



PURCHASE MANUAL

(Updated upto 2017)

NATIONAL ALUMINIUM COMPANY LIMITED
(A Government of India Enterprise)
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ORISSA, INDIA.

INDEX

Sl. No.	Chapter	Contents	Page(s)
1	I	Introduction	4-5
2	II	Materials Planning	6-8
3	III	Mode of Purchase	9-15
4	IV	Tendering Procedure	16-26
5	V	Evaluation of Tender	27-29
6	VI	Negotiation	30-35
7	VII	Cancellation of Tender	36
8	VIII	Ordering	37-38
9	IX	Penal Action Against Supplier	39-41
10	X	Registration & Evaluation of Vendors	42-45
11	XI	FORMS AND ANNEXURES	46
		(i) Vendor Registration	47-49
		(ii) Indent	50-53
		(iii) Certificate of Proprietary Articles	54
		(iv) Certificate of Standardized Articles	55
		(v) Tender approval	56
		(vi) Purchase Enquiry	57
		(vii) Standard Terms & Conditions of Enquiry	58-61
		(viii) Comparative statement of Quotations	62
		(ix) Purchase Proposal Abstracts	63
		(x) Purchase Order	64-65
		(xi) ECS Mandate Form	66
		(xii) Price bid format for single part indigenous bid	67-68
		(xiii) Agreed Terms & Conditions (Import) - For Purchase	69-73
		(xiv) Agreed Terms & Conditions (Indigenous) - For Purchase	74-80
		(xv) Standard Terms & Conditions of Purchase Order (Indigenous)	81-85
		(xvi) Standard Terms and Conditions of Purchase Order (Import)	86-96
		(xvii) Format for details of Orders placed/ Contracts awarded above Rs. 2.0 Crore during the month	97

FOREWORD

The existing Purchase Manual was approved in 182nd Board Meeting held on 30th January' 2004. Since then the existing Purchase Manual is in operation. However there is a need to update the manual based on changes/amendments in Central Vigilance commission's guidelines and to bring clarity to some of the clauses.

A cross functional committee comprising senior officials reviewed and suggested modifications of the Purchase manual after deliberations on the comments/observations/suggestions received from other concerned officials. The suitable changes as considered necessary have been incorporated in the revised Purchase manual to make it user friendly.

Guidelines from Central vigilance commissions have been taken into considerations to the extent possible. Considering future needs, efforts have been made to prepare the manual ERP compatible. Once ERP system becomes operational, review may be needed to sort out teething problem if any.

In changing business environment e-procurement needs to be introduced gradually to save time & cost and make it more transparent.

The revised Purchase Manual has been approved in the 253rd Board Meeting held on 12th August' 2011. This Manual has now been modified for operational convenience, and to enable expeditious processing of the procurement and other related proposals. The revised manual comes into force with immediate effect.

Date: 19/08/2011
Place: Bhubaneswar

Ansuman Das
Director (Commercial)

CHAPTER - I

INTRODUCTION

1.0 INTRODUCTION:

This Manual lays down procedure and guidelines for procurement of materials as well as plant and machinery. The objective is to streamline the procurement activities of Materials Department and to acquaint other Departments of the organization with the procedure so as to enable them to work in close coordination with the Materials Department for procuring right quantity and quality of materials at the right time, and right price from the right source with minimum investment in materials inventory.

However, if any deviation to the Purchase Manual and the laid down procedures therein is considered essential for project related procurement through consultants, specific approval of the Chairman-cum-Managing Director need to be obtained.

1.1 PURCHASE FUNCTION:

The purchase function starts with the raising of Indent by the concerned Department. After approval by the Competent Authority, the indent gets converted into MPR (Material Purchase Requisition) and sent to Purchase Department for initiating purchase action. Depending on the type of the indent, its value and nature of the material indented, Purchase Department initiates action to issue Tender Enquiry. After receipt of offer the same is evaluated, negotiation if required is conducted and order is placed after approval of the Competent Authority with concurrence of Finance. The order is followed up till the completion of delivery of the materials and file is closed.

1.2 GUIDE LINES:

- (i) Since purchase orders are basically contracts, the relevant provisions of the Indian Contracts Act, Arbitration Act, Sale of Goods Act and all other Laws and Statutes of the land are applicable to contracts entered into by NALCO with suppliers.
- (ii) Director (Commercial) will issue guidelines as to which items will be purchased centrally by Corporate Materials Department. All other items will be purchased by the Unit Materials Department.
- (iii) Amendments and modifications of Purchase Manual suiting to functional requirements should only be made with the approval of CMD.

- (iv) Power to interpret the provisions in this Manual or to decide specific cases of procurement in variation to specified procedural provisions of the Manual with reasons/justifications recorded in writing will rest with the Chairman-cum- Managing Director.
- (v) Financial limits/provisions in this Manual wherever in conflict with Delegation of Powers, provisions under the latter will apply unless otherwise approved by Competent Authority.

CHAPTER - II

MATERIALS PLANNING

2.0 Based on production and maintenance planning for the year and also investment plan for purchase of Plant & Machinery, detail budget estimate for procurement of Capital and Revenue items are to be prepared at unit level and submitted for approval of the Competent Authority. After approval, details of the allocation are communicated to various Departments of the Units for planning of indents for procurement. Indents for Capital items are to be raised as per approved budget after drawing detail specifications (Generic as far as possible). Pre-qualification criteria if any should neither be made very stringent nor very lax to restrict/facilitate the entry of bidders. Pre-qualification criteria, where ever applicable, is to be furnished by the User Department and should contain financial capacity of at least 3 (three) years (which should be tender specific), number of years of experience of similar type of item and to be approved by the approving authority for placement of order or the Officer nominated by him. Indents for Revenue items such as minor Raw Materials, Consumables and Spare parts are to be raised from time to time taking the available stock, orders in process/in hand and lead time into consideration within the overall budget allocated/approved. Indents for consumable items which are commonly used by various Departments and which have rhythmic consumption are to be raised by the Central Planning Cell of the Units or A.P. Cell of Stores. Indents for other items are to be raised by user Department. When the requirement is to procure all the items of an indent from a single source for various reasons, the same needs to be clearly mentioned in the indent giving proper justifications. For such cases the bidder will be required to quote for all the items of the indent. Indents are to be made in standard computerized format.

