

**MINISTRY OF DEFENCE**  
**DEPARTMENT OF DEFENCE**  
**[ACQ WING SECRETARIAT]**

**Subject: Amendment to the Defence Acquisition Procedure (DAP)-2020- reg.**

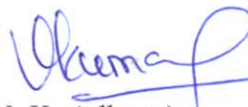
In order to further promote Atma Nirbharta in the defence sector, reduce dependence on Foreign OEMs and enable Ease of Doing Business for the Defence Sector, the following amendments are made in DAP 2020 on account of Business Processing Re-engineering in defence capital procurements with approval of the Defence Acquisition Council (DAC):

- (i) Import of Defence Equipment as an Exception and Emergency Procurement by the Forces may only be Undertaken for Indigenous Equipment.
- (ii) Level Playing Field - Integrity Pact Bank Guarantee (IPBG) from Indian Private Vendors.
- (iii) Splitting of Quantities among Multiple Vendors.
- (iv) Amendments in para 69-73 of DAP 2020 for incorporation of Simplified Procedure for Acquisition through iDEX.
- (v) Amendments in Chapter-III of DAP 2020 for incorporation of Simplified Procedure for Acquisition through Make-II.
- (vi) Amendments related to dispensation of Quantity Vetting & Scaling in iDEX & Make-II cases in delegated cases.

2. The relevant amendments on the above subjects are attached at **Appendices A to F** respectively.

3. The amendments to DAP-2020 mentioned in Appendices A to C will be applicable from 06.04.2022 i.e. date of issue of Minutes of DAC Meeting held on 22.03.2022 and amendments mentioned in Appendices D to F will be effective from 22.03.2022 i.e. date of DAC Meeting.

Encl. As above.

  
(V. K. Adhana)  
Director(Acq)  
Telefax: 23792865

CISC	VCOAS	VCNS	DCAS	DG(CG)	AS(DP)
JS&AM(LS)		JS&AM(MS)		JS&AM(Air)	
ADG Acq Tech(Army)		ADG Acq Tech(M&S)		ADG Acq Tech(Air)	
<u>FM(LS)</u>		<u>FM(MS)</u>		<u>FM(Air)</u>	

MoD ID No. 1(8)/D(Acq)/21 dated 13.04.2022

- Copy to:
- (i) SO to Defence Secretary
  - (ii) PPS to Secretary (DR&D)
  - (iii) PPS to FA(DS)
  - (iv) PPS to DG(Acq)
  - (v) CGDA

Copy also to: US, D(IT) , Room No. 217, 'B' Wing, Sena Bhawan for uploading this ID on MoD website immediately.

**SUMMARY**

**BUSINESS PROCESS RE-ENGINEERING PHASE –II : DAP 2020**

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
<b><u>Import of Defence Equipment as an Exception</u></b>			
1.	<p><b><u>Weapons / Platforms Banned for Import</u></b>  <b>Para 6 of Chapter-I, Page 2.</b></p>	<p>6. <b><u>Weapons/Platforms Banned for Import.</u></b>With a view to promote domestic and indigenous industry as also align the DAP with the reforms enunciated in the ‘<b>Atmanirbhar Bharat Abhiyan</b>’, the MoD has notified a list of weapons / platforms banned for import, as updated from time to time on the MoD website and guidelines thereon, and SHQ will ensure that no weapon/platform figuring on the list is procured ex import. These equipment may, therefore, be procured under the Buy (Indian - IDDM), Buy (Indian), Buy and Make (Indian) (only if Buy quantities are zero) and Buy (Global - Manufacture in India) (only if Buy quantities are zero) categories of acquisition.</p> <p><b><u>New Para 6A, 6B and 6C added after Para 6 of Chapter-I Page 2</u></b></p>	<p>6. <b><u>Weapons/Platforms Banned for Import.</u></b> With a view to promote domestic and indigenous industry as also align the DAP with the reforms enunciated in the ‘<b>Atmanirbhar Bharat Abhiyan</b>’, the MoD has notified a list of weapons / platforms banned for import, as updated from time to time on the MoD website and guidelines thereon, and SHQ will ensure that no weapon/platform figuring on the list is procured ex import. These equipment may, therefore, be procured under the Buy (Indian - IDDM), Buy (Indian), Buy and Make (Indian) (only if Buy quantities are zero) and Buy (Global - Manufacture in India) (only if Buy quantities are zero) categories of acquisition.</p> <p><b>6A. All stakeholders may take an in principle call that there will be no import of Defence Equipment going forward. However, if capability for the same does not exist presently, then, an SoC for alternate product development/procurement will be processed for approval. Further, in those cases where indigenous development/production is not feasible, a categorical exception will have to be obtained from DAC. Any import of defence equipment / platform, irrespective of the value, will require the explicit approval of DAC. This will apply to all categories of procurement including Fast Track Procedure and also for Buyer Nominated Equipment.</b></p> <p><b>6B. Any import under Emergency Procurement, irrespective of the value, will also require explicit approval of DAC. However, in such cases, the requirement of SoC for alternate product development/procurement from indigenous sources may be dispensed with.</b></p> <p><b>6C. For Other Capital Procurement Procedure (OCP) cases involving import of equipment/ sub systems, irrespective of the value, approval of RM will be obtained through MoD (Acquisition).</b></p>

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
2.	<p><b><u>Acceptance of Necessity (AoN)</u></b></p> <p>Para 21 of Chapter-II, Page 29.</p>	<p><b><u>New Para 21 A , 21 B and 21C added after Para 21 of Chapter-II Page 29</u></b></p>	<p><b>21A. Any import of defence equipment / platform, irrespective of the value, will require the explicit approval of DAC. This will apply to all categories of procurement including Fast Track Procedure and also for Buyer Nominated Equipment.</b></p> <p><b>21B. Concurrently, an SoC for alternate product development/ procurement will be processed for approval. Further, in those cases where indigenous development/production is not feasible, a categorical exception will have to be obtained from DAC.</b></p> <p><b>21C. Any import under Emergency Procurement, irrespective of the value, will also require explicit approval of DAC. However, in such cases, the requirement of SoC for alternate product development/procurement from indigenous resources may be dispensed with.</b></p>
3.	<p><b><u>Details of Approval Sought</u></b></p> <p>Para 14 of Appendix B to Chapter II, Page 83</p>	<p>(o) Any other aspect that require specific approval, including Open Tendering.</p> <p><b><u>New Sub Para 14(o) added to Para 14 of Appendix B to Chapter II, Page 83</u></b></p>	<p><del>(o) Any other aspect that require specific approval, including Open Tendering</del></p> <p><b>Specific Approval of DAC for sourcing from FOEMs/ Import.</b></p> <p><b>(p) Any other aspect that require specific approval, including Open Tendering.</b></p>
4.	<p><b><u>Acceptance of Necessity (AoN)</u></b></p> <p>Para 9 to Chapter X, Page 590</p>	<p>9. <b><u>AoN.</u></b> After the scheduled plan of such proposals/schemes is approved; individual cases will be processed by the SHQs for grant of AoN (inclusive of 25% flexibility). The AoN According Authority will be the CFA as defined in Para 5 above for the cases valued upto Rs 500 Cr and RM for cases beyond Rs 500 Cr. All proposals for grant of AoN will be processed and submitted by SHQs on file for approval of the AoN according authority (i.e., CFA). These cases will not be processed through SPB/ DPB /DAC. Non-delegated power cases will be processed through MoD, Acquisition Wing in consultation with MoD (Finance), while delegated power cases will be processed by SHQs in consultation with PIFA/IFA of CFA. Quantity vetting where applicable would be carried out by Additional FAs or PIFA/IFA</p>	<p>9. <b><u>AoN.</u></b> After the scheduled plan of such proposals/schemes is approved, individual cases will be processed by the SHQs for grant of AoN (inclusive of 25% flexibility). The AoN According Authority will be the CFA as defined in Para 5 above for the cases valued upto Rs 500 Cr and RM for cases beyond Rs 500 Cr. All proposals for grant of AoN will be processed and submitted by SHQs on file for approval of the AoN according authority (i.e., CFA). These cases will not be processed through SPB/ DPB /DAC. Non-delegated power cases will be processed through MoD, Acquisition Wing in consultation with MoD (Finance), while delegated power cases will be processed by SHQs in consultation with PIFA/IFA of CFA. Quantity vetting where applicable would be carried out by Additional FAs or PIFA/IFA of CFA as the case may be, as per SOP promulgated by MoD (Finance) based on scaling orders. <b>However, for all cases involving import of equipment/ sub systems, irrespective of the value, approval of RM will be obtained through MoD (Acquisition).</b></p>

