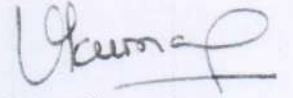


**GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
[ACQ WING SECRETARIAT]**

Subject: Shipbuilding RFP- DAP 2020- reg.

1. Refer to Para 73 of Chapter XII of DAP 2020.
2. Standardised RFP on Shipbuilding is uploaded on MoD website.



(V K Adhana)
Director(Acq)
Telefax: 2379-2865

VCNS DG(CG) AS(JN) AS(DP) AS&FA(Acq) CGDA

JS&AM(MS) FM(MS) ADG Acq- Tech(M&S)

MoD ID No. 1(7)/D(Acq)/21 dated 01.04.2021.

Copy to:-

- (i) PS to RM
- (ii) PS to RRM
- (iii) DA to CDS
- (iv) SO to Defence Secretary
- (v) PPS to Secretary (DP)
- (vi) PPS to FA(DS)
- (vii) PPS to DG(Acq)

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

Cover Page



REQUEST FOR PROPOSAL
BY
MINISTRY OF DEFENCE
GOVERNMENT OF INDIA
FOR ACQUISITION

(With details of Project/ Vessel/ Platform, as relevant)

This document is the property of Government of India/Ministry of Defence.
The contents of this RFP must not be disclosed to unauthorised persons and
must be used only for the purpose of submission of Bids.

This document contains ____ pages including cover page and Appendices.

(Schedule I to Chapter XII)
(Refers to Para 73 of Chapter XII)

(THIS RFP PROVIDES A STANDARDISED FORMAT FOR GUIDELINES UNDER SECTION 'B' CHAPTER XII. IT MAY BE VARIED DEPENDING ON USER REQUIREMENTS, TYPE/COMPLEXITY OF EQUIPMENT/MACHINERY/TEST EQUIPMENT AND OPERATIONAL IMPERATIVES AND ALSO ACQUISITION CASES UNDER OTHER SECTIONS OF CHAPTER XII. SHQ MAY ALTER IT AS PER THEIR SERVICE REQUIREMENTS)

Tele: _____
E-mail: _____

File No: _____

Additional Director General
Acquisition-Technical (M&S)
New Delhi-110011

To

REQUEST FOR TECHNICAL AND COMMERCIAL PROPOSAL FOR
(GENERIC NOMENCLATURE OF PROJECT/ VESSEL/ PLATFORM)
CATEGORY: (AS PER AON)

Dear Sir/Madam,

1. The Ministry of Defence, Government of India, intends to procure _____ (generic nomenclature of project/ vessel/ platform and quantity) and seeks participation in the procurement process from prospective Bidders subject to requirements in succeeding paragraphs.

Synopsis

2. **Broad Description of Vessel/Equipment/System.**

The details of the project/vessel/platform proposed to be acquired, along with its intended use and basic configuration/ composition may be included in the Para to enable the Bidder to get a preliminary idea of the project.

(For Illustration: Indian Navy intends to procure sixteen Anti-Submarine Warfare Shallow Water Craft (16 x ASW SWC). These crafts should be capable of operating within 200 nm of the Indian coast in sea states upto 6-7).

3. The salient aspects and timelines of the acquisition are tabulated below. In case of any variation in the details furnished below or in any Annexures(s) with that mentioned in the RFP, information furnished in the main body of the RFP at referred Paragraph is to be followed.

Ser No.	Description	Details	Reference Para of the RFP
(a)	Project/Vessel/Platform required		

(b)	Quantity Required		
(c)	Categorisation of Procurement		
(d)	Minimum IC Content required		
(e)	Place(s) of Delivery		
(f)	Warranty Period		
(g)	CMC Period, if any		
(h)	Offsets required, if any		
(j)	IPBG Amount		
(k)	Last date for submission of Pre-bid queries		
(l)	Date and time for Pre-bid meeting		
(m)	Last date and time for Bid Submission		

4. **Special features of the RFP (if any).**

Special requirements of RFP like the requirement of integration with other systems, linking of Trials with completion of delivery, infrastructure augmentation required etc. are to be specified to draw the attention of bidders to critical aspects of the RFP.

(For Illustration: The vessels supplied by the bidder shall be designed with the best shipbuilding practices conforming to stipulated IN/CG specifications and extant Class Notations. Also, the bidder shall deliver vessel post completion of all requisite Test & Trials as specified in the RFP, including the Part IV)

5. This Request for Proposal (RFP) consists of following four parts:-

Ser No.	Description	Page No.
(a)	Part I – General Requirements	
(b)	Part II - Technical Requirements	
(c)	Part III – Commercial Requirements	
(d)	Part IV – Bid Evaluation and Acceptance Criteria	

6. The Government of India invites responses to this request only from the Bidder to whom the RFP is being issued. The bidder is required to forward the list of authorized persons for interacting with SHQ in relation to this instant RFP.

7. The end user of the equipment is the Indian Armed Forces/ Indian Navy/ICG.

8. This RFP is being issued with no financial commitment and the Ministry of Defence reserves the right to withdraw the RFP and change or vary any part thereof or foreclose the procurement case at any stage. The Government of India also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

9. This RFP is non-transferable.

10. In addition to various Appendices and their Annexures, attached with this RFP, reference to various paragraphs of DAP-2020 has been made in the RFP. The DAP -2020 is an open domain document that is available at GoI, MoD website www.mod.nic.in.

11. The receipt of the RFP may please be acknowledged.

Yours faithfully
O/o ADG Acq-Tech
(Maritime & Systems)

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Disclaimer

1. This RFP is neither an agreement nor an offer by the MoD to prospective Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in submitting their proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by the MoD in relation to the Project. This RFP document and any assumptions, assessments and statements made herein do not purport to contain all the information that each Bidder may require. The Bidder shall bear all its costs associated with or relating to the preparation and submission of proposal pursuant to this RFP. Where necessary, MoD reserves the right to amend or supplement the information, assessment or assumptions contained in this RFP. The MoD reserves the right to withdraw the RFP or foreclose the procurement case at any stage. The issuance of this RFP does not imply that the MoD is bound to shortlist a Bidder for the Project. The MoD also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

PART I – GENERAL REQUIREMENTS

1. This part consists of the general requirement of the Project/Vessel/Platform and Services, hereafter collectively referred as ‘Deliverables’, the numbers required, the time frame for deliveries, conditions of usage and maintenance, requirement for training, Engineering Support Package (ESP), Offset obligations and warranty/guarantee conditions, etc. It includes the procedure and the date & time for submission of bids.

Non-Disclosure

2. The Bidding documents, including this RFP and all attached documents provided by the MoD, are and shall remain or becomes 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 Technical Bid, Commercial Bid and IPBG, as relevant).

3. Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process, or concerning the Bidding Process. The MoD will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. MoD may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or MoD or as may be required by law or in connection with any legal process.

4. **Confidentiality of Information.** No party shall disclose any information to any ‘Third Party’ concerning the matters under this RFP generally. In particular, any information identified as ‘Proprietary’ in nature by the disclosing party shall be kept strictly confidential by the receiving party and shall not be disclosed to any third party without the prior written consent of the original disclosing party. This clause shall apply to the sub-contractors, consultants, advisors or the employees engaged by a party with equal force.

5. **Classified RFPs (Where applicable).** In case of issue of a classified RFP and/or documents as part of procurement process, applicable provisions will be as follows:-

(a) All the relevant precautions and procedures for handling the RFP/document/Information have to be followed that are applicable to the relevant level of security classification, as per extant government orders on the subject. A Non-Disclosure Agreement would have to be signed by all Bidders in accordance with the format placed at Appendix Q. The Non-Disclosure Agreement would have to

be signed by the Bidder prior to receipt of the RFP (SHQ to seek such NDA from the prospective bidders in advance).

(b) **‘Restricted Information’ Categories under ‘Official Secrets’ under Section 5 of the Official Secrets Act, 1923.** Any contravention to the above mentioned provisions by any Bidder, sub-contractors, consultants, advisors or the employees of a contractor, will make them liable for penal consequences under the above said legislation.

6. **Business Eligibility**

(a) **Undertaking by Bidders.** The Bidder will submit an undertaking that they are currently not banned / debarred / suspended from doing business dealings with Government of India / any other government organisation and that there is no investigation going on by MoD against them. In case of ever having been banned / debarred / suspended from doing business dealings with MoD/any other government organization, in the past, the Bidder will furnish details of such ban / debarment along with copy of government letter under which this ban / debarment / suspension was lifted / revoked. The Bidder shall also declare that their sub-contractor(s)/supplier(s)/technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s)/supplier(s)/ technology partner(s) of the Bidder are Suspended or Debarred by Ministry of Defence, the Bidder shall indicate the same with justification for participation of such sub-contractor(s)/supplier(s)/ technology partner(s) in the procurement case.

(b) Subsequent to submission of bids if any sub-contractor(s)/supplier(s)/technology partner(s) of the Bidder is Suspended or Debarred by Ministry of Defence, the Bidder shall intimate the Ministry of Defence regarding Suspension or Debarment of its sub-contractor(s)/ supplier(s)/technology partner(s) within two weeks of such order being made public.

7. **Financial Assessment Parameters.** The detailed Financial Assessment Parameters for the Bidders for participation in the instant acquisition case are placed at Appendix R to this RFP. All Bidders are to submit details as per the criteria along with the Technical Bids. These would be evaluated by a Financial Parameters Evaluation Team. In case the bidder is admitted with NCLT or an appeal is pending under Insolvency & Bankruptcy Code -16 (and amendment thereof), Bidder will not be eligible for participation in the acquisition process. The date of bid submission will be considered for admission or otherwise. The bidder has to separately submit a self-declaration certificate indicating that no such case is pending under IBC along with the bid submission for examination by SHQ.

8. **Indigenous Content.** For the purposes of this RFP and the acquisition contract (if any) signed by the Ministry of Defence with the successful Bidder, indigenous content shall be as defined under **Para 8 to 12 of Chapter I** and **Para 1 of Appendix B to Chapter I** of DAP 2020. In addition, reporting requirements for prime (main) Bidders (and for sub-contractors/suppliers/technology partners reporting to higher stages/tiers) shall be as prescribed under **Para 4 to 7 of Appendix B to Chapter I** of DAP 2020 **(or as approved by AoN according authority)**. The right to audit Bidder/ sub-contractors/suppliers/technology partners shall vest in the Ministry of Defence as prescribed under **Para 10**; and aspects of

delivery, certification, payments, withholding of payments and imposition of penalties shall be as prescribed under **Para 11 to 15** thereof. Furthermore, Bidders in ‘Buy (Indian IDDM)’, ‘Buy (Indian)’, ‘Buy and Make (Indian)’, Buy (Global-Manufacture in India) and Buy (Global) (for Indian vendors) will be required to submit their indigenisation plan in respect of indigenous content as stipulated in **Para 4 to 7 of Appendix B to Chapter I** and **Para 39** of Chapter II of DAP 2020. Compliance to IC with reference to claims made by vendors will be carried out during TEC stage, as per Annexure II to Appendix A. Verification of the cost aspects of IC shall be undertaken at CNC stage. The DAP -2020 is available at MoD, GoI website (www.mod.nic.in) for reference and free download.

In Buy (Indian-IDDM) cases, the IC claim shall be examined at TEC stage. Requirement to provide details of indigenous content (equipment/system wise), sources of supply etc and indication as percentage cost of the equipment/system to the vessel cost be included in the RFP. It may be specified that shipyard is to furnish necessary supporting documentation to support IC claim. Vague undertakings or assertions shall not be accepted at TEC stage.

9. **Year of Production.** Deliverables [Project/ Vessel/Platform(including major equipment & system fit)] supplied under the contract should be of latest manufacture i.e manufactured after the date of Contract with unused components/assemblies/sub-assemblies, conforming to the current production standard and should have 100% of the defined life (other than permitted running hours during assembly/acceptance trials) at the time of delivery. Deviations, if any, should be clearly brought out by the Bidder in the Technical Proposal.

10. **Delivery Schedule.** The delivery schedule of Project/vessel/Platform along with its weapon, sensors and equipment and the, relevant payment stages is specified at **Annexure I to Appendix M**. The Vessel(s) will be delivered along with all onboard equipment/systems, On Board Spares, Documentation, Tools, accessories and Test equipment or as specified separately. The acceptance of weapon, sensors and equipment will be specified in the RFP by SHQ as per requirement.

The acceptable range of delivery schedule of the vessel(s)/ must be indicated clearly in the RFP. Option for the bidder to indicate earliest delivery schedule must be given only in unavoidable cases with due regards to its induction schedule and financial implications/budgetary constraints

11. Once the contract is concluded and the delivery schedule is established, the Bidder shall adhere to it and ensure continuity of supply of deliverables and their components under the contract.

12. **Upkeep, Maintenance and Preservation of Machinery and Equipment.** The Bidder shall be responsible for the maintenance, upkeep and preservation of all equipment, material and systems procured for the Vessel/Platform. All activities undertaken on machinery/systems based on Manufacturers’ recommendation up to time of delivery is to be recorded and thereafter handed over to the Buyer prior to delivery. Before the date of delivery of any item of machinery to the Bidder’s premises/yard, the Bidder shall advise the main

machinery contractor as to when the item is likely to be installed on board the Vessel for service. The preservation and packaging of the equipment shall be decided between the Bidder and the main machinery contractor, so as to ensure that there is no damage in transit and deterioration during the period when the item is in storage. Whether the item is supplied by the IHQ MoD (N) or not, the removal of packaging shall be carried out in the presence of the Naval Overseer. After both the overseer and the Bidder are satisfied about the condition of the equipment, the item shall become the responsibility of the Bidder for the further preservation until inducted into service. A logbook shall be maintained by the Bidder indicating the maintenance carried out till handing over of the equipment and system. The deliverables/Components are to be preserved by the Bidder till delivery to the Buyer. In case, JRI necessitates unpacking to the extent that the preserved life of the deliverables is affected, Bidder is to undertake re-packing to restore the preserved life to the specified period at his own cost. In cases of any delay in STW/installation/Integration trials/commissioning and if preservation period expires during the storage prior installation/post installation and prior trials (as applicable), the deliverables are to be re-preserved by the Bidder. In case of Buyer Furnished Equipment (BFE), cost towards upkeep and preservation will be in accordance with Para 22 or as mutually agreed between Buyer and Bidder.

13. **Warranty.** The supplied Vessel(s)/ Equipment shall carry a warranty of ____ months/years/ operational hours (**not to be left blank**) from the respective date of acceptance of each Vessel. In case of systems/ equipment, which have not completed trials prior delivery, the warranty of that particular system/ equipment would commence from the day of successful completion of trials (as applicable on case to case basis). Draft Warranty Clause is given at **Appendix C** to this RFP.

14. **Offset** (If applicable). Offset obligation shall be discharged by the Bidder in accordance with provisions of DAP 2020. The Bidder has to undertake Offset contracts amounting to ___% or (as approved by the DAC) of the value of 'Buy' portion of the Contract amount. The technical offer should include a written undertaking to this effect. Failure to discharge this undertaking at any stage will result in disqualification of the Bidder from further participation in the evaluation process and the offer will be treated as null and void. The terms and conditions of Offset are given at **Appendix D** to this RFP.

(The procedure for implementation of the offset obligation is placed at Appendix 'E' to Chapter II of DAP 2020).

15. **In Service Life /Shelf Life/ Reliability Assessment** (as applicable). The minimum Service life of the Project/ Vessel/Platform is required to be ____ Years (**not be left blank**). The In Service Life/Shelf Life of the vessel(s)/equipment respectively shall be stipulated in the bid. In case of shelf life of equipment, the relevant storage conditions should be clearly specified. The Bidder is required to give details of reliability model, reliability prediction and its validation by designer based on the operating parameters defined in the GLS of the RFP to ensure reliability of vessel/s throughout Service. The efficacy of reliability model/prediction/validation would be verified during technical evaluation as indicated in **Para 44** of this RFP.

16. **Product Support.** The Bidder would be bound by a condition in the contract that they would be in a position to provide product support in terms of maintenance, materials and spares for a **minimum period of ___years and ___ years for electronic items (may be specified on as required basis).** Towards this the Bidder is to obtain contractual commitments from the various equipment manufacturers/ vendors to provide product support for the said period from the date of delivery of the Vessel(s) at the Buyer's designated Naval/CG base port. Even after the said mandatory period, the Bidder would be bound to give at least 2 years notice to the Buyer prior to closure of the said production line, to assess the requirement of life time buy of all spares before closure of the said production line. This said aspect would also form an integral part of the Contract. This, however, shall not restrict the Buyer from directly sourcing sub-equipment/sub-assembly and spares from their respective OEMs/sub-vendors on completion of warranty. In case the sub-equipment/sub-assembly/parts require tuning/calibration/integration by the Bidder prior replacement, the same is to be undertaken by the Seller at fair and reasonable cost.

17. **Codification.** The Bidder agrees to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the contract as per part list (including MRLS). In case, the NSNs are not available, the bidder agrees to codify using basic technical characteristics as required for codification in consultation with MoD/Directorate of Standardisation. In case of IPR issues, codification will be undertaken as Type IV codification (where only the manufacturer details and part number are to be provided).

18. **Obsolescence Management (if applicable).** An actionable obsolescence management plan along with the mechanism for intimation of notification of obsolescence is to be proposed by the Bidder in consultation with the equipment/system OEMs after signing of the contract. . The modalities of the mechanism for intimation of notification would be deliberated during CNC. The mutually agreed mechanism for intimation would form an integral part of the contract. All upgrades and modifications carried out by the OEM on the equipment / weapon/ sensor during the next ____years or during the life cycle must be intimated to the SHQ as per the agreed mechanism.

19. **First Outfit of Naval Stores.** The Bidder shall supply the first outfit of Naval/CG Stores (Permanent & Consumable) along with the delivery of the vessel as per the list given in **Appendix A.** This will be factored in determination of L1 {S1 (a) 8 of Price Bid at **Appendix N**}.

20. **Training of Crew and Maintenance Personnel.** The crew of the vessel(s) and shore maintenance staff are required to be trained on the operation and maintenance of hull, electrical and engineering equipment, weapons and sensors installed onboard (Details at **Appendix A**) in English language and Hindi language (if required). The Crew are required to be trained for vessel Operation and onboard Repairs while the Maintenance Personnel of Refitting Agency are to be trained for Planned Preventive Maintenance and other repairs (Details at **Appendix A**) by the Bidder or the OEM of the equipment, as applicable. This training shall be designed to give the operators/ maintainers necessary knowledge and skills to operate & maintain equipment (level 1 to 4 or 'O'/'I'/'D'), as applicable. The syllabus

will be defined by the Bidder in consultation with the Buyer at the time of technical discussions prior to finalizing / ordering of the equipment. The maintenance training will be imparted to the satisfaction of the Buyer and Bidder will ensure that the training content and period will be to impart working proficiency up to the required level. All training requirements such as training aids, projection system, complete equipment with accessories / optionals, technical literature, spares, test equipment / test set up, charts, training handouts, power point presentations, Computer Based Training (CBT), Documentation, Simulators etc will be catered by the Bidder. The expenses towards the stay and travel of Buyer's reps will be borne by the Buyer. All training shall be scheduled in consultation with SHQ and completed prior delivery of 1st ship of the class, i.e. 1st reading of D448 or as defined in RFP. The Bidder is to provide videos on maintenance and training for equipment / weapons/ sensors/ systems installed onboard vessels as part of the training document. These video should be integrated with the IETM level 4 documentation provided with the vessel(s). (List of such equipment / weapons/ sensors/ system to be indicated in the technical bid. Finalisation of the list to be done with Seller).

20(a) The Bidder would provide the following training to the personnel of the Buyer based on agreed terms of contract details of total training duration, number of trainee, batch size, place of training etc to be included as applicable :-

- (i) **Operator Training.** Operator training for ___ duration (in working days) , ___strength in __ batch(es) are to be provided both at Bidder/Buyer premises to be indicated.
- (ii) **Repair and Maintenance Course.** Maintenance training for ___ duration (in working days), ___strength in ___ batch(es) at Bidder/Buyer premises is to be undertaken both for Field and Base level repairs.
- (iii) The above training should meet the needs of repair & maintenance of the complete vessel, equipment, SMTs/STEs, test set up, assemblies/sub-assemblies as per the stipulated repair philosophy.
- (iv) Training for QA personnel as per scope mentioned in Para 46 of RFP for ___personnel in ___ batches are to be undertaken in Bidder/Buyer premises. Bidder to provide the duration (working days) for training as per defined scope, in the Technical Bid.

21. **Government Regulations.** It may be confirmed that there are no Government restrictions or limitations in the country of the Bidder or countries from which Equipment/ Weapons/ Sensor/ Systems or subcomponents are being procured and/or for the export of any part of the deliverables being supplied.

22. **Agents.** (Applicable in case of foreign vendors only) The Bidder is required to disclose full details of any such person, party, firm or institution engaged by them for marketing of their equipment in India, either on a country specific basis or as a part of a global or regional arrangement. These details should include the scope of work and responsibilities that have been entrusted with the said party in India. If there is non-involvement of any such party then the same also be communicated in the offers specifically.

The information is to be submitted as per the format placed at **Appendix E** to this RFP. Without prejudice to the obligations of the Bidder as contained in various parts of this document, appointment of an Agent by Bidders will be subjected to the following conditions:-

- (a) Details of all Agents will be disclosed at the time of submission of offers and within two weeks of engagement of an Agent at any subsequent stage of procurement.
- (b) The Bidder is required to disclose termination of the agreement with the Agent, within two weeks of the agreement having been terminated.
- (c) MoD reserves the right to inform the Bidder at any stage that the Agent so engaged is not acceptable where upon it would be incumbent on the Bidder either to interact with MoD directly or engage another Agent. The decision of MoD on rejection of the Agent shall be final and be effective immediately.
- (d) All payments made to the Agent 12 months prior to bid submission would be disclosed at the time of bid submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.
- (e) The Agent will not be engaged to manipulate or in any way to recommend to any functionaries of the Govt of India, whether officially or unofficially, the award of the contract to the Bidder or to indulge in corrupt and unethical practices.
- (f) The contract with the Agent will not be a conditional contract wherein payment made or penalty levied is based, directly or indirectly, on success or failure of the award of the contract.
- (g) On demand, the Bidder shall provide necessary information/inspection of the relevant financial documents/information, including a copy of the contract(s) and details of payment terms between the Bidder and the Agent engaged by him.

23. **Patent Rights.** The Bidder should confirm that there are no infringements of any Patent Rights in accordance with the laws prevailing in their respective countries.

24. **Integrity Pact.** In the subject RFP, the Bidder is required to sign and submit Pre Contract Integrity Pact (PCIP) given at Annexure I to **Appendix O** 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. Bids submitted without PCIP/IPBG will be rejected and will not be further processed. 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).

25. **Transfer of Technology (ToT) (If applicable)**. The Govt of India, Ministry of Defence is desirous of design/development, manufacture, repair, overhaul *(as applicable)* of **(generic name of Project/Vessel/Platform)** under ToT. Aspects of ToT which are to be fulfilled by the Bidder are given at **Appendix F** to this RFP. Govt reserves the right to negotiate ToT terms subsequently but the availability of ToT would be a pre-condition for any further procurements.

Note:

The ToT outcomes of the project and the methodology for assessing the delivery of ToT outcomes shall be clearly brought out in this section. The details should include the scope & depth of the technology required range of technology for design/development and manufacture of systems, sub-systems, assemblies, components, materials, etc, as well as for repair, overhaul, production from CKD/SKD kits and production from raw material and components level. Aspects which are to be included in the RFP in case production from CKD/SKD/IM kits are given at Appendix F to Schedule I. Since range and depth of technology involves cost, the criteria for selection of range and depth should be optimized based on value addition to the ecosystem and capabilities intended to be augmented. The nominated Production Agency (PA) for the receipt of technology or DRDO will be closely associated in the preparation of RFP. Reference is to be made to the 'Legal Framework in ToT Agreements' as promulgated by DDP.

26. **Transfer of Technology for Maintenance Infrastructure (As applicable)**. The Govt of India, Ministry of Defence is desirous that the depot level maintenance (third line) and the life time support for the *(generic name of the equipment)* be carried out through an Indian private/public firm. The Bidder is required to select an Indian entity which would be responsible for providing base/depot level repairs (third line) and the requisite spares for the entire life cycle of the equipment. For this purpose the Bidder is required to set up maintenance infrastructure and facilities for third line repairs in India at the premises of the selected Indian firm as per the terms and conditions laid down in **Appendix G** to this RFP.

27. **Fall Clause**. If the vessel/s being offered by the Bidder has been supplied/contracted with any organisation, public/private in India, the details of the same may be furnished in the technical as well as commercial offers. The Bidders are required to give a written undertaking that they have not supplied/is not supplying the similar systems or subsystems at a price lower than that offered in the present bid to any other Ministry/Department of the Government of India and if the similar system has been supplied at a lower price, then the details regarding the cost, time of supply and quantities be included as part of the commercial offer. In case of non-disclosure, if it is found at any stage that the similar system or subsystem was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, will be applicable to the present case and with due allowance for elapsed time, the difference in the cost would be refunded to the Buyer, if the contract has already been concluded.

28. **Modifications.** In the event of any requirement of modifications onboard the vessel(s) during the construction/trials within or after Warranty period that would require any deviation from the approved schedules/plan of construction, the Bidder is to take up all such modifications, with cost and time implications in consultations with the Buyer. The Buyer has the right to propose such modifications which should be undertaken by the Bidder. All such modifications, if approved by the Buyer, would then be executed by the Bidder at additional costs, total of which shall not exceed _____% of the sum of basic cost of vessel and total extended time restricted to a maximum of __ % of original contract period under the project. The scope of the work and financial implications would be mutually agreed upon between the Seller and the Buyer.

29. **Contingency.** Contingency upto ____ % of the sum of basic cost of vessel (excluding the cost of BNE / systems) excluding taxes, duties and levies may be catered for unforeseen expenditure for the project. Contingencies can be both Buyer and Bidder contingencies wherein both the parties do not have any control over the situation. Payment towards contingencies will be made as per actuals. Contingencies, inter alia, would cover broad categories such as the following:-

- (a) Extension of Warranty/ Guarantee of the equipment to cover delays not attributable to shipyard.
- (b) Operations and Maintenance of equipment and additional charges for services of Engineers in case of delays in ship's delivery not attributable to shipyard.
- (c) To cover preservation cost of equipment with respect to delay in ship's delivery not attributable to shipyard

Bid Timelines

30. **Queries.** Any queries/clarifications to this RFP may be sent to this office by ____ (date). A copy of the same may also be sent to:-

(Address of the User Directorate)

Replies to queries received from Bidders up to the pre-bid meeting would be sent by SHQs to the office of ADG Acq tech (M&S) within two weeks of Pre-bid meeting and ADG Acq Tech (M&S) should send the response to Bidders within one week thereafter,(timelines can be changed subject to pre-bid query received for a particular project).