The Indents for Revenue items are to be placed before the Screening Committee, which will normally sit once in a week. The Screening Committee will be chaired by the General Manager/General Manager (O&M) and will have HOD of unit Materials and Finance or their nominee in absence as members. The Screening Committee will examine the indents with reference to stock in hand, pending purchase orders, pending indents and pending MPRs, last 3 years consumption pattern and procurement lead time. Except for long delivery items like some imported and proprietary spares, developmental and tailor made items manufactured by the supplier after placement of order where delivery is likely to be more than a year, indents for other items shall not be cleared normally if stock in hand, pending P.O. quantity, pending indent quantity & MPR quantity taken together exceed the highest of last 3 years annual consumption. Proper justification is to be given for items

not falling under normal category. Indent is to be approved by the Competent Authority after budget allocation and clearance of the Screening Committee. Indents for Capital items are not to be placed before the Screening Committee and are to be submitted to the Competent Authority through Finance Department for approval. The approved indent in triplicate is to be sent to the Materials Department who in turn will scrutinize the indents for its completeness and in case of any deficiency, the indents will be returned back to the indenter for clarification. Complete indents will be converted to MPR after allocation of computerized control number. One copy of the approved Indents after it is converted to MPR is to be sent to the user Deptt. and two copies will be retained in Materials Department for procurement action. However, for major Raw/Bulk Materials, procurement planning is to be done by Materials Department, responsible for above procurement. Considering requirement as per production planning, expiry of existing contract and stocks, detailed proposal giving quantity to be procured, mode of tendering, period of contract will be proposed by Materials Department and after endorsement by the concerned production unit and with concurrence of Finance, administrative approval for procurement is to be obtained. Procurement will be done by Materials Department as per above administrative approval.

In cases where budget is not available or exhausted and the procurement is essential in the interest of the company, administrative approval and subsequent tendering action may be initiated. However, placement of Order will be subject to approval of budget provision in the period when payments are scheduled to be made.

Indents for revenue items can be raised with minimum estimated value above Rs 20,000/-. Therefore efforts are required to be made to consolidate the requirement. The purchases up to Rs 20,000/- are covered under petty purchase. In case of exigencies, for purchases above Rs.20,000/- and up to Rupees Two lakhs, procurement can be made through Committee comprising Representatives from User Department, Finance Department and Materials Department subject to approval of an authority one step higher than the approving authority for proposed procurement value.

Purchase of materials are to be planned in such a way that Materials Department gets sufficient time to invite tenders and place order and at the same time the inventory is maintained at optimal level. The normal time required for placement of order after approved indent is received in the concerned Materials Deptt. is as follows :

Type	Bid system	Time required (days)
Emergent Tender	Single bid	30 (maximum)
Single Tender	Single bid	60
Limited Tender	Single bid	75
Limited Tender	Two part bid	100
Open Tender	Two part bid	120

CHAPTER - III **MODE OF PURCHASE**

3.0 SINGLE TENDER:

Single Tenders are those tenders where enquiry is issued to a single vendor. Single Tenders are considered under the following cases:

- (i) Proprietary purchase from Original Equipment Manufacturer (OEM) or his Sub-Vendor or Sole and Exclusive Distributor for items, which are made or produced or distributed by one having exclusive rights.
- (ii) Standardized Product, where for reasons of quality and uniformity, NALCO has decided to procure a particular brand of a product. However, such items shall be reviewed by Standardization Committee periodically.
- (iii) Where an enquiry is to be sent to a single nominated bidder, in such cases the detailed reasons and justification has to be clearly spelt-out.

For indents raised on proprietary/standardized basis a certificate as prescribed about proprietary/standardized nature is to be approved by

- a) Executive Director: If CA to approve is Director/CMD and above.
- b) General Manager: For other cases (irrespective of level of approving authority).
- c) The indent should have concurrence of Finance and approval of Competent Authority.

In the event, during the process of procurement action, the name of the Company changes because of acquisition, merger etc., then such cases on being vetted by Legal Department, can be approved by GM (Materials) for placement of Order on the newly formed Company by considering the Pre Qualification Criteria of the original Company.

In the above cases, quotations are generally to be obtained by Post/Fax/e-mail from the manufacturer. Manufacturer may either directly submit the offer or submit through his authorized agents/authorized distributor/subsidiary. In case offer is not received, then limited tender enquiry may be floated to authorized agents/authorized distributor / subsidiary etc directly.

- (iv) In normal circumstances Single Tender should be avoided.

- (iv) Procurement from a single source, except for Proprietary and Standardized items may be avoided except during exceptional circumstances e.g.
 - (a) During calamities
 - (b) Supplier has exclusive right
 - (c) No suitable substitute is available in the market
 - (d) Auction/ Tender held for several dates/ times, but no bidder quoted successfully
 - (e) Possibility of a new source is remote etc.
- (v) All works awarded on nomination basis should be brought to the notice of the Board of Directors for information.

3.1 LIMITED TENDERS:

Limited Tenders are those tenders for which the enquiry is issued only to a limited number of pre -qualified / short listed approved firms. In case a product/raw material are standardized for procurement from more than one vendor, such cases will be considered as limited tender. Normally, such enquiries are to be issued to the firms, which are registered with the Company for the subject item. However, enquiry can be issued to other firms also, which are considered suitable for the purpose.

Limited Tender enquiries are to be issued for items whose specification and sources of supply are known. The number of parties to whom Limited Tender Enquiries are to be issued may be decided depending on the nature and value of the item. If a single offer is received or a single offer is found technically suitable against a Limited Tender Enquiry, such tender is also to be treated as a case of Single tender.

Limited tender with threshold limit of Rupees 10 lakhs and above are also to be hosted on Nalco website.

3.1.1 Procurement Modality for Caustic soda Lye(LTE amongst empanelled vendors through Global tenders) :

(1a) 1st Stage Empanelment of Vendors:

To start with all bidders against global tenders for Caustic soda Lye procurement in the last 4 years i.e. from FY 2011-12 onwards, who have supplied to Nalco even once successfully, in any of those tenders shall be considered for initial empanelment.