<b><u>S No</u></b>	<b><u>Reference</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
		of CFA as the case may be, as per SOP promulgated by MoD (Finance) based on scaling orders.	
<b><u>Emergency Procurement by the Forces may only be Undertaken for Indigenous Equipment.</u></b>			
5.	<b><u>Fast Track Procedure</u></b>  Para 2A to Chapter V, Page 388	<b><u>New Para 2A added after Para 2 to Chapter V, Page 388</u></b>	<b>2A. Emergency Procurements (EP) are very specific and special cases of FTP to meet emergent situations based on DAC directive for a specific duration of time. EP may be undertaken only from indigenous sources and exceptions if any, for import, specific approval of the DAC will be obtained. However, in such cases, the requirement of SoC for alternate product development/procurement from indigenous resources may be dispensed with.</b>

**SUMMARY**

**BUSINESS PROCESS RE-ENGINEERING PHASE –II : DAP 2020**

<b><u>S No</u></b>	<b><u>Reference</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
<b><u>Level Playing Field - Integrity Pact Bank Guarantee (IPBG) from Indian Private Vendors.</u></b>			
6.	<b><u>Withholding of Payments and Imposition of Penalties</u></b>  Para 15 of Appx B to Chapter I, Page17	15. In case mandatory IC is not achieved by a vendor and/or if a false certificate is furnished by a vendor/sub-vendor, other than the forfeiture of the Vendor's IPBG and PWBG, the Ministry can impose any other penalty.	15. In case mandatory IC is not achieved by a vendor and/or if a false certificate is furnished by a vendor/sub-vendor, other than the forfeiture of the Vendor's <del>IPBG and</del> PWBG, the Ministry can impose any other penalty.
7.	<b><u>Pre Contract Integrity Pact (PCIP)</u></b>  Para 119 to Chapter II, Page 58	119. <b><u>Pre Contract Integrity Pact (PCIP)</u></b> . All vendors will be required to submit a PCIP along with their technical and commercial offers. An Integrity Pact Bank Guarantee (IPBG) will also be submitted for all procurement schemes over Rs 20 crores. Format of the PCIP is as given at Annexure I to Appendix O of Schedule I. Post contract, a fresh IPBG based on the Contract Price will be submitted by the vendor in place of the IPBG submitted along with the bids. DPSUs/OFB are, however, not required to submit PCIP and IPBG when nominated as Ab-initio Single Vendors. They shall enter in to a PCIP, on the same lines, with its sub-vendors individually in case the estimated value of each sub-contract(s) exceeds Rs 20 crores. DPSUs/OFB will submit all BGs, as applicable, while participating in multi vendor cases with private vendors.	119. <b><u>Pre Contract Integrity Pact (PCIP)</u></b> . All vendors will be required to submit a PCIP <b>for all procurement schemes above Rs 20 crores</b> along with their technical and commercial offers. <del>An Integrity Pact Bank Guarantee (IPBG) will also be submitted for all procurement schemes over Rs 20 crores.</del> <b>Earnest Money Deposit will act as security for PCIP till signing of contract.</b> Format of the PCIP is as given at Annexure I to Appendix O of Schedule I. <b>Format of EMD is given at Annexure I to Appx O of Schedule I to Chapter II.</b> <del>Post contract, a fresh IPBG based on the Contract Price will be submitted by the vendor in place of the IPBG submitted along with the bids.</del> <b>Post signing of contract, PCIP will be covered by PWBG till completion of the contract.</b> DPSUs/OFB are, however, not required to submit PCIP <del>and IPBG</del> when nominated as ab-initio Single Vendors. They shall <b>however</b> enter in to a PCIP, on the same lines, with <del>its</del> <b>their</b> sub-vendors individually in case the estimated value of each sub-contract(s) exceeds Rs 20 crores. DPSUs/OFB will submit <b>PCIP, EMD &amp;</b> all BGs as applicable, while participating in multi vendor cases with private vendors.

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
8.	<b><u>Integrity Pact (if applicable):</u></b> <b>Sub Para(h) of Appx A to Chapter II, Page 64</b>	(h) <b><u>Integrity Pact (if applicable).</u></b> An integrity pact along with appropriate IPBG is a mandatory requirement in the instant case (Refer Annexure I to Appendix M of Schedule I).	(h) <b><u>Integrity Pact (if applicable).</u></b> An integrity pact along with appropriate IPBG is a mandatory requirement in the instant case (Refer Annexure I to Appendix <del>M</del> <b>O</b> of Schedule I).
9.	<b><u>Guidelines To Be Followed When Change of name of vendor is Involved while Participating in The Procurement Process</u></b> <b>Para 2 of Appx K to Chapter II, Page 158</b>	2. User Directorate/MoD shall process the change of name of vendor case for consent of the approving authority concerned. On grant of consent, vendor would be informed and he would have to submit new Pre-Contract Integrity Pact (PCIP), Integrity Pact Bank Guarantee (IPBG) and any other applicable financial instruments/documents bearing the new entity name.	2. User Directorate/MoD shall process the change of name of vendor case for consent of the approving authority concerned. On grant of consent, vendor would be informed and he would have to submit new Pre-Contract Integrity Pact (PCIP), <del>Integrity Pact Bank Guarantee (IPBG)</del> <b>Earnest Money Deposit (EMD)</b> , and any other applicable financial instruments/documents bearing the new entity name.
10.	<b><u>Integrity Pact Bank Guarantee (IPBG)</u></b> <b>Para 6 (b) of Appx K to Chapter II, Page 160</b>	(b) Integrity Pact Bank Guarantee (IPBG)	(b) <del>Integrity Pact Bank Guarantee (IPBG)</del> <b>Earnest Money Deposit (EMD), if applicable</b>
11.	<b><u>RFP Format</u></b> <b>Para 3 (j) of Schedule I to Chapter II, Page 168</b>	(j) IPBG Amount	(j) <del>IPBG Amount</del> <b>EMD Amount</b>
12.	<b><u>Index Annexure I to Appendix O of Index to RFP of Schedule I to Chapter II , Page 171</u></b>	Format for IPBG	Format for <del>IPBG</del> <b>EMD</b>

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
13.	<b><u>Non-Disclosure</u></b> <b>Para 2 to Part I of</b> <b>Schedule I to</b> <b>Chapter II, Page</b> <b>173</b>	2. The Bidding documents, including this RFP and all attached documents provided by the MoD, are and shall remain or become the property of the MoD. These are transmitted to the Bidders solely for the purpose of preparation and the submission of a proposal in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their proposal. The provisions of this Para shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders, and the MoD will not return to the Bidders any proposal, document or any information provided along therewith (except unopened Commercial Bid and IPBG, as relevant).	2. The Bidding documents, including this RFP and all attached documents provided by the MoD, are and shall remain or become the property of the MoD. These are transmitted to the Bidders solely for the purpose of preparation and the submission of a proposal in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their proposal. The provisions of this Para shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders, and the MoD will not return to the Bidders any proposal, document or any information provided along therewith (except unopened Commercial Bid and <b>EMD IPBG</b> , as relevant).
14.	<b><u>Integrity Pact</u></b> <b>Para 24 to Part I of</b> <b>Schedule I to</b> <b>Chapter II, Page</b> <b>179</b>	24. <b><u>Integrity Pact.</u></b> In the subject RFP, the Bidder is required to sign and submit Pre Contract Integrity Pact (PCIP) given at <b>Annexure I to Appendix O</b> to this RFP and shall also deposit Rs ____ Crores/Lakhs (as applicable) as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IP and IPBG' at the time of submission of Technical and commercial offers. The Beneficiary Bank Details for furnishing IPBG are as follows:-  (IFSC Code - SBIN0000691) State Bank of India New Delhi Main Branch C Block, 11 Parliament Street New Delhi, Pin: 110001  (An Integrity Pact would be signed between MoD and the bidders for schemes exceeding Rs 20 Crores, irrespective of the value of the commercial bids submitted by bidders)	24. <b><u>Integrity Pact.</u></b> In the subject RFP, the Bidder is required to sign and submit Pre Contract Integrity Pact (PCIP), <b>if applicable</b> , given at <b>Annexure I to Appendix O</b> to this RFP. <del>and shall also deposit Rs ____ Crores/ Lakhs (as applicable) as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IP and IPBG' at the time of submission of Technical and commercial offers. The Beneficiary Bank Details for furnishing IPBG are as follows:-</del>  (IFSC Code - SBIN0000691) State Bank of India New Delhi Main Branch C Block, 11 Parliament Street New Delhi, Pin: 110001  (An Integrity Pact would be signed between MoD and the bidders for schemes exceeding Rs 20 Crores, irrespective of the value of the commercial bids submitted by bidders)