31. **Pre-Bid Meeting.** A pre-bid meeting will be organized by SHQ at _____ hrs on _____(date) at _____(venue) to answer any queries or clarify doubts regarding submission of proposals. The Bidder or his authorised representative is requested to attend. Necessary details may be sent a week in advance to _____ **(user directorate)**, to facilitate obtaining of security clearance.

32. **Submission of Bids.** The supporting documents pertaining to Financial Assessment Parameters, Technical and Commercial bids should be sealed separately in three different envelopes and marked appropriately (each envelope should clearly state this letter No & the type of Vessel(s)). All three envelopes shall thereafter be enclosed in one single envelope. The

quotes are to be super-scribed with Bidder's name, address, and official seal and ink signed by an authorised representative of the Bidder. The single envelope containing envelopes of supporting documents pertaining to Financial Assessment Parameters, Technical and Commercial bids shall be submitted along with 'IP & IPBG', as applicable, to the undersigned at the following address by _____ hours on _____:-

O/o ADG Acq-Tech (M& S)
Room No 05, D-II Wing
Sena Bhawan
New Delhi - 110011

Or address as applicable.

33. The Technical bids and supporting documents pertaining to Financial Assessment Parameters, as indicated at Appendix R, will be opened at _____ hours on _____ at the same venue as indicated at Para ___ above. The Bidder or his authorised representative is welcome to be present at the opening of the proposals. Necessary details may be sent a week in advance to facilitate obtaining of security clearance.

34. **Financial Parameter Evaluation Team (FPET)**. The Financial Assessment Parameters in accordance with Appendix 'R' will be evaluated by a Financial Parameter Evaluation Team (FPET) constituted by SHQ prior to TEC, to ascertain the bidder's financial status. Supporting documents pertaining to financial assessment criteria, as indicated at Appendix 'R', are to be submitted by the bidders in a separate sealed envelope at the time of bid submission to be opened with the Technical Bid. TEC would be progressed only for bidders qualifying the stipulated Financial Assessment Parameters.

35. **Technical Evaluation Committee**. The Technical Bids of financially qualified bidders will be evaluated by Technical Evaluation Committee (TEC). The TEC will then evaluate bids to confirm that the Vessel(s) being offered meets the essential parameters and Enhanced Performance Parameters (EPP) (where applicable) as elaborated subsequently in this RFP at Appendix A.

PART II – TECHNICAL REQUIREMENTS

36. The second part of the RFP incorporates the aspects of Staff Requirements/ Guideline Specifications (SRs/ GLS) describing the technical parameters of the proposed vessels. The operational characteristics and features that should be met by the vessel/s are elucidated at **Appendix A** to this RFP and the Compliance Table at **Appendix B** to this RFP.

37. **Technical Offer.** The Technical Offer must enable detailed understanding of the functioning and characteristics of the project/ vessel/platform as a whole and each sub system independently. It must include the performance parameters as listed at **Appendix A** to this RFP and any other information pertaining to the technical specifications of the project/vessel/platform considered important/ relevant by the Bidder. The technical proposal should also include maintenance schedules to achieve maximum life and expected life of each assembly/subassembly (or Line Replaceable Unit (LRU)/Shop Replaceable Unit (SRU)), storage conditions/environment condition recommended and the resultant guaranteed in-service/shelf life of the vessel/ equipment/ weapon/ system etc.

38. **Technical Details.**

(a) The technical details should be factual, comprehensive and include specifications of the offered vessels(s) including its system/ equipment/ weapon sensors against broad requirements/ Functional Design Deliverables Set-I (in case Vessel is designed by SHQ iaw Section C of Chap XII of DAP-20) listed in **Appendix A** to this RFP. Post signing of Contract, the Bidder would be required to provide Statement of Technical Requirements (SOTRs) and Ordering Instructions (OIs) for vetting by IHQ MOD (N)/CGHQ in respect of all major equipment (for ships designed by SHQ, the technical specification of equipment would be provided by Buyer along with generic SOTR format to facilitate preparation of SOTR by Seller post signing of the contract). In cases where a Bidder claims to have equipment meeting the EPP, details of the same will be provided in the technical bid. EPP details not provided in technical bids, will not be allowed to be claimed subsequently.

(b) Insufficient or incomplete details may lead to rejection of the offer. Mere indication of compliance may be construed as incomplete information unless vessels(s) including its system/ equipment/ weapon & sensors specific technical details are available in the offer. A format of the compliance table for the technical parameters and other conditions of RFP is attached as **Appendix B** to this RFP.

(c) Bidder to provide an undertaking that all the requirement stipulated in the RFP/GLS have been examined & there is no deviation from the RFP/GLS. In case of any deviation from the stipulated requirement, bidder to indicate them explicitly for evaluation by TEC.

39. The technical offer should have a separate detachable compliance table as per format given at **Appendix B** to this RFP stating specific answers to all the parameters as listed at **Appendix A** to this RFP. It is mandatory to append answers to all the parameters listed in **Appendix A** to this RFP. Four copies of the Technical Proposal should be submitted (along with one soft copy), however only one copy of the commercial proposal is required.

40. **Build Strategy.** As part of the Technical Bid, the bidder shall indicate the Broad Plan and Build Strategy of work for undertaking the construction of the Vessel (s) in keeping with the required delivery schedule and availability of Yard resources such as station / shipyard/ dry-dock / slipway, where the Vessels are likely to be built. The details are as placed at Appendix A. The Broad aspects to be submitted as part of Build Strategy are placed at Appendix 'H' (Appendix to be included as applicable). (SHQ may suggest changes to the requirement based on project specific requirements).

41. **Malicious Code Certificate.** The Bidder is required to submit a 'Malicious Code Certificate' (only for Electronic items and Software) along with the Technical Proposal. The format is placed at **Appendix J** to this RFP.

42. **Indigenous Software**(where applicable). In order to leverage the highly developed indigenous software expertise existing in the country, it is pertinent that maximum equipment should function with indigenous software (certification by the Statutory Auditor of the Bidder that the software has been developed within India) driving the desired applications while the backend software ie Operating Systems continues to be OEM defined.

43. **Repair and Maintenance (ESP/AMC/CMC/LCSC/PBL** (as required). After induction, the vessel(s)/ equipment/ system would repaired and maintained as per the repair and maintenance philosophy at **Appendix K** to this RFP. The information on Engineering Support Package that is required to be provided is enclosed at **Annexure I to V** to **Appendix K** to this RFP. The details of AMC/CMC/LCSC/PBL proposals, if sought, must also be submitted separately by the Bidder with technical aspects being included in the technical offer and commercial aspects being included in the commercial offer.

1. In case equipment is already in usage, the spare parts requirement must be specific based on the consumption pattern, rather than being based on MRLS.

2. In case consumables are required to be supplied by the Bidder during warranty phase, the same may be included in the Para.

3. If post warranty AMC/CMC/PBL is also being sought from the OEM, the level of AMC/CMC/PBL required (with spares/without spares/repair rate contract) must be clearly indicated.

Note: The ESP/AMC/CMC/LCSC/PBL to be sought needs careful deliberation as it will impact not only the operational availability and life of the equipment but also the overall Life Cycle Cost. The maintenance philosophy (by own resources/AMC/CMC/LCSC/PBL) is to be evolved and the requirement of spares/tools/documents/training shall be clearly spelt out based on the usage, operational criticality, nearest availability of shore/field support and past experience of similar equipment. The flow chart placed at Annexure I to Appendix C to Chapter II of DAP -20 gives various scenarios and resultant formulations to aid in arriving at the requirements.

44. **Spares.** There would be two types of spares required to be provided by the Seller namely MRL-OBS and MRL-B&D. The spares requirement will be as per **Appendix K** to this RFP. The spares are required to be categorized in four categories as follows:-

- (a) Manufactured by equipment/ systems OEM and can be sourced as per Part No.
- (b) Bought out items and customized by the equipment/ systems OEM for the specific purpose and such customization would require OEM intervention.
- (c) Bought out from other OEMs/ Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part No./Identification No. as given by OEM/Third Party and directly utilised.
- (d) General Engineering items/ COTs which can be sourced by stating the relevant standards and item description.

Note. *The OEM Part No. /Identification No. of items in addition to bidder assigned part number are also required to be given. To the extent feasible, NATO Stock Number (NSN) be also provided.*

45. **Base & Depot (B&D) Spares.** The Seller is to arrange supply of MRLS-B&D spares for five years of exploitation, up to 15% (including levies, taxes and handling charges) of the Basic Cost of the vessel. This would be based on the likely consumption rate and exploitation pattern of the equipment. The Seller would seek the comprehensive priced part identification list of spares along with manufacturer recommended B&D spares from all sub vendors along with the technical bid of all the machinery/equipment/weapon and sensors and forward it to the Buyer post signing of contract. This list would contain price, description, pattern no. and quantity fitted on each equipment and respect of various parts/components. The format for specifying the MRL – B&D is placed at Annexure II to Appendix K. The quotation of spares from the sub vendors should be valid for at least 18 months. The Buyer shall subsequently range and scale the B&D spares as per internal orders. The cost negotiation of B&D spares (Landing Cost) would be carried out with the Seller, by a committee constituted by the Buyer. The Seller would be required to present his Sub-vendor(s) before this Committee during cost negotiations, if and when called for by the Committee. The Seller is to undertake procurement of the ranged and scaled spares as per the ordering instructions issued by the IHQ MoD (N)/CGHQ with approval as per internal orders. The bidder is to indicate the total handling charges, remuneration, material overhead, etc., (termed as Cost of Handling) for B&D spares in the price bid at SI (m) of the format placed at **Appendix N**. This cost quoted by the bidders at SI (m) would be counted towards determination of L1. No other charges except this serial and taxes/levies on actuals would be paid over and above the B&D spares price negotiated by the Committee. The remuneration, handling charges etc of B&D spares as quoted in the price bid at SI (m) would be paid on pro rata basis along with the stage payment of B&D spares on documentary evidence.

Evaluation of Technical Offers

46. The Technical Offer submitted by the Bidder will be evaluated by a Technical Evaluation Committee (TEC) to confirm that the Vessel(s)/ being offered meets the Guideline Specifications (GLS) Essential Parameters and Enhanced Performance Parameters (EPP) (where applicable) as elaborated at **Appendix A**. For equipment under FET where Essential Parameters 'B' are involved, TEC will confirm that the Bidder has submitted the undertaking to this effect (Refer **Para 14 (b)** of Chapter II of DAP -20) as per the format given at

Annexure I to Appendix A to this RFP. Details of break-up of various elements in percentage (%) terms of Indigenous and Foreign Content, as per format given at Annexure II to Appendix A, are to be submitted with Technical Offer. For cases where ToT for license production/maintenance infrastructure is sought, the TEC will examine the compliance of the Bidder as per the stated requirements of RFP

47. **Tests and Trials.** For a vessel(s) to be finally accepted in service it is mandatory that it successfully clears all tests/trials/evaluations as per RFP including Part IV trials, if applicable. The trial evaluation process is listed in Appendix A.

Quality Assurance Plan & Acceptance Test Procedure

48. The Seller shall be responsible to the Indian Navy/CG for ensuring Quality of sub contracted parts or materiel. Towards this the SELLER shall ensure a robust quality organisation (QMS/ISO 9000:2015 or latest standards) and indicate quality system being followed in their Yard in the Technical Bid. After the contract is finalised, Seller would be required to provide the Standard Acceptance Test Procedure (ATP) in respect of the vessel and its main equipment to the Buyer for approval. The concerned Quality Assurance agencies of the Buyer, reserves the right to modify the ATP, if necessary. As the Vessel is being built to Classification Society Rules/Naval specified specs (as applicable), the vessel would be inspected by the Classification Society/applicable inspecting authority. The Buyer reserves the right to undertake additional Buyer inspections either directly or through its representatives. The Project Overseeing Team of the Buyer will represent the Buyer for co-ordination of all inspections/trials to be conducted on board the vessel or in the Shipyard, either on its own or with the assistance of any other Buyer nominated trial/inspection agency(s). The Seller will keep the Project Overseeing Team informed of trials/inspections to be carried out by Inspecting authority/Classification Society. The Buyer, through the Overseeing Team will have final decision in this regard.

Marking and Packaging of Equipment / Spares (OBS / B&D)

49. **Marking of Deliverables.** The Bidder through OEMs/ Vendors shall ensure that each deliverable of an equipment/ Spares (OBS/ B&D) is marked clearly and indelibly, as follows:-

- (a) In accordance with the requirements specified in the RFP or if no such requirement is specified, with the indicated codification number or alternative reference number specified.
- (b) Ensure that any marking method used does not have a detrimental effect on the strength, serviceability or corrosion resistance of the deliverables.
- (c) Where the deliverables have a limited shelf life, with the cure date/date of manufacture or expiry date expressed as months and years.

50. Where it is not possible to mark a deliverable with the required particulars, these should be included on the package in which the deliverable is packed.

51. The Bidder through OEMs/ Vendors shall pack or have packed the deliverables, as applicable:-

- (a) In accordance with DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.

This standard is for packaging of non-explosives only. Not to be referred in case of ordnance stores. For explosives/ordnance stores, refer to relevant JSS/Standards.

- (b) To ensure that each deliverable may be transported in an undamaged and serviceable condition.

52. The Bidder through OEMs/ Vendors shall ensure that each package containing the deliverable is labeled to include:-

- (a) The name and address of the consigner and consignee including
- (i) The delivery destination/address if not of the consignee
 - (ii) Transit destination/address (for aggregation/disaggregation, onward shipment etc)
- (b) The description and quantity of the deliverables.
- (c) The full part number in accordance with codification details or as per ____.
- (d) The makers part, catalogue, serial, batch number, as appropriate.
- (e) The contract number.
- (f) Any statutory hazard markings and any handling markings including the mass of any package which exceeds 3 kgs.
- (g) The Packaging Label (military J, N or P, special H, commercial A, C etc) (specify reference to DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.)

Note 1: Packages to be used for defence material shall be designed to an appropriate Military Packaging Level. The Packaging Level as per DEFSTAN 81-041 Part 1 needs to be defined in RFP based on the type of stores, storage, handling and transportation requirements. Commercial Packaging may be either Trade Package or Export Trade Package where Code A or C is used respectively. For special requirements Code H is used. In Military Level Packaging Code P, N & J are used based on storage and distribution requirements. The details of the conditions applicable for deliverables being inducted needs to be clearly identified and compared to the conditions of each code as defined in DEFSTAN 81-041 Part 1, to arrive at correct packaging level.

Note 2: The requirements of Packing/ Storage/ Preservation/ De-Preservation/ Re-Preservation are to be indicated in the RFP based on the delivery schedules of various components of a complex system or integration requirements and availability of other systems. The flow chart placed at Annexure III to Appendix C to Chapter II of DAP gives the various scenarios and resultant formulations to aid in arriving at the requirements.

53. **Monitoring of Project Based on Contractual Milestones** *(as applicable)*. After placement of order, the progress of the project will be monitored by the Buyer for compliance with various activities towards achieving contractual milestones involving delivery/installation/ integration/trials etc. The contractual milestones will be integral part of the contract. In case the project does not proceed as per the indicated timelines for various contractual milestone(s), the Buyer will have the right to invoke Termination of the project. The indicative list of Contractual Milestones and broad range of timelines (earliest and latest time for completion) for the project is as follows (to be amended as per project requirement):-

SI	Milestone *	Timeline (To+Weeks)	Remarks
(a)	Submission of Advance BG as per Contract		
(b)	Ordering of steel material proportionate to designed tonnage of vessel		
(c)	Submission of GA drawing & PERT		
(d)	Ordering of major equipment (to be defined)		
(e)	Commencement of trials (ie Basin trial/ CST etc)		
(f)	Stoppage/ No construction activities after Steel cutting/ launching etc		

* Note: To be finalised by the Collegiate on a case to case basis.

54. The Bidder is to indicate the proposed timelines for the above milestones in the Technical Bid. The timelines will be finalised with the Bidder by Contract Negotiation Committee. On conclusion of the Contract, these milestones will be monitored by the Buyer.

55. The Project Monitoring Meeting is to be organized at _____ months interval. Buyer at his own expense may depute to the Bidder's premises /Yard at quarterly (or as considered necessary) intervals, teams of representatives to review and coordinate the progress of the commitments made by both the sides under the contract. Further, the Bidder may depute suitable reps at their own expenses for Apex Steering Committee reviews.

PART III - COMMERCIAL REQUIREMENTS

56. The third part of the RFP consists of the commercial clauses and Standard clauses of contract. The bidders are required to give confirmation of their acceptance of these clauses.

Commercial Bid

57. The Bidder is requested to take into consideration the *Commercial Clauses and Payment Terms* given at **Appendix M** to this RFP while formulating the Commercial Offers and confirm acceptance of these clauses. The bidders are required to quote their price in Price bid format given in **Appendix N** to this RFP.

58. Commercial offers will be opened only of the Bidder whose proposal is cleared by FPET and TEC and complying to Credit Rating criteria as on date of commercial bid opening, till determination of L1. Latest Credit rating to be submitted by the TEC qualified entities at the time of opening of commercial bid. The Commercial Offer must be firm and fixed and should be valid for at least 18 months from the date of submission of bid as per RFP. *(period may be amended, if required).*

Commercial Bid Opening

59. The Commercial Offers will be opened by a committee (Contract Negotiation Committee/ CNC) and if Bidder desires he may depute his representative, duly authorised in writing, to be present at the time of opening of the offers.

60. The date, time and venue fixed for this purpose will be intimated separately after the Technical evaluations are completed and approved by competent authority at MoD/SHQ.

61. The committee will determine the lowest bidder (L1). In cases where EPP are involved, L1 would be decided based on the credit scores earned by the Bidder. **The Buyer Furnished/Buyer Nominated equipment/system/components (BFE/BNE) to be procured from a single source, if any, would not be included in determination of L1.** However, the interfacing cost of these with other equipment/system/components will be included. In case one of the BFE/BNE equipment/system/component supplier is also a bidder then he has to provide the complete data required for interfacing to all other Bidders through BUYER/directly under a undertaking of sufficiency and correctness.

Note: EPP parameters and respective credit scores for each should be given in the RFP

This provision would be applicable only in multi-vendor cases. For such cases the aspects of advance/stage payments if any and all requisite details for the Bidder to formulate a comprehensive commercial proposal be indicated upfront in the RFP so that selection of L1 is facilitated.

Additional Aspects

62. **Standard Conditions of RFP.** The Government of India desires that all actions regarding procurement of Vessel (s) are totally transparent and carried out as per established procedures. The bidder is required to accept our standard conditions furnished at **Appendix O** to this RFP regarding Agents, penalty for use of undue influence and Integrity Pact, access to books of accounts, arbitration and clauses related to Law. These conditions along with other clauses of the Contract form the Standard Contract Document (as at Chapter VI of DAP 2020) indicates the general conditions of contract that would be the guideline for all acquisitions. The draft contract would be prepared as per these guidelines.

63. **Option Clause** **(as applicable)**. The format of option clause is placed at **Appendix P** to this RFP.

PART IV: BID EVALUATION AND ACCEPTANCE CRITERIA

64. A list of documents/details to be submitted along with the bids is placed at Appendix S as a reference to help in completeness of bid and meeting the procurement process schedule.

65. The bids shall be unconditional. Any condition or qualification or any other stipulation contained in the bid shall render the bid liable to rejection as a non-responsive bid.

66. The bid and all communications in relation to or concerning the bidding documents shall be in English language.

67. **Evaluation and Acceptance Process.**

(a) **Evaluation of Financial Parameters.** To evaluate the bidder's financial status, assessment of financial parameter as elaborated at **Appendix R** would be undertaken prior to the TEC stage by Financial Parameter Evaluation Team (FPET). TEC would be progressed only for bidders qualifying the stipulated Financial Assessment Parameters.

(b) **Evaluation of Technical Proposals.** The technical proposals forwarded by the Bidders will be evaluated by a Technical Evaluation Committee (TEC). The TEC will examine the extent of variations/ differences, if any, in the technical characteristics of the Vessel (s) and its equipment offered by various Bidders with reference to the GLS/ SRs and prepare a "Compliance Statement" for shortlisting the Bidders. This shall include technical parameters of equipment where field evaluation is envisaged. The TEC will also verify whether the Seller has submitted the undertaking to submit the Offset proposal in accordance with Para 14 of this RFP. The TEC will also evaluate the percentage of Indigenous Content based on brief plan of Indigenisation data provided by bidder.

(c) **Evaluation of Commercial Bid.** The Commercial bids of only those bidders will be opened, whose Financial Assessment Parameters and technical bids have been cleared by FPET and TEC respectively; and whose offset offers have been accepted technically, wherever applicable. Comparison of bids would be done on the basis of Evaluation criteria given in **Appendix N** to this RFP. The L-1 bidder would be determined by Contract Negotiation Committee (CNC) on the basis of **Appendix N** to this RFP. If EPP is applicable, L1 determination would be as per Para 14(c) of Chapter II. Only L-1 bidder would be invited for negotiations by CNC.

(d) **Contract Conclusion/Placement of Order** *(as applicable)*. The successful conclusion of CNC will be followed by contract conclusion/placement of order. The Build Specification will form part of the contract.

Appendix A

(Refers to Para 8, 19, 20, 35, 36, 37, 38, 39, 40, 46 & 47 of RFP)

**GUIDELINE SPECIFICATIONS (GLS)/ FUNCTIONAL DESIGN DELIVERABLES
SET-I (APPLICABLE TO SECTION C ONLY) FOR VESSEL(S)**

(Note: These guidelines and specifications are indicative. These may vary as per the type of vessel(s)/Services/equipment and the intended requirements. IHQ MoD (N)/CGHQ may amend as per their requirements.)

1. **Operational Characteristics and Features.** This information would be different for various vessel(s)/equipment. As such only the guide lines for formulating this Appendix have been stated here. The information provided here flows from SRs and must contain the following:-
2. **Technical Parameters.** All technical parameters listed in the SRs in terms of size, weight, performance, operating environment, power, torque, preservation, utility life, storage, shelf life etc, should be specified.
3. **Performance Parameters and Additional Features.** If any, should also be explained.
4. Based on above guide-lines, this Appendix should be formulated very carefully for the vessel/type of equipment. The broad headings under which the Appendix could be populated are appended in succeeding paragraphs:-
5. **Test and Trial Methodology (Including field trials/simulated study etc).** Refer Appendix L.
6. **First Outfit of Naval Stores.** (The First outfit of Naval stores to be listed as per the requirement of the SHQ/ CGHQ)
7. **Training of Crew and Maintenance Personnel.**
8. **Documentation including QAP/ IETM.**
9. **Operating Conditions of the Vessel(s).**
10. **COTS Technology.**
11. **Build Strategy**

12. **Buyer Nominated Equipment including Guideline Eqpt specs for SOTR/ OBS/ B&D**
13. **Buyer Furnished Equipment**
14. **Miscellaneous including FOAL/ Rigging Warrant/ CNAL/ CRETE/ ASE/ GSE/ Medical**
15. **Procedure for processing Modifications/ Contingency proposals.**

Annexure I to Appendix A
(Refers to Para 46 of RFP)

UNDERTAKING TO COMPLY WITH ESSENTIAL PARAMETERS-‘B’

1. The Bidder _____ (Name of the Company) hereby
- (a) Undertakes to develop and meet all the requirements of Essential Parameters B as given at Appendix ____ of RFP for the procurement case of _____ issued on _____.
 - (b) Undertakes to produce the equipment for trials of Essential Parameters ‘B’ within the specified time frame as stipulated in the contract.
 - (c) Accepts that failure to meet the Essential Parameters B after signing of the contract and within the stipulated time frame, will lead to forfeiture of all bank guarantees (Performance Bank Guarantee, Additional Bank Guarantee and Advance Bank Guarantee) and attract other penal provisions as may be prescribed by the Govt.

Note: Failure to submit the undertaking along with the Technical Bid shall render the bid invalid and will be rejected.

Annexure II to Appendix A
(Refers to Para 46 of RFP)

DETAILS OF INDIGENOUS CONTENT (IC)

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) Total Contract Price less Taxes & Duties	Remarks
(a)	1. Share of Indigenous Costs (aa) Planned Share of Cost of Material including Yard material like steel, aluminum etc. (ab) Planned Share of Cost of other Direct and Indirect Expenses including labour on material (ac) Planned Share of Cost of Indigenous equipment (ad) Planned Share of Cost of Share of Other Direct and Indirect Expenses including labour on equipment, including installation, STW and trials etc. (ae) Planned Share of Cost of Overheads on labour, material and equipment including misc overheads. (af) Planned Share of Miscellaneous Costs (ag) Planned Share of Cost of First outfit of Naval stores		Outline details of indicated Serials (aa) to (ag) are to be enclosed in support of IC claim. Indicative share of Indigenous equipment, listed at Annexure II to Appendix N (excluding those covered under SNo r(i) below) are to be indicated, as a % of Base Contract Price.
	2. Share of Import Costs (aa) Planned Share of Cost of Import Material including Yard material like steel, aluminum etc. including Custom Duties, Freight/Transportation and insurance for products imported in India. (ab) Planned Share of Cost of other Direct and Indirect Expenses including labour on material.		Outline details of indicated Serials (aa) to (ag) are to be enclosed in support of IC claim. Indicative share of Imported equipment, listed

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) <i>Total Contract Price less Taxes & Duties</i>	Remarks
	(ac) Planned Share of Cost of Import equipment including Custom Duties, Freight/Transportation and insurance for products imported in India.		at Annexure II to Appendix N (excluding those covered under SNo r(ii) below) are to be indicated, as a % of Base Contract Price.
	(ad) Planned Share of Cost of other Direct Expenses including labour on equipment, including installation, STW and trials etc.		
	(ae) Planned Share of Cost of all license fees, royalties, technical fees and other fees/payments paid out of India.		
	(af) Planned Share of Miscellaneous Costs		
(b)	Share of Basic Cost of vessel (Total of Ser 'a' above)		
(c)	Planned Share of Cost of Onboard Spares (Manufacturers Recommended List of Spares) as per the format at Annexure I to Appendix K.		
(d)	Planned Share of Cost of Special Maintenance Tools and Special Test Equipment and software as per Annexure III to Appendix K.		
(e)	Planned Share of Cost of Cost of Technical Documentation (in English Language) as per Annexure IV to Appendix K.		
(f)	Planned Share of Cost of Training Aggregates as per Annexure V to Appendix K		
(g)	Planned Share of Cost of Training excluding the cost of travel, boarding and lodging separately for operators and maintenance technicians and QA Representative. This should be given under the following two heads (as applicable) (Appendix K refers)		

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) <i>Total Contract Price less Taxes & Duties</i>	Remarks
	(i) In India		
	(ii) Abroad		
(h)	Planned Share of Cost of ToT (as applicable) (as per Appendix F)		
(j)	Planned Share of Cost of knowhow/Information for setting up of maintenance infrastructure (as applicable)		
(k)	Planned Share of Cost of Freight and Transit Insurance (as applicable)		
(l)	Planned Share of Cost of Project Monitoring System (as per Annexure III to Appendix M), where applicable		
(m)	Planned Share of Cost of Handling B & D Spares		
(n)	Planned Share of Total Cost {sl (b) to (m) above}(excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I to Appendix N)		
(p)	Planned Share of AMC Cost giving year-wise break-up (where applicable)		
(q)	Planned Share of Total Cost with AMC {Sl (n) + (p)} (excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I to Appendix N) [A]		
(r)	Planned Share of Basic Cost Share of Specified Single Vendor BNE at Table 1 of Annexure I to App N		Indicative cost share of Indigenous and Imported
	(i) Planned Share of Basic cost of Buyer Nominated Equipment – Indigenous (as per Section A of Table 1 of Annexure I to App N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. [B]		equipment are to be indicated, as a % of Base Contract Price.