(1b) 2nd stage LTE to empanelled vendors :

Limited tender will be floated to empanelled /regular vendors from time to time in two bid system. Prior to floating limited tender enquiry, the regular vendors will be asked to furnish confirmation/information on techno-commercial terms and conditions of the NIT. On receipt of their confirmation, the same will be evaluated and if found acceptable, LTE

will be issued to them in two-part bid system. The vendors who are techno-commercially acceptable as per above procedure will be eligible to participate in limited tender for one year.

- (2) Global press tender /LTE will be floated at least once in a year for development of new vendors (Vendors who have not supplied to Nalco earlier) for a quantity of 24000 MT i.e. approximately 10% of present annual requirement of Alumina Refinery. The vendors will be required to submit samples for technical evaluation and acceptance. On successful execution of the order, against the development tender, the new vendor /s will be included in the list of empanelled /regular vendors for 2nd stage LTE to be floated from time to time.
(Approval dated 27.01.2015)

3.2 OPEN TENDER:

3.2.1 Open Tenders are those tenders, which are advertised in press/media and open to bidders at large. The following are the normal consideration to decide in favor of an Open Tender.

- (i) Source of supply not clearly known.
- (ii) Advertising is expected to elicit better response.
- (iii) The known supplies are suspected to have formed a ring.
- (iv) Where it is not possible to freeze the technical specifications.
- (v) To generate more competition for quality and price.

3.2.2 Tenders involving value of purchase more than Rs. 200 lakhs may be advertised in the Press. However, the value cannot be the only criteria. The Competent Authority may exercise his discretion either to call for open or Limited/Single Tenders. If a single offer is received or a single offer is found technically acceptable against an Open Tender, the same shall be treated as a case of Open Tender.

3.2.3 All open tenders besides being advertised in the press need to be hosted on Nalco, NIC websites and/ or other appropriate websites. For wider publication, open tenders should also be pasted on notice boards of all offices of the company.

3.2.4 For sending LTE for cases valuing more than Rs. 200 Lakhs, the proposal should mention the following:

- (a) The demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. It should also be put on record the nature of the urgency and reasons why the procurement could not be anticipated.
- (b) There are sufficient reasons, to be recorded in writing by the Competent Authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
- (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.

3.2.5 While exercising Discretion Power to call for Limited/ Single Tender, CA must specify the exceptional conditions for such decisions e.g.

- (a) Calamities
- (b) Supplier has exclusive right
- (c) No suitable substitute
- (d) Auction/ Tender held for several dates/ times, but no bidder quoted successfully
- (e) Possibility of a new source is remote

3.3 PURCHASE AGAINST DGS&D, EPM RATE CONTRACTS AND GOVT. ADMINISTERED PRICES:

Stores covered under DGS&D and EPM Rate Contracts can be procured without tendering.

3.4 REPEAT ORDERS:

Repeat Orders are those orders which are placed on the parties at the same terms and conditions of the previous order except for the quantity and delivery. Repeat orders can be considered only if there is no downward movement of the prices. Repeat Orders can be placed within 12 months of placement of original order. Repeat orders can be placed if the original order has been placed through competitive tendering. However, for proprietary and standardized items also, which have been purchased from single source, repeat orders can be placed. The total item value under Repeat Order shall not exceed 100% of the original order item value. Subject to above, repeat order can be approved as per DOP.

Wherever Repeat Order clause is not available in Purchase Order, placement of Repeat Order may be considered if acceptable by the Vendor subject to certification of no downward trend in the price.

However for cases originally approved by CMD/Board the first repeat order can be approved by CMD.

In exigencies a second repeat order not exceeding the original order item value excluding the 1st repeat Order value can be placed recording sufficient justification with the approval of next higher authority. For cases where original order placement have been approved by the Chairman-Cum Managing Director or the Committee of Directors, second repeat order can also be approved by the original approving authority.

Repeat Orders are to be placed only in exceptional cases, recording the reason for taking such action.

3.5 RATE CONTRACTS:

A Rate Contract is a contract for supply of stores at specified rates during the period covered under the contract. Rate Contracts can be for an estimated quantity to be supplied during the period of contract or can be a running contract against which Orders are placed to supply specific quantities at different points of time as per the requirement at the rates, terms and conditions of the contract. The Rate Contracts are to be concluded preferably with the Manufacturers or their sole agents/distributors through negotiation.

3.6 PETTY PURCHASE:

All petty purchases (as per value limits defined in the delegation of powers) can be made by the concerned Head of Department (HOD) directly with or without financial concurrence as the case may be, subject to non-availability certificate from the Stores, in accordance with the provisions of the Delegation of Power (DOP). However, reasonability of rates for such purchases has to be certified by the concerned HOD.

3.7 EMERGENCY PURCHASE:

Emergency Purchases are those purchases, which are required to meet urgent requirements for repair, operation, security and safety or any other contingencies. Emergency purchase for maintenance and operation of plant and machinery and small value items of capital

nature, and for meeting other contingencies can be made by respective Heads of Departments, not below rank of DGM, with concurrence of Finance and against non-availability certificate from stores in case of store items. Such direct purchases will be adjusted against annual budget of respective Departments. All emergency purchases and issues will be recorded in the Day Book of the Department. Monthly report for all emergency purchases is to be submitted by the HODs to the (i) Unit Head/respective Departmental Heads at the Corporate Office, and to (ii) Chief of associated Finance.

Emergency purchases above the ceiling limit provided in the Delegation of Powers are to be made by the Materials Department only against an indent. Such emergency purchases are to be authorized by unithead.

Depending on the nature of emergency any one of the following modes of purchase can be adopted.

- (i) By hand collection of sealed offers through Limited Tender Enquiry and to be opened in association with Finance.
- (ii) By committee purchase through spot Limited Tender Enquiry. The Committee will have at least two members including one each from Finance and Materials Departments.
- (iii) If the item(s) is (are) proprietary or standardized or from single source, quotation may be accepted through e-mail/fax enquiry.
- (iv) Through Limited Tender Enquiry by post giving 7 days time for submission of bid.