<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
15.	<b>Submission of Bids</b> <b>Para 30 to Part I of Schedule I to Chapter II, Page 180</b>	30. <b>Submission of Bids.</b> The Technical and Commercial Proposals along with IP and IPBG should be sealed separately in three separate envelopes clearly indicating Commercial/ Technical/ IP and IPBG, as applicable, and then put in one envelope and sealed ( <b>all the envelopes should clearly state the letter No of RFP and the name of equipment and Bidder name</b> ) and submitted to the undersigned at the following address by ___ hours on ___ :-  <b>O/o ADG Acquisition Technical (Army)</b> <b>Room No 30, D-II Wing</b> <b>Sena Bhawan</b> <b>New Delhi-110011</b> <b>Fax No: 23792414</b>	30. <b>Submission of Bids.</b> The Technical and Commercial Proposals along with IP and <b>EMD IPBG</b> should be sealed separately in three separate envelopes clearly indicating Commercial/Technical/IP and <b>EMD IPBG and any other Bank Guarantee</b> as applicable, and then put in one envelope and sealed ( <b>all the envelopes should clearly state the letter No of RFP and the name of equipment and Bidder name</b> ) and submitted to the undersigned at the following address by ___ hours on ___ :-  <b>O/o ADG Acquisition Technical (Army/Air/M&amp;S)</b> <b>Room No 30, D-II Wing</b> <b>Sena Bhawan</b> <b>New Delhi-110011</b> <b>Fax No: 23792414</b>
16.	<b>Compliance Table</b> <b>Appx B to</b> <b>Schedule I to</b> <b>Chapter II, Page 197</b>	Integrity Pact Bank Guarantee as per Para ___ of RFP (indicate amount of IPBG)	Integrity Pact Bank Guarantee <b>Earnest Money Deposit</b> as per Para ___ of RFP (indicate amount of IPBG <b>EMD</b> )
17.	<b>Integrity Pact</b> <b>Para 8.1(g)(ii) of</b> <b>Appx O to</b> <b>Schedule I to</b> <b>Chapter II, Page 300</b>	(ii) Forfeiture of the IPBG and Guarantee for Performance-cum-Warranty Bond;	(ii) Forfeiture of the IPBG <b>EMD (pre-contract)</b> and Guarantee for Performance-cum-Warranty Bond ( <b>after signing of contract</b> ).
18.	<b>Integrity Pact</b> <b>Para 8.1(k) of Appx O to Schedule I to Chapter II, Page 301</b>	(k) Every Bidder while submitting techno commercial bid shall also deposit Rs___Crore/ Lakh (as applicable) as <b>IPBG/Security deposit</b> through any of the instruments mentioned at <b>Para 8</b> of Annexure I. This would be submitted in a separate envelope clearly marked as IPBG along with technical and commercial proposals.	(k) <del>Every Bidder while submitting techno commercial bid shall also deposit Rs___Crore/ Lakh (as applicable) as IPBG/ Security deposit through any of the instruments mentioned at Para 8 of Annexure I. This would be submitted in a separate envelope clearly marked as IPBG along with technical and commercial proposals.</del>

S No	Reference	For	Read																																													
19.	<p><b><u>Integrity Pact Bank Guarantee (IPBG)</u></b></p> <p><b>Para 8, 8.1 of Annexure I to Appx O of Schedule I to Chapter II, Page 305</b></p>	<p><b>8. <u>Integrity Pact Bank Guarantee (IPBG).</u></b></p> <p>8.1 Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of (as per IPBG table below) in favour of the Buyer in Indian Rupees only.</p> <p>(i) Guarantee will be from Indian Public or Private Scheduled Commercial Bank (as notified by RBI), promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within five working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.</p> <p style="text-align: center;"><b><u>IPBG TABLE</u></b></p> <table border="1" data-bbox="585 867 1467 1450"> <thead> <tr> <th colspan="2" data-bbox="585 867 1204 980">Estimated Cost of Procurement Scheme (Crore)</th> <th data-bbox="1204 867 1467 980">IPBG Amount</th> </tr> <tr> <th data-bbox="585 980 881 1052">Above (Not including)</th> <th data-bbox="881 980 1204 1052">To (Including)</th> <th data-bbox="1204 980 1467 1052"></th> </tr> </thead> <tbody> <tr> <td data-bbox="585 1052 881 1097">-</td> <td data-bbox="881 1052 1204 1097">20</td> <td data-bbox="1204 1052 1467 1097">Nil</td> </tr> <tr> <td data-bbox="585 1097 881 1143">20</td> <td data-bbox="881 1097 1204 1143">50</td> <td data-bbox="1204 1097 1467 1143">10 Lakh</td> </tr> <tr> <td data-bbox="585 1143 881 1188">50</td> <td data-bbox="881 1143 1204 1188">150</td> <td data-bbox="1204 1143 1467 1188">30 Lakh</td> </tr> <tr> <td data-bbox="585 1188 881 1234">150</td> <td data-bbox="881 1188 1204 1234">300</td> <td data-bbox="1204 1188 1467 1234">70 Lakh</td> </tr> <tr> <td data-bbox="585 1234 881 1279">300</td> <td data-bbox="881 1234 1204 1279">1000</td> <td data-bbox="1204 1234 1467 1279">2 Crore</td> </tr> <tr> <td data-bbox="585 1279 881 1325">1000</td> <td data-bbox="881 1279 1204 1325">2000</td> <td data-bbox="1204 1279 1467 1325">5 Crore</td> </tr> <tr> <td data-bbox="585 1325 881 1370">2000</td> <td data-bbox="881 1325 1204 1370">3000</td> <td data-bbox="1204 1325 1467 1370">10 Crore</td> </tr> <tr> <td data-bbox="585 1370 881 1416">3000</td> <td data-bbox="881 1370 1204 1416">5000</td> <td data-bbox="1204 1370 1467 1416">15 Crore</td> </tr> <tr> <td data-bbox="585 1416 881 1450">5000</td> <td data-bbox="881 1416 1204 1450">-</td> <td data-bbox="1204 1416 1467 1450">25 Crore</td> </tr> </tbody> </table>	Estimated Cost of Procurement Scheme (Crore)		IPBG Amount	Above (Not including)	To (Including)		-	20	Nil	20	50	10 Lakh	50	150	30 Lakh	150	300	70 Lakh	300	1000	2 Crore	1000	2000	5 Crore	2000	3000	10 Crore	3000	5000	15 Crore	5000	-	25 Crore	<p><del>8. <u>Integrity Pact Bank Guarantee (IPBG)</u></del></p> <p><del>8.1 Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee Earnest Money Deposit for an amount of (as per IPBG EMD table below) in favour of the Buyer in Indian Rupees only.</del></p> <p><del>(i) Guarantee will be from Indian Public or Private Scheduled Commercial Bank (as notified by RBI), promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within five working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.</del></p> <p><b>8. <u>Bid Security: Earnest Money Deposit</u></b></p> <p><b>8.1 Every bidder, while submitting commercial bid, shall submit Bid Security in the form of Earnest Money Deposit (EMD), in cases where applicable (as provided in Clause 8 herein).</b></p> <p><b>(a) To safeguard against a bidder(s) withdrawing or altering its bid during the bid validity period, Bid Security (also known as EMD) is to be obtained from all bidders except for cases upto Rs. 100 Crores (i.e, all cases upto Rs. 100 crores of AoN will be exempted from payment of EMD) as follows:-</b></p> <p style="text-align: center;"><b><u>EMD TABLE</u></b></p> <table border="1" data-bbox="1596 1300 2610 1539"> <thead> <tr> <th colspan="2" data-bbox="1596 1300 2381 1382">Estimated Cost of Procurement Scheme (Crore)</th> <th data-bbox="2381 1300 2610 1382">EMD Amount</th> </tr> <tr> <th data-bbox="1596 1382 1967 1450">Above (Not including)</th> <th data-bbox="1967 1382 2381 1450">To (Including)</th> <th data-bbox="2381 1382 2610 1450"></th> </tr> </thead> <tbody> <tr> <td data-bbox="1596 1450 1967 1495">-</td> <td data-bbox="1967 1450 2381 1495">100</td> <td data-bbox="2381 1450 2610 1495">Nil</td> </tr> <tr> <td data-bbox="1596 1495 1967 1539">100</td> <td data-bbox="1967 1495 2381 1539">150</td> <td data-bbox="2381 1495 2610 1539">30 Lakh</td> </tr> </tbody> </table>	Estimated Cost of Procurement Scheme (Crore)		EMD Amount	Above (Not including)	To (Including)		-	100	Nil	100	150	30 Lakh
Estimated Cost of Procurement Scheme (Crore)		IPBG Amount																																														
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Above (Not including)	To (Including)																																															
-	100	Nil																																														
100	150	30 Lakh																																														