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) <i>Total Contract Price less Taxes & Duties</i>	Remarks
	(ii) Planned Share of Basic cost of Buyer Nominated Equipment – Imported (as per Section B of Table 1 of Annexure I to App N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. [C]		
	(iii) Planned Share of Total Basic Cost of Single Vendor BNE as per Table 1 of Annexure I to Appendix N [D] = [B] + [C]		
(s)	Grand Share of Total Cost including basic cost of specified single vendor BNE as per Table 1 of Annexure I to Appendix N [A] + [D]		This Total share should amount to approximately 100%

Appendix B

(Refers to Para 8, 38 (b) & 39 of RFP)

COMPLIANCE TABLE

For _____ (Equipment name)

Ser No	Requirement as per the RFP	Compliance/ Partial Compliance	Indicate references of Paras/Sub Paras of the Main Technical Document
General Conditions of RFP (Para __ to __)			
Technical Parameters as per Appendix A			
	Essential Parameters 'A'	For compliance to Technical Parameters, the bidder is to furnish an undertaking that he is complying to all Technical Parameters and Terms & Conditions of RFP (<i>clause wise compliance matrix is not required to be furnished</i>). However, <i>the bidder has to clearly bring out non-compliance, if any, in covering letter of Technical bid. 'No Deviation Certificate / Undertaking' to be submitted with T-bid.</i>	
	Essential Parameters 'B' (if applicable)		
	Enhanced Performance Parameters (if applicable)		
Commercial Parameters as per RFP			
	Commercial clauses of RFP	For compliance to Commercial clauses, the bidder is to furnish an undertaking that he is complying to all commercial Parameters and Terms & Conditions of RFP (<i>clause wise compliance matrix is not required to be furnished</i>). However, <i>the bidder has to clearly bring out non-compliance, if any, in covering letter of Commercial bid.</i>	
	Performance-cum-Warranty Bank Guarantee as per Para _____ of RFP		
	Advance Payment Bank Guarantee as per Para ____ of RFP		
	Integrity Pact Bank Guarantee as per Para _____ of RFP (indicate amount of IPBG)		

Note 1 : - An indicative list of document (both Commercial & Technical) to be submitted with Technical bid is indicated as Annexure to GLS.

Appendix C
(Refers to Para 13 of RFP)

WARRANTY CLAUSE

(To be amended as per requirement and no blanks to be left)

1. The SELLER warrants that the Vessel, the associated equipment and service under this contract conform to technical specifications prescribed and shall perform according to the said Technical Specifications.
2. The SELLER warrants for a period of ____ months from the date of acceptance of the Vessel by the Buyer at the designated Indian Port or as applicable, that the vessel and the associated equipment and service supplied under this contract and each component used in the manufacture thereof shall be free from all types of defects/failures. In case of systems/equipment, which have not completed trials prior delivery, the warranty of that particular system/equipment and service would commence from the day of successful completion of trials.
3. If within the period of warranty, the Vessel(s) and (or) stores and (or) spares 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, maximum within ____ days of notification of such defect by the BUYER 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 user in log book. Spares and all consumables required for warranty repairs shall be provided free of cost by SELLER. All activities including diagnosis, rectification, calibration, transportation etc, required for making equipment serviceable and available would be the SELLER's responsibility. 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. The SELLER shall intimate the assignable cause of the failures.
4. SELLER hereby warrants that necessary service and repair backup during the warranty period, including routine maintenance beyond Unit Level (delete if CAMC/AMC is not part of the contract), shall be provided by the SELLER and he will ensure that the cumulative downtime period for the vessel (s) and or the fitted equipment / weapon/ sensor/ system equipment does not exceed ____ of the warranty period.
5. If a particular Vessel, the associated equipment and service, spares fails frequently and/or, the cumulative down time exceeds____% of the warranty period or a common defect is noticed in more than____% of the quantity of goods with respect to a particular item/component/sub-component, that complete item/equipment shall be replaced free of cost by the SELLER within a stipulated period of____days of receipt of the notification from the BUYER duly modified/upgraded through design improvement in all equipment supplied/yet to be supplied and ESP supplied/yet to be supplied. Thereafter, the Buyer reserves the right to make good the defects at Seller risk and cost.

6. SELLER shall associate technical personnel of maintenance agency and QA of BUYER during warranty repair and shall provide complete details of defect, reasons and remedial actions for averting recurrence of such defects.

7. In case the complete delivery of the Engineering Support Package is delayed beyond the period stipulated in this contract, then the **SELLER** undertakes that the warranty period for the goods/stores shall be extended to that extent.

8. The SELLER warrants that the Vessel, the associated equipment and service supplied will conform to the Temperature and Humidity conditions as mentioned at Appendix A to RFP.

Note: Wherever applicable the clause related to MTBF related warranties may be added as part of this Appendix.

Appendix D
(Refers to Para 14 of RFP)

TERMS AND CONDITIONS OF OFFSETS

1. The Procedure for implementing Offset provision given at Appendix D and relevant Annexures to Chapter II of DAP 2020 (available at www.mod.nic.in) will be followed. Terms and conditions for submission of technical and commercial offset offer are given in succeeding paras.

2. **Submission of Written Undertaking to Meet the Offset Obligation.** You are required to give a written undertaking to the effect that you will meet the offset obligation as laid down in the RFP. This undertaking in the format at **Annexure I** will be included in the envelope containing your technical offer which is to be submitted by _____ (specify the date). This undertaking is binding on you and that failure at any stage, on your part to meet the offset obligation specified in the RFP will disqualify you from any further participation in the contract and render your offer as null and void.

3. **Submission of Technical and Commercial Offset Offers.**

(a) The Technical and Commercial offset offers would have to be submitted by _____ (**12 weeks** from the date of submission of the technical and commercial offers of the main proposal). **Exact date as calculated and given in the RFP or intimated later by the O/o ADG Acq Tech (M&S) will be binding.** These offset offers would have to be submitted together in two separate sealed covers to the Technical Manager at the following address:-

(b) The technical offset offer would contain details of the products, services and investment proposals indicating relative percentages, proposed Indian partners for offset investment and other relevant information in the format given at **Annexure II**. Details of Banked offset credits as discharged offset obligations will also be indicated. The commercial values of the offset proposals are not to be indicated in this technical offset offer.

(c) The Commercial Offset Offer, format in **Annexure III**, will contain the detailed offer specifying the absolute amount of the offset with a breakup of the details, phasing, Indian partner and banked credits as discharged obligations.

(d) The model formats at **Annexure II and Annexure III** may be amended by the vendor without however deviating from the mandatory offset requirements prescribed.

Annexure I to Appendix D
(Refers to Para 2 of Appendix D)

UNDERTAKING TO COMPLY WITH OFFSET OBLIGATIONS

1. The Bidder _____(name of the company) hereby
 - (a) Undertakes to fulfil the offset obligation as laid down in the Request For Proposals.
 - (b) Undertakes to ensure timely adherence to fulfilment of offset obligations.
 - (c) Accepts that any failure on the part of the Company to meet offset obligations will render disqualification from any further participation in the contract and render ibid offer as null and void.
 - (d) Undertakes to furnish technical details of offset obligations indicating products and services and corresponding Indian Industry partner(s) for the same when so required to by Ministry of Defence, Government of India, after being found to satisfy the SQRs.
 - (e) Undertakes to translate the detailed technical offset offer given at Para (iv) above into a business implementation plan now furnishing complete commercial details of investments, products and services, Indian Industry partners, amount, phases and time plan for the same in the form of a commercial offset offer as and when so required to by MoD, GoI.

Annexure II to Appendix D
(Refers to Para 3(b) of Appendix D)

FORMAT FOR SUBMITTING TECHNICAL OFFSET OFFER

1. The Bidder ----- hereby offers the following offsets in compliance with the technical offset obligations in the RFP.

S. No.	Eligible Offset Products /Services Being Offered	Avenue for discharge (quote sub Para of 3.1 of Appendix D to Chapter II)	Multiplier applicable (quote applicable Para)	Percentage of Total Offsets	IOP/ Agency for discharge	Time Frame for Discharge of Offsets	Whether Related to Main Equipment Being Supplied (Yes/No)	Remarks
(a)								
(b)								
(c)								

Note: Vendor to provide following along with technical offset offer:-

- (i) Undertaking that IOP is an eligible offset partner as per applicable guidelines.
- (ii) Company profile of IOP/agency.
- (iii) Details with quantities of the proposed offset.
- (iv) Letter of IOP/agency confirming acceptance of the offset project in case of direct purchase or investment.
- (v) List of Tier-1 sub-contractors, if any, through whom offset obligations are proposed to be discharged, with percentage of discharge.
- (vi) Proposals for Technology Acquisition by DRDO under Para 3.1(e) of Appendix E to Chapter II should be submitted separately in the format at Annexure IX to Appendix E to Chapter II.
- (vii) Details of banked offset credits accumulated under certain DPPs, as certified by DOMW, pre-approved banked offset credits will be considered for discharge of offset obligations subject to maximum of 50 percent of the total obligations under each procurement contract.

Annexure III to Appendix D
(Refers to Para 3(c) of Appendix D)

FORMAT FOR SUBMITTING COMMERCIAL OFFSET OFFER

1. The Bidder ----- hereby offers the following offsets in compliance with the technical offset obligations in the RFP.

S. No	Eligible Offset Products /Services Offered	Avenue for Discharge (quote sub Para of 3.1)	Multiplier applicable (quote applicable Para)	Percentage of Total Offset	IOP/ Agency for discharge	Time Frame for Discharge of Offsets	Whether Related to Main Equipment Being Supplied (Yes/No)	Remarks
(a)								
(b)								
(c)								

Note : Vendor to provide following along with commercial offset offer:-

- (i) Undertaking that IOP is an eligible offset partner as per applicable guidelines.
- (ii) Company profile of IOP/agency.
- (iii) Details with values of the proposed offset, including details of Tier-1 sub-contractors, if any.
- (iv) Letter of IOP/agency confirming acceptance of the offset project in case of direct purchase or investment.
- (v) Value of investment “in kind” supported by documentary evidence.
- (vi) Bidder to provide Detailed Project Report (DPR) with cost breakup relating to Para 3.1(b) and (c) of the offset guidelines at Appendix E to Chapter II should be indicated, as applicable.
- (vii) Details of banked offset credits accumulated under certain DPPs, as certified by DOMW, pre-approved banked offset credits will be considered for discharge of offset obligations subject to maximum of 50 percent of the total obligations under each procurement contract.

Appendix E to RFP
(Refers to Para 22 of RFP)

INFORMATION PROFORMA
Engagement of Agent by Foreign Vendor
(Separate sheets to be filled in case of multiple Agents)

1. Procurement Case.....

2. Has the vendor engaged/proposes to engage any Agent
[Yes/No] :

3. If Yes, Details of Engaged Agent:

Name of the Firm/Individual

.....

Address

.....

Registration No

4. Date of Engagement

5. Period of Engagement

6. Scope of Work and Responsibilities

.....

7. Payment Details :-

Payments made in last 12 months

Brief Terms of Payment.....

.....

8. Any other details

.....

9. Declaration. It is certified that the above information is true. Any change in the information, including termination of an Agent, will be intimated within two weeks of occurrence. Details of further payments will be intimated annually.

Place:

Date:

(Authorised signatory)

Vendor Name and Address

Appendix F
(Refers to Para 25 of RFP)

(THIS PAPER LAYS OUT GENERAL GUIDELINES. MAY BE AMENDED IN CONSULTATION WITH PRODUCTION AGENCY AND OTHER AGENCIES INVOLVED TO MAKE IT EQUIPMENT SPECIFIC)

TRANSFER OF TECHNOLOGY (TOT)

1. **Preamble.**

(a) ToT shall be provided to the designated Production Agency(s) (to be decided prior to issue of RFP). The key technologies for ToT should be identified prior to issue of RFP jointly by the designated production agency, Defence Research and Development Organisation and Ministry of Defence.

(b) Technology used shall be current, State-of-the-art as used in the contemporary systems. Critical technology aspects having bearing on ToT evaluation need to be specified on a case to case basis.

(c) The ToT shall be comprehensive, covering all aspects of design/development, manufacturing know-how and detailed technical information which will enable the Production Agency to manufacture of systems, sub-systems, assemblies, components, materials etc by Indian ToT partner as well as for repair, overhaul, besides production from SKD/CKD/IM Kit, production from raw material and component level. Design data shall include the details that are needed to give design disposition during production on deviation/concession; modify/upgrade the license product and substitute parts and systems of the license product as required by the certifying agency and the production agency.

(d) The OEM is required to provide the latest version of Configuration Control Document which will provide detailed breakdown of the product structure in terms of lower level subsystems/assemblies/sub-assemblies/modules/detail parts/PCBs/wiring diagrams etc with their latest modification status. All updates during the term of the Agreement should be provided as and when issued free of cost. Consolidated list of updates during the year should be provided during the first quarter of the subsequent year.

(e) Vendor should submit an undertaking that he would provide and support complete ToT for phased manufacture to the buyer or his authorised Indian Organisation for the System and its sub-systems, modules, assemblies and detailed parts/components. Support will be provided for a minimum period of 20 years on long term basis after the last unit is produced under the present proposal.

(f) The vendor should provide total support and facilitate ToT of the sub-systems from his sub-vendors/OEMs if desired by the buyer.

(g) (To be included on as required basis) Vendor should submit an undertaking not to exceed* budgetary price for the Transfer of Technology covering the following parameters:-

- (i) License fee.
- (ii) Documentation.
- (iii) Technical Assistance.
- (iv) Training.
- (v) Materials.
- (vi) Spares.
- (vii) Tooling.
- (viii) Special Tools.
- (ix) Standard tools.
- (x) Ground Support & Test Equipment.
- (xi) Programme Management.
- (xii) Special Infrastructure facilities deemed necessary to support the operations.

****Note:** Above 'not to exceed' budgetary quotes are to be provided for both Licensed production and Repair/Overhaul separately. Vendor may note that this 'not to exceed' budgetary price will be used for commercial evaluation. Vendor selected after technical & commercial evaluation will enter into detailed contractual negotiations on various aspects of the Transfer of Technology to the buyer or his authorised Indian organisation based on the "Not to exceed" budgetary quotes.*

(h) It is likely that some of the assemblies/sub-assemblies/modules/PCBs used in the realisation of higher level assemblies/sub-systems and systems are manufactured by the OEM's vendors/sub-contractors either based on Engineering documentation provided by the OEM or developed by the OEM's vendors/sub-contractors based on procurement specifications provided by the OEM. Further, as a result of multiplicity of technologies involved and for reasons for price competitiveness arising due to economies of scale, some of the items used in the manufacture of licensed product may be bought out by the OEM from vendors as 'fully finished' against the procurement specifications provided by him.

(j) Although, not desirable, some of the components/process specifically developed by the OEMs for use in the manufacture of licensed product may be classified by them as 'Proprietary' and not included within the scope of ToT offered to the Production Agency.

(k) To bring in a fair comparison between the ToT offered by various OEMs as also to have a fair assessment of the depth of technology being transferred, OEMs are required to identify each item (system/sub-system/assembly/sub-assembly/module/detail parts/PCB etc) in the product structure under the following categories, as may be applicable and provide information on the relative price for each of the items in the product structure as percentage of product cost:-

(i) **Category -1.** Items, for which complete ToT, i.e., Engineering and Manufacturing documentation to enable the Production Agency carryout fabrication, assembly and test of the item from CKD/IM Kit level as the case may be, is being provided by the OEM, may be classified under the head “CToT”.

(ii) **Category -2.** Items which are manufactured by the OEM’s Subcontractors based on engineering documentation provided by the OEM and these Engineering Documentation are being provided by the OEM to the Production Agency, may also be classified under the head “CToT”.

(iii) **Category -3.**

(aa) Items in respect of which development and manufacture by the OEM has been subcontracted to its vendors/sub-contractors based on only the procurement specifications provided by him and the OEM is not in a position to provide any additional technical information to the Production Agency except the procurement drawings/specifications provided by him to his vendors/sub-contractors, may be classified under the head Single Vendor “Subcontract”. For the purpose of evaluating the depth of ToT, it will be presumed that the ToT in respect of these items for indigenous manufacture is not provided. OEM shall ensure authorisation to its vendors/sub-contractors to supply items, manufactured against OEM’s specifications to the Production Agency against its purchase orders.

(ab) However in such case, the OEM in collaboration with his vendor/subcontractor, is required to provide the Production Agency, maintenance Documentation, the recommended list of spares for repair and overhaul as may be applicable and maintenance training at the vendor’s/subcontractor’s premises, then such vendor items are may be classified under the head ‘Limited ToT for maintenance support’, i.e, “M-ToT”.

(iv) **Category-4.**

(aa) Items including catalogue/standard items sourced by the OEM against his procurement specifications as ‘Fully Finished’, may be classified as “Bought Out”. Evidently ToT for such items for indigenous manufacture will not be available and the OEM will be able to provide only the procurement drawings/specifications, sources of supply. OEM has to ensure the availability of such items or its

equivalents during the life cycle of the product. However, in respect of some of the selected items in this category, if the OEM, in collaboration with his vendor, is able to provide the Production Agency documentation for maintenance, recommended list of spares for repair and overhaul as may be applicable and maintenance training in the vendor's premises, then such items may also be classified under the head 'limited ToT for maintenance support' i.e. "M-ToT".

(ab) OEM shall ensure periodical review of obsolescence, study of the Bill of Items (BOIs) and provide a retrieval scheme for a minimum period of 15/20 years from the production of last unit under the present proposal.

(v) **Category -5.** Some of the items for which the ownership of Design and Manufacturing Documentation is available with the OEM, but the OEM is not willing to transfer the technology to the Production Agency may be classified under the head 'Proprietary' items. The list of such items shall be far and few and generally restricted to components/processes specifically developed by the OEM for the licensed product. No item in the product structure which is critical either from the technology point of view or from the point of view of significant value addition or which constitutes a significant relative percentage of the product cost (say > 10%), will be acceptable under the head "Proprietary items". Further, at any stage during the life cycle of the Product, if the OEM intends to discontinue the production of Proprietary items, the complete technical documentation in respect of these items available with the OEM or his subcontractors will be passed on to the Production Agency to enable indigenous manufacture or establish alternative routes of meeting the requirement. Also, a base price for such items with an escalation formula for future supplies shall be given for slab quantities by OEM.

(l) The OEMs have to ensure that the depth of Technology being transferred shall enable the Production Agency achieve value addition commensurate with a minimum 30% of the relative cost of the licensed Product through indigenous manufacture in case of CKD kit based ToT and a minimum of 60% of the relative cost of the licensed product through indigenous manufacture in case of IM Kit based ToT (Percentage of indigenous value addition may vary based on the product).

(m) No single sub-system/assembly/sub-assembly, which constitutes more than 10% of the cost of Licensed product, shall be without ToT option to the Production Agency. In case, such a sub-system/assembly belongs to the 'bought out' category, then the OEM as a prime bidder of the licensed product shall bid in consortium with the concerned vendors with separate ToT proposal for which items included in the bid directly from the relevant vendor. The bid for supplied/ToT in such a case shall be evaluated as an integrated composite proposal.

(n) OEM shall assist the production agency and take the lead to obtain maintenance related ToT to the maximum extent possible in respect of items covered under category 3 and 4, from his vendor/sub-contractors.

2. Evaluation of ToT

For CKD Kit based ToT

(a) The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

(b) In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:-

- | | | |
|--|---|---|
| (i) Relative Percentage of cost of Category 1 items (individual & composite) | } | Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30% |
| (ii) Relative Percentage of cost of Category 2 items (individual & composite) | | |
| (iii) Relative Percentage of cost of Category 3 items (individual & composite) | } | Not more than 25% |
| (iv) Relative Percentage of cost of Category 4 items (individual & composite) | | |
| (v) Relative Percentage of cost of Category 5 items (individual & composite) | | |

(c) Total %age of (i) to (v) should be 100%.

(d) Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT minus CKD Kit cost being higher than the minimum specified 30% during the IM Phase will only be considered further for commercial evaluation. (minimum specified percentage may vary based on the product).

For IM Kit based ToT

(a) The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

(b) In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:

- | | | |
|---|---|---|
| (i) Relative Percentage of cost of Category 1 items (individual & composite) | } | Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30% |
| (ii) Relative Percentage of cost of Category 2 items (individual & composite) | | |

- (iii) Relative Percentage of cost of Category 3 items (individual & composite)
 - (iv) Relative Percentage of cost of Category 4 items (individual & composite)
 - (v) Relative Percentage of cost of Category 5 items (individual & composite)
- } Not more than 25%
- } Not more than 15%

(c) Total % age of (i) to (v) should be 100%.

(d) Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT being higher than the minimum specified 60% during the IM Phase will only be considered further for commercial evaluation. (Minimum specified percentage may vary based on the product).

3. **Phased Manufacturing Programme.**

(a) Based on the phased ToT absorption planned by production agency, quantity_____ will be supplied as Fully Finished during Phase-0, quantity _____ as SKD Kit during Phase1, quantity _____as CKD Kit during Phase-2 and quantity as IM Kit during Phase3, as the case may be. Illustrative phase definitions are given below:

(i) **Phase-0.** Shall be based on supply of Fully Formed and tested product by the OEM.

(ii) **Phase-1.** Shall be based on supply of Semi Knocked Down (SKD) Kits provided by the OEM. The Semi Knocked Down Kit will consist of subsystems, assemblies, sub- assemblies, modules etc assembled and tested by the OEM and/or his vendors/sub- contractors. The Production Agency will perform the final level assembly and testing of the product.

(iii) **Phase-2.** Shall be based on supply of Completely Knocked Down (CKD) Kits provided by the OEM in the form of unassembled Bill of Materials. CKD Kit may include certain components/sub-assemblies commercially available “Off The Shelf” (COTS) from multiple vendors as fully finished items. Production Agency will carry out assembly and test of individual PCBs/Modules/Subassemblies/Assemblies /Sub-systems etc from component level and then carry out final assembly and testing of the product.

(iv) **Phase-3.** Shall be based on supply of proprietary items (IM Kit) by the OEM. Production Agency will perform procurement of all the components/raw materials and carry out complete fabrication, assembly and testing of the product from raw-materials/component stage through various stages of manufacture. (Phase 3 applicable only for IM Kit based ToT).

(b) The time frame for completion of supplies by the OEM for various phases of manufacturing is provided at **Annexure 1**. Conformance of the vendor to the time schedule provided in **Annexure 1** will be one of the important Evaluation Criteria and the bids of OEM’s not meeting the time schedules are liable to be rejected.

(c) OEM shall provide complete configuration of SKD, CKD and IM Kits, as the case may be, to the Production Agency to realise the Fully Finished Product. CKD Kits required to meet the spares requirement may be furnished separately. The OEM shall also provide estimated man- hours required for various stages of fabrication, assembly and test to realise the Licensed Product from SKD Kit during Phase-1, CKD kit during Phase-2 and IM kit during Phase-3. Based on experience in his plant supplier shall also provide “Production Mortality” of SKD/CKD/IM kit parts required for realisation of final finished product.

(d) OEM shall permit the production agency to sub contract components/ assemblies to sub-contractors of Production Agency. ToT shall be such that the production agency is able to procure components/sub-assemblies/test equipment directly from OEM’s Sub-contractors/ Vendors.

4. **Itemised Price List (IPL).** The OEM shall provide Itemised parts list in the Technical Bid and itemised price list (IPL) totaling to end product unit cost in Commercial Bid. Man- hours required during various phases of manufacture to realise the fully finished product shall also be provided. The prices of components, fabricated parts, standard items, bought out items, proprietary items as may be relevant shall be provided for various phases of manufacturing programme. The list shall include the source of supply of components, standard items, BOIs and the ToT shall include authorisation to production agency to procure these items directly from the sources without going through OEM. (While this information may be possible for less complex products, it may not be possible if the itemised price list is very voluminous, e.g., aircraft to be manufactured under ToT. Therefore this Para of the draft procedure may have to be suitably modified on a case to case basis).

5. **Supply of Documentation.**

(a) The ToT Documentation to be provided by the OEM shall be in English language and include documentation under the following heads:- (In case of procurement from Russian or other foreign vendors, they may be asked to quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor).

- (i) Engineering documentation
- (ii) Software documentation and Firm ware support manual for embedded software including source code.
- (iii) Manufacturing documentation.
- (iv) Test documentation.
- (v) Technical Manuals.
- (vi) General documentation including Company standards, National and International standards and specifications
- (vii) Additional documentation for repairs

centre.

