in price on account of any statutory increase in or fresh imposition of custom duty, GST or on account of any other tax

or duty leviable in respect of the goods specified in the said contract, which take place after shall be admissible on such of the said goods as delivered after the said date.

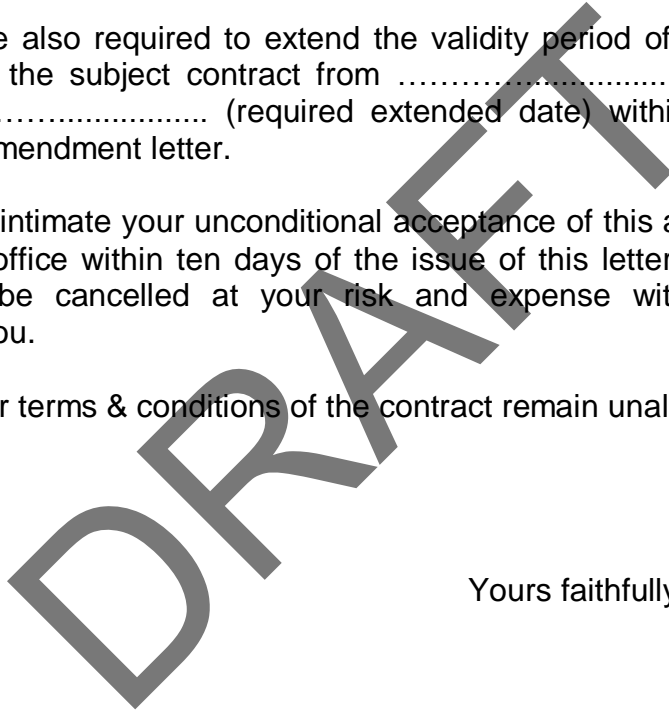
(b) That notwithstanding any stipulation in the contract for increase in price on any ground, no such increase whatsoever, which takes place after shall be admissible on such of the said goods as are delivered after the said date.

(c) But nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of custom duty, excise duty, sales tax or on account of any other tax or duty or any other ground whatsoever, including the impact of the price variation clause (if incorporated in the contract), which takes place after the expiry of the above mentioned date namely

4. You are also required to extend the validity period of the performance guarantee for the subject contract from (present validity date) to (required extended date) within fifteen days of issue of this amendment letter.

5. Please intimate your unconditional acceptance of this amendment letter, to reach this office within ten days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

6. All other terms & conditions of the contract remain unaltered.



Yours faithfully,

(.....)
for and on behalf of.....

Copy to:-

.....
.....
.....

Note:- The entries which are not applicable for the case under consideration are to be deleted.

DPMF 32
 {Refers to
 Sub-Paragraph 8.7.1(g)}

FORMAT OF SUPPLY ORDER (SO) AGAINST RATE CONTRACT

Office of the (Name and Address of the Buyer)

To

Sub - Placement of Supply Order No dated

Ref - (Name of Central Agency)
Rate Contract No dated
valid from to.....

Dear Sir/ Ma'am,

1. This order, which is intended for the supply of the stores detailed below, in accordance with the terms and conditions of the Rate Contract mentioned above and in the manner specified herein, shall operate to create a specific contract between the Seller (with whom the contract referred to and the requisition are placed) of the one part and President of India (represented by the Buyer) on the other part.

Ser	Item	Ref of Indent	Item No of Contract	Description of Goods	Qty	Rate per Unit
A	B	C	D	E	F	G
(a)						
(b)						

Ser	Total	Taxes	Transport	Other Charges	Total
A	H=F×G	J	K	L	M=H+J+K+L
(a)					
(b)					
Grand Total					

2. Grand Total : (Grand Total in words)

3. Date of Delivery: / days from the date of receipt of this order.
4. Designation and address of Inspecting officer :
5. Designation and full address of the Consignee:
6. Designation and full address of Paying Authority:
7. Head of Account to which the cost is debit:-
 - (a) Major Head:
 - (b) Minor Head:
 - (c) Code Head:
8. Please acknowledge receipt of this Supply Order and arrange supply of stores.

(Name and designation of Buyer)
For and on behalf of the President of India

Copy to:-

1. Paying Authority:
 - (a) Relevant Schedule of delegated powers :
 - (b) The expenditure involved for the purchase has been approved by the as Competent Financial Authority.
 - (c) It is confirmed that concurrence of IFA has been obtained.
2. IFA: This is with reference to their UO number dated
3. Consignee:
4. Inspection Agency:

DPMF 33
(Refers to Paragraph 10.4.7)

FORMAT OF FABRICATION CONTRACT

Office of Issue *(Name and Address of the Organisation/
Establishment)*

Schedule to the Acceptance Letter No dated

Ser	Subject	Details
1.	Name and address of Contractor	
2.	Contractor's Quotation No and date	
3.	Name of Indenter	
4.	Quantity and description of store(s)	As per Annexure 1. <i>(Place details at Annexure 1)</i>
5.	Debits in respect of deliveries made against this order to be raised against	Controller of Defence Accounts
6.	Cost debitable to Head	Major Head: Minor Head: Sub-Head : Code Head: of the Defence Service Estimates.
7.	Conditions of contract	General conditions of contract enclosed with the Invitation to quote and the special conditions contained herein. Where these are at variance, the latter shall apply.
8.	Delivery schedule	
9.	Dispatch instructions and consignee	(a) The prototype duly packed and preserved for transport by rail and road shall be addressed for delivery as indicated in writing by the Director (b) The prototype shall be dispatched against Military Credit Note which will be issued by the said Indenter on demand by you. (c) Forwarding charges shall be paid as actually incurred. (d) In case the prototype is required to be transported back to the works of the contractor for any modification/ improvement at any time during tests, the cost of such transportation from the place of testing to the works of the contract and back shall be borne by the Indenter.
10.	Particulars governing supply	As per Annexure 2. <i>(Place details at Annexure 2)</i>
11.	Inspection authority	Director/ Accepting Officer or their authorised nominee.
12.	Tests	(a) The contractor shall carry out necessary tests on Prototype before offering the same for tests to Director/ Accepting Officer who may detail his representative(s) to witness these tests. (b) Director/ Accepting Officer or representative(s) may, at his

Ser	Subject	Details
		<p>discretion carry out tests of the finished prototype at any or all stages of development. For this purpose the contractor shall provide free of cost at its premises such test facilities as are required by the Director/ Accepting Officer or his representative(s) and are available with the contractor.</p> <p>(c) Director/ Accepting Officer or his representative(s) may at his discretion carry out any tests as required to be undertaken by him. The prototype shall be accepted by the Director/ Accepting Officer or his representative(s) only after it has passed all required tests to his entire satisfaction.</p>
13.	Price	<p>(a) ₹ (in figures) {Rupees (in words)} FOR (Station), Taxes as leviable and levied on complete will be paid extra. Form D is enclosed herewith for obtaining reduction in Sales Tax.</p> <p>(b) The contractor shall refund a sum of ₹ only as developmental rebate at the rate of ₹ bulk orders received by him from any source and when add up to pieces, and such refund will continue until the above sum of ₹ is paid back. (if applicable).</p>
14.	Paying authority	PCDA/ CDA /AAO etc.
15.	Terms of payment	<p>As in the general conditions:-</p> <p>(a) The contractor shall be responsible for properly packaging the prototype in commercial/ trade packaging for transport by rail and/ or road so as to ensure that no loss or damage takes place enroute.</p> <p>(b) Any damage in transit shall be recoverable from the contractor unless it is proved that such damage was not due to any negligence or default on the part of the contractor.</p> <p>(c) Design of the and any drawings and other documents whether supplied by the Central Government in the Ministry of Defence or made by the contractor for the purposes of this fabrication order are the property of the Government and shall not be copied or used by the contractor for any other purposes without the written consent to be obtained through the Director of the Government. The said drawings and documents shall be returned to the Government immediately after the expiry of or termination of the contract.</p> <p>(d) All queries on technical matter shall be preferred by the contractor to the Director/ Nominated Officer or any other officer intimated by him until such time as bulk production is established and the contractor is informed of transfer of technical contract to an inspection agency by the Director</p> <p>(e) You are requested to deposit a sum of ₹ as security deposit within 15 days of the receipt of this letter.</p>

(Initials of the Officer signing the Fabrication Order)

DPMF 34
(Refers to Paragraph 10.10.1)

FORMAT OF DRAFT AGREEMENT FOR DESIGN, DEVELOPMENT AND FABRICATION CONTRACTS

THIS AGREEMENT made day of 20 between the President of India, hereinafter referred to as "the Government" (which expression, unless expressly excluded by the context, shall be deemed to include his successors and assigns) of the one part and

M/s/ Shri (in case of Sole proprietor),
a Company incorporated under the Companies Act 1956/ a Partnership firm incorporated under the Indian Partnership Act 1932/ Sole proprietor and having its/ his Registered Office at,
carrying on business under the name and style,
hereinafter referred to as "the Contractor" {which expression, unless expressly excluded by the context, shall be deemed to include its/ his successors, executors, administrators and assigns (Company)/ his successors, heirs or assigns (Sole proprietor)/ partner or partners for the time being of the said firm, the survivors of them and their respective successors, executors administrators and assigns (Partnership)} of the other part.

WHEREAS, the Government had invited quotations for the designing, developing, fabricating, manufacturing and supply of the said store in accordance with the specifications laid down in Para (a) of **Schedule A** hereto (and hereinafter known as "the said store") and the contractor has submitted his quotation for the same vide his letter reference dated, which has been accepted by the Government

AND WHEREAS, an Agreement is required to be executed between the parties in respect thereof.

OR

(for negotiated contract only)

WHEREAS, the Government desires to entrust to the contractor the work of designing, developing, fabricating, manufacturing and supply of the said store in accordance with the specifications laid down in Para (a) of **Schedule A** hereto.

AND WHEREAS, the contractor has agreed and is in a position to undertake designing, developing, fabricating, manufacturing of the said store and supply the same to the Government.

NOW IT IS AGREED AND DECLARED BY AND BETWEEN THE PARTIES AS FOLLOWS:-

Clause 1

1.1 The contractor shall design¹, develop, fabricate and manufacture the said store and shall supply the same, complete with all accessories thereto as per Para of **Schedule A** annexed hereto at the fixed net price of ₹, including packing and all packing materials or on cost plus profit basis (as applicable). The ceiling of the cost including the profit percentage allowed shall be ₹ subject to variation either

¹ Delete where design is not required.

way not exceeding 5% of the ceiling cost mentioned above. The cost of the stores or service supplied by the Govt shall be adjusted towards this ceiling.

1.2 The contractor shall not be entitled to any other additional payments such as for tooling, dies, designing² and developing or any other charges on any account whatsoever unless otherwise expressly provided for in this Agreement (not to appear in cost plus contract).

Clause 2

2.1 The contractor shall manufacture and deliver the said store by for tests and technical trials to the Accepting Officer or the consignee as intimated by the Purchaser in writing.

2.2 Should the Government desire any modifications or improvements, additions or alterations to the specifications laid down in **Schedule A** hereto the same shall be carried out by the contractor on the undermentioned terms:-

(a) If the modifications or improvements are of a minor nature and are intimated before the job under the previous specifications had been carried out. (without payment).

(b) If the modifications or improvements are of a major nature and the result in much additional expenditure to the contractor (On payment of the additional expenditure as assessed by the Govt).

Note:- The decision of the Government whether the modifications or improvements are of a major or minor nature and whether such additional expenditure is involved or not shall be final and binding on the contractor.

2.3 Should the Government after proper development and acceptance of the said store, desire any further technical assistance or any further modification to the store, the same shall be undertaken by the contractor on such terms as are agreed between the parties to the contract.

Clause 3

3.1 The contractor shall carry out necessary tests and trials before offering the same for trial to the Government who may detail its representatives to witness these tests if so required.

3.2 The contractor shall afford the Government, without in any way making it responsible, all proper and reasonable facilities for examining, inspecting and testing the stores machinery and workmanship used or intended to be used during the progress of the manufacture of the store and shall also supply free of charge such apparatus, materials, tools or labour as may be required from time to time for the purpose of such examinations, inspections and testing.

Clause 4

4.1 The Contractor undertakes to produce the complete information and data required for production i.e. the procurement drawings, specifications and manuals as required by the design authority as per the list attached hereto and the test equipment, if required by the design authority.

² *ibid*

Clause 5

5.1 The contractor agrees to supply free of cost the under mentioned tools and spares required to operate the store during trials and experiments:-

- (a)
- (b)
- (c)

5.2 Additional spare parts except the replacement parts mentioned in if required by Government, shall be supplied by the contractor at the prices shown in **Schedule**

5.3 List of brought out items together with the sources of purchase and their price is attached as **Schedule C** hereto.