3.8 IMPORT SUBSTITUTION AND DE-PROPRIETISATION:

For import substitution and de-proprietisation, single/limited tendering mode will be adopted and orders can be placed on more than one party on trial basis at different rates after negotiation and with the approval of the Competent Authority as per DOP till one or more parties successfully develops the item(s).

However, the landed unit rates of trial order should normally not be more than that of the proprietary supplier. In case one party develops the items(s) and his offer is technically and commercially acceptable, the party's product will be treated as acceptable substitute until other parties are developed. These activities will be carried out by concerned Technical Deptt/Planning Cell. Once, one or more vendors are developed, purchases shall be made through Limited Tendering process by floating tenders to the developed vendors as well as to the

proprietary supplier by Materials Deptt.

3.9 MODE OF TENDERING & SHORT LISTING OF VENDORS:

While processing the proposal for administrative approval of competent authority as per DOP, proposing/processing officials shall ensure essentiality of proposals, compliance with laid down guidelines and procedures. It should cover mode of tendering including advertisement in press in case of open tendering, requirement of inspection-internal or external, bidders list in case of limited tendering, formation of special committee mentioned in the DOP for technical/commercial evaluation

Short-listing of vendors will be jointly done by the concerned indenting officer & materials officer, with number of parties in words duly signed by the concerned officials, in the office of Deputy General Manager (Materials)/ Chief Manager (Materials) before the indent is submitted to the screening committee for approval. While short-listing the vendors, concerned officers will consider the following:

- Manufacturing facility to manufacture the items in case of a manufacturer & dealership status in case of a dealer.
- Financial capacity to execute the order.
- Past performance in case of old vendor & credentials in case of new vendor.
- Black-listing/suspension/banning orders of NALCO, other PSUs, and Government.
- Equitable distribution among all registered capable vendors.
- Obligations in respect of Ancillary units & Small Scale Industries of the state.
- Availability of alternative sources/substitutes in case of single tender.
- Vendors supplying to other units of NALCO

3.10 GUIDELINES FOR PROCUREMENT OF CRITICAL RAW MATERIALS:

- Ⓐ Two stage tendering shall be followed for procurement of critical raw materials.
 - (a) In the first stage, empanelment of suppliers / vendors shall be done through Open Global / Indigenous tender. Since this will

be a developmental tender, suppliers / vendor will be required to submit their sample for testing, as per prescribed protocol, and after successful testing, suitable suppliers / vendors will be empanelled. Such empanelment will be done in the last quarter of the financial year.

- (b) In the second stage, tender shall be floated amongst empanelled vendors for bulk procurement on competitive pricing basis, in line with tender terms. Once a vendor / supplier is empanelled for supply of raw material, the empanelment shall remain valid for all future tenders for supply from the established source(s).
- (ii) Preference to MSEs (Micro and Small Enterprises) and will be regulated as per the Government of India guidelines.
- (iii) In case of Ancillary industries, preference, if any, will be regulated as per Government of India guidelines.
- (iv) Procurement may be done through e-tendering either on Monthly or Quarterly or Half-yearly or Annual basis depending on market condition.

(Approval Dated : 09.08.2017)

CHAPTER - IV
TENDERING PROCEDURE

4.0 BID SYSTEM:

Single part bidding or two part bidding system can be adopted for Limited Tendering. Single part bidding shall be done for Limited Tenders when procuring items, whose technical and commercial conditions are well defined and known to the bidders. If technical and commercial conditions are such that specific confirmations are required from the bidders two-part bid system shall be followed. Open Tenders are to be invited in two-bid system only. There cannot be standard bid formats for two-part tenders since terms and conditions will vary from case to case. Hence, Techno-Commercial bid formats and Price Bid formats are to be prepared separately for each case.

However in case of single part indigenous tender, bidders shall be required to submit quotations in price bid format as prescribed in the manual.

The objectives of two-part bidding are as follows:

- (a) To select only techno-commercially acceptable bidders.
- (b) To ensure that the price does not influence ordering decision at the cost of quality. In two-part bidding, the tenderers are to be advised to submit two separate sealed covers i.e. techno-commercial bid and price bid, duly superscribing the relevant bid title. Both the covers are to be kept inside one cover which shall also to be sealed and submitted on or before the date and time fixed for opening the tender.

Normally at least 4-6 weeks should be given in case of press tendering, 3-4 weeks in case of LTE and in urgent cases 7-10 days should be given to the bidders for submitting the quotation. For urgent cases where 7-10 days time is given the tender notice may be sent through faster means like fax/e-mail etc.

4.1 BIDDER'S QUALIFYING CRITERIA:

4.1.1

- Ⓐ Bidder's qualifying criteria consisting of Technical criteria & Commercial criteria should be proposed for approval of Competent Authority at the time of seeking administrative approval. The approved Bidder's Qualifying Criteria should be clearly spelt out in the tender document.

- (ii) The condition of “prior turnover & prior experience” with respect to Bidder’s Qualifying Criteria shall be relaxed to all Startups recognised by Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Govt of India subject to their meeting of quality and technical specifications on case to case basis at the time of seeking administrative approval.
- (iii) However, there may be circumstances (like procurement of items related to safety, health, critical security operations & equipments etc) where Nalco may prefer the vendors to have prior experience rather than giving orders to new entities. For such procurements, wherever adequate justification exists, Nalco may not relax the criteria of prior experience/prior turnover for the Startups.