- (viii) Illustrated parts catalogue.
- (ix) Design data- stress, fatigue, performance, qualification, environmental test, life (calendar/total/overhaul), where applicable.
- (x) Source identification for BOIs and subcontracted items; standard parts, consumables etc.
- (xi) Spares parts lists and price catalogue for Operator (O), Intermediate (I) and Depot (D) level maintenances.
- (xii) Recertification/requalification test plan, series test, special category test due to change in venue of manufacture, where applicable.
- (xiii) “Red band” units, calibration stands where applicable.
- (xiv) Quality procedures, plans, ESS, Special tests during production other than ATP.
- (xv) Data on reliability-FMECA, MTBF, MTBO, MTBUR, MTBR.

Note: In case of procurement from Russian or other foreign vendors, wherein the above original documents are in a foreign language; the vendor is to provide English translation of above documents, in addition to the original documents, as part of ToT. No separate Document translation charges will be paid to the vendor.

- (b) The details/definition of Documentation to be provided by the OEM under the above heads is enclosed at **Annexure II**.
- (c) The OEM is required to furnish ‘Compliance Statement’ in respect of each type of detailed documentation requirement listed at **Annexure II**. Non-compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse bearing in the evaluation of ToT proposal.
- (d) The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub-contractors for the purpose of manufacturing, assembly and testing of the licensed product in their plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the Production Agency for manufacturing, assembling, testing, installation and commissioning, maintenance and overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant Military (MIL) Specifications or as mutually agreed with the User’s Certification Agency.
- (e) Documentation as detailed in **Annexure II** to enable the Production Agency procure, manufacture, operate and maintain the SMTs, STEs, Tools, Jigs and Fixtures required for the FF/SKD/CKD/IM kits manufacturing phase, shall be provided.

Wherever software is used, details of the software as per documentation listed at Annexure II including Source Code and Firmware Support Manual shall be provided.

(f) The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

6. **Product Upgrades.** Technical data including relevant Documentation update in respect of any modifications/improvements/upgrades undertaken by the OEM in the licensed product during the entire life cycle of the product/license Agreement shall be provided to the Production Agency at no additional cost during the entire life- cycle of the product.

7. **Training**

(a) As part of ToT, Industrial Training required by the Production Agency to realise the Fully Finished Product from SKD, CKD and IM kits, as the case may be, during various manufacturing phases and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of design, manufacture, software, installation and commissioning, system integration and checkout and component level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

(b) All aspects of software are to be comprehensively covered during the software training module with a view to enable Production Agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

(c) Industrial Training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

(d) OEM shall provide complete details of Industrial Training programme, which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Production Agency.

(e) Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Production Agency subject to overall training schedule. Operation and Maintenance training for end user shall also be provided.

(f) Details of Industrial and User Training Programme recommended by the OEM shall be provided as an annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the production agency and at user locations. Long term training of production agencies at the design departments of OEMs shall also be included to give a complete exposure to them on design practices of OEM. This will help in design liaison support including upgrade

Modifications/Troubleshooting/Concessions during the entire life cycle of the product.

8. **Technical Assistance.** As part of ToT, OEM shall provide requisite technical assistance to the production agency during the phased manufacturing programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an annexure to the technical proposal. The total technical assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

9. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs).**

(a) OEM shall provide complete technical data of the SMTs and STEs used in the production, assembly, test and maintenance of product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours and cost details are to be provided.

(b) Details of special category test (recertification, production series testing) along with test Rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code and Firmware Support Manual for embedded software shall be provided.

(c) OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

10. **Consumables.** List of consumables required for the manufacture/maintenance of product along with cost, source details and life data shall be provided.

11. **Special Technologies/Processes.** The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery/running cost etc vis-à-vis specific components/assemblies.

12. **Product Support.** OEM shall ensure that the product support including supply of spares and management of obsolescence for a minimum of 20 years from the time the last unit is produced under the present proposal, shall be available to the production agency/its customer. OEM shall also provide a proposal for transferring the complete product support to the production agency in a phased manner.

13. **Commercial Proposal.** The commercial proposal should be submitted in a separate sealed cover.

14. **Transfer of Technology (ToT).** OEM shall provide commercial offer for providing complete Know-How and documentation for the manufacturing of product from SKD, CKD Kits and IM phase, as the case may be, Industrial Training and Technical Assistance and the required rights, licenses and authorisation to manufacture, use and sell the product. For the Industrial Training and Technical Assistance phase, man week rate for providing training/technical assistance in OEM's own plant(s) or in India may be separately provided.

15. **Supplies**

(a) **FF, SKD, CKD and IM Kits.** OEM shall provide itemised price list for supply of FF, SKD, CKD and IM Kits, as the case may be, inclusive of the production mortality used by the OEM during manufacture of product in its plants. Itemised price break-up up to component level is to be provided at the time of signing of the Technical Collaboration Agreement (TCA).

(b) **SMTs, STEs, Tools, Jigs and Fixtures.** OEM shall also provide complete list with itemised prices for SMTs, STEs, Tools, Jigs and Fixtures required for the SKD, CKD and IM manufacturing phase, as the case may be. In case of Tools, Jigs & Fixtures where large quantities are involved, category-wise prices may be provided. OEM shall also provide prices for 'O' level, 'I' level and 'D' level maintenance facilities of PRODUCT by the User/Customer.

(c) **Bought Out/Outsourced/Subcontracted Items.** OEM shall provide the complete list of items, which are bought out/outsourced/subcontracted for use in the manufacture of PRODUCT along with itemised prices and details of the sources for procurement. Authorisation for direct procurement by the production agency from these sources shall be given so that no development cost or NRE charges are incurred. In case where suggested sources decline to supply the components/materials, OEM shall take responsibility for supply of same or suggest alternate sources for the procurement of suitable equivalent components/materials during the term of the agreement.

(d) **Life-Cycle Cost.** OEM shall provide the estimated LIFE-CYCLE COST of the product and the basis thereof. Factors such as operational hours/year, MTBF, requirement of maintenance spares, mandatory replacements during preventive maintenance schedules etc may be considered for arriving at life cycle cost.

(e) **Spares.** The OEM shall provide itemised price list of spares required as per three levels of maintenance of PRODUCT as follows:-

(i) **'O' level:** _____ set per _____ {product} (total _____ {product} sets) at field units:

(ii) **'I' level:** _____ set each for a group of _____ {product} (_____ sets for _____ {product}) at Intermediate level of maintenance; and

(iii) **'D' level:** _____ set for _____ {product} at Depot level maintenance.

16. **Payment Terms.** OEM shall provide the terms of payment for all supplies including ToT forming part of its commercial proposal. Specimen Format for Providing Prices is at **Annexure III**. (needs to be formulated by the OEM for specific products based on identified milestones).

17. **Delivery Schedule.** OEM shall provide complete schedule for transfer of documentation, providing of Industrial Training and Technical Assistance, supply FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs, STEs, Tools, Jigs and Fixtures to

match the overall delivery requirement for manufacture and supply of FF product by the Production Agency. The Documentation for a specific phase shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at **Annexure I**.

18. **Liquidated Damages.** OEM shall undertake to complete its obligations in accordance with the contractual delivery schedule. For delay in delivery of FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs and STEs and delays in the implementation of PMP caused by or attributable to the OEM, the Production agency shall be entitled to claim liquidated damages.

19. **Warranty.**

(a) **Documentation.** OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for manufacturing, assembling, integrating and testing of the product and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the License Agreement.

(b) **Material/Equipment/Kit Supply.** Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 24 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to production Agency.

(c) All supplied software should be verified & validated by OEM for use of the designated Production Agency.

20. **Infringement.** OEM shall indemnify and protect at its own cost, the production agency in respect of cost/claims/legal claims/liabilities arising from third party claim with regard to the existence of any patent or intellectual & industrial property right of any such parties in India or from other countries.

21. **Performance Guarantee.** OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

22. **Validity.** The proposal will be kept valid for acceptance for a minimum period of 18 months from the date of submission.

23. **Technical Collaboration Agreement (TCA).** After the CNC is concluded, the OEM shall enter into a detailed Technical Collaboration Agreement (TCA) with Production Agency incorporating mutually agreed terms and conditions.

24. **Offsets.** The vendor should agree to provide an offset as per the details given in the RFP.

25. **Global Rights.** OEM shall clearly indicate the extent of global rights of sales, which they would be willing to offer to the Indian production agency.

Annexure I to Appendix F
(Refer to Para 3(b) of Appendix F)

SPECIMEN FORMAT FOR PROVIDING DELIVERY SCHEDULE

Sl. No.	Description	Qty	Month after effective date	Remarks
1.	Documentation Transfer in lots for each phase*			
2.	Training including Final assembly of SKD/CKD/IMs to FF for each phase			
3.	Operation and maintenance course training			
4.	Test equipment delivery			
5.	First system FAT and Delivery			
6.	Spare Parts delivery (“O” level spares)			
7.	Spare Parts delivery (“T” level spares)			
8.	Spare Parts delivery (“D” level spares)			
9.	Test equipment delivery for SKD and CKDs			
10.	SKD Kits delivery (____kits per month)			
11.	CKD Kits delivery (____kits per month)			
12.	IM Kits delivery (**(____kits per month)			

* Documentation for each phase shall be supplied one month prior to start of training of that phase.

** Applicable for IM Kit based ToT.

Annexure II to Appendix F
(Refers to Para 5(b), (c) & (e) of
Appendix F)

DOCUMENTATION DETAILS TO BE PROVIDED BY OEM

1.	<u>Engineering Documentation</u>
(a)	Structure Breakdown list
(b)	Part List.
(c)	Part Electrical Lists.
(d)	Part Drawings.
(e)	Assembly drawings.
(f)	Cable looking diagram including its part list, connectors and end preparation details.
(g)	Configuration Control Document.
(h)	Stress Reports (static/fatigue), performance reports, type test Schedule/records, type test certificate.
(j)	For Coils and Transformer: winding details, mechanical drawing, purchased parts specification, details of special processes, moulding tools etc.
(k)	Drawings of castings/forgings with material details, vendor information, heat treatment details.
(l)	Details of vendor items specifically developed by the OEM for the Licensed Product.
(m)	For PCB Cards: Schematics, general assembly drawings, assembly instructions, SMD location processing files including CAE/CAM files.
(n)	Engineering change proposals covering details of modifications.
(p)	Wiring List and details including schematics of sub-assembly/modules/drawers/racks.
(q)	List of components where trace-ability records are important.
(r)	Details of environment tests carried out on equipment and its sub-systems.
(s)	With respect to FPGAs the following details are required: ACTEL or SRAM (depending on the manufacture) design files and the complete schematic with i/o details- in the form of a timing diagram of .sim files.

(t)	* Bill of materials and Ordering Specifications with Vendors addresses including OEMs specifying MIL grade details.
(u)	*Details of non-MIL grade components and their screening procedures.
(v)	*Full technical details of ASICS and Hybrid Micro-circuits including manufacturing documents.
(w)	*Full technical details of proprietary items, if any (including manufacturing documents).
(x)	*Material data sheets-chemical composition/mechanical-properties -for all metallic/non- metallic materials/consumables.
2.	<u>Software Documentation.</u> (As per IEEE 12207/MIL-STD-498/DO178B)
(a)	Software Requirement Specification.
(b)	Interface design document.
(c)	Software change proposals.
(d)	Firmware support manual for embedded software.
(e)	Software environment/tools including third party proc elements.
(f)	Software test procedure.
(g)	Software User Manual.
(h)	Software installation procedure including user settings of pass words, site specific data and any customisation code/key or encryption.
(j)	IV & V details (independent verification & validation).
3.	<u>Manufacturing Documentation.</u>
(a)	Details of B/FPGA programming and testing with co-ordinate detail for placement. Programming file (fuse file in the standard format), programming platform configuration-tools and associated version control document, verification document with check sum details.
(b)	Process Sheets including details of special processes and finishes as may be applicable.
(c)	Complete set of drawings for tooling, jigs and fixtures as may be applicable.
(d)	Photographs of wiring harness/bundling level.
(e)	List of shop consumables with details of specifications; source of procurements, data on shelf life.

(f)	Assembly tree/sequence, assembly process sheets including assembly settings and checks, assessments to be made, matching subassemblies, markings.
(g)	Any special manufacturing facilities to be set up indicating plant and machinery, test equipment and their vendor details and cost.
(h)	Estimated man-hour requirements for assembly and testing at sub-system level.
(j)	Inspection stages, quality plan, details of inspection equipment, gauges with sources of supply, etc.
(k)	Calibration procedures for inspection equipment, gauges, heat treatment & process equipment (furnace/baths).
(l)	*Operation Sequence Sheets.
(m)	* Programme for Production (e.g. NC Tapes/S/W as applicable).
4.	<u>Test Documentation.</u>
(a)	Factory Test specification, procedure and acceptance test specification, procedure for PCBs, modules and equipment with detailed instructions on test set up, user of test and/or simulation equipment and software, execution of test with recording of results.
(b)	Complete set of drawings for manufacture of test jigs including ATE fixtures, programmes as applicable.
(c)	Complete set of drawings for special to test equipment. This will include manufacturing details as well as software documents.
(d)	Special category test details (recertification, production series testing, quality assurance testing).
(e)	'Red band' units, calibration procedures for test rigs/equipment.
5.	<u>Technical Manuals.</u>
(a)	User handbook detailing operational use of equipment.
(b)	Installation and commissioning manual
(c)	Technical description of PCB, Modules, drawers, racks, etc., with details of block diagram, schematic general assembly drawing, timing details, PROM etc. schematic general assembly drawing, timing details, PROM etc.
(d)	Maintenance Manual covering.
(e)	Permissible worn-out dimension limits, acceptance test procedure and

Acceptance limits of overhauled product.
(f) Repair/salvage schemes, mandatory replacement parts.
(g) Periodic maintenance.
(h) Trouble shooting and fault diagnosis manual. Testing and repair procedure for faulty PCBs up to component level and peripheral equipment received from the customer.
(j) Structural breakdown list for complete equipment.
(k) Recommended Spares List, site supply and depot stocking.
(l) The Maintenance Manual shall cover the product for which the file of drawings/documents is given as well as all vendor items which are part of Licensed Product.
(m) Overhauling manuals including details, tests, adjustment, calibration tuning etc., for all levels of equipment.
6. <u>General Documentation (including Standards and Specifications).</u>
(a) Standard inspection method (inward goods in-process and final acceptance).
(b) Process standards/procedures.
(c) Workmanship standards/procedures.
(d) Quality standards/procedures including incoming inspection procedures, quality manuals.
(e) General procedures as may be applicable.
(f) Qualified Vendor Lists as may be applicable.
(g) Standard tools, jigs and fixtures as may be applicable.
(h) Company standards.
(j) ISO 9001 certification of OEM, vendors & subcontractors/ISO 14000 certification.
(k) Material/component and product standards including general fasteners and consumables.
7. <u>Additional Documentation.</u> Repair center documents including details of Test Instruments, jigs, fixtures etc., for the End User.
8. Documentation shall be provided in the form of hard copy, in microfilm/microfisch and magnetic media, including that required for making copies of technical manuals as specified by the customer. Documentation shall be provided in English Language.
* Applicable for IM Kit based ToT.

Annexure III to Appendix F
(Refers to Para 16 of Appendix F)

SPECIMEN FORMATS FOR PROVIDING PRICE INFORMATION

ToT			
<u>S No.</u>	<u>Item</u>	<u>Price</u>	<u>Remarks</u>
1	Know-how and documentation	USD_____	Payment shall be subject to deduction of taxes in India as per Double Taxation Avoidance Agreement in accordance with the following schedule (depending on the product, various stages of payments should be included without indicating the quantum of payment) :- 1. Stage 1.-- 2 .Stage 2.-- 3. Stage 3.--
2	<u>Training.</u> (a) Industrial Training covering all aspects for ToT at OEM's facility.	USD *Instructor man day/week rate	
	(i) FF Phase ___working days/week		Upto ___trainees Max.
	(ii) SKD Phase ___working days/week		Upto ___trainees Max.
	(iii) CKD Phase ___working days/week		Upto ___trainees Max.
	(iv) IM Phase ___working days/week#		Upto ___trainees Max.
	(v) Training on design liaison, design practices, design disposition on concessions/ deviation.		Upto ___trainees Max.
	(b) Operational/Field Maintenance Training		
	(i) ___ working days/week in ___and		Upto ___trainees and ___ Customer trainees Max.

	(ii) ___ working days/week in India		Upto ___ trainees and ___ Customer trainees Max.
3	Technical Assistance in OEM's Plant to be availed as required	USD _____ * (Man day/ week rate)	Maximum No. of man weeks ___ spread over No. of mission
		TOTAL	

* Minimum mandatory Training and Technical Assistance, which can be provided at no additional cost to be indicated.

Applicable for IM Kit based ToT.

<u>COST OF FE, SKD, CKD AND IM KITS, AS THE CASE MAY BE, SPARES AND SMTs/STEs</u>					
<u>S. No</u>	<u>Item</u>	<u>Unit Price in USD</u>	<u>Qty</u>	<u>Total Price in USD</u>	<u>Remarks</u>
1.	_____ -System				
	(a) Fully Finished System				
	(b) SKD Kits				
	(c) CKD Kits				
	(d) IM Kits#				
2.	<u>Spares.</u>				
	(a) 'O' Level				
	(b) 'I' Level				
	(c) 'D' Level				
3.	<u>SMTs/STEs.*</u>				
	(a) Test Jigs/Software for 'O' level maintenance				
	(b) Test Jigs/ Software for 'I' level maintenance				
	(c) Test Jigs/Software for 'D' level maintenance				
	(d) Test Jigs and software for manufacture under ToT				
	* Excluding Standard Test Equipment				
	TOTAL				

<u>Itemised SKD Kit Price</u>					
<u>Part No</u>	<u>Description</u>	<u>Qty</u>	<u>Price in USD</u>		
<u>Itemised CKD Kit Price</u>					
<u>Part No</u>	<u>Description</u>	<u>Qty</u>	<u>Price in USD</u>		

<u>LIST OF SPECIAL MAINTENANCE TOOLS (SMTs) AND SPECIAL TEST EQUIPMENT (STEs)</u>						
<u>Part no.</u>	<u>Description</u>	<u>Model</u>	<u>Mfr.</u>	<u>Qty</u>	<u>Price In usd</u>	<u>Remarks</u>
(a) SMTs and STEs required for Maintenance						
(b) ToT Test Equipment						
<u>LIST OF SINGLE SOURCE VENDOR ASSEMBLIES/ COMPONENTS AND PROPRIETARY ITEMS</u>						

<u>Components</u>	<u>P/N</u>	<u>Price in USD</u>	<u>Vendor</u>
(a) SMTs and STEs required for Maintenance			
(b) ToT Test Equipment			

SPARES.**(a) 'O' Level Spares Parts Lists (Set Per)**

<u>No.</u>	<u>Item Description</u>	<u>Qty. per set</u>	<u>Item Price in USD</u>	<u>Total Price in USD</u>

	Total			
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(b) **'I' Level Spares Parts Lists (Set Per)**

<u>No.</u>	<u>Item Description</u>	<u>Qty. per set</u>	<u>Item Price in USD</u>	<u>Total Price in USD</u>
	Total			

(c) **'D' Level Spares Parts Lists (Set Per)**

<u>No.</u>	<u>Item Description</u>	<u>Qty. per set</u>	<u>Item Price in USD</u>	<u>Total Price in USD</u>
	Total			

Appendix G
(Refers to Para 26 of RFP)

**GUIDELINES AND CONDITIONS FOR ESTABLISHING MAINTENANCE
INFRASTRUCTURE WITH AN INDIAN FIRM**

***Note:** These guidelines and conditions are indicative. These may vary as per the type of service/equipment and the intended requirements. SHQ concerned may amend these as per their requirement. No blanks to be left.*

1. The Govt of India, Ministry of Defence is desirous that the depot level maintenance (third line) and the life time support for the _____ (**generic name of the vessel**) be carried out through an Indian private/public firm. (These firms would normally be DPSUs/OFB/Naval dockyards/Base Repair Depots or any other firm as recommended by SCAPCHC and approved by DPB/DAC).

2. **Scope of Maintenance.** It is desired that the Indian entity selected should be able to accomplish the following towards providing maintenance support for the life cycle of the equipment:

(a) Carry out depot level repairs to include repair of major assemblies, sub assemblies and of the equipment.

(b) Provision of spares for the unit level, field level and intermediate level repairs for the entire life cycle of the equipment. The scope of these repairs is elaborated subsequently. You are required to take into consideration these aspects while preparation of your maintenance plans. Initially the spares would be in the form of MRLS for a period of ____ years. The provision of spares subsequently would be through the identified Indian entity through a separate contract.

(c) The spares, repairs and services support required from vendor for ToT to Indian entity would be implemented under long term contract. The proposal for Maintenance Transfer of Technology (MToT) shall also include Active Obsolescence Management through life cycle support of the equipment including upgradation of system/subsystem/components on completion of its fair service life.

3. **Maintenance Infrastructure.** To enable the Indian entity to provide life time maintenance support in terms of spares and depot level, it is essential that the facilities, as given in the subsequent Paras, are established/ available in India at the premises of the selected Indian entity. The specific requirements of technology transfer for Maintenance Infrastructure needs to cover the following aspects (choose whichever is /are applicable):-

(a) To ensure Indian entity is able to support operation and deployment of the platform/equipment on sustainable basis.

(b) To ensure Indian entity is self-sustainable to provide 'Intermediate', 'Depot' and 'Overhaul Level (2nd, 3rd and 4th level) repairs, maintenance and upgrade for the entire life cycle of the equipment.

(c) To set-up requisite test facilities/infrastructure for undertaking testing/certification for the entire life cycle of the equipment.

(d) To set-up an ecosystem for manufacture of sub-systems, assemblies, components, spares, materials, etc, in India.

(e) To make India, a regional/global hub for MRO for the Platform/equipment.

Note: *The following is just for the guidelines and would vary on case to case basis. The SHQ will have to work out the exact details prior to issuing out the RFP.*

4. **General.** The information shall be provided to the designated Ship Repair yard for yard Level maintenance to cover all aspects of maintenance of the vessel through the Indian Repair Yards. It shall be comprehensive and shall cover all aspects of maintenance up to the lowest level which will enable the Maintenance Agency to repair, overhaul and support and maintain the Vessel(s)/Equipment. Document shall include details that are needed for any deviation/concession during the maintenance/modifications/upgrades of the Vessel(s)/Equipment.

5. **Documentation.**

(a) The ToT Documentation to be provided by the OEM shall be in English language in Electronic and hardcopy formats and include documentation under the following heads:- (If required vendors may quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor).

- (i) 'Yard' level Maintenance documentation (specs to be specified) by Repair Agencies.
- (ii) Engineering documentation including special process.
- (iii) Software documentation including source code, build environment and utilities.
- (iv) Details of Special tools and Test equipments, Jigs & Fixtures.
- (v) OEM's Standard Technical Manuals.
- (vi) Illustrated parts catalogue with price list.
- (vii) Source identification for BOIs and subcontracted items; standard parts consumables etc.
- (viii) Mandatory spares replacement lists and price catalogue for O, I and D level maintenance.

(b) The OEM is required to furnish 'Compliance Statement' in respect of each type of Documentation listed above. Non-Compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse

bearing in the evaluation of ToT proposal.

(c) The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub-contractors for the purpose of maintenance of the licensed product in their Plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the maintenance agency for maintenance/overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant MIL Specs or as mutually agreed with the User's Certification Agency. All the certification documents generated for obtaining certification in the country of origin to be supplied. Further, vendor should supply such documentation as may be required by the Indian Certification Authorities.

(d) The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

(e) **Labour Hours.** OEM should indicate their stabilised labour hours and Turnaround time for each 3 levels of maintenance clearly indicating the learning curve adopted.

6. **Special Technologies/Processes.** The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery vis-à-vis specific components/assemblies. For identifying the augmentation needs to plant and machinery available with the production agency, if required vendor specialists shall visit production agency before submission of technical and commercial bid.

7. **Capital Investment.** OEM to provide their assessment of plant and machinery required including floor space required for the 3 levels of maintenance assuming that this project will be handled as an ab-initio green field project.

8. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs).**

(a) OEM shall provide complete technical data of the SMTs and STEs used in the Maintenance of Product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours are to be provided.

(b) Details of special category test equipment along with test rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code shall be provided.

(c) OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

9. **Standard Tooling and General Industrial Requirement.** OEM to provide list/Technical details of standard tooling and general industrial requirement for carrying out "D" maintenance.

10. **Training of Indian Engineers/Technicians.**

(a) As part of ToT, industrial training required by the production agency to realise the fully finished product from SKD, CKD and IM kits and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of ‘O’, ‘I and ‘D’ level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

(b) All aspects of software including usage of source code, its build environment and utilities, are to be comprehensively covered during the software training module with a view to enable maintenance agency’s software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

(c) Industrial training shall be in OEM’s plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

(d) OEM shall provide complete details of industrial training programme which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Maintenance Agency.

(e) Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Maintenance Agency subject to overall training schedule.

(f) Details of industrial and user training programme recommended by the OEM shall be provided as an Annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the Maintenance agency and at user locations.

11. **Technical Assistance.** As part of ToT, OEM shall provide requisite technical assistance to the Maintenance Agency during the maintenance programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an Annexure to the technical proposal. The total Technical Assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

12. **Spare Parts list.** OEM based on their experience may provide the 10 off spares requirement for the 3 levels of maintenance separately. Spares which are to be mandatorily replaced during the 3 levels of maintenance should be identified and highlighted. For standard spares “NATO” codes may be provided against the respective spares.

13. **Raw Materials and Consumables.** OEM to provide list of raw material and consumables required during the 3 levels of maintenance programme.

14. **Delivery Schedule.** OEM shall provide complete schedule for transfer of documentation, providing of Training and Technical Assistance, supply of Spares, SMTs, STEs, Tools, Jigs and Fixtures ordered on OEM to match the overall maintenance programme. The documentation for a specific phase of training shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at Annexure 1.
15. **Life Cycle Cost.** OEM shall provide all the details like Operating cost, Maintenance cost, Overhaul cost, training cost required to estimate the Life cycle cost of the vessel .
16. **Long Term Product Support.** OEM shall ensure that the product support including supply of spares and management of obsolescence for the life of the product (minimum 30 years from the date of delivery of the vessel by the production agency) shall be available to the Maintenance agency/its customer.
17. **Warranty.**
- (a) **Documentation.** OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for the 3 levels of maintenance and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the licence agreement.
- (b) **Material/Equipment/Kit Supply.** Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 12 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to Production Agency.
18. **Performance Guarantee.** OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.
19. **Global Rights.** OEM should clearly indicate the extent of global rights which they would be willing to offer to the Indian production agency.