Clause 6

6.1 Save as otherwise provided in the contract, all actions taken and all notices to be given or taken hereunder by the Government, be taken or given by the Director (of the Estt concerned) or by an officer for the time being entrusted with the functions, duties and powers of the said Director and on behalf of the contractor by its Manager/ Proprietor/ Authorised Partner.

6.2 After signing of this agreement, the Contractor shall correspond direct with the Director or the said officer in all matters concerning the contract and the implementation of the terms thereof.

Clause 7

7.1 The parties agree that in respect of all other matters relating to the designing, developing, fabricating, manufacturing and supply of the said store, the general conditions of contract enclosed as **Appendix A** to this agreement and the special conditions enclosed as **Appendix B** to this Agreement shall apply.

Clause 8

8.1 The contractor agrees to bear the stamp duty payable on this Agreement under the Indian Stamp Act,

IN WITNESS WHEREOF the President of India has caused to sign this Agreement for and on behalf and the common seal of the Company has been affixed hereto and these presents signed by and Manager/ Sole Proprietor/ Authorised Parties of the Company, the day months and year first above written.

Signed for and on behalf of the President of India by:-

1.

2.

The common seal of the Company has been affixed and these present have been signed by and

Manager/ Sole Proprietor/ Authorised Partner of the Company In the presence of:-

1.

2.

DRAFT

DPMF 35

(Refers to Paragraph 13.5.3)

**FORMAT OF CERTIFICATE FOR PROCUREMENT OF
NON-CONSULTANCY SERVICES WITHOUT QUOTATION**

"I,, am personally satisfied that the other services executed as described below are of the requisite scope and performance standards and have been got executed from a reliable service provider at a reasonable price."

Description of Service	
Justification	
Place and Nodal Officer for availing the Services	
Contract basis	<input type="checkbox"/> Lump-sum <input type="checkbox"/> Unit (Item) Rate <input type="checkbox"/> Time-based <input type="checkbox"/> Other (<i>specify</i>)
Scope/ Quantum/ Performance standards	
Rate	
Taxes/ Duties	
Other charges	
Total Contract Price	
Service Provider	M/s
Vide Bill No	
Cheque may be drawn in favour of	
Name of Procuring Entity	
Designation	
Signature	

DRAFT

DPMF 36

(Refers to Paragraph 13.5.3)

**FORMAT OF LOCAL PURCHASE COMMITTEE CERTIFICATE FOR
PROCUREMENT OF OTHER SERVICES**

“Certified that we the undersigned, members of the purchase committee are jointly and individually satisfied that the above described Services are executed at a reasonable price and are of the requisite scope and performance standards and have been got executed from a reliable service provider and it is not debarred by Ministry of Defence/ Department concerned.”

The details of recommended purchase are:-

Description of Service						
Justification						
Place and Nodal Officer for availing the Services						
Contract basis						
<input type="checkbox"/> Lump-sum <input type="checkbox"/> Unit (Item) Rate <input type="checkbox"/> Time-based <input type="checkbox"/> Other (<i>specify</i>)						
Scope/ Quantum/ Performance standards						
Details of Prices Ascertained						
Service Provider	Rate	Taxes/ Duties	Other Charges	Total Unit Price	Total Price	Recommendations & Comments
Selected Service Provider						
Unit Rate, Taxes/ Duties/ Other Charges						
Total Unit Rate						
Total Value of Purchase						
Cheque may be drawn in favour of						
Members of the Purchase Committee						
Member	1		2		3	
Signature						
Name						
Designation						

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DPMF 37
{Refers to
Sub-Paragraph 13.6.1(j)}

**FORMAT OF ACTIVITY AND OTHER SCHEDULE FOR
NON-CONSULTANCY SERVICES**

1. **Description of Assignment.**
2. **Procuring Entity's Organisation and Assignment Background.**
3. **Statement of Purpose/ Objectives.**
4. **Statement of Assignments Outcomes.**
5. **Itemised Activity Schedule and Timelines.**
 - (a) *Tasks, Activities, Dependencies, categorised into classes, location and features affecting prices.*
 - (b) *Frequency of Activities, Quantum, Length and Duration of Activities.*
 - (c) *Performance standards for such activities.*
6. **Labour/ Personnel Deployment Schedule.**
 - (a) *Type of Personnel, Number of each type, Place, Shifts, Frequency of deployment.*
 - (b) *Project Managers, Supervisors, their qualifications/ experience, numbers.*
 - (c) *Leave reserve and reliving staff needed are not included in the numbers of personnel, these must be included in the rate of each personnel.*
7. **Material Schedule (if any).** *Materials, Consumables, Tools of Trade, to be consumed/ deployed, tabulate, quantum, specifications, per unit of activity/ manpower/ day/ location etc.*
8. **Essential Equipment Schedule.** *Deployment of essential machinery (equipment, trucks, cranes, washing machines, vessels/ craft, plant & machinery). Mention quantity/ activity, specifications, capacity, age. Possession/ access to such machinery may also be included in the qualification requirements.*
9. **Outcomes, Deliverables, Reports and Time Schedule for Deliverables.**
10. **Statutory and Contractual Obligations to be Complied with by the Contractor:** *Various statutory provisions relating to labour, taxation, Workmen safety, child and women labour, private security agencies, environmental protection, mining, forest clearance, employment reservations and Procuring*

Entity's own regulation about safety, security, confidentiality etc. must be listed, so that price implications and compliance is taken care of by the bidder.

11. **Facilities and Utilities to be provided by the Procuring Entity to Service Provider at Site.** *It should be mentioned, if any facility/ utility (operation manuals, emergency medical, room, furniture, electricity connection, water connection etc) would be made available to the successful bidder to carry out the service. In case it is proposed to charge the electricity/ water supplied to the service provider, the same may be mentioned, including the rate of charges. Specially mention facilities and utilities which will not be provided, or the facilities which would be provided on chargeable basis.*

12. **Institutional and Organisational Arrangement:-**

- (a) **Counterpart Project Manager and Team.**
- (b) **Chain of Command for Reporting.**

13. **Procedure for Review of the Work of Consultant after Award of Contract.**

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DPMF 38

{Refers to Sub-Paragraphs
14.5.2(e) and 14.5.3(e)}

**FORMAT OF REQUEST FOR PROPOSAL (RFP) FOR OFFLOADING OF
PARTIAL/ COMPLETE REFITS/ REPAIRS OF SHIPS/ SUBMARINES/
CRAFT/ MARINE AND SERVICE ASSETS TO INDIAN PSU/ PRIVATE
SHIPYARDS/ TRADE**

INSTRUCTIONS TO BIDDERS FOR OF

1. Online Quotations/ Quotations in sealed cover (cases which are exempted from e-procurement) are invited for (*indicate nature of repairs/ refit/ part of refit to be offloaded*) of (*indicate name of ship/ submarine/ craft/ asset*) as per the work package listed in Schedule of Requirement (SoR) (**Enclosure 1**).

2. **General Information about the Tender.**

- (a) Tender Reference No.
- (b) Last date and time for receipt of tenders
- (c) Time and date for opening of tenders
- (d) Place of opening of tenders
- (e) Address for Communication

3. The tender shall be submitted in single stage two - bid system, the Technical and Commercial bids. The following enclosures are forwarded along with this enquiry to assist you in preparing your technical and commercial offer:-

<u>Ser</u>	<u>Subject</u>	<u>Enclosure</u>
(a)	Schedule of Requirements	1
(b)	Standard Conditions of Contract	2
(c)	Guidelines for preparation of Technical Bid	3
(d)	Guidelines for preparation of Commercial Bid	4
(e)	Summary Sheet for Costing	5
(f)	List of OEM/ Authorised rep addresses	6
(g)	List of Mandatory Spares (Hull/ Engg/ Elec)	7

4. Quotation shall remain valid up to days (*period to be specified, not exceeding 180 days*) from the date of opening of Technical Bid. (*Bid Validity period may be increased/ decreased on a case to case basis with the approval of CFA*).

Submission/ Opening of Tenders

5. Online bids should be submitted in the manner prescribed in the relevant e-Procurement Portal. In case of manual bidding please quote our RFP No and date of tender opening on sealed cover. Failure to do so will render your offer invalid.

6. In case of manual bidding, the Technical and Commercial bids are to be submitted in two separate sealed envelopes, duly marked as “Technical Bid for RFP No dated” and “Commercial Bid for RFP No dated”. The quotes are to be super-scribed with your firm’s name, address, and official seal and ink signed by an authorised representative of the Tenderer. Sealed Bids addressed to should be dropped in tender box marked as “TENDER BOX NO” located at or to be sent by registered post so as to reach this office by due date and time (*to be specified in the RFP*). No responsibility will be taken for postal delay or non-delivery/ non-receipt of tender documents.
7. Sealed quotations will be opened by a committee on due date and time. Your authorised representative from the Company can attend the tender opening. If due to any exigency, the due date for opening of tenders is declared as closed holiday, in such cases, the tenders will be opened on next working day at the same time or any other day/ time as intimated by the customer. The date of opening of Commercial Bid will be intimated after acceptance of Technical Bids.
8. Tenders sent by fax will not be considered. Online tender/ tenders found in sealed box will only be considered. To avoid any complications with regard to Late Receipt/ Non-receipt of Tenders, it may please be noted that responsibility rests with the tenderer to ensure that tenders reach this office before due date. Late quotes will be rejected outright.
9. In case your firm is not willing to quote due to any reasons, your regret should be sent well before the due date, failing which your firm can be de-listed from the Contractor’s list.
10. Commercial offers will be opened only of those firms, who’s Technical Bids have been found suitable after technical evaluation. Further negotiations will be made only with the lowest bidder (L1) as determined by the committee. The date, time and venue fixed for this purpose will be intimated separately.
11. **Earnest Money Deposit (EMD)**. The bidders are to furnish EMD for a sum of ₹, with a validity of days (*normally 45 days*) beyond the final bid validity period, in the form of Fixed Deposit Receipt or Bank Guarantee from any of the Scheduled Commercial Bank in India or payment online in an acceptable form.

Evaluation Criteria

12. **Loading of Cost for Items “Not Quoted”**. The bidder is to quote for all the sections/ sub-sections mentioned in the SoR (**Enclosure 1**). Any omissions/ deviations to the SoR are to be recorded in the Record of Deviations and submitted along with the Technical Bid. In case a bidder fails to quote for a certain item/ Defect List (DL) Serial, their bid will be loaded by the amount quoted by the highest bidder for that particular Item/ DL serial and this loading will be considered for determining the L1. The bids shall be deemed to be responsive only if the firm accepts the loading in writing. Customer reserves the right to determine the qualification of a firm on this account.
13. **Finalising of L1 Firm**. The L1 firm will be decided on sum total of services, repair charges, budgetary cost of spares on not exceeding basis, excluding taxes and duties. Payment for spares listed in the work package shall not exceed the budgetary cost. However, for the unquoted DLs by the L1 bidder, the lowest available price for that item/ DL serial from the price bids of all the technically qualified bidders will be considered in the final contract price and this shall be negotiated during the PC/ CNC with the L1 bidder. (*In case of Indian Coast Guard, since mandatory spares is not part of Refit Package, determination of L1 Firm would be considered on account of Cost of Refit inclusive of services, excluding taxes and duties.*)

Payment Terms

14. The Payment Terms for the Contract Price shall be as follows *(to be specified as per under mentioned format in consultation with IFA)*.

Stage No	Activity Definition	Stage Payment

Standard Conditions of Contract (SCoC)

15. Firm shall be required to accept the SCoC (**Enclosure 2**). Additionally, standard clauses regarding agents/ agency commission, penalty for use of undue influence, access to books of accounts, arbitration and laws would be incorporated in the contract. A Contract will be signed between the Contract Operating Authority (COA) and the shipyard/ firm incorporating the SCoC (**Enclosure 2**), which will form an integral part of the Contract.

Pre-Bid Conference

16. The SoR (**Enclosure 1**) and SCoC (**Enclosure 2**), should be carefully considered while preparing the bids. All clarifications are to be resolved in the Pre-Bid Conference on (dd/mm/yy) at (Location) prior submission of bids. No revision of Commercial Bid would be permitted after opening of the Technical Bid. *(Pre-Bid Conference may be held depending on the nature of the work and this clause may be included as applicable)*

Commercial Bid

17. The Commercial Bid is to be submitted strictly in accordance with **Enclosure 4** to this tender enquiry. The Commercial Bid once opened, will not be subjected to unilateral revision by the firm, unless the firm is called for price negotiations specifically and asked to justify the rates.