- (i)
 - 4.1.2 All care should be taken while framing the Bidder’s Qualifying Criteria which should not be relaxed or compromised for evaluation. However, due to requirement of the work or in case of inadequate competition, the Bidder’s Qualifying Criteria can also be reviewed with the approval of Competent Authority to accord administrative approval on case to case basis prior to tendering.
 - 4.1.3 Whenever and wherever recommendation of the Technology Supplier is sought/ taken for procurement of equipments, the classification of equipments (i.e. category A & B) should be done carefully so as to avoid restrictive trade practices and single bid situation.
 - 4.1.4 The performance of manufacturers/ companies, those who have supplied equipment to NALCO should be evaluated properly and the manufacturers whose equipments are not performing satisfactorily should not be allowed to bid while purchasing new equipments.
 - 4.1.5 The bidder or its Proprietor/Partner(s)/Director(s) of the firm should not have been convicted by a court of Law for an offence involving moral turpitude in relation to business dealings during the past seven (7) years. The bidder shall give an affidavit to this effect. The affidavit must be affirmed before the competent judicial authority or duly notarized by the Notary. Besides, bidder should furnish litigation history of their firm or group firm (if claiming fulfillment of PQC on group entity terms). The litigation history shall include:

- (i) Arbitration cases pending
- (ii) Disputed incomplete works
- (iii) Pending civil cases against the firm or its Proprietor/Partner(s)/Director(s) involving moral turpitude in relation to business dealings.

- (iv) Pending criminal cases against the firm or its Proprietor/Partner(s)/Director(s) involving moral turpitude in relation to business dealings.
- (v) Punishments awarded under civil cases or criminal cases involving moral turpitude in relation to business dealings.

4.2 EVALUATION CRITERIA OF BIDS:

4.2.1 Supply prices shall be evaluated as follows:

(i) IMPORTED

1. FOB Price : As quoted
 2. Add Ocean Freight : Firm freight quoted
- Note: In case firm freight is not quoted by a vendor, loading shall be based on max. Freight quoted by other vendor from that region and in case there is no other offer from that region, loading will be based on estimation by NALCO.
3. Sub - Total (CFR) : 1 + 2
 4. Marine Insurance : 0.25% of CFR
 5. Sub - total (CIF) : 3 + 4
 6. Port Charges : 1% of 5
 7. Total including port charges : 5 + 6
 8. Customs Duty : Customs Duty at Merit Rate or EPCG Rate shall be considered
 9. CVD/E - cess : As applicable
 10. Total with CD & CVD : 7 + 8 + 9
 11. E - Cess : @3% on (8 + 9)
 12. Special CVD : @4% on (10 + 11) in case of Merit Rate/ Nil in case of EPCG
 13. Landed cost : 10 + 11 + 12
 14. Custom clearance, handling and transportation up to site : As quoted or estimated @3% on 13

15. Entry Tax	:	@ 2% on (13 + 14)
16. CENVAT Benefit	:	(-) (9 + 12)
17. Total Price	:	13 + 14 + 15 + 16
18. Commercial loadings, if any	:	On FOB Supply Price
19. Total Comparable Price	:	17 + 18

The aforesaid evaluation will be applicable for Bulk items, Capital Equipments & Project Items. For Spares, loading of 5% is to be done on FOB price at Sl. No. - 2 above. Sl. Nos. - 4, 6 & 14 are to be deleted.

Bids in Foreign Currency shall be evaluated based on Bill selling exchange rate of SBI prevailing as on date of price bid opening.

Special CVD @4%, Education Cess @3% and Entry Tax @2% have been considered as per rates prevailing as on June' 2010. In the event of statutory variation of taxes and duties, revised rates as applicable shall be considered for evaluation.

The above mentioned calculation is an example only.

(ii) INDIGENOUS

1. FOT Despatch Point	:	As quoted
2. Add ED & E - cess	:	As Applicable/ As quoted
3. Add CST/ Orissa VAT	:	As Applicable/ As quoted
4. Total Price	:	1 + 2 + 3
5. Freight Charges	:	As quoted

Note: In case firm freight is not quoted by a vendor, loading shall be based on max. Freight quoted by other vendor from that region and in case there is no other offer from that region, loading will be based on estimation by NALCO.

6. Total FOT Site	:	4 + 5
7. Entry Tax	:	@ 2% on (6)
8. Total Price	:	6 + 7
9. Commercial loadings, if any	:	On FOT Despatch price
10. CENVAT Benefit	:	(-) 2
11. Input credit on Orissa VAT	:	(-) As applicable
12. Total Comparable Price	:	8 + 9 + 10 + 11

Entry Tax @2% has been considered as per rates prevailing as on June' 2010. In the event of statutory variation of taxes and duties, revised rates as applicable shall be considered for evaluation.

The above mentioned calculation is an example only.

4.3 AGREED TERMS & CONDITIONS:

Agreed Terms & Conditions - ATC (Import & Indigenous) will necessarily be sent for two part bid tendering cases, capital items and high value consumables. So far as Raw Materials is concerned, already detailed and elaborate Agreed Terms & Conditions are in use which should continue. They however contain the information as sought for in the above ATC.

The formats for ATC (Import & Indigenous) are attached at Chapter - XI - Forms & Annexures.

4.4 TENDER FEES:

A tender fee to be fixed on case to case basis but not exceeding Rs. 2,000/- (Rupees Two Thousand Only) inclusive of Sales Tax is to be charged in case of open tenders only. The tender fee specified will not be applicable to State or Government of India Undertakings and Small Scale Industries registered with NSIC/DGS&D /District Industries Centres(DICs) / Khadi & Village Industries Commission(KVIC)/ Khadi & Village Industries Board (KVIB)/Coir Board/ Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small & Medium Enterprises (for the product for which they are registered), and others for which specific exemption has been granted by NALCO. The tender fee is to be deposited through Demand Draft/Pay Orders in favor of National Aluminium Company Limited.

4.5 Wherever required Price Variation Clause may be incorporated in the NIT.

4.6 EARNEST MONEY DEPOSIT (EMD):

Bidders may be asked to deposit earnest Money as per the slab given below;

Sl No	Estimated value work	EMD Amount (Rs)
1	Up to Rs.2 lakhs	2,000=00
2	More than Rs. 2 lakhs and up to Rs. 5 lakhs	4,000=00
3	More than Rs. 5 lakhs and up to Rs. 15 lakhs	10,000=00
4	More than Rs. 15 lakhs and up to Rs. 30 lakhs	20,000=00
5	More than Rs. 30 lakhs and up to Rs. 50 lakhs	40,000=00
6	More than Rs. 50 lakhs and up to Rs. 70 lakhs	60,000=00
7	More than Rs. 70 lakhs and up to Rs. 100 lakhs	80,000=00
8	More than Rs. 100 lakhs and up to Rs. 150 lakhs	1,25,000=00