Appendix H
(Refers to Para 40 of RFP)

BUILD STRATEGY

1. This Build Strategy would broadly cover the following aspects: -
 - (a) Project Overview
 - (b) Definition of key milestones based on indicative list of milestones and broad range of timelines specified at Para 38 of RFP.
 - (c) Broad plan for execution of the Project as per delivery schedule indicated at Para 10 of RFP (including production/ finance).
 - (d) Brief Plan for meeting the Indigenous Content (IC) stipulated in the RFP.
 - (e) Standard of Preparation (SoP) of Platform/ equipment/ system.
 - (f) Project organisation structure as applicable.
 - (g) In case of ToTs for licensed production and MToT, information sought at Para 24, 25 and 39 (Appendix F and G), Indian sub-contractor for ToT/ manufacturing and the methodology for setting-up manufacturing infrastructure, shall be provided.

2. **Project Overview.** The '*Project Overview*' should define, organise and interlink the various project elements which are required to be established/ setup by the in order to manufacture and deliver the contracted products and services within the RFP specified timeframes.

3. **Program Schedule.** The '*Program Schedule*' should give **estimated start and end dates** for each event with respect to the award of contract (T₀) thereby creating a **calendar based schedule**.

4. **Project Organisation Structure.** This section should highlight the Bidder's organisation structure for the project implementation and define the specific organisational elements within this structure that would interfere with the GoI, SHQ and other Indian Production Agency, if applicable, during the program execution.

5. The **Build Strategy** should also clearly specify the below mentioned aspects with adequate documentation for substantiating the bidders claim:-
 - (a) Details of Manpower allocation. Total Manhour envisaged for the project. Separate heads to be given for managerial staff, production linked staff , design staff including the contracted work.
 - (b) Details of available Infrastructure and future infrastructure development plan.
 - (c) Details of location / site for construction. It should indicate the place where the construction is planned including the offloading sites through contractor.
 - (d) Details of land / Yard premises for vessels construction. Bidder to seek approval of Buyer prior commencing production of vessels at a place other than the one for which the technical capacity assessment has been undertaken.

- (e) Details of hiring/ offloading being considered for the project.
- (f) Details of latest shipbuilding technology being adopted for construction and delivery of vessels.
- (g) Broad plan for construction of each vessel, indicating the overlapping activities & resource allocation.
- (h) Likely contracts planned during the period of construction of the vessels for determination of yard loading during the execution of project.
- (j) MoU/ Agreement / Contract with design agency, if any.

Appendix J
(Refers to Para 41 of RFP)

CERTIFICATE: MALICIOUS CODE
(To be rendered on the Company Letter head)

1. This is to certify that the Hardware and the Software being offered, as part of the Contract, does not contain embedded malicious code that would activate procedures to:-

- (a) Inhibit the desired and designed function of the equipment.
- (b) Cause physical damage to the user or equipment during the exploitation.
- (c) Tap information resident or transient in the equipment/networks.

2. The firm will be considered to be in breach of the procurement contract, in case physical damage, loss of information or infringements related to copyright and Intellectual Property Rights (IPRs) are caused due to activation of any such malicious code in embedded software.

(Signed)

Designation/Name/Address of firm

Date:

Place:

Appendix K
(Refers to Para 43, 44 & 45 of RFP)

REPAIR AND MAINTENANCE PHILOSOPHY

(Note: The Repair and Maintenance Philosophy is only indicative and pertains to a particular service. SHQ concerned may amend this as per their requirement. No blanks to be left)

1. The various levels of maintenance and repairs are explained in succeeding Paras. (However, all levels may not be applicable to all types of vessel/ equipment. As such the type of repair facility required for the vessel / equipment for which the RFP is being issued should be stated clearly by modifying the succeeding Paras).
2. The Operational–Cum-Refit cycle of the Vessel should be as follows: -
 - (a) (____) years operational cycle.
 - (b) The dry-docking interval shall be (____) years.
3. **Ship Level Repairs/ Maintenance.** The Vessel would be maintained by the crew/ operators during the operational cycle, who are required to carry out the ship level repairs. These tasks pertain to minor repairs and replacement of components and minor assemblies that can be carried out on board the Vessel without the use of highly specialised tools or test equipment. On Board Spares (OBS) are utilized for undertaking ship level repairs and maintenance. The requirements of spares and tools are indicated in succeeding Paras.
4. **Yard Level Repairs/ Maintenance.** The repairs, which are beyond the scope of ship's staff, are carried out by trained technicians during periodic refits by naval dockyards/ repair organisations. The bidder is required to provide the quantity & specifications of these spares, Special Maintenance Tools & Test equipment, technical documents, etc., to carry out such repairs as broadly indicated in Paras below. The B&D Spares required by Refit Agencies are inclusive of replenishment of OBS as well as to meet requirements of unit level repairs on board.

Spares

5. **Onboard Spares (OBS).** The Bidder is required to provide sufficient OBS for all equipment for on board repairs, scheduled servicing & maintenance of all equipment falling due till (as specified) years of the operation of the Craft after warranty, along with the delivery of the Vessel in conformity to the requirement of spares/ tools/ jigs stipulated in the exploitation/ maintenance document of respective equipment/ system. To this purpose, the Seller is required to provide Manufacturer's Recommended List of On board Spares (MRL-OBS) in format provided at **Annexure I to Appendix K**. The Seller shall satisfy himself of the suitability and sufficiency of the MRL – OBS. The Seller shall establish the range and depth of spares required to support the ship level repair and maintenance for the prescribed period. The Seller shall also be fully liable in respect of the quality and quantity of the recommended spares and must supply any shortfall of spares without any financial

responsibility or liability to the Buyer. A certificate of sufficiency for MRL-OBS has to be submitted by the bidder along with the technical bid.

(Note: To be read in conjunction with Para 8 of Part I of this RFP)

6. **Base and Depot (B&D) Spares.** The Seller is to arrange supply of MRLS - B&D spares for five years of exploitation, up to 15% (including levies, taxes, and handling charges) of the Basic Cost of the Vessel. This would be based on the likely consumption rate and exploitation pattern of the equipment. The seller would seek the comprehensive priced part identification list of spares from all sub vendors along with the technical bid of main equipment and forward it to the Buyer. This list would contain price, description, Pattern no. and quantity fitted on each equipment in respect of various parts/ components. This list along with the MRLS B&D spares for each sub vendor would be submitted for all the machinery/ equipment, while finalising the respective equipment post signing of the main contract and as per timelines decided by Buyer. The format for specifying the MRLS-B&D is placed at **Annexure II to Appendix K.**

7. **Spares Documentation.** A comprehensive Part Identification List (PIL) is to be provided for all equipment and system components in lines of the format enclosed in **Annexure II to Appendix K.** A detailed component list and identification are also required to be provided to facilitate retrieval.

8. **Special Maintenance Tools and Test Equipment and Software.** The general purpose maintenance tools, test equipment and software used for maintenance on board would be supplied as per MRL-OBS route. In case of additional Test Equipment for onboard / shore maintenance, Buyer could indicate this requirement in the RFP upfront. The bidder in such cases would include these additional test equipment in the technical bid with details in the format placed at **Annexure III to Appendix K.** The cost for these is to be included under SI (d) of the price bid format placed at **Appendix N.** The cost column should be left blank in the Technical Bid.

9. **Technical Documentation.** The details of technical literature to be supplied with the system should be listed as per the suggested format at **Annexure IV to Appendix K.** This should be provided with both Technical and price Bids. The cost column should be left blank in the Technical Bid. The overall financial implications for these will be included under SI (e) of the price bid format placed at **Appendix N.** The documentation on shipbuilder's record of parameters pertaining to limits and gauges considered during the construction of Vessel also needs to be provided.

10. **Training Aggregates.** The requirement of training for the Vessel and associated equipment are specified at **Appendix A.** The requirement of Training aggregates for the Vessel(s)/ equipment in terms of simulations, models, training aids and cut section of certain equipment, if required will be specified by the Buyer. These will be costed and submitted to Buyer along with the technical and commercial bid as per **Annexure V to Appendix K.** The cost column is to be left blank in the technical bid. The overall financial implications for these will be included under SI (f) & (g) of the price bid format placed at **Appendix N.**

11. **Maintainability Evaluation Trials.** (Applicable only when trials are required)
12. **Annual Maintenance Contract.** (Requirement to be specified if AMC is sought)

Annexure II to Appendix K
(Refers to Para 6 & 7 of Appendix K)

MANUFACTURER'S RECOMMENDED LIST OF SPARES (MRL-B&D)
(To be submitted while finalising Equipment post signing of Contract)

VESSEL/ EQUIPMENT: _____

Ser No	Eqpt Part No./ Model no./ SI No.	Eqpt Description	OEM Name	Vendor Name	Illustrated Spare Part List (ISPL) Reference/ Part No. of Spare	Desc of Spare	Country of Origin	Unit Price	Seller Order No. & Date	Currency Code	Total Qty	VED* Category	Recommended scale for no of Vessel(s)	Remarks

* **VED** - **VITAL / ESSENTIAL/ DESIRABLE** analysis of spares to be carried out by OEM prior to submission to the Buyer.
Original Equipment Manufacturer (OEM):_____ (Complete Address)

Notes: - (Combined for *Annexures I and II to Appendix K*)

1. Data regarding maintenance spares/stores like lubricants, sealing compound, gases should be given separately giving source of supply.
2. Data furnished as OBS and B&D should also include software backups, as applicable.
3. **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 be indicated
 - (b) Matching set of components be indicated.
 - (c) Item which can be locally manufactured in India should be marked 'LM'.

(d) Items which cannot be manufactured in India due to sophisticated design/technology may be marked as 'SI' (Special Item).

(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.

4. OBS and B&D spares list should be drawn out of the 'Part List' of the equipment, which should be separately given as part of Technical Manuals.
5. If the main equipment consists of other equipment, then OBS and B&D spares list should be prepared for them under proper heads. OBS and B&D spares list is to be prepared as per the maintenance concept of the customer.
6. Items provided along with the equipment as spares should also be included in OBS and B&D list.
7. 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.
8. OBS and B&D list for test equipment should also be provided on the similar format.
9. **Cost to be indicated in Price bid only.**

Annexure III to Appendix K
(Refers to Para 8 Appendix K)

LIST OF SMT/ STEs, JIGS, FIXTURE AND INFRASTRUCTURE (As applicable)
(To be submitted with the Technical/Commercial bid as applicable)

Name of Vessel/ Equipment:.....

Original Equipment Manufacturer (OEM):

Ser No	Manufacturer's Part No.	Item Name	Unit Cost	Nos. Required		Brief Purpose	Remarks
				Onboard	Repair by Refit Agency		

Notes.

1. Prepare separate sheet for each type of equipment.
2. Specify in remarks column whether the Special Test Equipment (STE)/ Special Maintenance Tools (SMT) can be used as general purpose equipment on any other kind of equipment.
3. For Ship level repair quantity required should be for repair of one ship set at a time. For Yard level repair/Maintenance, qty should be for repair of sets of equipment fitted onboard the vessel(s) of the contract.
4. If test equipment is commercially available ex-India, the source of supply be specified.
5. Test equipment for calibrating the STEs should be included in the list above.
6. Test equipment which are required to be provided by the customer should also be included in the list above.
7. **Cost to be indicated in Price bid only.**

TECHNICAL DOCUMENTATION (HARD AND SOFT COPY COMPLIANT TO IETM CLASS 4) (As applicable)
(To be submitted with the Technical/ Commercial bid)

Name of Vessels/ Equipment: _____

Original Equipment Manufacturer (OEM): _____

Ser No	Technical Literature	Unit Cost	Scale For no of Vessels	Total Cost	Remarks
1.	User Handbook / Operator's Manual				
2.	Design Specifications				
3.	<p><u>Technical Manual</u></p> <p>(a) <u>Part I.</u> Tech description, specifications, functioning of various Systems.</p> <p>(b) <u>Part II.</u> Inspection/Maintenance tasks Repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/ Special Test Eqpt (STEs).</p> <p>(c) <u>Part III.</u></p> <p>(i) Procedure assembly/disassembly, repair up to component level, safety precautions.</p> <p>(ii) Record of Limits and gauge as per OEM for assembly/disassembly</p> <p>(iii) List of tools for a particular job of repair / maintenance</p> <p>(d) <u>Part IV.</u></p> <p>(i) Part list with drawing reference</p> <p>(ii) List of SMTs/ STEs with Test Bench</p>				
4.	Manufacturer's Recommended List of Spares (MRLS)				
5.	Illustrated Spare Part List (ISPL)				
6.	Technical Manual on STE with drawing reference				

7.	Soft copy on the above Tech literature (IETM Class 4)				
8.	Any other (specify) e.g. Service logs etc.				

Total Cost:

Notes:-

1. In case any additional equipment is used, their tech literature will be included.
2. If certain technical literature is being provided free of cost, it should be indicated in the remarks column.
3. **Cost: To be indicated in Price Bid Only.**

TRAINING AGGREGATES AND TRAINING (as applicable)
(To be submitted with the Technical/ Commercial bid)

Name of Vessel/ Equipment:

OEM:

Ser No	Description of Training Aggregate	Scale for 01 Vessel	Unit Cost	Total Cost	Remarks

1. Complete Equipment
2. Sectioned Equipment
3. Computer based training package based on interactive multimedia to include Training Aids in terms of IMTPs, CBTs, Presentations, Training Brochures, Charts, Working Models, Scaled Down Models, Blow up Diagrams, etc.:-
 - (a) Full graphics, Animation test and sound.
 - (b) Symptoms-fault correlation (expert system).
 - (c) Symptoms-fault correlation (expert system).
4. Training Aids to include:-
 - (a) Charts
 - (b) Slides
 - (c) Training Brochures
 - (d) Training Work models
 - (e) Blow up diagram
 - (f) Soft Copy
 - (g) OEM Videos for training / maintenance / troubleshooting of eqpt/system/weapons/ sensors etc fitted on vessel.
5. Cost of training **to be indicated in Price bid only.**

Appendix L
(Refers to Para 5 of App A)

TRIAL METHODOLOGY

The Trial Methodology of vessel/vessel(s)/equipment fit/system/weapons and sensors etc has been elaborated in the GLS (Appendix A). Bidders are advised to understand the complete requirement stipulated for the project and accordingly submit the Techno-Commercial Offers.

Appendix M
(Refers to Para 10 & 57 of RFP)

COMMERCIAL CLAUSES

1. Payment Terms

1.1 INCOTERMS for Delivery

1.1.1 The delivery of Vessel(s) will be based on DDP INCOTERMS-2020 with ultimate consignee as _____. The Delivery Schedule for vessel(s) shall be as per **Annexure I** to this Appendix.

RFP to clearly indicate whether the vessel(s)/material/equipment being procured are exempted from Custom Duty and whether necessary Custom Duty Exemption Certificate (CDEC) will be issued by the Buyer.

In specific cases where delivery of the platform(s) is taken at the country of the Bidder, the alternate INCOTERMS along with suitable justification is to be provided in the SoC while seeking AoN.

1.2. Currency of Payment

1.2.1 Foreign bidders should submit their bids in US Dollars/Euros/Pounds Sterling/Yen/AUD/SGD. In 'Buy (Global-Manufacture in India)' cases, all payments for the Make/Manufactured portion will be paid to the Bidder in Indian Rupees.

1.2.2 Indian bidders should submit their bids in Indian Rupees.

1.3 Contract Price and Requirement of Bank Guarantees

1.3.1 **Total Contract Price.** The Total Contract Price will be the final price negotiated by CNC including taxes and duties applicable at the time of signing of Contract.

1.3.2 **Base Contract Price.** The Base Contract Price will be considered as Total Contract Price excluding taxes and duties applicable at the time of signing of Contract and excluding the Total Price of AMC/CMC/PBL/LCSC (if any).

1.3.3 **Bank Guarantee(s).** For the purpose of payment of Advances to the Bidder and submission of various Bank Guarantees by the Bidder i.e Advance Payment Bank Guarantee (APBG) and Additional Bank Guarantee (ABG), as applicable, Base Contract price will be considered. For Performance cum Warranty Bank Guarantee (PWBG), Total Contract Price including taxes and duties is to be considered. In case of advance payments from separate project account for BNE, where applicable, the same would be with equivalent Bank Guarantees.

1.3.4 For orders with AMC/CMC/PBL/LCSC, an additional Performance Bank Guarantee (PBG) is to be submitted by the Bidder for which the Total Price of AMC/CMC/PBL/LCSC for contracted duration will be considered.

1.3.5 All Bank Guarantee(s) requirements viz Advance Payment Bank Guarantee (APBG), Performance-cum-Warranty Bank Guarantee (PWBG), Additional Bank Guarantee (ABG), Performance Bank Guarantee (PBG) etc are to be submitted as per following:-

1.3.5.1 **Foreign Bidder.** Bank guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank (as notified by RBI) or First Class banks of international repute whose details have to be furnished in the Commercial bid. In case of International banks, the Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi or any other Public or Private Sector Bank authorised by RBI and as per their recommendations seek confirmation of Bank Guarantee(s) by counter guarantee by an Indian Bank at Bidder's cost.

1.3.5.2 **Indian Bidder.** In case of Indian Bidders, the Bank Guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank.

1.4. **Payment to Foreign Bidders.**

1.4.1 The Payment Terms as per the ____stage payments are given in **Annexure I** to this **Appendix**.

1.4.2 **Advance Payment.** All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at **Annexure I** to this **Appendix**). The Seller is required to furnish equivalent Bank Guarantee (BG) for advance payment. The *prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at Annexure II to this Appendix*. The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract. The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T₀), provided the Seller submits the documents mandated by the DAP 2020 for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. In cases where Export License is required to be submitted by the Seller to the Buyer prior to release of Advance Payment, a copy of Seller's application for export license to their government or Confirmation from Seller's Government of authorization for Supply may be provisionally accepted in lieu of export license, for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer.

1.4.3 **On Delivery.** The Seller will give a notification to Buyer about the readiness of vessels for delivery at least 45 days prior to delivery of vessels. Paid shipping documents are to be provided to the Bank by the Seller as proof of dispatch of goods as per contractual terms so that the Seller gets payment from LC. The Bank will forward relevant documents to the Buyer for getting the vessel released from the Port/Airport. Documents will include -

- (a) Clean on Board Airway Bill/Bill of Lading (Original)
- (b) Commercial Invoice (original)
- (c) Inspection Acceptance Certificate demonstrating compliance with the technical specifications of the seller to be issued by the Buyer
- (d) Certificate of origin, duly stamped from Seller's Chamber of Commerce
- (e) Certificate of Quality and current manufacture from OEM
- (f) Physio-sanitary/Fumigation Certificate
- (g) Packaging List
- (h) Insurance and freight documents
- (j) Landing Certificate issued by Port Authority
- (k) Training certificate issued by the Buyer

(Note: The above list is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP).

1.4.4 **Post Delivery.** The Seller will obtain clearance certificate from User and submit any other relevant documents as specified in the Contract for last stage payment as per **Annexure I to this Appendix** for claiming this stage payment.

1.4.5 **Mode of Payment.**

1.4.5.1 **Stage Payments.** Payments shall be made through Irrevocable Letter of Credit (LC) or Direct Bank Transfer (as applicable). The payment will be arranged through any Public Sector Bank (as decided by the Buyer) or Private Sector bank (if approved by MoF), to the Bank of the Foreign Seller. Letter of Credit will be opened by the Buyer within one month of receipt of the Performance-cum- Warranty Bank Guarantee for full value of contract. The Letter of Credit will be revolving and valid for ___ days from the date of its opening. Payments through LC and DBT will be subject to the instant Uniform Customs and Practice for Documentary Credit (UCPDC) of the International Chamber of Commerce. The LC will be confirmed at Seller's cost if requested specifically by the Seller. Where extension of LC is necessitated, the Bank charges for extension shall be borne by the Party whose default causes such an extension. Banking charges will be paid by the Buyer and Seller in their respective countries.

1.4.5.2 **BNE Payments** (if applicable). Payment of BNE equipment/ systems and associated overheads/ profit, Modifications and BFE handling charges (if any) would be done

through opening of a separate project account. Shipyard can make payments against actual cost incurred for procurement after submission of relevant documents.

Note: Clause 1.4.5.2 is to be included if acquisition case is as per Section C of Chapter XII of DAP 2020 and any BNE is sanctioned for the project

1.4.6 **AMC/CMC/PBL/LCSC Payments.** Quarterly/Half-yearly/Annually payments will be made by PCDA, Mumbai/CDA (IN/CG), New Delhi on submission of User clearance certificate through DBT.

Note: This Para may be included if there is AMC/CMC/PBL/LCSC clause in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case

1.5 **Payment to Indian Bidders.**

(a) The payment terms as per the stage payment schedule are given in **Annexure I to this Appendix.**

(b) **Advance Payment.** All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at **Annexure I to this Appendix**). The Seller is required to furnish equivalent Bank Guarantee (BG) for advance payment. The prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at **Annexure II** to this Appendix.

(c) The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract. The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T0), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract.

(d) **On Delivery.** The payment will be made after successful delivery and acceptance of the vessel by IHQ MoD(N)/CGHQ on submission of following documents: -

(aa) Ink-signed copy of Seller's bill.

(ab) Ink-signed copy of Commercial invoice.

(ac) Inspection Acceptance Certificate demonstrating compliance with the technical specifications of the Seller to be issued by the Buyer. (Stage Completion Certificate)

(ad) Claim for statutory and other levies to be supported with requisite documents/proof of payment, as applicable.

(ae) Exemption certificate for taxes/duties, if applicable

Note: *The above list is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP.*

(e) **Post Delivery.** The Seller will obtain clearance certificate from User and submit any other relevant documents as specified in the contract for last stage payment as per **Annexure I to this Appendix** for claiming this stage payment.

(f) **Mode of Payment.** The payment will be made by PCDA, Mumbai/CDA (IN/CG), New Delhi who will release the payment through cheque/ EFT. In Shipbuilding cases where payments through Escrow Account is made **mandatory**, the payment will be made by PCDA/CDA who will release the payment through cheque/EFT to an Escrow Account as per modalities of Escrow Agreement signed between BUYER, SELLER and Escrow account operating Bank at the time of signing of Contract.

(g) **AMC/CMC/PBL/LCSC Payments.** Quarterly/Half-yearly/Annually payments will be made by PCDA, Mumbai/CDA(IN/CG), New Delhi on submission of User clearance certificate through issue of cheque/EFT.

Note: *This Para may be included if there is AMC/CMC/PBL/LCSC clause in RFP. Choice of Quarterly/Hal-yearly/Annually may be decided as per merits of the case*

(h) **BNE Payments** if applicable. Payment of BNE equipment/ systems and associated overheads/ profit, Modifications and BFE handling charges (if any) would be done through opening of a separate project account. Shipyard can make payments against actual cost incurred for procurement after submission of relevant documents.

Note: *to be included if acquisition is as per Section C of Chapter XII of DAP 2020 and any BNE is sanctioned for the project.*

(j) **Payment of Taxes and Duties on Completed Vessels.** Payment of taxes, duties and statutory levies on completed vessels will be made on submission of requisite documentary proof to Paying authority. Reimbursement of taxes and duties will be as per rates and amounts indicated in the Commercial Bid/Contract or as per actuals whichever is lower.

(k) **Payment Terms for B&D Spares.** Payment for B&D spares will be as follows :-

Stage	Cost payable and Activity	Time Schedule
I	10% of B&D	On the date of signing the Contract and against Advance Bank Guarantee (10% of cost of B&D Spares including total handling charges as quoted in Commercial Bid). <u>(SHQ can modify the term as per each project requirement)</u>
II	90% of B&D Spare Cost	On pro-rata basis on proof of receipt by the consignee <u>(SHQ can modify the term as per project requirement)</u>
<p>The percentage of advance paid and LD (if any) on B&D spares will be deducted from the relevant stage payment of B&D spares. The percentage and amount of advance to be deducted should be indicated in every stage bill while claiming the payment. The full amount of advance paid will be adjusted in stages.</p> <p>The Handling charges will be on pro-rata basis of the total value of B&D supplied by the Seller on actuals.</p>		

(l) **Payment Terms for Project Monitoring Expenses** (if applicable). The payment stages will be decided based on mutual deliberation between Buyer and Bidder during CNC (**Annexure III to this Appendix refers**). Or The payment on Project Monitoring System expenses will be made on submission of claim for PMS on Monthly/ quarterly/ yearly basis.

(m) The payment stages for BNE items will be decided based on mutual deliberation between Buyer and Seller during CNC.

(n) **Exchange Rate Variation**. Exchange Rate variation shall be applicable for Rupee contracts with Indian Vendors, based on RFPs issued under all categories of capital acquisitions mentioned at Para 6 to 11 of Chapter I of DAP. The indigenous & import components as also the various currencies (of the import components) for ERV purposes, must be determined in advance. ***The guidelines on protection of Exchange Rate Variation are given at Annexure IV to this Appendix.***

(p) **Payment by Letter of Credit (LC).** For Capital Acquisition, Category “Buy Global” (other than Defence PSUs in *ab initio* Single Vendor Cases or as a nominated production agency), Indian vendors can exercise option to take payment either through Letter of Credit (LC) or Bank Transfer. The payment terms would be regulated as given below:-

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
1	The Accounting and Payment currencies shall be Rupees only. However, Exchange Rate Variation (ERV), as per ERV provisions contained in Annexure IV to this Appendix , where permissible, shall be paid, only in INR.	
2	The Total Contract Price will be as per Para 1.3.	