Conditions under which this RFP is Issued

18. This RFP is being issued with no financial commitment and Customer reserves the right to change or vary any part thereof at any stage. The Customer reserves the right to reject any or all of the offers without assigning any reason whatsoever. The Customer also reserves the right to withdraw the RFP should it be so necessary at any stage.

19. Please acknowledge receipt.

Thanking you,

Yours faithfully

Enclosure 1**SCHEDULE OF REQUIREMENTS (SoR)**

(The SoR is a technical document and specific to the Project/ Service and is part of the RFP)

1. **Annexure 1.** Particulars of Vessel/ Asset on which work is required to be carried out.
2. **Annexure 2.** Quantified Work Package {comprehensive Scope of Work (SoW)} that contains break-up of individual jobs to be completed including survey, dismantling and inspection, routines and repair to be carried out, consequent repair, trials and comprehensive list of services required such as dry docking, berthing, jetty services (electricity, accommodation, phone, fresh water, fire main), cranes facilities, tugs and pilot charges.
3. **Annexure 3.** Quality Inspection Schedules (QIS)/ Quality Assurance Plan (QAP) (minimum and essential parameters that are required to be achieved for the SoW to be deemed as satisfactorily completed).
4. **Annexure 4.** Extract of relevant Navy/ Coast Guard orders as applicable pertaining to the scope of work, such as Paint Schemes, Hull Survey and Ratification Procedure, 'Survey of Anchor Chain Cable, Entry into Confined Spaces and Precautions thereof, etc. Additionally, requirements for Gas Free & Man Entry Certificates, Fire Sentries, Administrative Support to OEMs, Pumping-out Facilities & Removal of Debris/ Waste Material should be clearly specified as applicable.

Enclosure 2**STANDARD CONDITIONS OF CONTRACT (SCoC)**

(As per DPMF 39)

Enclosure 3**GUIDELINES FOR PREPARATION OF TECHNICAL BID**

The Technical Bid should contain the following information and details so as to enable *(Name of Service Repair Agency)* to assess the understanding, technical capability and infrastructure/ resources of the ship repair yard to undertake the refit:-

- (a) Indicate acceptance of the entire scope of work (or) Indicate acceptance of the entire scope of work except *(Indicate specific jobs not being undertaken as a Deviation List)*.
- (b) Indicate acceptance of the QAP/ QIS indicated in SoR (or) Indicate acceptance of the QAP/ QIS indicated in SoR *(Indicate specific provisions not being undertaken as a Deviation List)* (or) Forward a QAP/ QIS for consideration of Technical Evaluation Committee.
- (c) Indicate anticipatory list of spares, if applicable, required for undertaking the scope of work specified in SoR. Budgetary Estimate of all such spares is to be indicated in the Commercial Bid if such a list of Anticipatory Spares is forwarded along with the Technical Bid.
- (d) Indicate whether Earnest Money Deposit as per para of the RFP has been attached.
- (e) Indicate acceptance of Payment terms as indicated in para of the RFP.
- (f) Indicate acceptance of Standard Conditions of Contract (SCoC) and other terms and conditions given in the RFP.

Enclosure 4**GUIDELINES FOR PREPARATION OF COMMERCIAL BID**

1. Summary Sheet at **Enclosure 5** of this RFP should be filled in all respects.
2. The enclosed Quantified Work Package at **Annexure 2** of SoR (**Enclosure 1**) is to be filled up in all respects. Unit cost/ rate for each serial as also the total cost of repairs, {e.g ₹X..... for One Pump (unit rate) and ₹Y..... for five pumps (total cost)} and budgetary cost of mandatory spares should be indicated against each Defect List Item. The cost of Anticipatory spares should be indicated separately, but this would not be used for determining L1.
3. Cost of yard materials such as steel plates, weld consumables, general nature cables, pipes and tubes should be indicated separately. Whereas, ferrous scrap shall be the property of the Contractor, non-ferrous items and

FORMAT OF RFP FOR OFFLOADING OF PARTIAL/ COMPLETE REFITS/ REPAIRS OF SHIPS/ SUBMARINES/ ASSETS TO INDIAN PSU/ PRIVATE SHIPYARDS/ TRADE Page | 191

unused spares shall be the property of the Customer. The cost of ferrous material indicated in the Bid should therefore be inclusive of discount for scrap value.

4. Each page is to be authenticated (signed) by the Bidder.
5. Page numbering is a must to identify/ locate missing/ misplaced pages.
6. **Bid Validity.** The Commercial Bid is to be valid days (*period to be specified, not exceeding 180 days*) from the date of opening of Technical Bid.
7. A sample for preparation of Commercial Bid is appended below:-

Defect List Item No	Description	Repair Cost		Budgetary Cost of Mandatory Spares
		Unit Cost	Total Cost	
0023	Fuel Storage Tank Top plating between Frames 26 to 31.5 (Port & Stbd) holed to be renewed. Approximate area 15m ² . Thickness 6mm. The following items are required to be removed and refitted.	(a) ₹ X (per m ² of renewal of steel) (b) ₹ Y (Cost of Steel Plate per m ² /kg)	(a) ₹ A (b) ₹ B {Indicate clearly discount, if any, in the amount mentioned in (a) & (b) for the Total scope of DL No. 0023}	Specify cost of all spares required for completion of the scope of each DL, as applicable
0024	Five Gyro Motor Units to be overhauled	₹ Z	₹ C {Indicate clearly discount, if any, in the amount mentioned in (a) for the Total scope of DL No. 0024}	

Enclosure 5

SUMMARY SHEET FOR COSTING/ QUOTATION

Ser	Description of Work/ Service Material/ Spares/ Tax	Amount (₹)
1.	Cost of all Services indicated in SoR	
2.	Cost of Repair part of SoW in the SoR	
	(a) Hull Work Package	
	(b) Engineering Work Package	
	(c) Electrical work Package	
	(d) Weapon Work Package	
	(e) Cost of spares and material included in Ser 2(a) to (d)	
3.	Cost of all other Services in the SoR (not covered under Ser 1 and 2 including OEM charges etc)	
4.	GST on Ser 1, 2 and 3, excluding 2 (e)	
5.	Works Contract Tax (if applicable on Ser 1,2, and 3)	
6.	Cost of Yard Materials	
7.	Budgetary Cost of Spares	
8.	GST applicable on Ser 6 and 7	
9.	Other local levies, if applicable on Ser 6 and 7	
10.	Customs Duty/ Amount of Customs Duty for which Exemption is sought on Ser 6 and 7	
11.	Taxes and Duties for which Exemption is sought on Ser 6 and 7	
12.	Miscellaneous (not included in any of the Serials above)	
13.	Applicable Tax/ Duty/ Levies on Ser 12	
14.	Grand Total (Ser 1 to 13)	
15.	Grand Total (excluding Ser 10 and 11)	

Note:- The Budgetary cost of Anticipatory Spares may be forwarded by the bidder separately, if the bidder opines that the same are required for completion of SoW. However, the same shall not be considered for determination of L1.

Enclosure 6

LIST OF OEM/ AUTHORISED REP ADDRESSES

(As required)

Enclosure 7

LIST OF MANDATORY SPARES (HULL/ ENGG/ ELEC)

(As required)

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DPMF 39

{Refers to
Sub-Paragraph 14.5.2(e);
Paragraph 14.10.1;
Enclosure 2 of DPMF 38}

**FORMAT OF CONTRACT FOR OFFLOADING OF PARTIAL/ COMPLETE
REFITS/ REPAIRS OF SHIPS/ SUBMARINES/ CRAFT/ MARINE AND
SERVICE ASSETS TO INDIAN PSU/ PRIVATE SHIPYARDS/ TRADE**

**CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA, MINISTRY OF
DEFENCE AND (NAME OF THE FIRM) FOR OFFLOADING OF (PARTIAL/
COMPLETE REFIT/ REPAIR) OF (SHIP/ SUBMARINE/ CRAFT/ ASSET)**

CONTRACT No. DATED

Table of Contents

Article	Description
--	Preamble
1	Definition and Abbreviation
2	Effective Date and Operation of Contract
3	Scope of Contract
4	Contract Prices and Terms of Payment
5	Taxes and Duties
6	Advance Payment Bank Guarantee
7	Performance Bond
8	Duration and Delivery
9	Liquidated Damages
10	Risk and Expense Clause
11	Quality and Inspection
12	Warranty and Warrant Bond
13	General Terms and Conditions
14	Indemnity and Insurance
15	Security
16	Force Majeure
17	Termination of Contract
18	Law
19	Arbitration
20	Penalty for use of Undue Influence
21	Agents/ Agency Commission
22	Non Disclosure of Contract Documents
23	Notices
24	Amendments
25	Notices and Communications
26	Interpretation
--	<i>Any other clause as required (articles such as provision of services by customer/ contractor, utilisation of customer's facilities by contractor, third party inspection, approval of drawings, specifications and standards to be incorporated on case to case basis, provided the same have been included in the RFP upfront along with articles for all other agreements arrived at during the CNC)</i>
27	Signature and Witnessing by Parties
Annexure	Description
1	Format of Certificate of Acceptance
2	Scope of Work (Defect List with Itemised Cost)
3	Format of Promulgating Change in Scope of Work
4	Breakdown of Contract Price
5	Format of Work Completion Certificate
6	Format for Completion of Handing Over all data by Contractor related to Work

PREAMBLE

This Contract is made and entered into at (Name of Place), on this day of the month in the year (specify the year in words),

BETWEEN

The President of India represented by {Contract Operating Authority (COA)} (hereinafter referred to as the CUSTOMER), which terms, unless excluded by the context, shall be deemed to include his successor or successors and permitted assignees, ON THE FIRST PART

AND

M/s (Name of the Firm/ Shipyard including the address), hereinafter referred to as the CONTRACTOR, which expression shall include their Administrator, Executors, Successors and Assignees, ON THE SECOND PART

And whereas the CUSTOMER agrees to deliver/ permit (Name of the Vessel/ Asset) to the CONTRACTOR for undertaking (Title of the Work) and to take delivery of (Name of the Vessel/ Asset) from the CONTRACTOR after successful (Title of the Work undertaken).

The CUSTOMER and the CONTRACTOR being hereinafter referred to as "Party" or "Parties".

It is now agreed by and between both the parties hereto as follows:-

Article 1 - Definitions and Abbreviations

1.1 Definitions. The following words and expressions in this Contract including its Annexures shall have the meanings as hereinafter defined unless the context requires otherwise:-

1.1.1 Actuals. The term Actuals, related to payment, shall mean all expenses, inclusive of those incurred towards associated cost elements such as all taxes, duties & levies, freight, insurance and clearance charges incurred by the CONTRACTOR and computed at the prevailing exchange rate wherever applicable, at the time of release of payments by the CONTRACTOR to the OEMs. Additionally, handling and/ or service charges and remuneration payable to the CONTRACTOR (not exceeding 7.5% of the basic cost exclusive of taxes, duties, freight, insurance and clearance charges) shall be applicable on such Actual expenses as per the terms of this Contract.

1.1.2 Article. Any Article of this Contract or partial Article with separate marginal number as referred to anywhere in the wording of this Contract and/ or its Annexures.

1.1.3 Certificate of Acceptance. The Certificate to be signed jointly by the representatives of the CONTRACTOR and the CUSTOMER on the Date of Delivery of the Ship as set out in Article 8 and **Annexure 1** of this Contract.

1.1.4 Contract. Shall mean this Contract including its Preamble, Articles to and Annexures to herein, and all amendments, changes, alterations and modifications made to this Contract.

1.1.5 Material. The term Material shall mean all equipment, fittings, finished/ semi finished products, spares, consumables, yard material, items, sub-assemblies/ assemblies, documentation etc. required for the removal, repair & refurbishment, refit/ installation and testing of any part of the work being undertaken by the CONTRACTOR (and/ or by his sub-contractors on his behalf) as per scope of his work defined in this Contract, up to completion of the guarantee period and liquidation of his outstanding liabilities.

1.1.6 COA. Agency assigned by the Competent Financial Authority on behalf of the President of India to conclude the contract and operate in accordance with Article 2.1.

1.1.7 Month. Any calendar month, as defined in the Gregorian Calendar, or any period of 30 consecutive Days.

1.1.8 Year. Year starting from the 1st January and ending on 31st December or any period of 12 consecutive Months, as the case may be.