9	More than Rs. 150 lakhs and up to Rs. 200 lakhs	1,75,000=00
10	More than Rs. 200 lakhs and up to Rs. 300 lakhs	2,50,000=00
11	More than Rs. 300 lakhs and up to Rs. 400 lakhs	3,50,000=00
12	More than Rs. 400 lakhs and up to Rs. 500 lakhs	4,50,000=00
13	More than Rs.500 lakhs	@1% subject to maximum of 25,00,000=00

The Public Sectors, Government agencies and the Firms registered with DGS&D/NSIC /District Industries Centres(DICs) / Khadi & Village Industries Commission(KVIC)/ Khadi & Village Industries Board (KVIB)/Coir Board/ Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small & Medium Enterprises (for the product for which they are registered), others for which specific exemption has been granted by NALCO such as Ancillary Industries etc and all Startups recognized by Department of Policy and Promotion (DIPP), Ministry of Commerce and Industry, Govt of India are exempted from payment of EMD. In all open tenders, EMD is mandatory excepting those exempted above. In all other cases, generally EMD shall not be asked. However, in specific cases other than open tenders, EMD can also be asked with approval of competent authority. Normally bids without EMD (wherever asked) shall not be considered. However in exceptional cases, where no. of techno-commercially acceptable bids is less than three, the bidders who have not submitted EMD may be asked to submit EMD before price bid opening giving suitable time limit with the approval of Competent Authority two grades below the Competent Authority to approve the Tender. If the bidder refuses to submit EMD, waiver of EMD may be considered before price bid opening with financial concurrence & approval of one grade higher authority than the C.A for placement of order. In case the placement of order need approval of Director and above, the waiver of EMD can be approved by CMD. The EMD may be submitted either in the form of Demand Draft / Pay Order / through e-payment favoring "National Aluminium Company Limited" or in the form of a Bank Guarantee in NALCO's formats from any Bank approved by NALCO. The EMD will be returned to all unsuccessful bidders within one week after finalization of the order with the approval of HOD of Materials Department. The EMD of the successful bidder will be returned after they accept the order and submit Security Deposit or Contract cum performance bank guarantee, as the case may be. In case where submission of SD/CPBG is not a condition of tender, EMD of successful bidder will be released after successful execution of the order. Whenever EMD is asked this clause needs to be incorporated in the enquiry. In case where submission of SD/CPBG is a condition of Purchase Order and if the successful bidder accepts the order

but fails to submit the Security Deposit/ Contract cum Performance Bank Guarantee, the EMD will be retained. In such cases the differential amount towards SD/CPBG and EMD may be deducted from the bills of vendor which may be released after receipt of SD/ CPBG.

In the event of non-execution of order, the EMD shall stand forfeited.

The above details of submission of EMD, return of EMD, Security Deposit, CPBG etc. are to be mentioned in the Tender documents.

4.6.1 SECURITY DEPOSIT:

In specific cases, Security Deposit may be asked with approval of competent authority and suitable stipulations in the NIT be made. In those cases, interest free Security Deposit of 5% of the contract value is to be submitted by the successful bidder either in the form of Demand Draft/Pay Order/E-payment or by way of Bank Guarantee in NALCO's format from any Bank approved by NALCO which shall be valid for a period of 6 months including claim period of 3 months beyond the committed delivery period towards fulfillment of obligations in the Purchase Order. Security Deposit shall be returned to the seller after successful execution of the order subject to recovery of claim, if any. If CPBG is to be submitted by the vendor(s), the submission of SD is not applicable. Where submission of SD is the conditions of PO, but the vendor fails to submit SD or at his option equivalent BG after placement of order, the equivalent amount will be recovered from the bill of the vendor

4.6.2 CONTRACT-CUM-PERFORMANCE BANK GUARANTEE:

Wherever considered necessary especially for Plant, Machinery, Bulk & Raw materials; the supplier will be asked to submit a composite Contract-cum- Performance Bank Guarantee for 10% of the contract value including amendment from any Bank approved by NALCO and as per NALCO's format towards successful execution of the contract and Performance Guarantee obligation of the equipment/system as agreed upon. The BG shall remain valid beyond three months from the expiry of guarantee period. If submission of CPBG is the condition of Purchase Order and the vendor fails to submit CPBG after placement of order, the equivalent amount will be recovered from the bill(s) of the vendor. In all such cases, Security Deposit requirement shall not be applicable.

4.6.3 Subject to any deduction which NALCO is authorized to make Contract cum Performance Bank Guarantee shall be released after satisfactory execution of the contract. On the breach of the contract by the supplier, Contract cum Performance Bank Guarantee shall be forfeited/encashed whether or not the company has suffered a loss on this account and Purchase Order will be rescinded. Forfeiture/encashment of Contract cum Performance Bank Guarantee does not prejudice NALCO's rights to

make risk purchase and recover damages on account of such risk purchases. However, credit may be given for the Contract cum Performance Bank Guarantee forfeited/encashed in appropriate cases.

4.7 CLASSIFICATION OF TENDERS:

4.7.1 Regular Tenders:

Tenders received on or before due date and time of tender submission will be treated as Regular Tenders.

4.7.2 Delayed Tenders:

Delayed tenders are those tenders which have been posted before due date and time of submission of the tender, but are received after the due date and time of submission of the tender. In such cases, the cover shall be initialed by the officials opening the tender and kept with other tenders. Such tenders may be considered with approval of Unit head of Materials Department if the number of regular tenders is less than three provided the date of posting is prior to opening of tenders and is clearly identifiable from the postal stamping of the cover. However, if Unit Head of Materials Deptt. feels that number of regular tenders received are not adequate considering the nature of the item or circumstances of the case, he may approve opening of delayed tenders giving the reasons for doing so.

4.7.3 Late Tender:

Late tenders are those tenders, which have been actually posted or delivered and received after the due date of tender submission. Such tenders shall not be considered.

4.7.4 Unsolicited Tenders/Offers:

Following tenders/offers are called unsolicited tenders/offers.