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>		
			150	300	70 Lakh
			300	1000	2 Crore
			1000	2000	5 Crore
			2000	3000	10 Crore
			3000	5000	15 Crore
			5000	-	25 Crore
			<p>(b) EMD is not required from Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organisation or the concerned Ministry or Department or Startups as recognised by Department of Industrial Policy &amp; Promotion (DIPP), in accordance with the Ministry of Finance office memorandum bearing No. No. F.20/2/2014-PPD (Pt.) dated July 25, 2017 (as amended from time to time).</p> <p>(c) DPSUs are not required to submit EMD when nominated as ab-initio single vendor. DPSUs will submit all BGs and EMD as applicable while participating in multi vendor cases with private vendors.</p> <p>(d) <u>Format of EMD.</u>The Bid Security may be accepted in the following forms, safeguarding the Buyer's interest in all respect:-</p> <p>(i) Bank Guarantee from any Indian Public or Private Scheduled Commercial Bank notified by RBI or first-class banks of international repute. The format of the Bank Guarantee for Bid Security is provided at Annexure 1 to Appendix O.</p>		

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
			<p>(ii) <b>Insurance Surety Bond</b> - The format and guidelines pertaining to the same shall be issued / notified by the Ministry of Defence.</p> <p>(iii) <b>Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque</b> shall be payable in an acceptable form. The <b>Beneficiary Bank Details</b> for furnishing the same are as follows:</p> <p>(IFSC Code - SBIN0000691)  State Bank of India New Delhi Main Branch  C Block, 11 Parliament Street  New Delhi, Pin: 110001</p> <p>(e) <b><u>Validity of EMD.</u></b> The EMD will be valid for eighteen months or till signing of contract, whichever is later. The EMD shall be extended from time to time as required by the Buyer and agreed by the Bidder. No interest shall be payable by the Buyer to the Bidder(s) on the EMD for the period of its currency. For unsuccessful bidders EMD will be returned on declaration of successful bidder(s).</p> <p>(f) <b><u>Instances of Forfeiture of EMD.</u></b></p> <p>(i) If the Bidder withdraws or amends, impairs or derogates from the Bid in any respect within the period of validity of this tender.</p> <p>(ii) If the Bidder having been notified of the acceptance of his tender by the Buyer during the period of its validity.</p> <p>(aa) If the Bidder fails to furnish the Performance Security for the due performance of the contract.</p>

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
			<p>(ab) Fails or refuses to accept/ execute the contract.</p> <p>(iii) In case of violation of Pre-Contract Integrity Pact, EMD will be forfeited besides other legal penalties as may be decided by the Ministry of Defence.</p>
20.	<p><b><u>Integrity Pact Bank Guarantee (IPBG)</u></b></p> <p><b>Para 8.2 of Annexure I to Appx O of Schedule I to Chapter II, Page 306</b></p>	<p>8.2 The Integrity Pact Bank Guarantee (IPBG) shall be valid up to Three years from the date of submission. However, Bidders will be required to extend the Integrity Pact Bank Guarantee, as and when required by the Buyer. In the case of the successful bidder, validity of the Integrity Pact Bank Guarantee will be extended up to the satisfactory completion of the Contract. In case a vendor unilaterally decides to withdraw from the procurement scheme or has been declared non-compliant and if he wishes to withdraw his IPBG, he may do so provided he gives an undertaking that he has no complaints and will not make any complaints in the case. Integrity Pact Bank Guarantee shall be returned promptly in case of unsuccessful bidders.</p>	<p><del>8.2 The Integrity Pact Bank Guarantee (IPBG) shall be valid up to Three years from the date of submission. However, Bidders will be required to extend the Integrity Pact Bank Guarantee, as and when required by the Buyer. In the case of the successful bidder, validity of the Integrity Pact Bank Guarantee will be extended up to the satisfactory completion of the Contract. In case a vendor unilaterally decides to withdraw from the procurement scheme or has been declared non-compliant and if he wishes to withdraw his IPBG, he may do so provided he gives an undertaking that he has no complaints and will not make any complaints in the case. Integrity Pact Bank Guarantee shall be returned promptly in case of unsuccessful bidders.</del></p>
21.	<p><b><u>Sanctions for Violation</u></b></p> <p><b>Para 10.1(ii) of Annexure I to Appx O of Schedule I to Chapter II, Page 307</b></p>	<p>(ii) The IPBG/Performance-cum-Warranty Bond shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason therefore.</p>	<p>(ii) <del>The IPBG/</del> <b>EMD for pre contract period</b>, Performance-cum-Warranty Bond <b>post signing of contract</b> shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason therefore.</p>

S No	Reference	For	Read
22.	<p><b>Format of Integrity Pact Bank Guarantee (IPBG) Refers to Para 8.1 of Pre-Contract Integrity Pact Annexure I to Appx O of Schedule I to Chapter II, Pg 311</b></p>	<p><b>FORMAT OF INTEGRITY PACT BANK GUARANTEE (IPBG)</b></p> <p>To,</p> <p>The _____, Ministry of _____, Government of India, _____ (complete postal address of the beneficiary)</p> <p>1. In consideration of President of India represented by Joint Secretary and Acquisition Manager (Army/Air Force/Maritime &amp; Systems) / Major General or equivalent, Service Hqr./Coast Guard, Ministry of Defence, Government of India (hereinafter referred to as the Buyer and/or the first party) having agreed to accept a sum of Rs. _____ (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 _____ we _____ (Name of the Bank), (hereinafter referred to as the Bank), do hereby undertake to pay to the Buyer on demand within 5 (five) working days without any demur and without seeking any reasons whatsoever, an amount not exceeding Rs. _____ (Rupees _____) and the guarantee will remain valid upto three years from the date of its submission i.e. _____ (Submission date). 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.</p> <p>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.</p> <p>3. No interest shall be payable by the Buyer to the Bidder(s) on the guarantee for the period of its currency.</p>	<p><b>FORMAT OF INTEGRITY PACT BANK GUARANTEE (IPBG)</b></p> <p>To,</p> <p>The _____, Ministry of _____, Government of India, _____ (complete postal address of the beneficiary)</p> <p><del>1. In consideration of President of India represented by Joint Secretary and Acquisition Manager (Army/Air Force/Maritime &amp; Systems) / Major General or equivalent, Service Hqr./Coast Guard, Ministry of Defence, Government of India (hereinafter referred to as the Buyer and/or the first party) having agreed to accept a sum of Rs. _____ (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 _____ we _____ (Name of the Bank), (hereinafter referred to as the Bank), do hereby undertake to pay to the Buyer on demand within 5 (five) working days without any demur and without seeking any reasons whatsoever, an amount not exceeding Rs. _____ (Rupees _____) and the guarantee will remain valid upto three years from the date of its submission i.e. _____ (Submission date). 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.</del></p> <p><del>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.</del></p> <p><del>3. No interest shall be payable by the Buyer to the Bidder(s) on the guarantee for the period of its currency.</del></p> <p><del>4. Notwithstanding anything contained herein above:-</del></p> <p><del>(a) Our liability under this Guarantee shall not exceed Rs _____ (Rupees _____ only) (in words).</del></p>