1.2 Abbreviations. The following words and abbreviations in this Contract including its Annexures shall have the meanings as hereinafter defined unless the context requires otherwise:-

Abbreviation	Meaning
A's & A's	Additions and Alterations
ABER	Anticipated Beyond Economical Repairs
B & D Spares	Base & Depot Spares
CNC	Contract Negotiation Committee
COA	Contract Operating Authority
DCD	Dockyard Completion Date

Abbreviation	Meaning
ERV	Exchange Rate Variation
FAT	Factory Acceptance Trials
HAT	Harbour Acceptance Trials
MoD	Ministry of Defence
OBS	On Board Spare
OEM	Original Equipment Manufacturer/ Firm accorded PAC
PAC	Proprietary Article Certificate
QAP	Quality Assurance Plan
R & R	Remove and Refit
SAT	Sea Acceptance Trials
SoW	Scope of Work
STW	Setting To Work
TEC	Technical Evaluation Committee

(All Abbreviations pertaining to the case, which require clarification are to be listed here and should form part of RFP)

Article 2 - Effective Date and Operation of Contract

2.1 It is hereby agreed and declared that the powers and functions of the CUSTOMER under this Contract, shall be exercised by (COA).

2.2 The Effective Date of Contract is (The date of signing of Contract or the date of handing over the vessel/ asset or as the case may be). The Contract commences from the Effective Date of Contract.

Article 3 - Scope of Contract

3.1 **Work & Services Contracts.** It is expressly understood and agreed between the CUSTOMER and the CONTRACTOR that this is a repair, refit and services Contract.

3.2 Scope of Work (SoW).

3.2.1 The (Title of work) is to be completed in accordance with the terms, conditions and provisions of this Contract, as detailed in the following Articles.

3.2.2 The SoW with itemised cost is placed at **Annexure 2** of this Contract.

3.3 Removal and Refitting of Items.

3.3.1 In the event of the requirement to remove the existing machinery/ equipment, switchboards/ control panels, electronic & communication equipment, light fittings, piping, trunking, valves, electrical cables, junction boxes, lagging, panelling, obstructions, protrusions, foundations, etc. falling in the way of repairs, temporarily to facilitate completion of SoW, the CONTRACTOR shall reinstall the same as per drawings, amendments thereto and to the satisfaction of the CUSTOMER. All work associated with this Article forms an integral part of SoW specified in Article 3.2.

3.3.2 Electrical cables in way of repairs, if required, are to be covered adequately for protection against accidental mechanical/ fire damage, by the CONTRACTOR. Damages caused during the execution of the work by the CONTRACTOR or his Sub-Contractors are to be made good by the CONTRACTOR at his cost.

3.3.3 All pipe lines, machinery, equipment and fittings which are not required to be taken out of the Ship are to be properly covered/ secured to ensure they are not damaged during the course of the refit. Damages caused during the execution of the work by the CONTRACTOR or his Sub-Contractors are to be made good by the CONTRACTOR at his cost.

3.4 Change in SoW.

3.4.1 Notwithstanding the SoW specified in Article 3.2 and 3.3.1, the CUSTOMER shall have the right to modify the SoW during the execution of the Contract. The necessity for repairs/ renewals/ replacements other than those presently included in the SoW may arise during the inspection/ survey/ repair. All such work as also consequential work (rework) required to be done by the CONTRACTOR along with work arising out of items/ drawings supplied by the CUSTOMER shall be treated as SoW.

3.4.2 Such changes in the SoW and the cost and time implications thereof shall be mutually agreed upon on priority, in writing, before undertaking such changes in the SoW. The resultant increase in cost as well as any extension in project duration will be intimated by the CONTRACTOR and shall be agreed and accepted by the CUSTOMER through mutual negotiations prior to undertaking such changes in SoW. Format for promulgating of Change in SoW is placed at **Annexure 3** of this Contract.

3.4.3 In case promulgation of such change in SoW affects the Initial SoW as per Article 3.2 and 3.3 and/ or additional SoW as per article 3.4.1, the cost and time implications due to such changes, shall also be taken in to consideration by both the Parties, while promulgating the change in SoW in accordance with Article 3.3.

3.5 Procurement of Material by the CONTRACTOR.

3.5.1 A list of items procured, indicating landed cost which includes cost of materials, freight, insurance, packing/ forwarding taxes, duties, clearing charges etc. together with handling charge of (not exceeding 7.5%) will be furnished along with the bill raised by the CONTRACTOR on the basis of Third Party Invoice.

3.5.2 All material and items procured by the CONTRACTOR for SoW, except where specifically indicated that such items are CUSTOMER supplied, are to conform to the relevant approved and applicable specification (in accordance with Article 10).

3.6 Return of Unused Materiel. All Ferrous scrap arising out of repairs shall be the property of CONTRACTOR. However, non-ferrous scraps/ equipment shall be the property of the CUSTOMER.

3.7 Sub-Contracting.

3.7.1 The CONTRACTOR may subcontract any part of SoW on mutual agreement with the CUSTOMER. The CONTRACTOR can under no circumstance sub-contract the complete SoW to a Third Party.

3.7.2 The CONTRACTOR would be entirely responsible for quality/ standard and timely execution of the sub-contracted work. The CONTRACTOR is to draw up a suitable Quality Assurance (QA) Plan with the Sub-Contractor and a copy of the same along with Record of Inspection in accordance with such QA Plan shall be submitted to the CUSTOMER.

3.7.3 The supervision of work for the sub-contracted jobs is to be done by the CONTRACTOR. The CONTRACTOR is not permitted to seek any extension of Completion Date citing delay on the part of Sub-Contractors or re-work arising out of Sub-Contracted work.

3.8 Employment of Service Personnel. The CONTRACTOR shall not employ any service personnel of the (Repair Agency/ Service) or on his own take any assistance either directly or indirectly from any of the workshops/ facilities of the (Repair Agency/ Service) in the form of men or material for SoW.

Article 4 - Contract Price and Terms of Payment

4.1 Contract Price.

4.1.1 This is a Fixed Price Contract for completion of Work specified in Article 3.2 and 3.3. The Contract price is ₹ (Rupees in Words) exclusive of applicable taxes. Taxes and Duties shall be paid at actuals on submission of proof of payment. A detailed breakdown of the Contract price, including applicable taxes and duties (calculated as per the existing rate) is placed at **Annexure 4** of this Contract.

4.1.2 Notwithstanding the provisions contained in Article 4.1.1, the price is subject to revision upon mutual agreement, as and when scope of work is changed as per Article 3.4, ERV, Changes in Tax Rate, etc. (All aspects related to escalation or revision of the Contract Price specified in Article 4.1.1 must be discussed and finalised on mutual agreement during the CNC and the same would form part of the Contract.)

4.2 Change in Contract Price due to Procurement of Additional/ NA Spares. Notwithstanding the Contract Price specified in Article 4.1 and as amended vide Article 4.2, the CUSTOMER shall pay for any additional/ NA Spares procured by the CONTRACTOR for SoW based on mutual agreement. Payment shall be made under this Article on the bill raised by the CONTRACTOR on the basis of Third Party Invoice accompanied by list of items procured, indicating landed cost which includes cost of materials, freight, insurance, together with handling charge of (not exceeding 7.5%). The Contract Price specified in Article 4.1 and as amended vide Article 4.2, shall further stand amended to include payment towards such additional/ NA spares.

4.3 Payment Terms. The Payment Terms for the Contract Price specified in Article 4.1 shall be as follows:- (The Stage Payment is to be specified as per under mentioned format in the RFP in consultation with IFA)

Stage No	Activity Definition	Stage Payment

Article 5 - Taxes and Duties

5.1 Contract Price. The Contract price indicated in Article 4.1 of this Contract is exclusive of all taxes, duties, levies of Central/ State authorities, as applicable at prevailing rates under the extant Government policy for all Materials and services procured by the CONTRACTOR for the SoW. Any increase on rates during the period of contract shall be paid extra at the time of invoicing. The same shall be reimbursed by the CUSTOMER to the CONTRACTOR at actuals

on submission of documentary proof of payment. The CUSTOMER reserves the right to deny any increase in taxes, duties, levies, etc. if the delivery period is extended beyond the period specified in Article 8.1.1.

5.2 Tax Exemption Certificate. Contract Operating Authority or his nominated representative shall issue appropriate tax exemption/ concession certificate(s) on behalf of the CUSTOMER, to avail tax exemption/ concession, where applicable, as per existing Government policy, rules and regulations in force.

5.3 "End User" Certificate. Contract Operating Authority or his nominated representative shall issue the appropriate "End User Certificate" on behalf of the CUSTOMER, for import of material and services, wherever required by the concerned manufacturer/supplier of equipment material and services/ governmental agency.

Article 6 - Advance Payment Bank Guarantee

(As per DPMF 27)

Article 7 - Performance Bank Guarantee

(As per DPMF 16)

Article 8 - Duration of the Delivery

8.1 Duration of Work.

8.1.1 The CONTRACTOR shall complete his SoW specified in Article 3.1 and 3.2 in (duration in months/ days/ date for completion of SoW) from the Effective date specified in Article 2.1. Delivery by the CONTRACTOR shall be treated as complete on satisfactory HATs/ SATs and upon signing of Delivery Acceptance Certificate (applicable in the case of complete Refit/ Repairs of Ships/ Submarines only) OR Completion of SoW and Trails (applicable in case of Refit/ Repairs of Yard/ Service Assets and partial Refits of Ships/ Submarines).

8.1.2 The said duration of Refit specified in Article 8.1.1 may be extended on mutual agreement only, with the CUSTOMER, wherein the CUSTOMER shall accept the vessel/ asset without imposition of any sort of Penalty/ Reduction in Contract Price.

8.2 Incomplete Work.

8.2.1 The CONTRACTOR and the CUSTOMER shall mutually agree on the quantum of incomplete and unsatisfactory work. Cost of such incomplete work shall be withheld, except where such incomplete work is not attributable to the CONTRACTOR. Payment thus withheld will be made on completion of such incomplete work, which should in any case be completed within days (to be indicated in the RFP). If such work is incomplete beyond the specified date, the same shall be deleted from SoW specified in Article 3.2 with corresponding amendment to Contract Price specified in Article 4.1. The CUSTOMER reserves the right to levy LD as per Article 9 on such incomplete work.

8.2.2 The CONTRACTOR shall be paid for completion of work specified in Article 8.4.1 only on satisfactory completion and trials.

Article 9 - Liquidated Damages

9.1 The CONTRACTOR shall be liable to pay to the CUSTOMER Liquidated Damages (LD), and not by way of Penalty, a sum equivalent to 0.5% of the unfinished/ undelivered/ unfulfilled part of Contract, excluding taxes and duties, for each week of delay beyond duration of Work specified in Article 8.1, subject to a maximum of 10% of the Contract Price {Basic cost (excluding taxes and duties)}.

Article 10 - Risk and Expense Clause

(As per Paragraph 11 of Part IV of DPMF 11)

Article 11 - Quality and Inspection

11.1 Quality Assurance & Quality Control.

11.1.1 In order to assure the quality of repair/ refit and exercise effective control, the work executed by the CONTRACTOR will be in accordance with CUSTOMERS inspection schedule as applicable followed by preliminary, stage and final inspection. The repair work will be undertaken as per (specified Standards) and quality norms. Ensuring and maintaining quality will be the responsibility of the Shipyard. (Additional Third Party Inspection or the Services of Professional Certifying Agencies may be mentioned as applicable in respect of items of special use.)

11.1.2 The CONTRACTOR shall submit a Quality Assurance (QA) Plan as applicable to the SoW for approval of the CUSTOMER. The approved QA plan will form the basis for inspection and acceptance of work executed by the CONTRACTOR under this contract.

11.2 Overseeing and Inspection.

11.2.1 Necessary tests and inspections of the contracted job shall be carried out by COA/ or his nominated agency. The CONTRACTOR shall give reasonable notice to the above team reasonably in advance of the date and place of such tests/ inspections. COA shall also carry out joint receipt inspection of the equipment and material procured by the CONTRACTOR/ supplied by CUSTOMER. The CUSTOMER's representative shall, during the repairs/ refit invariably attend such tests and inspections as per the QA Plan/ Quality Inspection Schedule.

11.2.2 Any non-conformity discovered by CUSTOMER Representative and intimated in writing co-relating relevant documents where necessary, in Refit or material or workmanship shall be corrected by the CONTRACTOR at his cost, to the full satisfaction of Representative in accordance with the relevant drawings and specifications.

11.2.3 During the repairs/ refit of the Ship, until the delivery thereof, the CUSTOMER's representatives shall be given free and ready access to the Ship/ Submarine/ Asset and to any other place where related work is being performed, or materials are being processed or stored, including the yards, workshops, stores and offices of the CONTRACTOR and premises of Subcontractors who are doing work or storing materials, in connection with the repairs/ refit of the Ship/ Submarine/ Asset. Notwithstanding any provision in this Article or any other Article in this Contract, the responsibility for the repairs/ refit as per the SoW vide Article 3.2, 3.3 and 3.4 shall rest with the CONTRACTOR.