- ① Tenders/offers received from parties to whom enquiry has not been sent, except those to whom the enquiry has been forwarded by the addressee to quote on their behalf.
- ② Suo motto revised tenders/offers submitted by bidders after opening of bids in case of single part tender. This applies to both techno-commercial and price bids in case of two part bidding.
- ③ Suo motto revised tenders/offers submitted by bidders after opening of techno-commercial bids in case of two parts tender

(iv) Un-called for tenders/offers submitted by bidders after negotiation.

Such tenders shall not be considered.

4.8 DESPATCH & RECEIPT OF TENDERS:

While tender enquiries can be sent through Post/Fax/E-mail, the acceptable mode of receipt is through Post or deposit in the prescribed Tender Box only except where enquiry has been issued to a single vendor in which fax mode / E-mail is also acceptable.

Tenders issued and received are to be entered in the Tender Register chronologically specifying the date and time of receipt.

4.9 OPENING OF TENDER:

As far as possible, the tenders are to be opened on the due date and time specified in the NIT. In case the bidder(s) submit more than one offer(s) within scheduled/revised scheduled date of opening of bids, all the offers submitted by the bidder against enquiry will be opened and latest offer only will be considered for evaluation. In case more than one offer with the same date is received from a bidder, the lowest will be considered. The above aspects are to be incorporated in the NIT.

In case of two part tendering, the techno-commercial bid will be opened first and after techno-commercial evaluation the price bids of only acceptable bidders will be opened.

Price bids of single part tender and techno-commercial bids of two-part tender will be opened without financial concurrence and approval provided number of bids is equivalent to number of enquiries sent or not less than three. If not so, the first extension of bid opening date up to 15 days will be given directly without financial concurrence & approval for all cases except open tender cases.

In case of tenders where estimated cost is Rs 5 lakhs & below, whatever no. of bids received after first extension will be opened without concurrence & approval. In case of tenders where the estimated cost is above Rs 5 lakhs, and sufficient response as described above is not received even after first extension of 15 days, specific approval of CA as per DOP is to be taken furnishing reasons for further extension of bid opening date or to open the offers received.

In case of open tenders any extension of bid opening date will be given with concurrence and approval as per DOP and corrigendum need to be

published in press/media and websites in which original advertisement was issued.

All the bidders will be informed about extension of tender opening date including those bidders who have already submitted the offer.

Price bids of two -part tender will be opened after approval of Committee recommendations by the Competent Authority. In two part tenders if any tender(s) is (are) received in composite form, the same shall be re-sealed by representatives of Materials and Finance Department immediately after opening. Such bidders will be asked to submit separate sealed Techno-Commercial bids, without any alteration/modification to the techno-commercial conditions, for evaluation. All the tenders received shall be serially numbered and signed in all pages by the nominated officers of Materials and Finance Department. Any over-writing or corrections on the tender shall be encircled and initialed by both the persons with date.

The bidders may depute their representative for witnessing tender opening if they so desire. During opening of tender, the tender opening committee will read out particulars like the prices, taxes and duties and EMD etc of all bidders.

4.10 ADVANCE PAYMENT

4.10.1 Normally advance payment to the vendors without bank guarantee and without interest cannot be given. However in specific cases where without bank guarantee and without interest, advance payment is unavoidable, the advance payment can be considered for vendors categorised below who may not accept order(s) without advance.

- a) Central Govt. agencies/Deptts and central govt PSUs
- b) Proprietary / OEM suppliers.
- c) Regular & reputed vendors from whom the materials have been purchased in the past.

Such advances will be given in specific cases giving proper justification with concurrence of Finance & approval of authority one grade higher than CA to approve placement of order. In case of CA being CMD/ Board, CMD would approve.

Financial loading will be done while evaluating the tender.

- 4.10.2 (i) The Bank Guarantee taken towards security of 'Mobilization Advance' should be at least 110% of the advance so as to enable recovery of not only principal amount but also the interest portion, if so required.
- (ii) The Mobilization Advance should not be paid in less than two installments except in special circumstances for the reasons to be recorded. This will keep check on contractor misutilising the full Mobilization Advance when the work is delayed considerably.
- (iii) A clause in the tender enquiry and the contract of cases providing for interest free mobilization advances may be stipulated that if the contract is terminated due to default of the contractor, the 'Mobilization Advance' would be deemed as interest bearing advance at the interest rate of% (to be stipulated depending on the prevailing rate at the time of issue of NIT) to be compounded quarterly.

4.10.3 For NITs/ Tenders with estimated cost of Rs.50.0 Lakhs or above, Integrity Pact is to be signed by the supplier/ contractor. The text of Integrity Pact is to be sent along with NIT/ Tender for case having estimated cost of Rs.50.0 Lakhs or above. On finalization of order/ contract the Integrity Pact is to be signed by NALCO and the supplier/ contractor. The names of Independent External Monitors (IEM) are to be mentioned in the PO.

Integrity Pact is to be made operative after signing of MOU between Transparency International India (TII) and NALCO.

CHAPTER - V **EVALUATION OF TENDER**

5.0 SINGLE PART TENDER:

Technical evaluation will be done by the Indentor and commercial evaluation will be done by the Materials Department. In case of single part tender involving more than one vendor, while evaluating and deciding for award of contract, care needs to be taken for proper analysis on the following.

- a) If the deviations taken can be quantified in monetary terms with reasonable accuracy, then proper loading factor on the quoted rates must be considered for evaluation without any correspondence with bidders.
- b) The deviations, technical or commercial, having financial implications, which cannot be quantified, should not be allowed, if there are three or more than three qualified bidders. For the cases where no. of bids are less than three qualified bidders, such deviations having financial implication may be clearly brought out on case to case basis and duly loaded and bid considered.
- c) Deviations of minor nature, which have no financial implications, can be considered in the interest of competition.
- d) For tenders, where procurement of all the items of an indent is required from one source is a condition, the offers will be evaluated on overall L1 basis. In case the bidder(s) do not quote for all the items of the tender, their offer(s) may be considered only after obtaining technical recommendation.