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
3	<p>The total contract price referred to in Article 1 of the contract shall be paid as follows:-</p> <p>(a) Advance Payment. ____% of total value of goods supplied being ₹-----shall be paid to the Bidder, through Bank Transfer, within 30 days of the receipt of the following documents:</p> <p>(b) Advance Bank Guarantee as per Article 3B of the Contract.</p> <p>(c) Performance cum Warranty Bank Guarantee as per Article 4 B of the Contract.</p> <p>(d) Any other specific document (like proforma invoice) if required.</p> <p><i>(Note: The second stage advance payment after completion of specific milestone may also be paid through Bank Transfer.)</i></p>	
4	<p>For the second/next stage payment the SELLER has the option to seek payment either through Bank transfer from the O/o of PCDA _____ or through Letter of Credit.</p>	
5	<p>Where the Bidder opts for payment through LC, all payments except for the first stage payment as per clause 3 above shall be made by LC, as per following conditions:-</p> <p>(a) The Bidder will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment.</p> <p>(b) Consequent on receipt of the above notification, the BUYER shall open the Letter of Credit through PCDA before expiry of this period of 45 days provided a 5% Performance cum Warranty Bond for the Full value of the Contract has been received.</p> <p>(c) The Letter of Credit will be opened with a Public Sector bank or Private Sector Bank (if approved by MoF) for _____% of the Contract value with the Bidder's Bank, i.e. _____ & Bidder's Account No. _____. It will be valid for a period of _____ days/months from the date of opening.</p> <p><i>Note: Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.</i></p> <p>(d) The payment against LC shall be made to the Bidder against presentation of</p>	<p>Where the Bidder opts for payment through Bank Transfer payment shall be made as per following conditions:-</p> <p>(a) The Bidder will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment.</p> <p>(b) Once a Bidder opts for payment through Bank Transfer, no changes in mode of payment would be permitted.</p>

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
	<p>the documents specified.</p> <p>(e) In the event of delay in opening the Letter of Credit (reasons for which are solely attributable to Buyer), the delivery date will automatically stand extended to that extent. Formal amendment/certification from Buyer will be required as shipment date would have to be amended in SWIFT form accordingly.</p> <p>(f) All expenses connected with establishment of the Letter of Credit in India will be borne by the Bidder.</p> <p>(g) Where the extension of the validity of Letter of Credit is necessitated, the Bank charges for extension shall be borne by the party whose default causes such an extension.</p> <p>(h) Once a Bidder opts for payment through LC, no mid-way changes in mode of payment are permitted.</p> <p>(j) The Letter of Credit shall be subject to and shall be governed by the instant Uniform Customs and Practices for Documentary Credits issued by the International Chamber of Commerce.</p> <p>(k) Any amendment in LC terms will be subject to Buyer's approval.</p>	
6	All payments will be carried out with reference to the number of this contract.	
7	<p>The Second/next Stage payment comprising _____% of the value of goods supplied and full freight and insurance (where admissible) thereon, shall be paid to the Bidder on submission of the following documents, in six copies each:</p> <p>(a) Commercial invoices in original.</p> <p>(b) Contractor's bill in original.</p> <p>(c) Certificate of Conformity and Acceptance test report at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and acceptance certificate issued by the SELLER.</p> <p>(d) Proof of Despatch (original copies of RR, P. Way bill of Lading, Airway bill as applicable).</p> <p>(e) Packing List.</p> <p>(f) Warranty certificate from the supplier.</p> <p>(g) Certificate of current manufacture from OEM.</p> <p>(h) Insurance documents for 110% of the cost of consignment, except where the supply is Ex-Works.</p>	

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
	<p>(j) Proof of Duty/Tax paid/reimbursable like deposition receipt/challan etc.</p> <p>Note:</p> <p>(i) <i>The Invoice and Contractor's bill must show the contract reference number, break-up of costs in terms of unit costs, total costs, exchange rate element, percentage rates of taxes and duties and amount payable/paid, in complete detail.</i></p> <p>(ii) <i>Three copies of Bidder's Commercial Invoices, proof of dispatch, packing list and the specifications will be sent by courier and fax by the Bidder to the BUYER (Wing of Service HQ to be specified) within 3 days after the equipment has been shipped. Intimation may also be forwarded to Ministry of Defence, South Block, New Delhi (Wing to be specified).</i></p>	
8	<p>Payment of other components of contract-</p> <p>(a) <u>Training</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed.</p> <p>(b) <u>Reimbursable Expenses</u>. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Suppliers may ensure submission of same with details of contractual obligations completed and payments received. This clause shall form part of LC.</p> <p>(c) <u>Installation and Commissioning Charges</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. Documents in proof of rates claimed shall need to be annexed.</p> <p>(d) <u>AMC Charges</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.</p>	<p>Payment of other components of contract-</p> <p>(a) <u>Training</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed.</p> <p>(b) <u>Reimbursable Expenses</u>. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Bidders may ensure submission of same with details of contractual obligations completed and payments received.</p> <p>(c) <u>Installation and Commissioning Charges</u> Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.</p> <p>(d) <u>AMC Charges</u>. Commercial invoice/Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.</p>
9	<p><u>Balance Payment</u>. The balance payment for ___% shall be paid to the SELLER against presentation of following documents:- (a) Copies of invoices (three copies). (b) Copy of JRI and acceptance certificate issued by the BUYER. (c) Contractor's bill (d) Extended bank guarantee wherever required</p>	
10	<p>SELLER's bankers address and account number: - Bank Name: Branch Name: Account No.: Sort Code: SWIFT Code: IFSC Code RTGS No</p>	<p>SELLER's bankers address and account number:- Bank name: Branch name: Bank account No.: IFSC Code MICR Code</p>
11	<p>Where admissible, tax deduction at source will be done by the Bank releasing payment against</p>	<p>Where admissible, tax deduction at source will be done by PCDA.</p>

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
	LC.	
12	Payment/recovery in terms of the Contract will be made by the Bank releasing payment against LC . All documents under the LC shall be delivered by the Bank to PCDA (through Trade Finance CPC, New Delhi).	Payment/recovery in terms of the Contract will be made by PCDA .

2. **Performance-cum-Warranty Bank Guarantee Clause.** A Performance-cum-Warranty Bank Guarantee (PWBG) of 5 % of value of the **Total Contract Price** including taxes and duties would be furnished by the Bidder in the form of a Bank Guarantee to sequentially act as Performance Bank guarantee till the delivery and as Warranty Bank Guarantee on delivery . The PWBG shall be submitted by the Bidder within one month of signing of contract and shall be valid for a period, until three months beyond the warranty period, as specified in the RFP. If at any stage, the Performance Guarantee is invoked by the Buyer either in full or in part, the Seller shall make good the shortfall in PWBG within 30 days by an additional Bank Guarantee for equivalent amount. In the event of failure to submit the required Bank Guarantee against invoked Performance Guarantee, equivalent amount will be withheld from the next stage payment till the shortfall in the Bank Guarantee is made good by the Bidder. The prescribed format of the Performance-cum-Warranty Bank Guarantee is placed at **Annexure V to this Appendix**.

3. **Additional Bank Guarantee in Cases Where Essential Parameters -B are Incorporated.** An Additional Bank Guarantee of ____ % of Base Contract Price of the equipment required with Essential Parameters B would be furnished by the L1 vendor in the form of a Bank Guarantee as per format **Annexure VII**. Additional Bank Guarantee would be submitted after declaration of L1 by the CNC and shall be valid for a period, until ____ months after signing of the contract. However, in cases where the equipment fielded by the vendor emerging L1 has already been trial evaluated for Essential Parameters B and found compliant to same, the vendor will not furnish an Additional Bank Guarantee for Essential Parameters B.

4. **Performance Bank Guarantee for AMC/CMC/PBL/LCSC (where applicable).**
The Bidder will be required to furnish a Performance Guarantee by the way of a Bank Guarantee of a sum equal to 5% of the Total Price of AMC/CMC/PBL/LCSC for contracted duration prior to expiry/return of the PWBG of the Main Contract. Performance Bank Guarantee should be valid for 03 months beyond the period of the AMC/CMC/PBL/LCSC. The format of the Performance Bank Guarantee is to be as per **Annexure V to this Appendix**.

5. **Indemnity Bond.** (*Note - This para is to be included only in the Single Vendor cases with Defence PSUs/ JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis. In competitive bidding cases, all participating entities will furnish all Bank Guarantees, as applicable*). DPSUs/JV with DPSUs/PSUs/Government Entity may furnish Indemnity Bonds instead of Bank Guarantees towards Advance Payment Bank Guarantee and Performance-cum-Warranty Bank Guarantee as given in **Annexure VI to Appendix**.

6. **Liquidated Damages (LD).**

(a) In the event of the Bidder's failure to submit the Documents or/and delay in completion of the project and if the delay is attributable to the Bidder, the Buyer may at his discretion withhold cost of the specific vessel/stage or 1% of the Project cost, whichever is higher, until the completion of the contract. In case of delay in completion of the project and if the delay is attributable to the shipyard, Liquidated Damages will be levied after a Grace Period, as amplified below:-

(i) **Grace Period.** Grace period will be calculated at the rate of 5% of the build period (in months), subject to a minimum of one month and a maximum of three months.

(ii) **Liquidated Damages.** Beyond the Grace Period, LD will be levied at the rate of **1/100** of the **delay percentage** {Delay percentage = (Period of Delay wrt the build period, in month) x 100 / (Build Period in month as per contract)} of the Vessel Cost upto a limit of 10%, for every month of delay or part of a month delay (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period). Vessel cost is as defined at Para 2 of **Annexure I to this Appendix N**, excluding cost for BFE and B&D spares.

(iii) Waiving of LD may be done at discretion of Buyer, if it is established by Buyer that reasons for delay is either on account of Buyer or due to Force Majeure.

(b) **Consequence of Not Achieving Specified Speed/Performance (Optional Clause for ships constructed under Section B).** The Contractual speed of the ship shall be.....Knots, based on the measured mile trial runs, with clean hull, in calm and deep water, at fully loaded condition. If the speed with clean hull in deep and calm water is less by more than ½ knot of contractual speed, the Vessel Cost (Total of Sl (b) to (k) and (r)(iii) of **Appendix N**, excluding Cost of ToT), as adjusted by the escalation clauses of the Ship, shall be reduced by 0.5% for every shortfall in speed of 1/2 knot, or on pro-rata basis for part thereof from the contractual speed. If the speed falls short by more than..... knot, the Seller shall take necessary steps to bring the speed to theknot at their own cost and within an indicated time frame.

The Buyer may also include specific consequences for not achieving major performance parameter in lieu of the clause of not achieving speed.

(c) **Consequence of Delay in Delivery of B&D spares.** In the event of the Seller's failure to have the B&D Spares delivered by the date/dates specified in the contract, the Buyer may, at his discretion withhold any payment until the whole of the Spares have been supplied and the Buyer may also deduct from the seller, liquidated damages to the sum of **1/100** of the **delay percentage** {Delay percentage = (Period of Delay in Delivery in Months) x 100 / (Delivery Period in months as per contract)} of the contract price of the delayed/ undelivered spares mentioned above for every month of delay or part of a month, subject to the maximum value of the Liquidated Damages being not higher than **10%** of the contract price of the value of delayed

spares (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period).

7. Payment Deductions and Damages for Shortfalls in AMC/CMC/PBL/LCSC Services (where applicable).

The clause for payment deductions and damages for shortfall in AMC/CMC/PBL/LCSC is to be formulated on case to case basis. A sample formulation is given below.

In case the cumulative downtime exceeds ___ (working days) in the ___ (Quarter/Half-year/Year), payment will be deducted. The total downtime will be calculated at the end of the ___ (Quarter/Half-year/Year) and payments will be deducted. The total payments to be deducted will be calculated as follows:-

(a) Payments would be deducted on pro-rate basis for the duration, by which cumulative downtime exceeds ___ (working days), as follows:-

(i) Per year AMC/CMC/PBL/LCSC = 'X₁'

(ii) Period by which cumulative downtime exceeds the specified cumulative downtime, in days = 'Y₁'

*(iii) Payment Deduction = 'Z₁',
Where Z₁ = [(X₁/ Number of days in the year) * Y₁]*

(b) In addition, damages would be deducted to the sum of 0.1% of the per annum AMC/CMC/PBL/LCSC cost per day, for the duration, by which cumulative downtime exceeds the maximum permissible cumulative downtime per quarter/half-year/year, subject to the maximum value of this damages not being higher than 5% of the annual AMC/CMC/PBL/LCSC cost.

8. Denial Clause. In case the delay in delivery is attributable to the seller or a non-force majeure event, the Buyer may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the supplier of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in prices due to the Price Variation Clause (PVC) and/or any adverse fluctuation in foreign exchange are to be borne by the seller during the extended delivery period, while the Buyer reserves his right to get any benefit of downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period. The format for extension of delivery period/performance notice under the Denial clause is at **Annexure VIII to Appendix M.**

9. End User Certificate. The Buyer shall also provide End User Certificate as applicable and wherever feasible, for material and equipment imported for the purpose of construction of the vessel(s).

10. **Delivery Period Extension.** In case of delay in delivery of any deliverables, The Bidder shall submit a consolidated case to the BUYER showing the effect of delays on the project including causes at least 05 months in advance prior to contracted delivery date. The BUYER shall undertake the review and analyse these delays promptly and process the case for Delivery Period (DP) **Extension With/Without LD (as applicable)**. The amendment to the Contract after approval of **Competent Authority** will be undertaken by the BUYER. Such amendments to the Contract shall be mutually signed by both the Parties (i.e. BUYER and Bidder). The approval of the DP Extension will be as per Annexure VIII to Appendix M.

11. **Price Variation Clause** *(applicable only for cases with delivery period more than 36 months)*. Price variation will be applicable to Indian Rupee component of the Contract on the cost of basic equipment indicated at Sl () of Price Bid Format at Appendix N. L1 determination will be based on overall quoted prices as indicated in the Price Bid Format. The PVC will be applicable 18 months after the last date of bid submission till the date of bid opening and thereafter from the Effective date of Contract. The PVC will be applied during payments as per Payment Schedule at Annexure VII to Appendix M. The indices for calculation of the price variation along with weightages are enumerated below. The variations are calculated by using the indices published by Government or Chambers of Commerce periodically. The guidelines for calculation of Price Variation are specified at **Annexure IX to this Appendix**.

Applicable Indices

Assigned Weightages

- (a)
- (b)

Note: For AMC/CMC/LCSC/PBL, as applicable, PVC is to be formulated and indicated at Annexure IX to Appendix M.

Annexure I to Appendix M
(Refers to Para 10 of RFP)

STAGES OF PAYMENT AND DELIVERY SCHEDULE

1. The terms of payment may vary between each project depending upon a variety of factors such as indigenous content, necessity for building infrastructures, imports, design considerations, development of indigenous technology and quantum of BNE etc. However, some broad guidelines for payment terms are appended in subsequent Paras.

2. The Vessel Cost (Total of SIs (b) to (k) and r(iii) of **Appendix N**, excluding Cost of ToT)/ Fixed Price Element (in case of acquisition *iaw* Section C of Chapter XII) will be paid as per following stages on completion of respective stage activity The vessel cost will not include costs towards Handling of B&D spares and Project Monitoring System, the payment stages of which have been specified at Para 1.5 (j) & (k) of App M respectively. The payment stages of ToT , if applicable, will be specified separately.

(a) **For Ships**. 15 stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalized during CNC
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel/ Hull Construction (b)Submission of Cardinal date program me /Production PERT	
III	5%	(a) Submission of Drawing Schedule (b)Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c)Submission of main hull structural drawing (d)Order for all major pre-launch items finalized and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only	

		(b) Completion of main engines, gear boxes, grids & Seatings/m/c seating as applicable to erecting of 60% hull	
VI	5%	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship of series only (b) All access holes to be cut and preparation of main seating in m/c compartment (c) Placement of order for majority equipment & systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b) Manufacture/procurement of W/T doors and hatches (c) Submission of network of balance activities upto delivery alongwith resource allocation	
VIII	10%	(a) Completion of machinery , equipment & fittings with associated system required for reaching pre-launch stage and submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	
IX	5%	Completion of 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	5%	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	10%	Completion of Basin Trials	
XIII	5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings , manuals for the ship tp be	

		made available to the concerned agencies as per specifications (d) Completion of first reading of D-448 and acceptance of vessel	
XV	10%	On completion of 'shipyard guarantee liabilities' and GRDD final reading of D 448 and completion of all guarantee liabilities	

Note :-

Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. However, for high value projects, SHQ may revise the APBG requirement and provide justification for the same in the SoC while seeking specific AoN.

(b) **For Submarines.** Fifteen stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalized during CNC
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel/ Hull Construction (b) Submission Cardinal date programme /Production PERT and acceptance by Buyer	
III	15%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalized and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only (b) Completion of main engines, gear boxes, grids & Seatings/m/c seating as applicable to erecting of 60% hull	
VI	15 %	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship series only (b) All access holes to be cut and preparation of main seating	

		in m/c compartment (c) Placement of order for majority equipment & systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b) Manufacture/procurement of W/T doors and hatches (c) Submission of network of balance activities upto delivery alongwith resource allocation	
VIII	15%	(a) Completion of machinery , equipment & fittings with associated system required for reaching pre-launch stage and submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	
IX	2.5%	Completion of 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	2.5 %	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	2.5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	2.5%	Completion of Basin Trials	
XIII	2.5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	2.5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings , manuals for the ship tp be made available to the concerned agencies as per specifications (d) Completion of first reading of D-448 and acceptance of vessel	
XV	5 %	On completion of 'shipyard guarantee liabilities' and GRDD final reading of D 448 and completion of all guarantee liabilities	

Note:-

Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. However, for high value projects, SHQ may revise the APBG requirement and

provide justification for the same in the SoC while seeking specific AoN.

(c) **For Yard Craft/Auxiliaries.** Seven stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel's cost	Activity	Pre-Requisites
I	10%	On signing of the Contract (10% of Vessel Cost)	On submission of bank guarantee of equal value and performance – cum-Warranty Bond of 5% of contractual cost. DPSUs may submit indemnity bond when nominated.
II	20%	(a) Proof of ordering of steel/Hull construction Material (b) Submission of cardinal date programme/ production PERT and acceptance by Buyer (c) Submission of main hull structural drawings. (d) Order for all major pre-launch items finalized and placed (e) Submission of Drawing Schedule. (f) Erection of 40% hull (g) Submission of equipment schedule. (h) Completion of main engines, Gear box girders & seatings / machinery seatings as applicable to erection of 40% hull.	To be certified by owner's rep/overseer. Payment shall be released on submission of Bank Guarantee of equal value.
III	10%	(a) Completion of main engines, gear box girders, seatings / machinery seatings as applicable to erection of 70% hull. (b) All access holes to be cut and preparation of main seatings in machinery compartment. (c) Manufacture /procurement of W/T doors and hatches	To be certified by Owner's rep/Overseer. Payment shall be released on submission of Bank Guarantee of equal value.

		(d) Pressure test of built in tanks (e) Submission of network of balance activities	
IV	10%	(a) Erection of 100% main hull (b) Placement of order for major equipment & system affecting conduct of basin trials (c) Pressure test of built in tanks (d) Submission of network of balance activities	To be certified by Owner's rep/Overseer. Payment shall be released on submission of Bank Guarantee of equal value.
V	15%	(a) Completion of installation of machinery, equipment and fittings with the associated systems required for reaching pre launch stage. (b) Launching of vessels or equivalent stage of construction reached. Note. If large amount of machinery is to be placed after the launch of the vessel, this stage may be split into two @10% or 7.5% each	To be certified by Owner's rep/Overseer. Payment shall be released on submission of Bank Guarantee of equal value.
VI	30%	(a) Completion of Basin Trials (b) Completion of inclining experiment and draft survey for subsequent crafts (c) Successful completion of contractor's sea trials (form part of vessel acceptance trials) (d) Successful completion of final machinery trials (e) Stowage of all on-board spares (f) All documentation, drawings , manuals for the ship to be made available to the concerned agencies as per specifications (g) Completion of first reading of D-448 and acceptance of the vessel.	To be certified by Owner's rep/Overseer.
VII	5%	All defects, deficiencies and contractor's liabilities including guarantee repairs & dry docking to be	

	completed.	
<p>Note:-</p> <p><i>Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. The Seller shall not be entitled to any payment under this project, unless the overseer has certified that all work up to that stage for the barge concerned has been satisfactorily completed. The overseer shall, on receipt of notice in writing from the seller, promptly examine the work requiring certification for issuance of payment.</i></p>		

3. **DELIVERY SCHEDULE OF VESSELS.**

3.1 To Buyer's representative, afloat at (**place- may be specified**), **at the Seller's cost as per the schedule indicated below.** The onboard spares (OBS), special tools, accessories, and documents/publications shall be delivered along with delivery of the vessel(s). 'As Fitted/'As Made' drawings are to be delivered after the delivery of the respective vessel(s). The consignee for the B&D spares along with delivery schedule is _____(Name of authority-may be specified).

Delivery Schedule

3.1.1 The delivery of the vessel with all onboard equipment/ systems, onboard spares, documentation, tools and associated test equipment including successful acceptance trials will be as per schedule indicated below. The delivery of the Vessel will be at the Seller's cost. On board spares (OBS), documentations, tools and accessories shall be delivered along with delivery of each Vessel. 'As fitted drawings' are to be delivered, within one month of delivery of each Vessel to the consignee. No credit will be given for early deliveries. The B&D spares for all Crafts will be delivered within _____ (period to be indicated) after the scheduled delivery of last Vessel to ultimate consignee as indicated by the buyer.

3.1.2 The **ultimate consignees** for the Vessel and **B&D** spares is _____(indicate location) and the Vessel(s) are required to be delivered as per the following sequence: -

<u>Ser</u>	<u>Description</u>	<u>Delivery Period</u>	<u>Remarks</u>
(a)	Vessel (No.1)	T ₀ +____ Months	'T ₀ ' to be reckoned as per Para 1.5 (c) of Appendix 'M'. The Vessel are to be delivered at (indicate port of delivery/ place of delivery).
(b)	Vessel (No.2)	T ₀ +____ Months	
(c)	Vessel (No.3)	T ₀ +____ Months	
(d)	Vessel (No.4)	T ₀ +____ Months	
(e)	Vessel (No.5)	T ₀ +____ Months	

3.2 **DELIVERY SCHEDULE OF TRANSFER OF TECHNOLOGY (ToT) AND INFRASTRUCTURE DELIVERABLES (if applicable)**

The proposed delivery schedule for ToT and Infrastructure Deliverables to Production Agency

Annexure II to Appendix M
(Refers to Para 1.4.2 and 1.5 (b))

BANK GUARANTEE FORMAT FOR ADVANCE

To

The _____
Ministry of _____
Government of India

_____ (complete postal address of the beneficiary)

1. “Whereas President of India represented by the _____ Ministry of _____ Government of India (hereinafter referred to as BUYER) have entered into a Contract _____ No. _____ (No. of Contract), dated _____ (Date of Contract) with M/s _____ (Name of SELLER) (referred to as SELLER) and whereas according to the said Contract the BUYER has undertaken to make an advance payment of Rs. _____ being _____ payment of _____% of the total value of Rs./US\$/Euro/PS/Yen/AUD/SGD _____ of the said Contract, against issuance of an advance guarantee by a bank.”

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 BUYER intimating that the SELLER is in breach of the Contractual obligations stipulated in the said Contract. 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 total liability under this guarantee shall be restricted to an amount not exceeding Rs. /US\$/Euro/PS/Yen/AUD/SGD _____.

3. We undertake to pay to the BUYER any money so demanded notwithstanding any dispute or disputes raised by the SELLER in any suit or proceedings 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 valid discharge of our liability for payment there under and the SELLER shall have no claim against us for making such payment.

4. We, 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 Contract and that it shall continue to be enforceable till all the dues of the BUYER under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till _____ office / Department / Ministry of _____ certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said SELLER and accordingly discharges this guarantee.

5. We, further agree with the BUYER that the BUYER 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 Contract or to extend time of performance by the said SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the BUYER against the said SELLER and 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, Amendment issued vide MoD ID No. 4(50)/D(Acq)/08 dated 20.06.2016 or extension being granted to the said SELLER or for any forbearance, act or omission on the part of the BUYER or indulgence by the BUYER to the said SELLER or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

6. The amount of this guarantee will be progressively reduced by (percentage of advance) _____ of total value of each part shipment/services against the stage payment released by the BUYER for that shipment/services made by the SELLER and presentation to us of the payment documents.

7. This guarantee will not be discharged due to the change in the constitution of the bank or the BUYER/SELLER.

8. We, undertake not to revoke this guarantee during the currency except with the previous consent of the BUYER in writing.

9. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed Rupees/US\$/Euro/PS/Yen/AUD/SGD _____ (in words)

(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.

(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 the bank)

Through its authorised signatory

(Signature with seal)

Annexure III to Appendix M
(Refers to Para 1.5 (I))

PROJECT MONITORING SYSTEM

(General Guidelines. To be altered as per requirements of the Project)

1. **Project Monitoring.** In view of the complex nature of the ship building projects involving multi-disciplinary efforts from a number of agencies, a high level of multi layered, proactive project management mechanism is required to be set up for ensuring the timely completion of the Project. The primary features of the Project Management System (PMS) envisaged are as follows: -

- (a). Enterprise Project Monitoring using Commercial Off the Shelf (COTS) enterprise software tools.
- (b). On line web based project monitoring, drawing approvals, online alerts, status reports, project analysis, trouble-shooting etc.
- (c). Turn Key maintenance, administration and project analysis support by the PMS provider.
- (d). The project monitoring software, hardware etc. will be offloaded to proficient vendors at actual and the responsibility of training will be with the vendor contracted for the same.

2. The broad scope of supply and work for the PMS required is as follows: -

- (a). Project planning, monitoring and analysis support to the Project Manager.
- (b). Project management as a collective portfolio of sub-projects, tasks, resources, supply etc. for better decision-making using an advanced Enterprise Project Management tool e.g. Primavera/Microsoft Project Enterprise Edition etc.
- (c). Facilitate improved project team communication by having a system wherein all Project stakeholders have access to up-to-date information and can communicate within the system. The system is to use a web based design, with on-line connectivity for data, voice and video.
- (d). Supply of required software and hardware and other IT infrastructure.
- (e). Maintenance, administration and support of the PMS.
- (f). Training on the system.

Any other accessories which could help in project monitoring and co- ordination.

Annexure IV to Appendix M
(Refers to Para 1.5 (n))

GUIDELINES OF PROTECTION OF EXCHANGE RATE VARIATION IN CONTRACTS

1. Parameters to be kept in view while formulation ERV Clause.

(a) In contracts with Indian Vendors in all categories of capital acquisitions where there is an import content, ERV clause will be provided. However, ERV clause shall not be applicable to contracts in following conditions:-

(i) The delivery period is less than one year; or

(ii) The rate of exchange variation is within the band of +/- 2.5%.

(b) ERV clause will be framed according to the specific requirements of the contract. While calling for information at the RFP stage/formulation of ERV clauses in the contracts, the following factors are to be taken into consideration depending upon the requirements of the individual contracts:-

(i) Year wise and major currency wise import break up is to be indicated.