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
		<p>4. Notwithstanding anything contained herein above:-</p> <p>(a) Our liability under this Guarantee shall not exceed Rs _____ (Rupees _____ only) (in words).</p> <p>(b) This Bank Guarantee shall remain valid until _____ (hereinafter the expiry date of this guarantee). The Bank Guarantee will cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.</p> <p>(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)</p> <p>Dated the _____ day of _____ (month and year)</p> <p>Place : Signed and delivered by _____ (Name of Bank).</p> <p style="text-align: right;">Through its authorized signatory (Signature with seal)</p>	<p><del>(b) This Bank Guarantee shall remain valid until _____ (hereinafter the expiry date of this guarantee). The Bank Guarantee will cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.</del></p> <p><del>(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)</del></p> <p><del>Dated the _____ day of _____ (month and year)</del></p> <p><del>Place : Signed and delivered by _____ (Name of Bank).</del></p> <p style="text-align: right;"><del>_____ Through its authorized signatory (Signature with seal)</del></p> <p style="text-align: center;"><b><u>EMD BANK GUARANTEE FORMAT</u></b></p> <p><b>Whereas _____(hereinafter called the “Bidder”) has submitted their offer dated.....for the supply of _____ (hereinafter called the “Bid”) against the Buyer’s Request for proposal No. _____ KNOW ALL MEN by these presents that WE _____of _____ having our registered office at _____ are bound unto _____ (hereinafter called the “Buyer”) in the sum of _____ for which payment will and truly to be made to the said Buyer, the Bank binds itself, its successors and assigns by these presents.</b></p> <p><b>Sealed with the Common Seal of the said Bank this..... day of .....20.....</b></p> <p><b>The conditions of obligations are:-</b></p>

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
			<p>(1) If the Bidder withdraws or amends, impairs or derogates from the Bid in any respect within the period of validity of this tender.</p> <p>(2) If the Bidder having been notified of the acceptance of his tender by the Buyer during the period of its validity.</p> <p style="padding-left: 40px;">(a) If the Bidder fails to furnish the Performance Security for the due performance of the contract.</p> <p style="padding-left: 40px;">(b) Fails or refuses to accept/execute the contract.</p> <p>(3) If the bidder violates Pre-Contract Integrity Pact.</p> <p>WE undertake to pay the Buyer up to the above amount upon receipt of its first written demand, without the Buyer having to substantiate its demand, provided that in its demand the Buyer will note that the amount claimed by it is due to it owing to the occurrence of above mentioned conditions, specifying the occurred condition or conditions.</p> <p>This guarantee will remain in force upto and including 45 days after the period of 18 months/ contract signing whichever is later and any demand in respect thereof should reach the Bank not later than the above date.</p> <p>.....</p> <p>(Signature of the authorized officer of the Bank)  Name and designation of the officer  Seal, name &amp; address of the Bank and address of the Branch</p>



<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
23.	<b><u>Documents to be Submitted by the Bidder along with their Techno-Commercial Proposals</u></b> Ser No 21 of the table to Appx S to Schedule I to Chapter II, Page 318	Ser No. 21 of the table Annexure I to Appendix O IPBG	Ser No.21 of the table Annexure I to Appendix O IPBG <b>EMD</b>
24.	<b><u>Glossary</u></b> Appx T to Chapter II, Page 319	IPBG Integrity Pact Bank Guarantee	IPBG Integrity Pact Bank Guarantee <b>EMD - Earnest Money Deposit (to be inserted as per alphabetical order of Glossary)</b>
25.	<b><u>Bank Guarantees (BGs) Management</u></b> <b>Para 13 of Chapter XI, Page 595</b>	13. The Bank Guarantee for i.e., IPBG, APBG, PWBG, and Additional Bank Guarantee for Essential parameters - B are kept in a sealed envelope under lock and key with the Contract Executing Authority i.e. concerned directorate in the SHQ. The bidder may furnish BG from any Indian Public or Private Scheduled Commercial Bank notified by RBI or first-class banks of international repute.	13. The Bank Guarantee i.e. <b>EMD</b> , IPBG, APBG, PWBG and Additional Bank Guarantee for Essential parameters - B are kept in a sealed envelope under lock and key with the Contract Executing Authority i.e. concerned directorate in the SHQ. The bidder may furnish BG from any Indian Public or Private Scheduled Commercial Bank notified by RBI or first-class banks of international repute.
26.	<b><u>Bank Guarantees (BGs) Management</u></b> <b>Para 16 of Chapter XI, Page 595</b>	16. Para 8.2 of Annexure I to Appendix O of Schedule I to Chapter II on Pre-Contract Integrity inter alia states that the IPBG shall be valid up to three years from the date of submission; the same would be kept in Custody of AMs/ SHQ till finalization of Contract. Post conclusion of Contract the same would be sent to SHQ who will return the IPBG to vendor post successful completion of Contract within four to six weeks. However, Bidders will be required to extend the IPBG as and when required by the buyer. In the case of the successful bidder, validity of the IPBG will be extended upto the satisfactory completion of the contract. On declaration of L1 vendor, the other vendors are at liberty to withdraw their IPBGs. However, the attention of vendors may be drawn to	16. <del>Para 8.2 of Annexure I to Appendix O of Schedule I to Chapter II on Pre-Contract Integrity inter alia states that the IPBG shall be valid up to three years from the date of submission; the same would be kept in Custody of AMs/ SHQ till finalization of Contract. Post conclusion of Contract the same would be sent to SHQ who will return the IPBG to vendor post successful completion of Contract within four to six weeks. However, Bidders will be required to extend the IPBG as and when required by the buyer. In the case of the successful bidder, validity of the IPBG will be extended upto the satisfactory completion of the contract. On declaration of L1 vendor, the other vendors are at liberty to withdraw their IPBGs. However, the attention of vendors may be drawn to Para 106-107 of Chapter II regarding negotiation with L2 vendors. The IPBGs of such vendors will be returned within four to six weeks of application for withdrawal of IPBG.</del>