Article 12 - Warranty and Warranty Bond

12.1 Guarantee.

12.1.1 The CONTRACTOR warrants that the repairs carried out under this Contract conform to specifications vide SoR.

12.1.2 The CONTRACTOR shall give Six months guarantee for workmanship and material defects for items repaired and 12 months guarantee for new installations under the contract from the Contract Completion Date. The guarantee clause will also be applicable to the items repaired by the OEMs/ sub-contractor of shipyard. Any defects noticed during this guarantee period due to defective/ poor workmanship or sub-standard material shall be rectified free of cost by the shipyard or by the OEMs/ sub-contractors under arrangements by the shipyard.

12.1.3 If within the period of warranty, the repairs reported by the CUSTOMER to have failed to perform as per the specifications, the CONTRACTOR shall either replace or rectify the same free of charge, within (time frame to be specified in RFP) of notification of such defect received by the CONTRACTOR provided that the equipment are used and maintained by the CUSTOMER as per instructions contained in the Operating Manual. Record of the downtime would be maintained by user in logbook. Spares required for warranty repairs shall be provided free of cost by CONTRACTOR.

12.1.4 CONTRACTOR hereby warrants that necessary service and repair backup, during the warranty period of the repair, shall be provided by the CONTRACTOR at the CUSTOMER's premises.

12.2 Notice for Remedy/ Rectification of Defects During Warranty Period shall be in writing and transmitted to each other by the fastest possible means.

Article 13 - General Terms and Conditions

13.1 **Safety of Men.** The CONTRACTOR is to ensure adequate safeguards for personnel when employed on work where human risk of health/ injury is involved.

13.2 **First Aid.** The CONTRACTOR is liable to provide immediate first aid/ hospitalisation in case of accident/ sudden illness to personnel.

13.3 Gas Free & Man Entry Certificates, Fire Sentries, Administrative support to OEMs, Pumping-out Facilities & Removal of Debris/ Waste Material shall be as per **Annexure 4** of SoR (**Enclosure 1 of DPMF 38**).

Article 14 - Indemnity and Insurance

14.1 **Indemnity.** The CONTRACTOR shall indemnify the CUSTOMER against all claims for death or injury caused to any person, whether workman or not, while engaged in any process connected with the CONTRACTOR's work or for dues of any kind whatsoever, and the CUSTOMER shall not be bound to defend any claim brought under the Workmen's Compensation Act, 1923 or Payment of Wages Act 1936, or any other statutory Act or Law in force from time to time and applicable to the said work unless the CONTRACTOR first deposits with the CUSTOMER a sum sufficient to cover any liability which CUSTOMER may have to incur in relation to such proceedings.

14.2 Insurance. (If applicable, to be included in the RFP and would form part of the Contract).

Article 15 - Security

15.1 The CONTRACTOR is bound by the Official Secrets Act 1923 and, in its connection any other statutory Act/ Law/ Amendment in force and the information given is to be treated as strictly confidential and is not to be disclosed to any person or persons not concerned therein. The CONTRACTOR shall be responsible to ensure that all persons employed by him in the execution of any work in connection with this Contract are fully aware of the provisions of the Official Secrets Act 1923/ Law/ Amendment in force and have undertaken to comply with the same.

15.2 The CONTRACTOR shall also ensure secrecy of design, construction, equipment and documentation and shall carry out all or any instructions given by the CUSTOMER in this respect. Should the CUSTOMER desire to check up the security measures which have been provided, or will be adopted to achieve security, the CONTRACTOR shall produce necessary evidence to establish the same.

15.3 In giving any information to the Sub-Contractors, the CONTRACTOR shall furnish to the Sub-Contractors only such information as may be necessary for carrying out the respective work entrusted to them.

15.4 The security of the Ship, men and material in the CONTRACTOR's premises is the CONTRACTOR'S responsibility.

Article 16 - Force Majeure

(As per Paragraph 12 of Part IV of **DPMF 11**)

Article 17 - Termination of Contract

(As per Paragraph 9 of Part III of **DPMF 11**)

Article 18 - Law

(As per Paragraph 1 of Part III of **DPMF 11**)

Article 19 - Arbitration

(As per Paragraph 3 of Part III of **DPMF 11**)

Article 20 - Penalty for Use of Undue Influence

(As per Paragraph 4 of Part III of **DPMF 11**)

Article 21 - Agents/ Agency Commission

(As per Paragraph 5 of Part III of **DPMF 11**)

Article 22 - Non-Disclosure of Contract Documents

(As per Paragraph 7 of Part III of **DPMF 11**)

Article 23 - Notices

23.1 Any notice required or permitted by this contract shall be written in English Language and may be delivered personally or sent by Fax, Telex, Cable or registered pre-paid airmail addressed to the legal address of the party. (As per Paragraph 10 of Part III of **DPMF 11**)

Article 24 - Amendments

24.1 No provision of this Contract shall be changed or modified in any way (including this provision) either in whole or in part except by an instrument in writing made after the date of this Contract and signed on behalf of both parties and which expressly states to amend this Contract. (As per Paragraph 13 of Part III of **DPMF 11**)

Article 25 - Notices and Communications

25.1 Address for Notice/ Communication. The legal addresses of the Parties for the purpose of Notice/ Communication are as follows:-

Customer	Contractor
.....
.....
.....

25.2 Language. Any and all notices and communication in connection with this Contract shall be in English language.

Article 26 - Interpretation

- 26.1** This Contract shall be governed by the laws of Republic of India.
- 26.2** In the event of any conflict or discrepancy between the provisions of any Article to this Contract and any Annexure thereof, the Article of this Contract shall prevail.
- 26.3** This Contract constitutes the entire agreement between the CUSTOMER and the CONTRACTOR.
- 26.4** Any amendment to this Contract and its Annexures shall be in writing and signed by both Parties.
- 26.5** In the event of any conflict with respect to specification/ drawing/ existing practices, the order of precedence for acceptance would be as follows:-
 - 26.5.1** The CUSTOMER approved drawing.
 - 26.5.2** Specification vide Schedule of Requirements.
 - 26.5.3** The CUSTOMER'S decision.
- 26.6** The failure of either Party to enforce any provision of this Contract shall not be considered as a waiver of such provision or the right of such Party thereafter to enforce the same.

Article 27 - Signature and Witnessing by Parties

27.1 This Contract is signed on day of the month of in the Year in two originals of the same wording, one for the CUSTOMER and one for the CONTRACTOR. The Annexures listed in Table of Contents and forming an integral part of this Contract are signed under same circumstances.

For and on behalf of	For and on behalf of
M/s	President of India
The CONTRACTOR	The CUSTOMER
(.....)	(.....)
Representative of Contractor	Representative of Customer
Date	Date

In the presence of	In the presence of
1.	1.
Name	Name
Designation	Designation
2.	2.
Name	Name
Designation	Designation

Distribution:-

- Payment Authority - (One Ink Signed Copy)
- FA to CFA - (One Ink Signed Copy)
- FA to COA - (One Ink Signed Copy)
- CFA - (One Ink Signed Copy)
- PCDA (Navy), Mumbai - (One Copy)
- DFM/ IHQ MoD (Navy) or CGHQ - (One Copy)

Annexure 1

FORMAT OF CERTIFICATE OF ACCEPTANCE

1. Certified that the M/s, have completed the (title of work) of the (name of the vessel/ asset) as per the scope of work assigned to them and handed over the same to (name of customer) at hours, on this day of the month in the year two thousand and
2. The list of liabilities as on date is placed at Annexure to this certificate (**Annexure 1A**).

..... COA/ Rep for and on behalf of The President of India Rep of M/s
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Annexure 2

SCOPE OF WORK (SoW)

(Reproduce the Text of SoR finalised and accepted during CNC. Will be included in the document on approval of draft contract)

Annexure 3

FORMAT OF PROMULGATING CHANGE IN SCOPE OF WORK (SoW)

1. Name of Work :
2. DL No :
(Where applicable)
3. Proposed by :
4. (a) Reference :
- (b) Drawing Document :
5. Details of additional work (if required use overleaf of the form or attach Annexures (3A, 3B and so on))

<u>Name</u>	<u>Designation</u>	<u>Signature of the Proposer</u>
.....

6. (a) Proposal No :
- (b) Effect on overall Schedule:
- (c) Approved Cost :

Rep of Firm/ Project Manager of Shipyard

7. (a) Approved/ Not approved :
- (b) Reasons if any :

COA/ Head of Project Monitoring Team

Annexure 4**BREAKDOWN OF CONTRACT PRICE**

Ser	Description of Work/ Service Material/ Spares/ Tax	Amount (₹)
1.	Cost of all Services indicated in SoR	
2.	Cost of Repair part of SoW in the SoR	
	(a) Hull Work Package	
	(b) Engineering Work Package	
	(c) Electrical work Package	
	(d) Weapon Work Package	
	(e) Cost of spares and material included in Ser 2(a) to (d)	
3.	Cost of all other Services in the SoR (not covered under Ser 1 and 2 including OEM charges etc)	
4.	GST on Ser 1, 2 and 3, excluding 2 (e)	
5.	Works Contract Tax (if applicable on Ser 1,2, and 3)	
6.	Cost of Yard Materials	
7.	Budgetary Cost of Spares	
8.	GST applicable on Ser 6 and 7	
9.	Other local levies, if applicable on Ser 6 and 7	
10.	Customs Duty/ Amount of Customs Duty for which Exemption is sought on Ser 6 and 7	
11.	Taxes and Duties for which Exemption is sought on Ser 6 and 7	
12.	Miscellaneous (not included in any of the Serials above)	
13.	Applicable Tax/ Duty/ Levies on Ser 12	
14.	Grand Total (Ser 1 to 13)	
15.	Grand Total (excluding Ser 10 and 11)	

Annexure 5**FORMAT OF WORK COMPLETION CERTIFICATE**

(To be filled up whenever bills are raised in accordance with terms of payment)

Certificate No : Date :

The under mentioned stage/ Activity as per the Payment Terms have been completed:-

Description of Activity/ Stage :

	<u>Rep Firm/ Shipyard</u>	<u>COA/ Rep</u>
Signature :
Name :
Desig/ Rank :
Dept/ Org :

Annexure 6**FORMAT OF COMPLETION OF HANDING OVER ALL DATA BY CONTRACTOR RELATED TO WORK**

(Such as 'as fitted drawings', record of hull survey/ renewal of hull plates/ clearances/ alignment/ testing and tuning/ weight change/ grouping of shock mounts etc. To be formulated on case to case basis, if applicable and part of RFP)

DPMF 40
(Refers to Paragraph 14.7.3)

FORMAT OF CHANGE REQUEST FOR GROWTH OF WORK (GoW)

1. **Purpose**

1.1 During the progress of offloaded repairs/ refits, some changes are required to be made in the project. The purpose of this procedure is to streamline the process of authenticating the changes and seek approval from the designated authorities {COA in the case of sanctioned GoW (within ceiling approved earlier by the CFA)}, considering the cost and time implications on the project, before actually executing the changes.

2. **Scope**

2.1 GoW arising out of change in concept, change in requirements, addition in requirements, change in data, change in preferences, or because of technical constraints, occurring during the pre-contract or during the progress of the contract stage or during execution stage will be covered under this procedure.

2.2 For the changes during pre-contract stage, any change after approval (written or verbal during refit progress meetings) to concept note or concept drawing, shall be considered as a change.

2.3 During execution stage, any change proposed after release of the After Work Requisition Form (AWRF) will be considered as a change.

2.4 Any other change, which has major implications on cost shall be considered as a change.

2.5 However, small rectification works, minor site works related to temporary works or for matching at site, which do not have major cost implication or do not cause irreversible delays, may not be considered as change. Any cost implication, which may not lead to revision in the contract and fits within the expected cost and schedule, may not be considered as a change.

3. **Procedure**

3.1 Any person proposing the change, which can be considered under the scope defined above, shall be 'initiator' of the change. The initiator will complete the 'change approval form' furnishing all details and submit it to the change approving authorities (COA in case of offloaded refits). It shall be the responsibility of the initiator to get approval to the change proposed by him.

3.2 The approving authority (COA) will study the necessity of change, impact on time and cost of the project and then approve/ disapprove the change.

3.3 The change will be executed, by the party concerned, only on receipt of approval. The approving authority will communicate the impact on time/ cost to the management authorities concerned (CFA through Command & Service HQ).

3.4 One copy of the approval will be preserved by the initiator and one copy each shall be handed over to the contracted shipyard, Refit/ Project Monitoring Team, Commanding Officer of the Ship/ Submarine and the COA.