(ii) Detailed time schedule for procurement of imported material and their value at the FE rates adopted for the contract is to be furnished by the vendor as per the format given below:-

YEAR	TOTAL COST OF IMPORTED MATERIAL (In rupees)	FE CONTENT-OUT FLOW (equivalent in rupees ₹ in crore)			
		DOLLAR DENOMINATED	EURO DENOMINATED	POUNDS DENOMINATED	OTHER CURRENCIES DENOMINATED (as applicable)

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

(iv) For purposes of ensuring uniformity, 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 Parliament Street Branch of State Bank of India, New Delhi. The ERV reckoning date will be the last date of submission of commercial bids as per RFP. In cases where

Option 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.

(v) ERV clause in the contract is to clearly indicate that ERV is payable/refundable depending upon exchange rate as prevalent on the date of transaction with reference to Base Exchange Rate on the ERV reckoning date.

(vi) Other issues which are peculiar to the contract.

2. **Methodology For Claiming ERV**

“The prices finalised in the contract are based on the base exchange rates indicated in the contract. The year-wise amount of foreign exchange component of the imported items as indicated in the contract shall be adjusted for the impact of exchange Rate Variation of the Rupee based on the exchange rate prevailing on the date of each transaction, as notified by the SBI, Parliament Street Branch, New Delhi. The impact of notified Exchange Rate Variation shall be computed on an yearly basis for the outflow as tabulated in Annexure..... (The table at Para 1(b) (ii) is to be an Annexure to the contract) and shall be paid/refunded before the end of the financial year based on the certification of Finance Head of the concerned Division.....”.

3. Paying authority is to undertake a pre-audit of the documents before payment.

4. Documentation for Claiming ERV. The following documents would need to be submitted in support of the claim on account of ERV:-

(a) A bill of ERV claim enclosing worksheet.

(b) Banker’s Certificate/debit advice detailing Foreign Exchange paid and Exchange rate as on date of transaction.

(c) Copies of import orders placed on the suppliers.

(d) Invoice of supplier for the relevant import orders.

Annexure V to Appendix M
(Refers to Para 2 & 4)

BANK GUARANTEE FORMAT FOR PERFORMANCE-CUM-WARRANTY

To

The _____
Ministry of _____
Government of India
_____ (complete postal address of the beneficiary)

Dear Sir,

1. Whereas President of India represented by the _____ Ministry of _____, Government of India (hereinafter referred to as BUYER) have entered into a Contract No. _____ dated _____ (hereinafter referred to as the said Contract) with M/s. _____ (hereinafter referred to as the SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee amounting to Rs. /US\$/Euro/PS/Yen/AUD/SGD _____ which is 5% of the **Total Contract Price** (including taxes and duties) to cover 5% of **Total Contract Price (including taxes and duties) each** for Performance and Warranty in sequence, to secure its obligations towards Performance-cum-Warranty to the BUYERS.

2. We, the _____ bank hereby expressly, irrevocably and unreservedly undertake the guarantee as principal obligors on behalf the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to Performance and Warranty clauses, we will pay you, on demand and without demur, all and any sum up to {5% of Total Contract Price (including taxes and duties)} _____ Rupees/US\$/Euro/PS/Yen/AUD/SGD only at any instance under this Guarantee. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or released from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alterations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Performance-cum-Warranty guarantee shall remain valid for a period until three months beyond the warranty period as specified in the Contract i.e. upto _____.

7. Subject to the terms of this Bank Guarantee, the issuing bank hereby irrevocably authorizes the beneficiary to draw the amount of upto Rs. /US\$/Euro/PS/Yen/AUD/SGD _____ {5% of Total Contract Price (including taxes and duties)} for breach/failure to perform by the SELLER of any of the terms and conditions of the Contract related to performance and warranty clause. Partial drawings and multiple drawings under this Bank Guarantee are allowed within the above stated cumulative amount subject to each such drawing not exceeding 5% of the Total Contract Price (including taxes and duties) (Rs. /US\$/Euro/PS/Yen/AUD/SGD _____ only) (Mention BG amount).

8. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s _____. We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

9. Notwithstanding anything contained herein above:

(a) Our liability under this Guarantee shall not exceed Rs. /US\$/Euro/PS/Yen/AUD/SGD _____ (Rupees/US\$/Euro/PS/Yen/AUD/SGD _____ only (in words).

(b) This Bank Guarantee shall remain valid until 3 months from the date of expiry of warranty period of the Contract, i.e upto _____ (mention the date) which is 3 months after expiry of the warranty period and the BG shall cease to be valid after _____ irrespective 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 the bank)

Through its authorised signatory
(Signature with seal)

**Annexure VI to Appendix M
(Refers to Para 5)**

INDEMNITY BOND FOR PERFORMANCE-CUM-WARRANTY

1. This deed made on this _____ day of _____ 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").
2. Whereas MoD, New Delhi acting on behalf of the President of India (hereinafter referred to as "BUYER") has placed a Contract No _____ dated _____.
3. And whereas, the SELLER has agreed to execute this Indemnity Bond for performance-cum-warranty on the terms and conditions appearing hereinafter.
4. 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 with its control, refrain from such actions or actions as 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 {_____ (₹ _____ only) being _____ 5% of the Total Contract Price (including taxes and duties) of {_____ (₹ _____ 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 as per Para c above which shall be restricted to the limit as provided at Para 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. The liability of the SELLER under this bond shall remain and in full force until the fulfilment of the obligations of the SELLER under the said Contract.
 - (f) The SELLER hereby expressly, irrevocably, and unreservedly undertake and guarantee that in the event that the beneficiary submits a written demand to SELLER stating that they have not performed according to the warranty obligations for the PRODUCTS as per said Contract, SELLER will pay BUYER on demand and without demur any sum up to maximum amount of _____ 5% of the Total Contract Price (including taxes and duties). BUYER'S written demand shall be conclusive evidence to SELLER that such repayment is due under the terms of the said contract. SELLER undertakes to effect payment within _____ days from receipt of such written demand.

(g) The amount of warranty/guarantee shall not be increased beyond ___ %. Unless a demand under this warranty/guarantee is received by 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 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.

5. This Indemnity Bond for Performance-cum-Warranty guarantee shall be governed by Indian Law.

For -----

Signature:
Name:
Witness

Signature :
Name :

- 1.
- 2.

Annexure VII to Appendix M
(Refers to Para 3 of Appendix M)

FORMAT FOR ADDITIONAL BANK GUARANTEE FOR
ESSENTIAL PARAMETER-B CASES

To

The _____,
Ministry _____,
Government of India,
_____ (complete postal address of the beneficiary)

1. Whereas President of India represented by the _____ Ministry of _____, Government of India (hereinafter referred to as BUYER) have entered into a Contract No _____ dated _____ hereinafter referred to as the said Contract) with M/s _____ (hereinafter referred to as SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee for (%) of Base Contract Price amounting to Rs/ US \$/Euro/PS £/Yen/AUD/SGD _____ to secure its obligations towards meeting the Essential Parameters B to the BUYER.

2. We, the _____ bank hereby expressly, irrevocable and unreservedly undertake and the guarantee as principal obligors on behalf of the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to meeting the Essential Parameter B, we will pay you, on demand and without demur, all and any sum up to a maximum of Rupees/ US \$/Euro/PS £/Yen/AUD/SGD _____ only. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or release from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alternations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Guarantee shall remain valid until _____ as specified in the Contract.

7. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s _____ . We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

8. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed Rupees/ US \$/Euro/PS £/Yen/AUD/SGD _____ (in words) _____ .

(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.

(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 the Bank)

Through its authorized signatory

(Signature with seal)

Annexure VIII to Appendix M
(Refers to Para 10 of Appendix M)

FORMAT FOR EXTENSION OF DELIVERY PERIOD/PERFORMANCE NOTICE

Name of the Procuring Entity.....

Extension of Delivery Period/Performance Notice

To
M/s (name and address of firm)

Sub: Contract No..... dated.....for the supply of.....

Ref: Your letter no. dated:

Dear Sir,

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In your letter under reply you have asked for [further] extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from (fill in date) to (fill in date).

2. Please note that notwithstanding the grant of this extension in terms of Clause (fill in clause number) of the subject contract an amount equivalent to % (..... per cent) 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., (fill in date) will be recovered from you as liquidated damages. You may now tender the Stores for inspection [balance of the Stores] in terms of this letter. Stores if any already tendered by you for inspection but not inspected will be now inspected accordingly.

3. You are also required to extend the validity period of the performance guarantee for the subject contract from (fill in present validity date) to (fill in required extended date) within 15 (fifteen) days of issue of this amendment letter.

4. The above extension of delivery date will also be subject to the following Denial Clause:-

(a) That no increases in price on account of any statutory increase in or fresh Imposition of customs duty, GST or on account of any other taxes/duty, including custom duty), leviable in respect of the Stores specified in the said contract which takes place after (insert the original delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and,

(b) That notwithstanding any stipulation in the contract for increase in price on any other ground including foreign exchange rate variation, no such increase which takes place after (insert the reckoning date as per DAP 2020) shall be admissible on such of the said Stores as are delivered after the said date.

(c) But nevertheless, the Buyer shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, GST or on account of any other Tax or duty or on any other ground as stipulated in the price variation clause or foreign exchange rate variation which takes place after (insert the original delivery date).

5. All other terms and conditions of the contract remain unaltered. This is without any prejudice to Buyer's rights under the terms and conditions of the subject contract.

6. Please intimate your unconditional acceptance of this amendment letter within 10 (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.

Yours faithfully,
(Authorised Officer)
Duly authorised,
for and on behalf of
The President of India

Note: Select one option within { } brackets; delete portion within [] brackets, if not applicable; fill in () brackets. Brackets and this note are not to be typed.

Substitute following first para instead of first para in format above, for issuing a performance notice.

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). 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 (fill in the outstanding quantity) are still outstanding even though the date of delivery has expired. Although not bound to do so, the time for delivery is extended from (fill in date) to (fill in date) 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.

Annexure IX to Appendix M
(Refers to Para 11 of Appendix M)

GUIDELINES FOR PRICE VARIATION CLAUSE

1. In cases where only Indian Vendors participate, Price Variation Clause (PVC) will be applicable for cases with delivery period more than 36 months.
2. PVC will apply only to the Indian Rupee component of the Basic cost of Vessel at SI (b) and final negotiated basic cost of single vendor BNE {sl(r)(iii)} of Price Bid Format at Appendix N. L1 determination will be based on overall quoted prices as indicated in the Price Bid Format.
3. Maximum PVC applicable will be up to ___% of Price Variation (could be percentage per annum or an overall ceiling or both) and will not be applicable if the variation is within the band of +/- 2.5%.
4. As Capital Acquisition generally has long gestation period with considerable time period between last date of bid submission and signing of contract, PVC will be applicable under following two categories:-
 - (a) **Pre-Contract Price Variation.** It will be applicable on the Indian Rupee component of the quoted price of L1 Bidder. Price arrived post application of PVC will be used for negotiations during CNC. The PVC will be applicable 18 months after the last date of bid submission to the date of Bid opening. For calculation of PVC applicable for Pre- Contract PVC period, the base level (PVC reckoning date) will be the month and year 18 months after the last date of bid submission.
 - (b) **Post-Contract Price Variation.** It will be applicable on the Indian Rupee component of the Base Contract Price specified in the Contract. For calculation of PVC during post contract period, the base level (PVC reckoning date) will be the month and year of Effective date of Contract.
5. Applicability of PVC is illustrated in the following figure:-

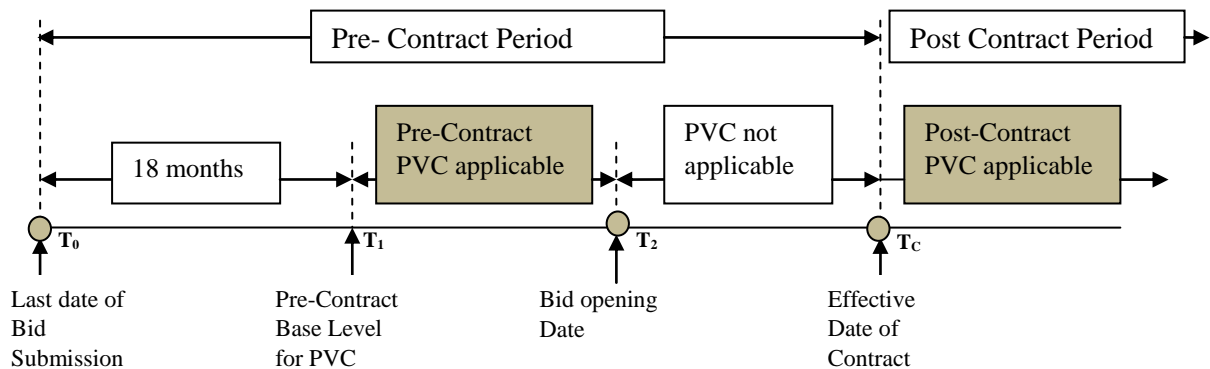


Fig: Application of PVC

Summary:

- PVC applicable during Pre- Contract phase 18 months after the last date of bid submission (T_1) to bid opening date (T_2)
- PVC applicable in post Contract phase after Effective date of Contract (T_C)

Illustrative Example

- If the bids are opened within 18 months from last date of bid submission
 - No Pre- Contract PVC applicable
 - Post Contract PVC applicable from T_C onwards.
 - Base level for Post Contract PVC will be month and year of T_C .
- If the bids are opened 24 months after last date of bid submission
 - Pre- Contract PVC applicable for period between T_1 and T_2 .
 - Base level for Pre-Contract PVC will be month and year of T_1 .
 - Post Contract PVC applicable from T_C onwards.
 - Base level for Post Contract PVC will be month and year of T_C .

6. **PVC Formula** (As at Rule 225(viii)(b) of GFR 2017). The formula for Price Variation should ordinarily include a fixed element, a material element and a labour element of the Indian Rupee component of the quoted price and Contract Price respectively for calculating pre-contract and post-contract PVC. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while a fixed element may range from 10 to 25%. The portion of the price represented by the fixed element will not be subject to any variation. The portions of the price represented by the material element and labour element alone will attract Price Variation. The formula for Price Variation will thus be:-

$$P_1 = P_0 \left(F + a \left[\frac{M_1}{M_0} \right] + b \left[\frac{L_1}{L_0} \right] \right)$$

Where, P_1 is the amount adjusted after applying PVC

Note:For Pre-Contract Phase

- P_0 - Quoted price.
- P_1 – Price adjusted after applying Pre-Contract PVC (negotiations will be undertaken on this price)

For Post Contract Phase

- P_0 – Base Contract Price (price negotiated with LI vendor)
- P_1 – Price payable after applying Post Contract PVC.

F is the fixed element not subject to Price Variation.

‘a’ is the assigned percentage to the material element in the Negotiated/Base Contract Price, as applicable.

‘b’ is the assigned percentage to the labour element in the Negotiated/Base Contract Price, as applicable.

L0 and L1 are the wage indices at the base month and year and at the month and year of calculation respectively. M0 and M1 are the material indices at the base month and year and at the month and year of calculation respectively.

If more than one major item or material is involved, the material element can be broken into two or three components such as M_x , M_y and M_z .

7. **For AMC/CMC/LCSC/PBL (to be amended as applicable).** For services with insignificant inputs of materials, the Price Variation formula should have only two elements viz. a high fixed element and a labour element.

8. **Option Clause Contract.** Price Variation Clause, FERV etc, if applicable and included in the original Contract, will also be applicable for Option Clause Contract. For arriving at prices payable, the Price Variation will be applied on the Base Contract price of the original Contract with the month and year of Effective date of Contract (T_C) as Base Level Indices.

Appendix N

(Refers to Para 19, 45, 57 & 67 of RFP)

EVALUATION CRITERIA AND PRICE BID FORMAT

1. **Evaluation Criteria.** The guidelines for evaluation of Bids will be as follows:-

1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.

1.2. **In Buy 'Global' Cases.**

In special cases of ship acquisition on 'Global' basis involving requirements of Custom Duty/exemption, clauses for L1 determination is to be formulated based on Para 1.2 of Appendix N to Schedule I to Chapter II of DAP-2020 and Price Bid Format be modified accordingly.

1.3 **In 'Buy (Indian-IDDM)', 'Buy (Indian)' and 'Buy& Make Indian Cases'.**

1.3.1 **Where DCF Technique as Given in Para 4 is Not Applicable.** L-1 bidder will be determined on the basis of quoted cost of all items including taxes and duties payable to Central/State/Local Governments but with exclusion of BNE items sourced from common single source in accordance with Para 109 of Chapter II of DAP-20. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. BNE rate would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from OFB/DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by OFB/DPSU/Private Vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether OFB, DPSU or private vendor.

1.3.2 **Where DCF Technique as Given in Para 4 is Applicable.** DCF technique will be applied on quoted cost of all items including taxes and duties payable to Central/State/Local Governments to ascertain the NPV which would be used for determining L1 bidder, but with exclusion of BNE items sourced from common single source in accordance with Para 109 of Chapter II

of DAP-20. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. BNE rate would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from OFB/DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by OFB/DPSU/Private Vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether OFB, DPSU or private vendor. If the number of single vendor BNE items is large, the RFP Collegiate may restrict the list of items to be excluded from L1 determination, based on the total cost of each item and its impact on L1 determination and included in the RFP accordingly.

1.4 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer. In cases where Custom Duty is not exempted, Basic Custom Duty on input material is to be included in the cost of Basic Equipment, Installation/ Commissioning/ Integration, BNE, ToT, MRLS, SMT, STE, ESP and any other item listed at Column (ii) of Para 2 below.

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

2. **Price Bid Format.** The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. All Columns of Price Bid Format are to be filled up with '0', 'positive numerical values' or 'Not Applicable' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

For specified single vendor BNE, as per list at Table 1 of Annexure I to Appendix N, the scope of BNE cost shall be as brought out at Para 1 above and include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

Basic cost of specified single vendor BNE as per list at Table 1 of Annexure I to Appendix N are not to be included at quoted cost at serials (a) to (g) and (k) below. However, all other costs of specified single vendor BNE like installation, STW, Trials etc are to be included.

In all cases, other than Buy(Global) cases, Bidders are required to furnish details in percentage (%) of various elements corresponding to below Price Bid in their Technical bids, as per format given at Annexure II to Appendix A, to determine the IC. The details submitted will be examined by the TEC and verified later with the Price Bid during CNC.

Ser (i)	Items (ii)	Qty (iii)	Unit cost (iv)	Total cost (v)	Remarks (vi)
(a)	1. Total Indigenous Cost (broad details to be enclosed for IC verification)				(i) Basic cost of specified single vendor BNE at serial (r)(i) (as per list at Table 1 of Annexure I to Appendix N) are not to be included in the cost. (ii) All Other costs of specified single vendor BNE at serial (r)(i), other direct and indirect costs, overheads for all activities including installation, STW, Trials etc, are to be included at respective elements of (a).
	(aa) Material cost including Yard material like steel, aluminum etc.				
	(ab) Other Direct and Indirect Expenses including labour on				
	(ac) Indigenous equipment cost				
	(ad) Other Direct and Indirect Expenses including labour on equipment, including installation,				
	(ae) Overheads on labour, material and equipment including misc overheads.				
	(af) Miscellaneous Cost (to be specified)				
	(ag) First outfit of Naval stores				
	2. Total Import Cost (broad details to be enclosed for IC verification)				(i) Basic cost of specified single vendor BNE at serial (r)(ii) (as per list at Table 1 of Annexure I to Appendix N) are not to be included in the cost. (ii) All Other costs of specified single vendor BNE at serial (r)(ii), other direct and indirect costs and misc costs for all activities including installation, STW, Trials etc, paid to foreign entities are to be included at respective elements of (a).
	(aa) Import Material cost including Yard material like steel, aluminum etc. including Custom Duties, Freight/Transportation and insurance for products imported in India.				
	(ab) Other Direct and Indirect Expenses including labour on material.				
	(ac) Import equipment cost including Custom Duties, Freight/Transportation and insurance for products imported in India.				
	(ad) Other Direct Expenses including labour on equipment, including installation, STW and trials etc.				
	(ae) All license fees, royalties, technical fees and other fees/payments paid out of India.				
(af) Miscellaneous Cost (to be specified)					

Ser	Items	Qty	Unit cost	Total cost	Remarks
(i)	(ii)	(iii)	(iv)	(v)	(vi)
	Note:- The vendors will be required to furnish breakdown of costing for the list of major equipment placed at Annexure II to Appendix N.				
(b)	Basic Cost of vessel (Total of Ser 'a' above)				
(c)	Cost of Onboard Spares (Manufacturers Recommended List of Spares) as per the format at Annexure I to Appendix K.				
(d)	Cost of Special Maintenance Tools and Special Test Equipment and software as per Annexure III to Appendix K.				
(e)	Cost of Technical Documentation (in English Language) as per Annexure IV to Appendix K.				
(f)	Cost of Training Aggregates as per Annexure V to Appendix K				
(g)	Cost of Training excluding the cost of travel, boarding and lodging separately for operators and maintenance technicians and QA Representative. This should be given under the following two heads (as applicable) (Appendix K refers)				
	(i) In India				
	(ii) Abroad				
(h)	Cost of ToT (as applicable) (as per Appendix F)				
(j)	Cost of knowhow/Information for setting up of maintenance infrastructure (as applicable) (Appendix G refers)				
(k)	Freight and Transit Insurance Cost (as applicable)				
(l)	Cost of Project Monitoring System (as per Annexure III to Appendix M), where applicable				
(m)	Cost of Handling B & D Spares				
(n)	Total cost {sl (b) to (m) above}(excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I)				

Ser	Items	Qty	Unit cost	Total cost	Remarks
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(p)	AMC cost giving year-wise break-up (where applicable)				
(q)	Total cost with AMC {Sl (n) + (p)} (excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I) [A]				This will be used for determining L1 vendor
(r)	Basic Cost of Specified Single Vendor BNE at Table 1 of Annexure I to Appendix N				For specified single vendor BNE at Table 1 of Annex I to Appendix N:-
	(i) Basic cost of Buyer Nominated Equipment – Indigenous (as per Section A, Table 1 of Annexure I to Appendix N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. [B]				(i) Scope of BNE items is to be strictly as per Para 1 above.
	(ii) Basic cost of Buyer Nominated Equipment – Imported (as per Section B, Table 1 of Annexure I to Appendix N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. [C]				(ii) Documentary proof including BQ from OEMs towards the deliverables indicated at sl (i) above in respect of each equipment is to be submitted by the Bidder.
	(iii) Total Basic Cost of Single Vendor BNE as per Table 1 of Annexure I to Appendix N [D] = [B] + [C]				(iii) CNC will separately negotiate the Total Basic Cost of Single Vendor BNE based on BQs/ minimum cost quoted amongst all the bidders/LPP/seek cost from BNE OEM(s).
(s)	Grand Total cost including basic cost of specified single vendor BNE as per Table 1 of Annexure I to Appendix N [A] + [D]				
(t)	GST	GST Rate			
		On completed vessel			
		Other Deliverables			

Ser	Items		Qty	Unit cost	Total cost	Remarks
(i)	(ii)		(iii)	(iv)	(v)	(vi)
		(i) Deliverable 1				
		(ii) Deliverable 2				
(u)	Foreign Exchange component of the proposal in r/o Indian bidders only					This will be in reference to Para 1 (b) of Appendix E
(v)	CDEC (if applicable), its authority and amount for which required.					

Note: Taxes and Duties. All Indirect Taxes and Duties will be paid at actuals or as indicated in the Commercial bid by the Bidder, whichever is lower. In case of any change in the tax structure/rates by BUYER's Government, only incremental/decremented change will be paid.

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

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

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

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

Where,

NPV = Net Present Value

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

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

The bid with the lowest NPV would be selected.

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

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

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

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

Year	Dollars	Euros	Pound Sterling	Rupees	Total Cash-flow

(Note :- The cost will be revised based on conversion rate as on bid submission date.

5. The indicative list of equipment for Price Declaration is as per Annexure II to App 'N'.
6. The guidelines for Technical & Commercial bids is attached as Annexure III to App 'N'.

Annexure I to Appendix N
(Refers to Para 2 of Appendix N)

**LIST OF BUYER NOMINATED EQUIPMENT TO BE PROCURED FROM
COMMON SINGLE SOURCE**

Note:

1. The scope of BNE cost indicated in the Commercial Bid shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the shipyard/shipyard's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

2. Documentary proof of cost of each equipment, as quoted by OFB/ DPSU / private vendor, is to be submitted along with the Commercial Bid.

If the number of single vendor BNE items is large, the RFP Collegiate may restrict the list of items to be excluded from L1 determination, based on the total cost of each item and its impact on L1 determination and included in the RFP accordingly.

Table 1- List of High Value Buyer Nominated Equipment excluded from determination of L1

<u>Ser</u>	<u>Equipment Details</u>	<u>Vendor</u>
<u>Section- A (Indigenous)</u>		
1.		
2.		
3.		
<u>Section- B (Foreign)</u>		
4.		

Table 2 - List of Low Value Buyer Nominated Equipment included for determination of L1

<u>Ser</u>	<u>Equipment Details</u>	<u>Vendor</u>
<u>Section- A (Indigenous)</u>		
1.		
2.		
<u>Section- B (Foreign)</u>		
3.		

Annexure II to Appendix N
(Refers to Para 5 of Appendix N)

INDICATIVE LIST OF EQUIPMENT FOR PRICE DECLARATION

Name of vessel

Sl	Equipment / System	Vendor Origin (Indian/ Foreign)
	<u>Electrical</u>	
1		
2		
	<u>Engineering Equipment</u>	
3		
4		
	<u>Hull</u>	
5		
6		
	<u>Others</u>	
7		
8		

Note :- To be populated by SHQ as per project requirement

Annexure III to Appendix N
(Refers to Para 6 of Appendix N)

Guidelines ~ Technical & Commercial Bid

SI	Details
Technical Bid	
(a)	As pre-bid meeting would be arranged to answer queries of all bidders, it is therefore advisable that all bidders attend pre-bid meeting. Attendance of all bidders will ensure that all queries are answered in a single forum and clarifications, if any, is conveyed to obviate any ambiguity and time delays towards timely bid submission.
(b)	Bidders to confirm clarity on the Scope of Work, quantifications and technical specifications etc. and provide an undertaking that OEMs have been approached (where necessary) and raise queries on during the pre-bid meeting.
(c)	Bidders shall adhere to tender schedule timelines such as bid submission, preparatory activities and Registration and Stamp Duty (RSD).
(d)	All clarifications that are Technical or Scope of Work related is to be sought in writing as per Para 19 of RFP for pre-bid meeting, to enable suitable clarifications and promulgation to all concerned during the pre-bid meeting.
Commercial Bid	
(a)	Discrepancy in the quantity indicated in the GLS must be brought out for discussions and clarified during the pre-bid meeting.
(b)	No deviation from the indicated format is permitted and no additional column or row may be added to the bid format.
(c)	There shall be no overwriting and the price shall be in a printed format.
(d)	The total number of pages in the commercial bid is to be mentioned on the first page. Each page thereafter is to be numbered. (for example if there are 20 pages in bid, first page to be numbered as 1/20 and last page to be numbered as 20/20.)
(e)	Discount offered if any should be incorporated into unit prices against respective SIs.
(f)	Prices for all SIs are to be indicated in figures. The grand total should be indicated in both figures and words.