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		Para 104-105 of Chapter II regarding negotiation with L2 vendors. The IPBGs of such vendors will be returned within four to six weeks of application for withdrawal of IPBG.																					
27.	<b><u>Bank Guarantees (BGs) Management</u></b> <b>Para 17 of Chapter XI, Page 595</b>	17. Post signing of contract, it shall be the responsibility of the Contract Executing Officer in SHQ to ensure that IPBG is revalidated from time to time, till the conclusion of the contract, to the satisfaction of buyer and the seller.	<del>17. Post signing of contract, it shall be the responsibility of the Contract Executing Officer in SHQ to ensure that IPBG is revalidated from time to time, till the conclusion of the contract, to the satisfaction of buyer and the seller.</del>																				
28.	<b><u>Bank Guarantees (BGs) Management</u></b> <b>Para 18 of Chapter XI, Page 596</b>	18. The IPBGs shall be noted in a register or on computer in the following format by the contract executing agencies. XX XXX	<del>18. The IPBGs shall be noted in a register or on computer in the following format _____ by _____ the _____ contract _____ executing agencies. XXX XX.</del>																				
29.	<b><u>Bank Guarantees (BGs) Management</u></b> <b>Para 22 of Chapter XI, Page 597</b>	22. The procedure for handling of IPBG is as below: - <table border="1" data-bbox="580 792 1451 1495"> <thead> <tr> <th data-bbox="580 792 682 865">Ser No.</th> <th data-bbox="682 792 1451 865">Procedure</th> </tr> </thead> <tbody> <tr> <td data-bbox="580 865 682 979">a</td> <td data-bbox="682 865 1451 979"><b>IPBG Receipt from Vendor.</b> IPBG alongwith Commercial and Technical proposals will be sent to ADGs Acquisition Technical/ SHQ.</td> </tr> <tr> <td data-bbox="580 979 682 1198">b</td> <td data-bbox="682 979 1451 1198"><b>Technical Offer Opening Committee (TOOC).</b> TOOC comprising members of ADGs Acquisition Technical, rep of SHQ, rep of FMs/IFA and rep of AMs will examine the IPBG and forward to concerned AMs/SHQ for approval/ any correction/time given to the vendor.</td> </tr> <tr> <td data-bbox="580 1198 682 1458">c</td> <td data-bbox="682 1198 1451 1458"><b>IPBG Safe Custody.</b> Post acceptance of TOOC recommendations the IPBG shall be sent to Acquisition Wing/ SHQ by ADGs Acquisition Technical for keeping in safe custody/review to ensure a close track on the currency ofthe guarantee and that they are extended from time to time.</td> </tr> <tr> <td data-bbox="580 1458 682 1495">d</td> <td data-bbox="682 1458 1451 1495"><b>Return of IPBG.</b></td> </tr> </tbody> </table>	Ser No.	Procedure	a	<b>IPBG Receipt from Vendor.</b> IPBG alongwith Commercial and Technical proposals will be sent to ADGs Acquisition Technical/ SHQ.	b	<b>Technical Offer Opening Committee (TOOC).</b> TOOC comprising members of ADGs Acquisition Technical, rep of SHQ, rep of FMs/IFA and rep of AMs will examine the IPBG and forward to concerned AMs/SHQ for approval/ any correction/time given to the vendor.	c	<b>IPBG Safe Custody.</b> Post acceptance of TOOC recommendations the IPBG shall be sent to Acquisition Wing/ SHQ by ADGs Acquisition Technical for keeping in safe custody/review to ensure a close track on the currency ofthe guarantee and that they are extended from time to time.	d	<b>Return of IPBG.</b>	22. The procedure for handling of <b>IPBG EMD Bank Guarantee</b> is as below:- <table border="1" data-bbox="1607 792 2526 1529"> <thead> <tr> <th data-bbox="1607 792 1688 865">Ser No.</th> <th data-bbox="1688 792 2526 865">Procedure</th> </tr> </thead> <tbody> <tr> <td data-bbox="1607 865 1688 979">a</td> <td data-bbox="1688 865 2526 979"><b>IPBG EMD Receipt from Vendor.</b> IPBG EMD alongwith Commercial and Technical proposals will be sent to ADGs Acquisition Technical/ SHQ.</td> </tr> <tr> <td data-bbox="1607 979 1688 1166">b</td> <td data-bbox="1688 979 2526 1166"><b>Technical Offer Opening Committee (TOOC).</b> TOOC comprising members of ADGs Acquisition Technical, rep of SHQ, rep of FMs/IFA and rep of AMs will examine the <b>IPBG EMD</b> and forward to concerned AMs/SHQ for approval/ any correction/ time given to the vendor.</td> </tr> <tr> <td data-bbox="1607 1166 1688 1385">c</td> <td data-bbox="1688 1166 2526 1385"><b>IPBG EMD Safe Custody.</b> Post acceptance of TOOC recommendations the <b>IPBG EMD</b> shall be sent to Acquisition Wing/ SHQ by ADGs Acquisition Technical for keeping in safe custody/review to ensure a close track on the currency ofthe guarantee and that they are extended from time to time.</td> </tr> <tr> <td data-bbox="1607 1385 1688 1529">d</td> <td data-bbox="1688 1385 2526 1529"><b>Return of IPBG EMD.</b> (i) <b>Pre Contract.</b> In case, the vendor unilaterally decides to withdraw from the acquisition process or declared non-compliant at TEC/GS Evaluation stage, the</td> </tr> </tbody> </table>	Ser No.	Procedure	a	<b>IPBG EMD Receipt from Vendor.</b> IPBG EMD alongwith Commercial and Technical proposals will be sent to ADGs Acquisition Technical/ SHQ.	b	<b>Technical Offer Opening Committee (TOOC).</b> TOOC comprising members of ADGs Acquisition Technical, rep of SHQ, rep of FMs/IFA and rep of AMs will examine the <b>IPBG EMD</b> and forward to concerned AMs/SHQ for approval/ any correction/ time given to the vendor.	c	<b>IPBG EMD Safe Custody.</b> Post acceptance of TOOC recommendations the <b>IPBG EMD</b> shall be sent to Acquisition Wing/ SHQ by ADGs Acquisition Technical for keeping in safe custody/review to ensure a close track on the currency ofthe guarantee and that they are extended from time to time.	d	<b>Return of IPBG EMD.</b> (i) <b>Pre Contract.</b> In case, the vendor unilaterally decides to withdraw from the acquisition process or declared non-compliant at TEC/GS Evaluation stage, the
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<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
		<p>(i) <b>Pre Contract.</b> In case, the vendor unilaterally decides to withdraw from the acquisition process or declared non-compliant at TEC/GS Evaluation stage, the IPBG shall be returned to the vendor by the concerned AMs/ SHQ within four to six weeks under intimation to ADGs Acquisition Technical provided the vendor gives a certificate that he does not have any complaint nor wishes to make any complaint. On declaration of L1 vendor, the other vendors are at liberty to withdraw their IPBGs. However, the attention of vendors may be drawn to Para 104-105 of Chapter II regarding negotiation with L2 vendors. The IPBGs of such vendors will be returned within four to six weeks of application for withdrawal of IPBG.</p> <p>(ii) <b>Post Contract.</b> In the case of the successful bidder, validity of the IPBG will be extended upto the satisfactory completion of the contract.</p>	<p><del>IPBG EMD</del> shall be returned to the vendor by the concerned AMs/ SHQ within four to six weeks under intimation to ADGs Acquisition Technical provided the vendor gives a certificate that he does not have any complaint nor wishes to make any complaint. On declaration of L1 vendor, the other vendors are at liberty to withdraw their <del>IPBGs EMDs</del>. However, the attention of vendors may be drawn to Para 104-105 of Chapter II regarding negotiation with L2 vendors. The <del>IPBGs EMDs</del> of such vendors will be returned within four to six weeks of application for withdrawal of <del>IPBG EMD</del>.</p> <p>(ii) <del>Post Contract. In the case of the successful bidder, validity of the IPBG will be extended upto the satisfactory completion of the contract.</del></p> <p><b>Note : The mode of management of EMD, issued through forms other than bank guarantee viz, Insurance Surety Bond, Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque shall be provided through relevant circular by the Ministry of Defence.</b></p>

**SUMMARY**

**BUSINESS PROCESS RE-ENGINEERING PHASE –II : DAP 2020**

<b><u>S No</u></b>	<b><u>Reference</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
<b><u>Splitting of Quantities among Multiple Vendors</u></b>			
30.	<b><u>Splitting Source of Supply</u> Para 26 to Chapter II, Page 31</b>	26. <b><u>Splitting Source of Supply.</u></b> In cases, where it is decided in advance to have more than one source of supply, specific approval will be taken in AoN for ratio of splitting the supply between (first lowest bidder) L1 and (second lowest bidder) L2 vendors, provided L2 vendor accepts the price and terms and conditions quoted by / negotiated with the L1 vendor, and the same will be pre-disclosed in the RFP.	26. <b><u>Splitting Source of Supply.</u></b> In procurement cases, based on <b>viable quantity / technological feasibility and sustainability factors, the SoC should clearly bring out the requirement of splitting of quantities amongst vendors. In such cases, specific</b> <del>In cases, where it is decided in advance to have more than one source of supply,</del> approval will be taken in AoN for ratio of splitting the supply between (first lowest bidder) L1 and (second lowest bidder) L2 vendors, provided L2 vendor accepts the price and terms and conditions quoted by / negotiated with the L1 vendor, and the same will be pre-disclosed in the RFP. <b>The other technically qualified bidders who have not been awarded contract will be issued a certificate by SHQ indicating that the product has been successfully trial evaluated, to facilitate vendors to explore other markets.</b>