CHANGE APPROVAL FORM

1. Name and Designation of the change initiator.
2. Structure/ System in which change is proposed.
3. Drawing/ Document/ DL from which deviation is proposed.
4. **Reason for Change:-**
 - (a) Additional Requirement.
 - (b) Technical Constraints.
 - (c) Change in Requirement.
 - (d) Rectification of Wrong Execution.
 - (e) Change in Data.
 - (f) Change in Concept.
5. Description of Change.
6. **Likely Cost Implication.** The cost implication assessment is based on:-
 - (a) Negotiated *Pro Rata* Rates.
 - (b) Non *Pro Rata* Rates/ Fresh Quotation from Contracted Shipyard.
 - (c) Judgment of Initiator.
7. **Likely Time Implication.** The time implication assessment is based on:-
 - (a) Man-hours Estimation.
 - (b) Procurement Time for Additional Spares/ Material etc.
 - (c) Judgment of Initiator.
 - (d) Furnished by Designer.
8. **Required Actions:-**
 - (a) Replace.
 - (b) Rework.
 - (c) Repair and Refit.
 - (d) Any other.

INITIATOR

Signature :

Name :

Date :

APPROVED BY

Signature :

Name :

Date :

DPMF 41
 {Refers to
 Sub-Paragraph 15.5.2(c)(i)}

FORMAT OF APPLICATION CUM GUARANTEE FOR ISSUE OF DOCUMENTARY CREDIT

FD SWIFT-700		FORM NO 2 - APPLICATION CUM GUARANTEE FOR ISSUE OF DOCUMENTARY CREDIT	
TO BE STAMPED AS AN AGREEMENT. NOT TO BE ATTESTED			
APPLICATION			
THE AGM FOREIGN DIVISION (BANK'S ADDRESS)	EXCHANGE	IMPORTER'S CODE NO	
20	LC NO		
31C	DATE		
23	PREADVISED ON; PREADV/		
PLEASE ESTABLISH WITH YOUR BRANCH CORRESPONDENTS IN A DOCUMENTARY CREDIT AS PER DETAILS BELOW:-			
40D	TYPE OF LC (TICK APPLICABLE)	<input type="checkbox"/> IRREVOCABLE <input type="checkbox"/> IRREVOCABLE & TRANSFERABLE <input type="checkbox"/> REVOLVING	
31D	DATE & PLACE OF EXPIRY	DATE (YYMMDD)	PLACE
50	NAME & ADDRESS OF THE APPLICANT		
59	NAME & ADDRESS OF THE BENEFICIARY		
32B	CURRENCY & AMOUNT OF CREDIT (IN FIGURES & WORDS) TERMS	USD/ EUR CIF/ C&F/ FOB/ EX-WORKS/ CLF	
39A,B,C	VARIATION IN LC AMOUNT OR ADDITIONAL AMOUNTS PERMITTED	± %	
41A3	CREDIT AVAILABLE WITH		
	CREDIT AVAILABLE BY (TICK APPLICABLE)	<input type="checkbox"/> PAYMENT <input type="checkbox"/> NEGOTIATION <input type="checkbox"/> ACCEPTANCE <input type="checkbox"/> DEF PAYMENT	
42C	USANCE OF THE DRAFTS (TICK APPLICABLE)	<input type="checkbox"/> AT SIGHT <input type="checkbox"/> (SPECIFY) DAYS FROM BL/ AWB INCLUSIVE/ EXCLUSIVE/ FREE ON INTEREST	
42A	DRAFTS TO BE DRAWN ON	NEGOTIATING BANK/ ADVISING BANK/ OPENING BANK/ OPENER	
42P	DEFERRED PAYMENT, IF ANY		
43P	PARTIAL SHIPMENTS (TICK APPLICABLE)	<input type="checkbox"/> PERMITTED <input type="checkbox"/> PROHIBITED	
43T	TRANSHIPMENT	<input type="checkbox"/> PERMITTED <input type="checkbox"/> PROHIBITED	

	(TICK APPLICABLE)	
44A	SHIPMENT FROM	
44B	SHIPMENT TO	
44C	LATEST SHIPMENT DATE (YYMMDD) (IN ANY CASE IT SHOULD NOT BE AFTER THE EXPIRY OF LC)	
45A	DESCRIPTION OF GOODS	DEFENCE STORE AS PER CONTRACT NO
46A	DOCUMENTS REQUIRED (TICK APPLICABLE)	<input type="checkbox"/> DRAFT FOR 100 PERCENT OF THE INVOICE VALUE. <input type="checkbox"/> COMPLETE SET OF CLEAN SHIPPED ON BOARD BILL OF LADING (BL), MARKED FREIGHT, PRE-PAID/ TO PAY, MADE OUT IN THE NAME OF STATE BANK OF INDIA, FOREIGN EXCHANGE DIVISION, MAIN BRANCH, NEW DELHI 110001, ACCOUNT APPLICANT, NOTIFY APPLICANT AND US. <input type="checkbox"/> ORIGINAL AIR WAYBILL (AWB), MARKED FREIGHT, PRE-PAID/ TO PAY, MADE OUT IN THE NAME OF STATE BANK OF INDIA, FOREIGN EXCHANGE DIVISION, MAIN BRANCH, NEW DELHI 110001, ACCOUNT APPLICANT, NOTIFY APPLICANT AND US. <input type="checkbox"/> INSURANCE POLICIES OR CERTIFICATES IN DUPLICATE COVERING MARINE/ AIRBORNE INSURANCE AS PER INSTITUTE CARGO CLAUSE (A), INSTITUTE WAR CLAUSE (CARGO), AND INSTITUTE STRIKES CLAUSE (CARGO), COVER FOR CIF VALUE PLUS PERCENT CLAIM, IF ANY, PAYABLE IN INDIA. INSURANCE MUST REMAIN IN FORCE AT LEAST FOR 90 DAYS FROM THE DATE OF LANDING OF GOODS IN INDIA AND ALL RISKS SHOULD BE COVERED FROM THE SUPPLIERS WAREHOUSE TO APPLICANT'S WAREHOUSE. <input type="checkbox"/> INSURANCE WILL BE ARRANGED BY THE APPLICANT BUT BENEFICIARY MUST ADVISE WITHIN DAYS FROM THE DATE OF SHIPMENT/ DISPATCH IS EFFECTED. COMPLETE DETAILS OF SHIPMENT/ DISPATCH TO APPLICANT BY FAX/ CABLE/ TELEX SUCH AS NAME OF STEAMER, BL NO AND DATE/ FLIGHT NO, AWB NO, DATE, QUANTITY SHIPPED/ DISPATCHED. TOTAL VALUE AND EVIDENCE/ COPY OF FAX/ CABLE/ TELEX MUST ACCOMPANY DOCUMENT. <input type="checkbox"/> SIGNED INVOICES IN QUADRUPPLICATE/ TRIPPLICATE/ <input type="checkbox"/> CERTIFICATE OF ORIGIN ISSUED BY COPIES <input type="checkbox"/> PACKING LIST COPIES <input type="checkbox"/> CERTIFICATE OF CURRENT MANUFACTURE COPIES <input type="checkbox"/> DISPATCH NOTE SIGNED BY IN COPIES <input type="checkbox"/> ACT SIGNED BY IN ORIGINAL <input type="checkbox"/> JRI/ PDI CERTIFICATED SIGNED BY IN ORIGINAL <input type="checkbox"/> OTHERS (SPECIFY)
47A	ADDITIONAL CONDITIONS	1. ALL DOCUMENTS SHOULD MENTION LC NO & CONTRACT NO. 2. DISCREPANT DOCUMENTS TO BE SENT ON APPROVAL BASIS. 3. LD CLAUSE (AS APPLICABLE). 4. REVOLVEMENT/ REPLENISHMENT CLAUSE (IN CASE OF REVOLVING LC) 5. ULTIMATE CONSIGNEE/ LANDING OFFICER: NAME & ADDRESS. 6. THIS LC IS GOVERNED UNDER UCPDC 600 REV 2007 7. OTHERS (SPECIFY)
71B	SPECIFY, IF ANY CHARGES ARE TO BENEFICIARY'S A/C (TICK APPLICABLE)	<input type="checkbox"/> ALL CHARGES <input type="checkbox"/> (SPECIFY)
48	DOCUMENTS TO BE PRESENTED	WITHIN DAYS FROM THE DATE OF
49	CONFIRMATION INSTRUCTIONS (TICK APPLICABLE)	<input type="checkbox"/> WITH CONFIRMATION <input type="checkbox"/> WITHOUT CONFIRMATION
57A	CREDIT TO BE ADVISED TO THE BENEFICIARY THROUGH (BANK)	NAME & ADDRESS OF THE BENEFICIARY'S BANK

FORMAT OF APPLICATION CUM GUARANTEE FOR DOCUMENTARY CREDIT

DECLARATION/ UNDERTAKING

IN CONSIDERATION OF YOUR OPENING A LETTER OF CREDIT AS ABOVE, I/ WE HEREBY UNDERTAKE TO ACCEPT AND PAY IN DUE COURSE ALL DRAFTS DRAWN WITHIN THE TERMS THEREFORE, AND/ OR TO TAKE UP AND PAY FOR ALL DOCUMENTS NEGOTIATED THERE UNDER ON PRESENTATION, AND IN DEFAULT OF MY/ OUR SO DOING YOU MAY SELL THE GOODS BEFORE OR AFTER ARRIVAL AND I/ WE UNDERTAKE TO REIMBURSE YOU FOR ANY SHORTFALL THAT MAY OCCUR AND I/ WE HEREBY FURTHER UNDERTAKE FORTHWITH ON DEMAND MADE BY YOU IN WRITING TO DEPOSIT WITH YOU SUCH SUM OF SECURITY OR SECURITY OR FURTHER SUM OR SECURITY AS YOU MAY FROM TIME TO TIME SPECIFY AS SECURITY FOR THE DUE FULFILMENT OF OUR OBLIGATION HEREUNDER AND ANY SECURITY SO DEPOSITED WITH YOU MAY BE SOLD BY YOU ON YOUR GIVING REASONABLE NOTICE OF SALE TO US AND THE SAID SUM OR THE PROCEEDS OF SALE OF THE SECURITY MAY BE APPROPRIATED BY YOU, IN OR TOWARDS SATISFACTION OF OUR SAID OBLIGATION AND ANY LIABILITY OF OURS ARISING OUT OF THE NON-FULFILMENT THEREOF.

YOU ARE TO HAVE A LIEN ON ALL GOODS, DOCUMENTS AND POLICIES AND PROCEEDS THEREOF FOR ANY OBLIGATIONS OR LIABILITIES PRESENT OR FURTHER INCURRED BY YOU UNDER OR ARISING OUT OF THIS CREDIT.

I/ WE APPROVE OF THE NEGOTIATION OF DRAFTS DRAWN UNDER THIS CREDIT BEING CONFINED TO YOUR BRANCHES. THE RELATIVE SHIPPING DOCUMENTS HAVE TO BE SURRENDERED TO ME/ US AGAINST PAYMENT/ ACCEPTANCE.

IF AT ANY TIME AND FROM TIME TO TIME HEREAFTER AND AT OUR REQUEST YOU ENHANCE THE AMOUNT OF THE LETTER OF CREDIT OR AMEND ANY OF THE TERMS THEREOF (INCLUDING EXTENSION OF THE VALIDITY OF THE CREDIT FOR SHIPMENT AND/ OR NEGOTIATION OF DOCUMENTS), THEN NOTWITHSTANDING THE AMOUNT AND THE TERMS SPECIFIED IN THIS APPLICATION, OUR GUARANTEE SHALL COVER AND BE DEEMED TO COVER THE ENTIRE AMOUNT OF THE ENHANCED CREDIT ISSUED BY YOU AND ANY OTHER AMENDMENTS EFFECTED THERETO AND OUR LIABILITY WILL BE FOR THE ENTIRE AMOUNT OF THE CREDIT TO BE ENHANCED AND/ OR AMENDED AT OUR REQUEST. WE SHALL CONTINUE TO BE BOUND BY ALL THE OTHER TERMS AND CONDITIONS OF THE APPLICATION AND GUARANTEE NOTWITHSTANDING SUCH ENHANCEMENT OR AMENDMENTS FROM TIME TO TIME AS YOU MAY MAKE AT YOUR REQUEST IN THE VALUE AND TERMS OF THE LETTER OF CREDIT.