Appendix O
(Refers to Para 24 and 62 of RFP)

STANDARD CONDITIONS OF RFP

LAW

1. The present Contract shall be considered and made in accordance to the laws of Republic of India.

ARBITRATION
(For Foreign Vendors)

2.1 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, shall be settled by bilateral discussions.

2.2 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 sixty (60) 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.

2.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

2.4 The third arbitrator shall be nominated by the two arbitrators within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like Indian Council of Arbitration and ICADR. *In case, nomination of third arbitrator under Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like ICA and ICADR are not acceptable to the SELLER, then the third arbitrator may be nominated by the President of International Chamber of Commerce, Paris*, but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

2.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be *decided by the arbitrator*.

2.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

2.7 The decision of the majority of the arbitrator(s) in the tribunal shall be final and binding on the parties to this contract.

2.8 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.

2.9 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 retiring arbitrator.

2.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request the President of International Chamber of Commerce, Paris or dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

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

2.12 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.

ARBITRATION

(For Indian Private Vendors)

3.1 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, shall be settled by bilateral discussions.

3.2 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 sixty (60) 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.

3.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

3.4 The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like Indian Council of Arbitration or ICADR, at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

3.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be decided by the arbitrator.

3.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

3.7 The decision of the majority of the arbitrators shall be final and binding on the parties to this contract.

3.8 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.

3.9 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 retiring arbitrator.

3.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

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

3.12 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.

ARBITRATION

(For Central & State PSEs)

4. In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 (as amended from time to time) shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorised by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

ARBITRATION
(For Defence PSUs)

5. In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party to the Arbitrator(s) appointed by Defence Secretary. The award of the Arbitrator(s) shall be binding upon the parties to the dispute.

FORCE MAJEURE

6.1 Should any force majeure circumstances arise, each of the contracting party shall be excused for the non-fulfilment or for the delayed fulfilment of any of its contractual obligations, if the affected party within (____days) of its occurrence informs in a written form the other party.

6.2 Force majeure shall mean fires, floods, natural disasters, or other acts such as war, turmoil, strikes, sabotage, explosions, beyond the control of either party

6.3 Provided the acts of The Government or any state parties of the seller which may affect the discharge of the Seller's obligation under the contract shall not be treated as Force Majeure.

PENALTY FOR USE OF UNDUE INFLUENCE

7.1 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 for borne to do 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. 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, 1988 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.

7.2 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.

INTEGRITY PACT

8.1 Further signing of an 'Integrity Pact' would be considered between government department and the bidder for schemes exceeding **20 Crores**. The Integrity Pact is a binding agreement between the agency and bidders for specific contracts in which the agency promises that it will not accept bribes during the procurement process and bidders promise that they will not offer bribes. Under the IP, the bidders for specific services or contracts agree with the procurement agency or office to carry out the procurement in a specified manner. The essential elements of the IP 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 "bidders");
- (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 that he shall not pay any amount as gift, reward, fees, commission or consideration to such person, party, firm or institution (including Agents and other as well as family members, etc., of officials), directly or indirectly, in connection with the contract in question. All payments made to the Agent 12 months prior to tender submission would be disclosed at the time of tender submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.
- (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) Undertakings 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 contract;
 - (ii) Forfeiture of the IPBG and Guarantee for Performance-cum-Warranty Bond;
 - (iii) Payment to the Buyer of any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.
 - (iv) Refund of all sums already paid by the Buyer along with interest at the rate of 2% per annum above LIBOR rate.

- (v) Recovery of such amount, referred to in (iii) and (iv) above, from other contracts of the Seller with the Government of India.
- (vi) At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities.
- (h) Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.
- (j) The draft Pre-Contract Integrity Pact is attached as **Annexure I** to this Appendix. The vendors are required to sign them and submit separately along with the technical and commercial offers. The format for Integrity Pact Bank Guarantee (IPBG) is placed at **Annexure II** to this Appendix.
- (k) Every Bidder while submitting techno commercial bid shall also deposit ___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.

8.2 In respect of bids from DPSUs, the concerned DPSU shall enter in to a Pre-Contract Integrity Pact, on the same lines with their sub-vendors individually, in case the estimated value of each sub-contract(s) exceed 20 Crore and such subcontract(s) are required to be entered in to by the DPSU with a view to enable DPSU to discharge the obligations arising out of their bid in question in response to this RFP.

AGENTS

9. The Seller confirms and declares to the Buyer that the Seller is the original manufacturer of the stores referred to in this contract. The Seller confirms that he has not engaged any person, party, firm or institution as an Agent including his Agents already intimated to MoD; to, influence, manipulate or in any way to recommend to any functionaries of the Govt of India, whether officially or unofficially, to the award of the contract to the Seller, or to indulge in corrupt and unethical practices. The Seller has neither paid, promised nor has the intention to pay to any person, party, firm or institution in respect of any such intervention or manipulation. 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 Seller has engaged any such person, party, firm or institution and paid, promised or has intention 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 for any or all of the following actions:-

- (a) To pay to the Buyer any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.
- (b) The Buyer will also have a right to put on hold or cancel the Contract either wholly or in part, without any entitlement or compensation to the Seller who shall in such 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.

(c) The Buyer will also have the right to recover any such amount referred in (a) and (b) above from other contracts of the Seller with the Government of India.

(d) At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities

10. 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 and clauses relating to Penalty for Use of Undue Influence, the SELLER, on demand of the BUYER shall provide necessary information/inspection of the relevant financial documents/ information, including a copy of the contract(s) and details of payment terms between the vendors and Agents engaged by him.

Annexure I to Appendix O
(Refers to Para 8.1 (j) of Appendix O)

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas the PRESIDENT OF INDIA, represented by Joint Secretary & Acquisition Manager (Army/Air Force/Maritime & Systems)/Major General & equivalent, Service Headquarters./Coast Guard, Ministry of Defence, Government of India, hereinafter referred to as the Buyer and the first party, proposes to procure (Name of the Equipment), hereinafter referred to as Defence Stores and M/s _____ represented by, _____ Chief Executive Officer (which term, unless expressly indicated by the contract, shall be deemed to include its successors and its assignees), hereinafter referred to as the Bidder/Seller and the second party, is willing to offer/has offered the Defence stores.

2. Whereas the Bidder is a private company/public company/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the Buyer is a Ministry of the Government of India 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/unprejudiced 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 defence stores at a competitive price in conformity with the defined specifications of the Services by avoiding the high cost and the distortionary impact of corruption on public procurement

3.2 Enabling Bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption, in any form, by their 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 will 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 will, during the pre-contract stage, treat all Bidders alike and will provide to all Bidders the same information and will 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 will 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.

5. In case of 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 the 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

6. The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his 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 commits himself to the following:

6.1 The Bidder will not to 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.

6.2 The Bidder further undertakes that he 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.

6.3 The Bidder will 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.

6.4 The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

6.5 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 or Agent in respect of any such intercession, facilitation or recommendation.

6.6 The bidder would not enter into conditional contract with any Agents, brokers or any other intermediaries wherein payment is made or penalty is levied, directly or indirectly, on success or failure of the award of the contract. The bidder while presenting the bid, shall disclose any payments he has made during the 12 months prior to tender submission or 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 such services agreed upon for such payments. Within the validity of PCIP, bidder shall disclose to MoD any payments made or has the intention to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution as an annual report during the procurement process.

6.7 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.

6.8 The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts. Complaint will 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.

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

7. **Previous Transgression**

7.1 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.

7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract and if already awarded, can be terminated for such reason.

8. **Integrity Pact Bank Guarantee (IPBG)**

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.

(i) Guarantee will be from Indian Public or Private Scheduled Commercial Banks (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 placed at Annexure II.

IPBG TABLE

Estimated Cost of Procurement Scheme (Crore Rs)		IPBG Amount (Rs)
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

8.2 The Integrity Pact Bank Guarantee (IPBG) shall be valid upto 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 upto 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.

8.3 In the case of successful bidder a clause would also be incorporated in the Article pertaining to Performance-cum-Warranty Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

8.4 The provisions regarding Sanctions for Violation in Integrity Pact include forfeiture of Performance-cum-Warranty Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.

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

9. Company Code of Conduct

9.1 Bidders are also advised to have a company code of conduct (clearly

rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

10. **Sanctions for Violation**

10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one 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 1988 or any other act enacted for the prevention of corruption shall entitle the Buyer to take all or any one of the following actions, wherever required:

- (i) 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.
- (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.
- (iii) To immediately cancel the contract, if already signed, without any compensation to the Bidder.
- (iv) To recover all sums already paid by the Buyer, in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Base Rate of SBI and 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 defence stores, such outstanding payment could also be utilised to recover the aforesaid sum and interest.
- (v) To encash the advance bank guarantee and Performance-cum-Warranty Bond if furnished by the Bidder, in order to recover the payments, already made by the Buyer, along with interest.
- (vi) To cancel all or any other Contracts with the Bidder.
- (vii) To Put on Hold or Suspend or Debar the bidder as per the extant policy.
- (viii) To recover all sums paid in violation of this Pact by Bidder(s) to any Agent or broker with a view to securing the contract.
- (ix) 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 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 Government servant.

(x) 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.

(xi) 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.

10.2 The decision of the Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and binding on the Bidder, however, the Bidder can approach the Independent Monitor(s) appointed for the purposes of this Pact.

11. **Fall Clause**

11.1 The Bidder undertakes that he has not supplied/is not supplying the similar products, systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India and if it is found at any stage that the similar system or sub-system was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Buyer, even if the contract has already been concluded.

11.2 The Bidder shall strive to accord the most favoured customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. **Independent Monitors**

12.1 The Buyer has appointed Independent 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 www.mod.nic.in to check for changes to these details):-

(names & addresses of Independent Monitors holding office on date of issue of RFP)

to be included)

12.2 All communications to Independent Monitors will be copied to Director (Vigilance). The Designation and Contact details of Director (Vigilance) are as follows:-

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

12.3 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.

12.4 The Bidder(s), if they deem it necessary, may furnish any information as relevant to their bid to the Independent Monitors.

12.5 If any complaint with regard to violation of the IP is received by the buyer in a procurement case, the buyer shall refer the complaint to the Independent Monitors for their comments/enquiry.

12.6 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.

12.7 The report of enquiry, if any, made by the Independent Monitors shall be submitted to the head of the Acquisition Wing of the Ministry of Defence, Government of India for a final and appropriate decision in the matter keeping in view the provision of this Pact.

13. **Examination of Books of Accounts**

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

14. **Law and Place of Jurisdiction**

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Buyer i.e. New Delhi.

15. **Other Legal Actions**

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.

16. **Validity**

16.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the

Buyer and the Bidder/Seller, whichever is later.

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

17. The Parties hereby sign this Integrity Pact at _____ on

BUYER

MINISTRY OF DEFENCE,
GOVERNMENT OF INDIA

BIDDER

CHIEF EXECUTIVE OFFICER /

Witness

1. _____

2. _____

Witness

1. _____

2. _____

Annexure II
(Refers to Para 8.1(j) of Appendix O)

FORMAT OF INTEGRITY PACT BANK GUARANTEE (IPBG)

To,

The _____,
Ministry of _____,
Government of India,
_____ (complete postal address of the beneficiary)

1. In consideration of President of India represented by Joint Secretary and Acquisition Manager/ 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 bid 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.

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 Rs _____ (Rupees _____ only) (in words).

(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.

(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 authorized signatory
(Signature with seal)

Appendix P to RFP
(Refers to Para 63 of RFP)

OPTION CLAUSE
(No blanks to be left)

1. **In case of Indian Bidders.** The BUYER shall have the right to place separate order on the SELLER on or before----- (----- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ----- year from the effective date of the Contract. Price Variation Clause, FERV etc, if applicable and included in the original Contract, will also be applicable for Option Clause Contract. For arriving at prices payable, the Price Variation will be applied on the Base Contract price of the original Contract with the month and year of Effective date of Contract as Base Level Indices.

2. **In case of Foreign Bidders.** The BUYER shall have the right to place separate order on the SELLER on or before----- (----- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ----- year from the effective date of the Contract.

Appendix Q

(Refers to Para 5 (a) of RFP)

NON DISCLOSURE AGREEMENT

This Non-Disclosure Agreement is entered into by and between SHQ/MoD (Disclosing Party) and _____ located at _____ (Receiving Party) for the purpose of preventing the unauthorized disclosure of confidential information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of the RFP for procurement of _____ (name of the Project).

1. For purpose of this Agreement, “Confidential Information” shall include all information or material in which Disclosing party is engaged. If confidential information is in written form, the Disclosing party shall label or stamp the materials with the word “Confidential” or some similar warning. If confidential information is transmitted orally, the Disclosing Party shall promptly provide a written communication indicating that such oral communication constituted confidential information.
2. Receiving party shall hold and maintain the confidential information in strictest confidence for the sole and exclusive benefit of the Disclosing party. Receiving party shall carefully restrict exercise to confidential information to employees, contractors and third parties as is reasonably required and shall require those persons to sign Non-Disclosure restriction atleast as protective as those in this Agreement. Receiving party shall not, without prior written approval of Disclosing party, use, publish, copy, or otherwise disclose to others, or permit the use by others or to the detriment of Disclosing party, any confidential information. Receiving party shall return to the Disclosing party any and all record, notes and other written, printed or tangible materials in its possession pertaining to confidential information immediately if Disclosing party requests it in writing.
3. Nothing contained in this Agreement shall be deemed to constitute either party a partner, joint venture or employee of the other party for any purpose.
4. If any provision of this Agreement is held to be invalid or unenforceable by court of law, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.
5. This agreement expresses the complete understating of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations and understandings. This Agreement shall not be amended except with the written consent of both the parties.
6. That in case of violation of any clause of this Agreement, the Disclosing party is at liberty to terminate the services of Receiving party without assigning any reason and shall also be liable to proceeded against in a Court of Law.
7. This Agreement and each party’s obligations shall be binding on the representatives, assigns and successors of such parties. Each party has signed this Agreement through its authorised representatives.

Disclosing Party

_____ (Signature)

_____ (Typed or Printed name)

Date _____

Receiving Party

_____ (Signature)

_____ (Typed or Printed name)

Date _____

Appendix R
(Refers to Para 7 of RFP)

FINANCIAL QUALIFICATION PARAMETERS
(Annexure II to App C of Chapter XII (or amendment thereof) to be referred for defining the financial parameters)

1. **Financial Parameter Attribute No 1- Long Term Credit Rating.** The Long Term Credit Rating should be minimum _____ (to be filled as per project requirement) from RBI approved Credit Rating Agencies at time of bid submission till declaration of L1. The Credit Rating document is to be submitted along with the bids. Latest Credit rating to be submitted by the TEC-qualified entities at the time of CNC. Bidders are recommended to maintain their rating in date for consideration in the procurement process. The credit rating available online of the respective rating agency will be referred by SHQ as and when required.
2. **Financial Parameter Attribute No 2 - Average Annual Turnover.** The minimum average turnover of the bidder during the best three out of last five Financial Years calculated as per audited balance sheets should be _____ (to be indicated as per project requirement) at the time of bid submission. Duly filled FORM – 1 (Annexure I to Appendix R) to be submitted along with the bid.
3. **Financial Parameter Attribute No 3 - Working Capital.** The Working Capital shall be more than or equivalent to _____ (to be indicated as per project requirement). The bidder shall demonstrate access to unutilised line of credit/ overdraft facility/ cash credit facility from its consortium of Banks during bid submission vide a letter issued by the Bank or lead Bank of the consortium. Alternatively or complimentarily, the Bidder should demonstrate liquid asset in form of cash/ marketable securities in its Balance Sheet. Duly filled FORM – 2 (Annexure II to Appendix R) to be submitted along with the bid.
4. **Financial Parameter Attribute No 4- Eligibility for Participation** as applicable. Firms having average annual turnover of Rs 500 Cr and above at the time of bid submission (average of best 3 of last five Financial Years) would **not** be eligible to participate in the project. Duly filled FORM – 1 (Annexure I to Appendix R) to be submitted along with the bid.

Note:-

- (a) Credit Rating should only be from RBI approved Credit Rating Agencies.
- (b) Annual Turnover is defined as “Annual Sales volume net of all discounts, taxes and interest earnings etc. excluding extraordinary income”.
- (c) The Audited Balance Sheets, Profit and Loss Account and cash flow statement of Group Companies shall not be considered for evaluation.
- (d) Annual Turnover would be substantiated through:-

- (i) Audited Balance Sheets of the relevant financial years, provided the figures, are stated in the Balance Sheet(s) or
 - (ii) Specific certificate(s) issued by its Statutory Auditors
- (e) In case of a Joint Venture, the JV firm should meet all the above mentioned financial criteria for the project.
- (f) In case of a newly formed Joint Venture (less than 05 year old), the Financial Criteria will be assessed as follows: -
- (i) **Credit Rating** – The lead JV partner should meet the minimum credit rating required for the category.
 - (ii) **Average Annual Turnover** - Would be based on the turnover of individual JV members in the ratio of their share holding pattern based on the audited balance sheets.
 - (iii) **Working Capital** – JV firm should meet the Working Capital requirement.

Annexure I to Appendix ‘R’
(Refers to Sl. (2) & (4) to Appendix ‘R’)

FORM-1

AVERGAE ANNUAL TURNOVER

(This is a suggested format, which may vary depending on User requirements)

(Financial Qualification Attribute No 2 & 4)

Subject: Application for Pre-Qualification for Construction of XXXX Project

(The following table shall be filled in for the Applicant)

Applicant’s name: (insert full name):

ANNUAL TURNOVER	
Year (Financial year to be indicated by Applicant)	Amount INR
(indicate Financial year)	(insert amount in INR)
Average Annual Turnover**	

According to the information, explanations and documents provide by the Applicant to us, we certify that the above information is correct to the best of our knowledge and belief.

.....(Signature of the Statutory Auditor)

The Annual Turnover of Group Companies, shall not be considered for evaluation. The Applicants are advised to strictly adhere to this requirement and submit the Balance Sheets, specific certificate issued by its Statutory Auditors or in case the accounts of the Applicant are not required to be statutorily audited, certified in accordance with local legislation, certificate(s) issued by the clients in the name of the Applicant only

.....(Full Name of the Statutory Auditor)

.....(Name of the Statutory Auditor’s Firm)

..... (Complex Address of the Statutory Auditor’s Firm)

.....(Telephone/fax numbers, including country and city codes)

.....(Email of Statutory Auditor)

.....(Seal of Statutory Auditor)

Membership No. of the Statutory Auditor

- Annual Turnover should be substantiated through (i) Audited Balance Sheets of the relevant financial years, provided the figures, are stated in the Balance Sheet(s) or (ii) Specific certificate(s) issued by its Statutory Auditors or in case the accounts of the Applicant are not required to be statutorily audited, certified in accordance with local legislation or (iii) Certificate(s) issued by the Clients.
- **Total INR equivalent for best three out of five FYs divided by the 3.

Annexure II to Appendix 'R'
(Refers to Sl. (3) to Appendix 'R')

FORM-2

FINANCIAL SITUATION OF THE APPLICANT

(This is a suggested format, which may vary depending on User requirements)

(Financial Qualification Attribute No. 3)

Subject: Application for Pre-Qualification for Construction of XXXX Project

(The following table shall be filled in for the Applicant)

Applicant's Name: (insert full name)

1. Financial Data

Type of Financial information (in INR)	Historic information for previous 5 (Five) Years				
	Year 5	Year 4	Year 3	Year 2	Year 1
Statement of Financial Position (Information from Audited Balance Sheet)					
A. Total Assets (TS) (Excluding Deferred Expenditure and Losses)					
B. Total Outside Liabilities (TL) (Long Term Liabilities and Current Liabilities and Provisions)					
C. Revaluation Reserve					
D. Net Worth = A-B-C					
E. Current Assets (CA)					
F. Current Liabilities and Provisions (CL)					
G. Working Capital = E-F					
H. Proposed specific line of credit agreed by commercial Bank and/or govt recognized financial institution for the subject contract	N/A	N/A	N/A	N/A	
I. Total Available Working Capital (G+H) for the subject contract	N/A	N/A	N/A	N/A	
J. Working Capital requirements for current contract commitments	N/A	N/A	N/A	N/A	

K. Source of Finance for current contract commitments	N/A	N/A	N/A	N/A	
L. Working Capital available after meeting the Working Capital requirements for current contract commitments (I-J+K)	N/A	N/A	N/A	N/A	
Financial Soundness					
M. Net Worth					
N. Profit before taxes					
P. Profit after taxes					

1. Financial documents

(a) The Audited Balance Sheets, Profit and Loss Account and cash flow statement of Group Companies, shall not be considered for evaluation. The Applicants are advised to strictly adhere to this requirement and submit the above statement of the Applicant.

(b) The Applicant shall attach copies of the Audited Balance Sheets or, if not required by the laws of the Applicant's country, other Financial Statements for 5 (five) years preceding the Applicant Due Date, which shall:

- (i) Reflect the financial of the Applicant, and not an affiliated entity;
- (ii) Be statutorily audited or in case the accounts of the Applicant are not required to be statutorily audited, certified in accordance with local legislation;
- (iii) Be complete, including all notes attached thereto;
- (iv) Correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

2. Note:

(a) Year 1 will be the latest completed financial year, preceding the Applicant Due Date. Year 2 shall be the year immediately preceding Year 1 and so on. For the avoidance of doubt, financial year shall, for the purposes of the Applicant hereunder, mean the accounting year followed by the Applicant in the normal course of its business

(b) If the most recent set of Balance Sheet or the Financial Statement, as the case may be, is for a period earlier than 12 months from the date of application, justification should be provided for the same.

(c) The Working Capital for Year 1 at Serial L will be considered for Evaluation.

Appendix S
(Refers to Para 64 of RFP)

**DOCUMENTS TO BE SUBMITTED BY THE BIDDER ALONG WITH THEIR
TECHNO-COMMERCIAL PROPOSALS**

The list of documents which needs to be mandatorily submitted by the Bidders as part of Technical Proposal are placed below. Non-submission of the documents may result in disqualification of the Bidder from the bidding process.

Ser No.	Reference	Document Description
1.	Para 5 of RFP	Declaration by Bidder : Debarment of vendors
2.	Para 17 of RFP	Declaration by Bidder: Government Regulation
3.	Para 18 of RFP	Declaration by Bidder: Obligations Relevant to Transfer of Conventional Arms
4.	Para 20 of RFP	Declaration by Bidder : Patent Rights
5.	Para 24 of RFP	Declaration by Bidder : Fall Clause
6.	Para 31 of RFP	Technical document covering performance parameters.
7.	Annexure I to Appendix A	Undertaking to Comply with Essential Parameters-B
8.	Appendix B	Compliance Table/Undertaking for compliance to all Technical and Commercial parameters of RFP
9.	Appendix C	Warranty Clause
10.	Annexure I to Appendix D	Undertaking to Comply with Offset Obligations (if applicable)
11.	Annexure II to Appendix D	Format for Submitting Technical Offset Offer (if applicable)
12.	Annexure III to Appendix D	Format for Submitting Commercial Offset Offer
13.	Appendix E	Information Pro-forma, Engagement of Agent by Foreign Bidder
14.	Appendix H	CERTIFICATE: Malicious Code
15.	Annexure I to Appendix J	Manufacturer's Recommended List of Spares (MRLS)
16.	Annexure II to Appendix J	List of SMT/STEs, Jigs, Fixture and Infrastructure
17.	Annexure III to Appendix J	Technical Literature
18.	Annexure IV to Appendix J	Training Aggregates
19.	Appendix M	Price Bid

Ser No.	Reference	Document Description
20.	Annexure I to Appendix N	Pre-Contract Integrity Pact
21.	Annexure I to Appendix N	IPBG
22.	Para 7 of Part 1 General Requirements of RFP	Build strategy
23.	-	Any other document left out in this list to verify the claim submitted by the Bidder

GLOSSARY

AMC	Annual Maintenance Contract
AoN	Acceptance of Necessity
ATP	Acceptance Test Procedure
CAMC	Comprehensive Annual Maintenance Contract
CKD	Completely Knocked Down
CNC	Contract Negotiation Committee
DAC	Defence Acquisition Council
DGAQA	Director General of Aeronautical Quality Assurance
DGNAI	Director General Naval Armament Inspectorate
DGQA	Director General of Quality Assurance
DPB	Defence Procurement Board
DAP	Defence Acquisition Procedure
DRDO	Defence Research and Development Organisation
EMC	Electro Magnetic Compatibility
EMI	Electro Magnetic Interference
EPP	Enhanced Performance Parameters
ESP	Engineering Support Package
FET	Field Evaluation Trials
GoI	Government of India
IC	Indigenous Content
ICG	Indian Coast Guard
IDDM	Indigenously Designed & Developed Manufactured
IM	Indigenously Manufactured
IP	Integrity Pact
IPBG	Integrity Pact Bank Guarantee
LRU	Line Replaceable Unit
MET	Maintainability Evaluation Trial

MoD	Ministry of Defence
MRLS	Manufacturer Recommended List of Spares
M-ToT	Maintenance Transfer of Technology
NCNC	No Cost No Commitment
OEM	Original Equipment Manufacturer
OTE	Open Tender Enquiry
PA	Production Agency
PCIP	Pre Contract Integrity Pact
QAP	Quality Assurance Plan
RFP	Request for Proposal
SCACPHC	Services Capital Acquisition Categorisation Higher Committee.
SHQ	Service Headquarters
SKD	Semi Knocked Down
SRU	Shop Replaceable Unit
TEC	Technical Evaluation Committee
ToT	Transfer of Technology