**SUMMARY**

**BUSINESS PROCESS RE-ENGINEERING PHASE –II : DAP 2020**

<b>S No</b>	<b>Reference</b>	<b>For</b>	<b>Read</b>
<b>Amendments in para 69-73 of DAP 2020 for Incorporation of Simplified Procedure for Acquisition through iDEX</b>			
31.	<b>Innovations for Defence Excellence (iDEX)</b>  <b>Para 69 of Chapter-III, Page 341.</b>	69. <b>Development of Prototype.</b> A Project Facilitation Team (PFT) or nodal officer will be nominated by the SHQs for each iDEX case. PFT/Nodal officer will act as the primary interface between the SHQ and the industry during the design and development stage. After the prototype has been developed, the PFT would carry out UTRR of the prototype before offering it for User Trials.	69. <b>Development of Prototype.</b> A Project Facilitation Team (PFT) or nodal officer will be nominated by the SHQs for each iDEX case. PFT/Nodal officer will act as the primary interface between the SHQ and the industry during the design and development stage. After the prototype has been developed, <del>the PFT would carry out UTRR of the prototype before offering it for User Trials.</del> <b>as confirmed by the PFT in a collegiate manner, the PFT with requisite empowered members, would carry out the Single Stage Composite Trials of the prototype and ratify the same within one week of completion of composite trials. The Trial report will be accepted by the appropriate authority within the SHQs in three weeks. Project, where prototype of only a single firm/individual has cleared the trials, would also be progressed as resultant single vendor.</b>
32.	<b>Innovations for Defence Excellence (iDEX)</b>  <b>Para 70 of Chapter-III, Page 342.</b>	70. Prototypes that have been successfully developed through the iDEX framework will be taken up by the SHQs for grant of AoN after finalisation of SQRs as per procedure outlined in Chapter II of DAP. The SoC will be prepared by the SHQs, with the involvement of important stakeholders such as HQ IDS, DRDO, DDP, Advisor (Cost) and MoD (Fin)/ IFA.	70. <del>Prototypes that have been successfully developed through the iDEX framework will be taken up by the SHQs for grant of AoN after finalisation of SQRs as per procedure outlined in Chapter II of DAP. The SoC will be prepared by the SHQs, with the involvement of important stakeholders such as HQ IDS, DRDO, DDP, Advisor (Cost) and MoD (Fin)/ IFA.</del> <b>Since the development of prototypes under iDEX is based on the Project Definition Statements (PDS) and the Product Requirement Units (PRU), articulated by the Services, the PRUs will be converted to PSQRs prior to the 'single stage composite trials', dispensing the RFI based SQR formulation process detailed in the Chapter-II of DAP-2020. The 'single stage composite trials' will then be based on the PSQRs and if found acceptable, the PSQRs will be automatically converted to SQRs. SoC for accord of AoN by the respective AoN according authority, for successfully developed prototypes through the iDEX framework, will be taken up by the SHQs based on these SQRs. The SoC will be prepared by the SHQs, within four</b>

<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
			weeks of successful trials, for approval by the AoN according authority. The requirement of obtaining comments of other agencies is dispensed with, to facilitate timely completion of SOC.
33.	<p><b><u>Innovations for Defence Excellence (iDEX)</u></b></p> <p><b>Para 71 of Chapter-III, Page 342.</b></p>	71. <b><u>Solicitation of Commercial Offers</u></b> . A commercial Request for Proposal (RFP) for 'Buy (Indian-IDDM) phase will be issued to all DAs (iDEX Winners who have successfully developed the prototypes) for submission of their commercial offer prior to commencement of User trials.	71. <b><u>Solicitation of Commercial Offers</u></b> . A commercial Request for Proposal (RFP) for 'Buy (Indian-IDDM) phase will be issued to all DAs (iDEX Winners who have successfully developed the prototypes) for submission of their commercial offer prior to commencement of User trials. <b>RFP will be issued to the iDEX winners on clearing the 'single stage composite trials' under Buy (Indian-IDDM) category seeking commercial offer. Cases where more than one startup is participating, with the qualification of one of the startup in the 'single stage composite trials', the other (s) can continue their development but with no liability on the Service HQs to procure from them. All assistance will be provided by the Service HQs &amp; DIO to evaluate their solution once ready and they will be given certification of 'fit for military use'.</b>
34.	<p><b><u>Innovations for Defence Excellence (iDEX)</u></b></p> <p><b>Para 72 of Chapter-III, Page 342.</b></p>	72. <b><u>FET</u></b> . FET will be carried out as per Chapter II of DAP 2020, in coordination with iDEX. Project, where prototype of only a single firm/individual clears the trials, will be progressed as resultant single vendor.	72. <b><u>FET</u></b> . FET will be carried out as per Chapter II of DAP 2020, in coordination with iDEX. Project, where prototype of only a single firm/individual clears the trials, will be progressed as resultant single vendor. <b>Para 72 to be deleted.</b>
35.	<p><b><u>Innovations for Defence Excellence (iDEX)</u></b></p> <p><b>Para 73 of Chapter-III, Page 342.</b></p>	73. <b><u>Follow-on Procedures</u></b> . Subsequent procedures of Staff Evaluation, CNC and award of Contract will be same as for 'Buy (Indian- IDDM)' category, from the successful DA/DAs, in accordance with Chapter II of DAP.	73. <b><u>Follow-on Procedures</u></b> . Subsequent procedures of Staff Evaluation, CNC and award of Contract will be same as for 'Buy (Indian- IDDM)' category, from the successful DA/DAs, in accordance with Chapter II of DAP. <b>Post CNC, contract will be awarded with the approval of CFA. CNC will comprise of maximum five members including Reps of user Dte (Member- Secretary), Tech Dte, rep IFA, rep Advisor (Cost) and chaired by a designated authority at appropriate level. The negotiated cost and contract vetting is to be undertaken by CNC only and approval of CFA at SHQ is to be obtained. The CNC will be completed within 30 days of commencement of the same in a collegiate manner. Observations if any, will be resolved within this stipulated time &amp; no extension will be granted. Post accord of CFA approval, the Contract will be signed within prescribed timelines.</b>

<b><u>S No</u></b>	<b><u>Reference</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
			<p>(a) For cases under non-delegated powers, standard CNC composition as per Appendix H, Chapter II of DAP 2020 will continue and CFA approval will be obtained by MoD Acquisition. Rest of the procedure will be as per delegated power cases.</p> <p>(b) The proposed timeline for Acquisition through iDEX will be as per freshly added Appendix M to Chapter III.</p> <p>(c) The proposed amendments in Make-II process on similar lines are enumerated at Appendix L to Chapter III.</p>

**SUMMARY**

**BUSINESS PROCESS RE-ENGINEERING PHASE –II : DAP 2020**

<b>S No</b>	<b>Reference</b>	<b>For</b>	<b>Read</b>
<b>Amendments in Chapter-III of DAP 2020 for Incorporation of Simplified Procedure for Acquisition through Make-II</b>			
36.	<b>Make-II Category</b>  <b>Para 54 of Chapter-III, Page 338.</b>	54. <b>Development of Prototype.</b> After the issuance of PSO, PFT will act as the primary interface between the SHQ and the industry during the design and development stage. After the prototype has been developed, the PFT would carry out User Trial Readiness Review (UTRR) of the prototype before offering it for Field Evaluation. Request for Proposal (RFP) for 'Buy (Indian-IDDM) phase, duly vetted by Acquisition Wing (for non-delegated cases)/concerned SHQ (for delegated cases), will be issued to all vendors who have successfully developed the prototype and participated in the UTRR for submission of their commercial offer prior to commencement of FET.	54. <b>Development of Prototype.</b> After the issuance of PSO, PFT will act as the primary interface between the SHQ and the industry during the design and development stage <b>to ensure matching of product functional units/ prototype specification with the User Requirements/PSQRs.</b> <del>After the prototype has been developed, the PFT would carry out User Trial Readiness Review (UTRR) of the prototype before offering it for Field Evaluation. Request for Proposal (RFP) for 'Buy (Indian-IDDM) phase, duly vetted by Acquisition Wing (for non-delegated cases)/concerned SHQ (for delegated cases), will be issued to all vendors who have successfully developed the prototype and participated in the UTRR for submission of their commercial offer prior to commencement of FET.</del>
37.	<b>Make-II Category</b>  <b>Para 55 of Chapter-III, Page 338.</b>	55. <b>FET and Staff Evaluation.</b> FET would be carried out by the SHQ in close consultation with PFT and will be followed up by Staff Evaluation in accordance with Chapter II of DPP. At this stage no changes should be suggested, which require re-designing of the system/sub-system or technology upgrade. Such suggestions would only be considered and implemented in the subsequent/follow-on models, if required. The user may however recommend minor modifications with regard to ease of handling or maintainability.	55. <b>FET and Staff Evaluation.</b> <del>FET would be carried out by the SHQ in close consultation with PFT and will be followed up by Staff Evaluation in accordance with Chapter II of DPP. At this stage no changes should be suggested, which require re-designing of the system/sub-system or technology upgrade. Such suggestions would only be considered and implemented in the subsequent/follow-on models, if required. The user may however recommend minor modifications with regard to ease of handling or maintainability.</del> <b>After the prototype has been developed as confirmed by the PFT in a collegiate manner, the PFT with requisite empowered members, would carry out the Single Stage Composite Trials of the prototype within four weeks and ratify the same within one week of completion of composite trials. The Trial report will be accepted by the appropriate authority within the SHQs in two weeks. Project, where prototype of only a single firm/individual has cleared the trials, would also be progressed as resultant single vendor. No further trials shall be conducted during Buy (Indian-IDDM) phase.</b>