I/ WE HEREBY AGREE AND DECLARE THAT IN THE EVENT OF MY/ OUR FAILING TO RETIRE THE BILLS DRAWN UNDER LC ON DUE DATES IN CASE OF USANCE BILLS WITHIN TEN DAYS FROM THE DATE OF RECEIPT OF THE DOCUMENTS BY YOU IN CASE OF SIGHT BILLS, YOU SHALL BE AT LIBERTY TO CRYSTALLISE THE FOREIGN CURRENCY RUPEES LIABILITY THEREUNDER ON THE DUE DATE OR ON THE EXPIRY OF THE TENTH DAY AS THE CASE MAY BE AND CONVERT THE SAME TO RUPEES AT THE PREVAILING BILL SELLING RATE OR AT THE CONTRACT RATE WHICHEVER IS APPLICABLE.

I/ WE UNDERTAKE TO REIMBURSE TO YOU ON DEMAND THE RUPEE EQUIVALENT SO DETERMINED TOGETHER WITH INTEREST THEREON AT NORMAL RATE FROM THE DATE OF NEGOTIATION TO THE DATE OF CRYSTALLISATION AND THEREAFTER AT PENAL/ DEFAULT RATE AS APPLICABLE THERETO.

YOU WOULD BOOK FORWARD CONTRACTS IF I/ WE DECIDE TO COVER THE FLUCTUATION IN THE EXCHANGE RATES. I/ WE UNDERTAKE TO BOOK SUCH FORWARD CONTRACTS WITH YOU ONLY IN CASE BOOKING OF SUCH FORWARD CONTRACTS FORMS PART OF THE ARRANGEMENT BY YOU UNDER THE LC. I/ WE WOULD BOOK FORWARD CONTRACTS WITH OTHER BANKS AGAINST THIS LETTER OF CREDIT. I/ WE ARE LIABLE TO PAY TO YOU ¼% COMMISSION IN LIEU OF EXCHANGE IN ADDITION TO SWAP COST AND INTEREST FROM THE DATE OF NEGOTIATION AT THE FOREIGN CENTRE TILL THE DATE OF CREDIT OF PROCEEDS IN YOUR NOSTRO ACCOUNTS.

IN CASE I/ WE DO NOT BOOK THE FORWARD CONTRACT, I/ WE UNDERTAKE TO BUY THE RELATIVE FOREIGN EXCHANGE IN CONNECTION WITH RETIREMENT OF THE BILLS, DOCUMENTS ETC. UNDER THE LC FROM YOU AT THE RULING RATE OF EXCHANGE IN CASE FOREIGN EXCHANGE IN CONNECTION WITH RETIREMENT OF THE BILLS/ DOCUMENTS ETC. IS BOUGHT. I/ WE ARE LIABLE TO PAY TO YOU YOUR COMMISSION IN LIEU OF EXCHANGE IN ADDITION TO SWAP COST AND INTEREST FROM THE DATE OF NEGOTIATION AT THE FOREIGN CENTRE TILL THE DATE OF CREDIT PROCEEDS IN YOUR NOSTRO ACCOUNT.

I/ WE HEREBY DECLARE THAT THE TRANSACTION(S) THE DETAILS OF WHICH ARE SPECIFICALLY MENTIONED IN THE SCHEDULE HEREUNDER DOES NOT INVOLVE AND IS NOT DESIGNED FOR THE PURPOSE OF ANY CONTRAVENTION OR EVASION OF THE PROVISIONS OF THE AFORESAID ACT OR OF ANY RULE, REGULATION, DIRECTION OR ORDER MADE THEREUNDER.

I/ WE ALSO HEREBY AGREE AND UNDERTAKE TO GIVE SUCH INFORMATION/ DOCUMENTS BEFORE THE BANK UNDERTAKES THE TRANSACTION(S) AND AS MAY BE REQUIRED FROM TIME TO TIME AS WILL REASONABLY SATISFY YOU ABOUT THE TRANSACTION(S) IN TERMS OF THE ABOVE DECLARATION.

I/ WE ALSO UNDERSTAND THAT IF I/ WE REFUSE TO COMPLY WITH ANY SUCH REQUIREMENT OR MAKE UNSATISFACTORY COMPLIANCE THERewith, THE BANK SHALL REFUSE IN WRITING TO UNDERTAKE THE TRANSACTION IF IT HAS REASON TO BELIEVE THAT ANY CONTRAVENTION/ EVASION IS CONTEMPLATED BY ME/ US AND SHALL REPORT THE MATTER TO RESERVE BANK OF INDIA.

I/ WE FURTHER DECLARE THAT THE UNDERSIGNED HAS/ HAVE THE AUTHORITY TO GIVE THIS DECLARATION AND UNDERTAKING ON BEHALF OF THE (NAME OF THE ORGANISATION/ ESTABLISHMENT).

PLACE		SIGNATURE OF THE	
DATE		APPLICANT	

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DPMF 42
{Refers to
Sub-Paragraph 15.5.2(c)(i)(aa)}

FORMAT OF FORM A1

FORM A1 Application for Remittance in Foreign Currency (for Import Payments only)										AD Code No														
										Form No (to be filled by Auth Dealer)														
										Amount Remitted														
										Currency														
										Amount														
Equivalent in INR (to be filled by Auth Dealer)																								
										Serial No (to be filled by RBI)														
I/ We wish to purchase/ transfer (Name of currency) (Amount in words) through (Name and address of Auth Dealer) for payment to (Name and address of Beneficiary) in payment of imports into India, detailed below:-																								
DETAILS OF GOODS IMPORTED OR TO BE IMPORTED INTO INDIA																								
Section A : Import Licence Particulars																								
Import Licence					Date of Issue			Date of Expiry			Face Value of Licence		Amount to be Endorsed ¹ (₹)											
Prefix		Licence No			Suffixes																			
1	2				1	2	3	4	5	DD	MMM	YYYY	DD	MMM	YYYY									
Notes:- 1. Actual amount endorsed in INR against each Licence involved, should be stated under the column "Amount to be Endorsed (₹)". 2. If more than one Licence is involved, particulars of all Licences should be furnished. If the space is inadequate, separate statement may be attached. The amount utilised against each Licence should invariably be indicated.																								
Section B : Import Particulars																								
Invoice Details				Quantity of Goods		Description of Goods		Harmonised System of Classification		Country of Origin of Goods		Country from which goods are consigned		Mode of shipment (air, sea, post, rail, river, transport, port, etc.)		Date of shipment (if not known approximate date)								
No and Date	Terms (CIF, FOB, etc.)	Currency	Amount																					
Section C : Other Particulars																								
Details of Forward Purchase Contract, if any, Booked against the Import																								
No & Date of Contract					Currency and Amount of Contract					Balance under the Contract														
If Remittance to be made is Less than Invoice Value, reasons thereof (ie part remittance, instalment, etc.)																								
Note:- For remittances covering Intermediary Trade, Form A2 (DPMF 43) should be used.																								

CERTIFICATE TO BE FURNISHED BY AUTHORISED DEALER (IMPORTER'S BANKER)							
We Certify that:-							
(a)	This Payment is:- <i>{Put a tick <input checked="" type="checkbox"/> in the relevant box(es)}</i> <input type="checkbox"/> (i) An advance remittance. <input type="checkbox"/> (ii) In retirement of bills under Letter of Credit opened through us. <input type="checkbox"/> (iii) Against documents received through our medium for collection. <input type="checkbox"/> (iv) On account of documents received direct by the applicant(s) against undertaking furnished by the latter to submit Customs-stamped Exchange Control copy of Bill of Entry of Post Parcel/ courier wrapper within three months. <input type="checkbox"/> (v) On account of documents received direct by the applicant(s) against Customs-stamped Exchange Control copy of Bill of Entry/ post parcel/ courier wrapper (attached) submitted by the latter. <input type="checkbox"/> (vi) <i>(Any other case, to be explained)</i>						
(b)	All the Exchange Control regulations applicable to the remittance have been complied with.						
(c)	The payment to the supplier of the goods $\frac{\text{have been } \star}{\text{will be } \star}$ made through <i>(Name & address of the Foreign Bank)</i>						
We also certify/ undertake that the relevant Customs-stamped Exchange Control copy of Bill of Entry or post parcel/ courier wrapper * shall be verified by us within three months {vide certificate (a)(ii) and (iii) above}. <p style="text-align: center;">OR</p> * has been verified {vide certificate (a)(v) above}. <p style="text-align: center;">OR</p> * shall be obtained from the applicant(s) within three months {vide certificate (a)(i) and (iv) above}.							
★ <i>Strike out item not applicable</i>							
Stamp	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Signature of Auth Official</td> <td style="width: 50%;"></td> </tr> <tr> <td style="padding: 2px;">Name</td> <td></td> </tr> <tr> <td style="padding: 2px;">Designation</td> <td></td> </tr> </table>	Signature of Auth Official		Name		Designation	
Signature of Auth Official							
Name							
Designation							
Date	Name & Address of Auth Dealer						

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DPMF 43
 {Refers to
 Sub-Paragraph 15.5.2(c)(i)(ab)}

FORMAT OF FORM A2

FORM A2 Application for Remittance in Foreign Currency (for Payments other than Imports and Remittance covering Intermediary Trade)	AD Code No	
	Form No (to be filled by Auth Dealer)	
	Amount Remitted	
	Currency	
	Amount	
	Equivalent in INR (to be filled by Auth Dealer)	
	Serial No (to be filled by RBI)	
I/ We wish to purchase/ transfer (Name of currency) (Amount in words) through (Name and address of Auth Dealer) for payment to (Name and address of Beneficiary) by remitting the amount by credit to the account of (Full title of the Account and Country of Non-Resident Bank and name of NRI with whom account is maintained) for the purpose indicated below:- (Put a tick <input checked="" type="checkbox"/> in the relevant box (es). Consult A in case of doubt/ difficulty)		
Code	Purpose	Code
CAPITAL ACCOUNT TRANSACTIONS <input type="checkbox"/> S0001 Indian investment abroad in equity capital (shares). <input type="checkbox"/> S0002 Indian investment abroad in debt securities. <input type="checkbox"/> S0003 Indian investment abroad in branches. <input type="checkbox"/> S0004 Indian investment abroad in subsidiaries and associates. <input type="checkbox"/> S0005 Indian investment abroad in real estate. <input type="checkbox"/> S0006 Repatriation of Foreign Direct Investment in India in equity shares. <input type="checkbox"/> S0007 Repatriation of Foreign Direct Investment in India in debt securities. <input type="checkbox"/> S0008 Repatriation of Foreign Direct Investment in India in real estate. <input type="checkbox"/> S0009 Repatriation of Foreign Portfolio Investment in India in equity shares. <input type="checkbox"/> S0010 Repatriation of Foreign Portfolio Investment in India in debt securities. <input type="checkbox"/> S0011 Loans extended to Non-Residents. <input type="checkbox"/> S0012 Repayment of long and medium-term loans with original maturity above one year received from Non-Residents. <input type="checkbox"/> S0013 Repayment of short-term loans with original maturity up to one year received from Non-Residents. <input type="checkbox"/> S0014 Repatriation of Non-Resident Deposits (FCNRB/ NRERA etc). <input type="checkbox"/> S0015 Repayment of loans & overdrafts taken by ADs on their own account. <input type="checkbox"/> S0016 Sale of a foreign currency against another foreign currency. <input type="checkbox"/> S0017 Purchase of intangible assets like patents, copyrights, trademarks etc. <input type="checkbox"/> S0018 Other capital payments not included elsewhere.		Purpose
TRANSPORTATION <input type="checkbox"/> S0201 Payments for surplus freight/ passenger fare by foreign shipping companies operating in India. <input type="checkbox"/> S0202 Payment for operating expenses of Indian shipping companies operating abroad. <input type="checkbox"/> S0203 Freight on imports - Shipping companies. <input type="checkbox"/> S0204 Freight on exports - Shipping companies. <input type="checkbox"/> S0205 Operational leasing (with crew) - Shipping companies. <input type="checkbox"/> S0206 Booking of passages abroad - Shipping companies. <input type="checkbox"/> S0207 Payments for surplus freight/ passenger fare by foreign Airlines companies operating in India. <input type="checkbox"/> S0208 Operating expenses of Indian Airlines companies operating abroad. <input type="checkbox"/> S0209 Freight on imports - Airlines companies. <input type="checkbox"/> S0210 Freight on exports - Airlines companies. <input type="checkbox"/> S0211 Operational leasing (with crew) - Airlines companies. <input type="checkbox"/> S0212 Booking of passages abroad - Airlines companies. <input type="checkbox"/> S0213 Payments on account of stevedoring, demurrage, port handling charges etc.		
TRAVEL <input type="checkbox"/> S0301 Remittance towards Business travel. <input type="checkbox"/> S0302 Travel under basic travel quota (BTQ). <input type="checkbox"/> S0303 Travel for pilgrimage. <input type="checkbox"/> S0304 Travel for medical treatment. <input type="checkbox"/> S0305 Travel for education (including fees, hostel expenses etc.). <input type="checkbox"/> S0306 Other travel (international credit cards).		
COMMUNICATION SERVICES <input type="checkbox"/> S0401 Postal services. <input type="checkbox"/> S0402 Courier services.		