<u>S No</u>	<u>Reference</u>	<u>For</u>	<u>Read</u>
38.	<p><b><u>Make-II Category</u></b></p> <p>Para 55 of Chapter-III, Page 338.</p>	<p><b><u>New Para 55A after Para 55 of Chapter-III Page 338</u></b></p>	<p><b>55A. Issue of Commercial RFP.</b> Commercial Request for Proposal (RFP) for 'Buy (Indian-IDD) phase, duly vetted by Acquisition Wing (for non-delegated cases)/concerned SHQ (for delegated cases), will be issued to all vendors who have cleared the 'single stage composite trials' of prototype.</p>
39.	<p><b><u>Make-II Category</u></b></p> <p>Para 58 of Chapter-III, Page 339.</p>	<p>58. After the conclusion of negotiations, the procurement procedure would thereafter be same as for 'Buy (Indian-IDD) category from the successful DA/DAs, in accordance with Chapter-II of DPP.</p>	<p><del>58. After the conclusion of negotiations, the procurement procedure would thereafter be same as for 'Buy (Indian-IDD) category from the successful DA/DAs, in accordance with Chapter-II of DPP.</del></p> <p><b><u>Follow-on Procedures.</u></b> Post CNC, contract will be awarded with the approval of CFA as per delegation of Financial Powers.</p> <p>(a) For cases under delegated powers of SHQs, CNC will comprise of maximum five members including Reps of user Dte (Member-Secretary), Tech Dte, rep IFA, rep Advisor (Cost) and chaired by a designated authority at appropriate level. The negotiated cost and contract vetting is to be undertaken by CNC only and approval of CFA at SHQ is to be obtained. The CNC will be completed within 30 days of commencement of the same in a collegiate manner. Observations if any, will be resolved within this stipulated time &amp; no extension will be granted. Post accord of CFA approval, the Contract will be signed within prescribed timelines.</p> <p>(b) For cases under non-delegated powers, standard CNC composition as per Appendix H, Chapter II of DAP 2020 will continue and CFA approval will be obtained by MoD Acquisition. Rest of the procedure will be as per delegated power cases.</p>

**SUMMARY**

**BUSINESS PROCESS RE-ENGINEERING PHASE –II : DAP 2020**

<b><u>S No</u></b>	<b><u>Reference</u></b>	<b><u>For</u></b>	<b><u>Read</u></b>
<b><u>Amendments related to Dispensation of Quantity Vetting &amp; Scaling in iDEX &amp; Make II Cases in Delegated Cases</u></b>			
40.	<b><u>Categorisation and Accord of AoN</u></b>  <b>Para 19 (c) of Chapter-III, Page 327.</b>	19(c) Minimum Order Quantity (MOQ) which can be exclusively committed, keeping in mind the financial viability of the identified project at the production stage, after the successful development of prototype. In cases of new equipment where scaling has not yet been done or has been exempted, quantity vetting will be done at AoN stage on the basis of MOQ for Make-I and Make-II cases based on justification viz-a-viz requirement by SHQs in the SoC. The SHQs will concurrently initiate a case for scaling. For Make -III cases, where scaling is not exempted, scaling and quantity vetting will be required at AoN stage.	19.(c) Minimum Order Quantity (MOQ) which can be exclusively committed, keeping in mind the financial viability of the identified project at the production stage, after the successful development of prototype. In <b>non delegated</b> cases of new equipment, where scaling has not yet been done or has been exempted, quantity vetting will be done at AoN stage on the basis of MOQ for Make-I and Make-II cases based on justification viz-a-viz requirement by SHQs in the SoC. The SHQs will concurrently initiate a case for scaling. <b>However, quantity vetting and scaling will be dispensed with, in Make II cases for initial procurement subject to the procurement value commensurate with delegated cases.</b> For Make -III cases, where scaling is not exempted, scaling and quantity vetting will be required at AoN stage.
41.	<b><u>Innovations for Defence Excellence (IDEX)</u></b>  <b>Para 67 of Chapter-III, Page 341.</b>	67. Details of the programme through DISC, SPARK and other such frameworks would be uploaded on the iDEX website www.iDEX.gov.in from time to time. The procurement of the final product will be processed under the Buy (Indian-IDDM) category.	67. Details of the programme through DISC, SPARK and other such frameworks would be uploaded on the iDEX website www.iDEX.gov.in from time to time. The procurement of the final product will be processed under the Buy (Indian-IDDM) category. <b>However, quantity vetting and scaling will be dispensed with, in iDEX cases for initial procurement subject to the procurement value commensurate with delegated cases.</b>

**Annexure I to Appendix D**

(Refers to Ser No 35)

**Appendix L to Chapter III**

(Refers to Paragraph 60 of Chapter III)

**PROPOSED TENTATIVE TIME LINES FOR MAKE-II AND MAKE-III PROJECTS**

Ser. No	Activity Stage of Procurement	Time in weeks Line as per DAP (in weeks)	Time Line as per DAP (Cumulative Time- in weeks)
<b>Phase I</b>			
1.	Approval of proposals as POTENTIAL 'Make-II' projects by Collegiate to be headed by Secretary (DP) Accord of AIP by Collegiate and uploading on MoD/DDP website	T <sub>0</sub>	T <sub>0</sub>
2.	Completion of Feasibility study	12	T <sub>0</sub> +12
3.	Preparation of PSQRs	4	T <sub>0</sub> +16
4.	Categorisation and Accord of AoN	6	T <sub>0</sub> +22
5.	Formation of PFT and Shortlisting of potential EO recipients (parallel activities)	4	T <sub>0</sub> +26
6.	Issue of Eol	8	T <sub>0</sub> +34
7.	Eol Response submission	8	T <sub>0</sub> +42
8.	Eol Response evaluation	6	T <sub>0</sub> +48
9.	Issue of Project Sanction Order	2	T <sub>0</sub> +50
10	Total time line for of Phase I	50	
<b>Phase II</b>			
12 10.	Prototype development and Evaluations	30-48	T <sub>0</sub> +80/ T <sub>0</sub> +98
11.	Single stage Composite User trials & acceptance of Trail Report	7	T <sub>0</sub> +87/ T <sub>0</sub> +105
13 12.	Conversion of PSQRs to SQRs	2	T <sub>0</sub> +89/ T <sub>0</sub> +107
13.	Issue of Commercial RFP	2	T <sub>0</sub> +91/ T <sub>0</sub> +109
14.	Solicitation of Commercial offer	4	T <sub>0</sub> +95/ T <sub>0</sub> +113
15.	Finalisation of CNC	4	T <sub>0</sub> +99/ T <sub>0</sub> +117
16.	Signing of contract	2	T <sub>0</sub> +102/ T <sub>0</sub> +119
	<b>Phase II</b>	<b>51-69</b>	
15.	<u>Phase III</u> - FET till Contract	As per chapter II	
16	<b>Total Time period from AIP to Contract</b>	<del>88-106 weeks +</del> Phase III <b>101-119</b>	



**Annexure II to Appendix D**

(Refers to Ser No 35)

**Appendix M to Chapter III**

(Refers to Paragraph 69-73 of Chapter III)

**PROPOSED TIMELINE FOR PROCUREMENT AS PER iDEX**

<b>Ser. No</b>	<b>Stage of Procurement</b>	<b>Time Line as per DAP (in weeks)</b>	<b>Time Line as per DAP (Cumulative Time-in weeks)</b>
1.	Acceptance of Necessity (Date of issue of minutes of DAC/ DPB/ SPB meeting)	3 (within 3 weeks of Trials)	T <sub>0</sub>
2.	Issue of RFP	4	T <sub>0</sub> +04
3.	Pre Bid Meeting/ Dispatch of Pre Bid reply	2	T <sub>0</sub> +06
4.	Receipt of Responses	4	T <sub>0</sub> +10
5.	Completion of TEC Report/ Acceptance of TEC Report	4	T <sub>0</sub> +14
6.	Finalisation of CNC Report	4	T <sub>0</sub> +18
7.	Obtaining of CFA-CFA-MoD	2	T <sub>0</sub> +20
8.	Signing of Main Contract	2	T <sub>0</sub> + 22