Code	Purpose	Code	Purpose
<input type="checkbox"/> S0403	Telecommunication services.	PERSONAL, CULTURAL AND RECREATIONAL SERVICES	
<input type="checkbox"/> S0404	Satellite services.	<input type="checkbox"/> S1101	Audio-visual and related services -services and associated fees related to production of motion pictures, rentals, fees received by actors, directors, producers and fees for distribution rights.
CONSTRUCTION SERVICES		<input type="checkbox"/> S1102	Personal, cultural services such as those related to museums, libraries, archives and sporting activities; fees for correspondence courses abroad.
<input type="checkbox"/> S0501	Construction of projects abroad by Indian companies including import of goods at project site.	GOVERNMENT NOT INCLUDED ELSEWHERE (GNIE)	
<input type="checkbox"/> S0502	Payments for cost of construction etc. of projects executed by foreign companies in India.	<input type="checkbox"/> S1201	Maintenance of Indian embassies abroad.
INSURANCE SERVICES		<input type="checkbox"/> SI 202	Remittances by foreign embassies in India.
<input type="checkbox"/> S0601	Payments for Life insurance premium.	TRANSFERS	
<input type="checkbox"/> S0602	Freight insurance - relating to import & export of goods.	<input type="checkbox"/> S1301	Remittance by non-residents towards family maintenance and savings.
<input type="checkbox"/> S0603	Other general insurance premium.	<input type="checkbox"/> S1302	Remittance towards personal gifts and donations.
<input type="checkbox"/> S0604	Reinsurance premium.	<input type="checkbox"/> S1303	Remittance towards donations to religious and charitable institutions abroad.
<input type="checkbox"/> S0605	Auxiliary services (commission on insurance).	<input type="checkbox"/> S1304	Remittance towards grants and donations to other governments and charitable institutions established by the governments.
<input type="checkbox"/> S0606	Settlement of claims.	<input type="checkbox"/> S1305	Contributions/ donations by the Government to international institutions.
FINANCIAL SERVICES		<input type="checkbox"/> S1306	Remittance towards payment/ refund of taxes.
<input type="checkbox"/> S0701	Financial intermediation except investment banking - Bank charges, collection charges, LC charges, cancellation of forward contracts, commission on financial leasing etc.	INCOME	
<input type="checkbox"/> S0702	Investment banking - brokerage, underwriting commission etc.	<input type="checkbox"/> S1401	Compensation of employees.
<input type="checkbox"/> S0703	Auxiliary services - charges on operation & regulatory fees, custodial services, depository services etc.	<input type="checkbox"/> S1402	Remittance towards interest on Non-Resident deposits (FCNRB/ NRERA/ NRNRD/ NRSR etc.).
COMPUTER AND INFORMATION SERVICES		<input type="checkbox"/> S1403	Remittance towards interest on loans from Non-Residents (ST/ MT/ LT loans).
<input type="checkbox"/> S0801	Hardware consultancy/implementation.	<input type="checkbox"/> S1404	Remittance of interest on debt securities - debentures/ bonds/ FRNs etc.
<input type="checkbox"/> S0802	Software consultancy/implementation.	<input type="checkbox"/> S1405	Remittance towards interest payment by ADs on their own account (to VOSTRO a/c holders or the OD on NOSTRO a/c.)
<input type="checkbox"/> S0803	Database, data processing charges.	<input checked="" type="checkbox"/> S1406	Repatriation of profits.
<input type="checkbox"/> S0804	Repair and maintenance of computer and software.	<input type="checkbox"/> S1407	Payment/ repatriation of dividends.
<input type="checkbox"/> S0805	News agency services.	OTHERS	
<input type="checkbox"/> S0806	Other information services - Subscription to newspapers, periodicals.	<input type="checkbox"/> S1501	Refunds / rebates/ reduction in invoice value on account of exports.
ROYALTIES AND LICENSE FEES		<input type="checkbox"/> S1502	Reversal of wrong entries, refunds of amount remitted for non exports.
<input type="checkbox"/> S0901	Franchises services - patents, copyrights, trademarks, industrial processes, franchises etc.	<input type="checkbox"/> S1503	Payments by residents for international bidding.
<input type="checkbox"/> S0902	Payment for use, through licensing arrangements, of produced originals or prototypes (such as manuscripts and films).	<input type="checkbox"/> S1504	Notional sales when export bills negotiated/ purchased/ discounted are dishonoured/ crystallised/ cancelled of bills and reversed from suspense accounts.
OTHER BUSINESS SERVICES			
<input type="checkbox"/> S1001	Merchant services - net payments (from Sale & purchase of goods without crossing the border).		
<input type="checkbox"/> S1002	Trade related services - commission on exports/ imports.		
<input type="checkbox"/> S1003	Operational leasing services (other than financial leasing) without operating crew, including charter hire.		
<input type="checkbox"/> S1004	Legal services.		
<input type="checkbox"/> S1005	Accounting, auditing, book keeping and tax consulting services.		
<input type="checkbox"/> S1006	Business and management consultancy and public relations services.		
<input type="checkbox"/> S1007	Advertising, trade fair, market research and public opinion polling service.		
<input type="checkbox"/> S1008	Research & Development services.		
<input type="checkbox"/> S1009	Architectural, engineering and other technical services.		
<input type="checkbox"/> S1010	Agricultural, mining and on-site processing services- protection against insects & disease, increasing of harvest yields, forestry services, mining services like analysis of ores etc.		
<input type="checkbox"/> S1011	Payments for maintenance of offices abroad.		
<input type="checkbox"/> S1012	Distribution services.		
<input type="checkbox"/> S1013	Environmental services.		
<input type="checkbox"/> S1019	Other services not included elsewhere.		

I/ We hereby declare that the statements made by me/ us on this form are true and that I/ we have not applied for an authorisation through any other bank.			
I/ We declare and also understand that the foreign exchange to be acquired by me/ us pursuant to this application shall be used by me/ us only for the purpose for which it is acquired and that the conditions subject to which the exchange is granted will be complied with.			
I/ We desire to travel to via for the purpose of			
Passage has been booked through (Name of Airline/ Shipping Co. or Passage Agent)			
The date of departure is			
The exchange is required in the form of:-			
	Currency	Amount	PAN No
Notes			Name of Applicant
Traveller's Cheque			Nationality of Applicant
Draft			Address of Applicant
Letter of Credit			
Total			
DECLARATION CUM UNDERTAKING UNDER SECTION 10 (5), CHAPTER III OF THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999			
I/ We hereby declare that the transaction(s) does not involve, and is not designed for the purpose of any contravention or evasion of the provisions of the aforesaid Act or of any rule, regulation, notification, direction or order made thereunder.			
I/ We also hereby agree and undertake to give such information/ documents, before the Bank undertakes the transaction(s) and as may be required from time to time as will reasonably satisfy you about this transaction(s) in terms of the above declaration.			
I/ We also undertake that if I/ We refuse to comply with any such requirement or make unsatisfactory compliance herewith, the Bank shall refuse in writing to undertake the transaction and shall if it has reason to believe that any contravention/ evasion is contemplated by me/ us, report the matter to Reserve Bank of India.			
I/ We further declare that the undersigned has/ have the authority to give this declaration and undertaking on behalf of the firm/ company.			
Date		Signature of Applicant	
SPACE FOR COMMENTS OF THE AUTHORISED DEALER			
<i>(While forwarding the application for approval, reference to Exchange Control Manual paragraph/ A.D. Circular in terms of which the reference is made should invariably be cited)</i>			
Approval for similar remittances was obtained from RBI vide Permit Number dated.....			
	Stamp	Signature of Auth Official	
		Name	
		Designation	
Date		Name & Address of Auth Dealer	
CERTIFICATE TO BE FURNISHED BY AUTHORISED DEALER (APPLICANT'S BANKER)			
We Certify that:-			
(a) The remittance has been made in terms of authority delegated to AD vide Paragraph of the Exchange Control Manual and/ or AD Circular No dated			
OR			
In terms of RBI Permit No dated			
(b) All the Exchange Control regulations applicable to the remittance have been complied with.			

(c) Documentary evidence in support of the payment has been verified.		
(d) Payment to the beneficiary has been/ will be made through		
Stamp	Name & Address of the designated Bank in ACU Member Country	
	Signature of Auth Official	
	Name	
	Designation	
Date		Name & Address of Auth Dealer

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DPMF 44

{Refers to

Sub-Paragraph 15.5.1(c)(ii)}

FORMAT OF ANNEXURE D TO LETTER OF CREDIT (LC)

Type of Letter of Credit	
Amount	
Terms of Delivery	
Supplier	<i>(Full Name and Address)</i>
Beneficiary	<i>(Full Name and Address)</i>
Details of Items	
Contract Details	
Basis of Delivery	<i>(FOB/ CIF)</i>
From	<i>(Port/ Airport)</i>
To	<i>(Port/ Airport)</i>
Clause:-	
1. Part Shipment.	<input checked="" type="checkbox"/> Permitted <input type="checkbox"/> Prohibited
2. Transshipment.	<input type="checkbox"/> Permitted <input type="checkbox"/> Prohibited
Documents Required:-	
1. Mowing documents are to be submitted within days of the date of dispatch.	
2. Invoice no of copies.	
3. Air waybill/ bill of lading no of copies.	
4. Packing list.	
5. Certificate of Origin.	
6. Certificate of Conformity.	
7. Certificate of Quality.	
8. Insurance/ other documents.	
Bank charges to be borne by	
Special Instructions (if any)	
Consignee	
Landing Officer	
Ultimate Consignee	

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DPMF 45

{Refers to Paragraph 7 and
Sub-Paragraph 10(d) of
Appendix L}

**FORMAT OF CERTIFICATES FROM ORIGINAL EQUIPMENT
MANUFACTURER (OEM)/ SYSTEM INTEGRATOR (SI) FOR
PROCUREMENT OF INFORMATION AND COMMUNICATIONS
TECHNOLOGY (ICT) GOODS AND SERVICES**

Sample formats of malicious code certificates from SIs and OEMs are given below. Amendments/ additions/ deletions may be made to the formats given below to meet the project specific requirements and these should form part of the RFP and contract agreement.

MALICIOUS CODE CERTIFICATE

From Hardware OEM

1. It is certified that the firmware/ microcode installed in the hardware products listed below, which is proposed to be delivered by our Business Partner M/s, is approved by the OEM. The products have been thoroughly tested and found to be working as per the OEM's specifications at the time of delivery and no malicious code has been found in these products. Patch level update of the system is enclosed.

2. "Malicious Code" is defined as a computer program attached to or a section of code hidden within the firmware/ microcode that performs a function unauthorised by the OEM's published documentation. It includes Trojans, viruses, worms, spyware etc.

3. The latest security patches as available at the time of supply, have been updated in the firmware. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the equipment, provided end of support for the same has not been declared for the equipment by the OEM(s).

From Software OEM

1. It is certified that we have taken reasonable steps to ensure that the software products listed below, which is proposed to be licensed by is found to be working as per the OEM's

specifications at the time of delivery and no malicious software has been introduced in these products. Patch level update of the software is enclosed.

2. “Malicious Code” is defined as a computer program attached to or a section of code hidden within the software that performs a function unauthorised by the OEM’s published documentation. It includes Trojans, Viruses, Worms, spyware etc.

3. The latest security patches as available at the time of supply, have been updated in the software. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the software, provided end of support for the same has not been declared for the equipment by the OEM(s).

From SI

1. This is to warrant that the hardware and software being offered, as part of the Contract does not contain embedded malicious code at the time of installation and commissioning. Patch level update of the hardware/ software is enclosed.

2. “Malicious Code” is defined as a computer program attached to or a section of code hidden within the hardware/ software that performs a function unauthorised by the OEM’s published documentation. It includes Trojans, viruses, worms, spyware etc.

3. The firm will be considered to be in breach of the contract, in case any physical damage or any compromise in information and cyber security is caused due to activation of any malicious code embedded in the hardware/ software.

4. The latest security patches as available at the time of installation and commissioning, have been updated in the hardware/ software. We undertake to provide solutions to address all security issues during the warranty and support period of the hardware/ software, provided end of support for the same has not been declared for the equipment by the OEM(s).

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DPM 2021 - APPENDICES AND FORMS

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DPM 2021 - APPENDICES AND FORMS



DPM 2021 (APPENDICES AND FORMS)

DPM
2021
APPX
&
FORMS