5.1 Two part Tender:

- (i) Techno Commercial evaluation shall be done by the authorized Committee as per Delegation of Powers. A separate technical Committee may be constituted by the concerned General Manager for technical evaluation wherever necessary.
- (ii) During evaluation, if any technical or commercial clarifications are required the same shall be obtained either through correspondence or discussions with tenderers. The proposal for acceptance of Techno Commercial bids, shall be prepared by the Committee and approved by the Competent authority before opening of price bids.

Price bids of only techno-commercially acceptable parties will be opened.

- (iii) Where no Committee is required as per D.O.P., the indenter will scrutinize technical aspects and based on technical recommendation, Materials Department will examine the commercial aspects, obtain clarifications, if required and process the case for approval of Competent Authority for opening of price bids.
- (iv) In case of Capital Goods procurement through Two Part Tendering System under D.O.P Clause No.3.1.2.1, the Delivery period/ Completion period requirement will be examined at the time of Administrative approval, on case to case basis. In case the Delivery period/ Completion period of the tendered item/ project is critical, necessary approval will be taken at the time of taking Administrative approval that Delivery period/ Completion period of the tendered item/ Project is critical and no extension/ change of Delivery period/ Completion period is acceptable to the Company. In such cases, it will be mentioned in the NIT that if the Delivery period/ Completion period quoted by the vendors are not matching to the requirement of NALCO, then their offers are liable to be rejected. This provision shall be applicable only for Capital Goods procurement through Two Part Tendering System.

5.2 After opening of the price bids a comparative statement with pre-fixed technical/ financial loading if any will be prepared by Materials Department and checked by Finance Department. The person preparing/checking the comparative statement shall sign on the comparative statement as token of their having prepared/checked the comparative statement. Wherever the NIT stipulates splitting of Orders, conditional discount shall be considered while evaluating bids and determining inter-se positions only up to the eligible quantity as per NIT.

5.3 REVISED PRICE BIDS:

Revised price bids are acceptable in following situations only in two part tenders and that too before opening of the priced bids.

- (i) Validity of offer has expired.
- (ii) Revision in price by bidder to withdraw deviation to NIT specification / conditions during techno commercial discussions.
- (iii) Post tender minor change in specifications/terms and conditions of

NIT has been asked for during the validity period. However, in case of minor changes sought in NIT specification, only corresponding price implication will be allowed.

- (iv) Revised Price Bids can also be called in sealed bids from all technically and commercially acceptable bidders, as the case may be, when there is perceptible downward trend in market condition during process of evaluation subject to financial concurrence and approval of the Competent Authority.

CHAPTER – VI **NEGOTIATION**

- 6.0 Negotiation shall be exception rather than rule and shall be resorted to with justification if any one or combination of the following situations exists; and subject to guidelines issued by the Company from time to time.
- (i) Lowest price or price quoted by the single bidder is unreasonably higher than the last purchase price updated by applying R.B.I. Indices/direct increase of Raw Material costs.
 - (ii) Price quoted by the single bidder for first time purchases is unreasonably higher than the estimated price.
 - (iii) Sudden change in the market environment during the period of tender finalization.
 - (iv) Terms and conditions quoted by the bidder are not as per the tender and better terms can be negotiated.
 - (v) When more than one source is required.
 - (vi) The bidders are suspected to have formed ring and quoted unreasonable rates.
- 6.1 When one source is adequate, negotiation will be held with L1 bidder only. However, government guidelines with respect to purchase preference, if any, to PSUs or any other specific category of firm/industry shall be taken into account..
- 6.2.1 When more than one source is required or the lowest bidder has not offered for full tender quantity, negotiation will be held first with L-1 bidder in case negotiation is necessary to freeze the acceptable L-1 price. The frozen L-1 price is then to be offered to all the technically acceptable bidders in order of their position till the entire quantity is covered. After considering at least 10% higher quantity for the L-1 bidder provided he has offered for such quantity and is considered acceptable, the remaining quantity will be distributed among bidders (who have matched L-1 price) in order of bid status till the required numbers of sources/quantities are met. If required number of sources/quantities could not be met even with above and the uncovered quantity can not be kept in abeyance till the next tender, then negotiation will be held with the lowest bidder who have not matched the L-1 price to bring down the price to the extent possible and order can be placed on them at that differential negotiated

price with due approval of the competent authority. This process will continue till the required numbers of sources/quantities are met.

6.2.2 In all the cases where more than one source is required, approval of competent authority is to be taken prior to issue of NIT and there has to be clear stipulation in the NIT about the division of the order so that the bidders are aware of the same at the time of bidding itself.

6.3 Purchase Preference Policy for MSEs (Micro and Small Enterprises)/ Ancillary Units:

(A) Whenever in a tender, quantity is not splittable or not divisible, order shall be awarded on the L1 bidder, who may be MSE or Ancillary Unit or non MSE.

(B) In a tender with splittable or divisible quantity, participating qualified MSEs, who have quoted within the price band of L-1 + 15% can be given a chance to match with L1 price in order of their bid position and take order for supply of upto 25% of the tender quantity, if the L1 bidder is other than a MSE.

In case of participation of SC/ST category MSEs in a tender with splittable or divisible quantity, minimum 6.25 % of tender quantity shall be reserved for placement of order on them, out of the 25% tender quantity reserved for MSEs as above, subject to matching with L-1 Price in the tender.

Further in case of participation of women owned MSEs in a tender with splittable or divisible quantity, minimum 3% of tender quantity shall be reserved for placement of order on them, out of the 25% tender quantity reserved for MSEs, subject to matching with L-1 Price in the tender.

When there is no participation from SC/ST category / women owned MSEs or when SC/ST category/ women owned MSEs do not match the L1 price, then the tender quantity reserved for them shall be available for other MSEs

(C) In case of more than one such MSEs in a tender, the supply shall be shared equally. However it can be done depending upon splitability and reasonability of distributing the tendered quantity.

(D) To encourage the Ancillary Units, upto 40% of the tender quantity less the quantity considered on MSEs as at Para- 6.3 (B) above, shall be reserved for Ancillary Units, subject to matching with L-1, in a tender with splittable or divisible quantity.

In case, no MSE is participating in the tender and / or are not matching L-1 price, Ancillary units can be allowed upto 40% quantity on matching L-1 price, subject to splitability & divisibility of the tendered quantity.

When there is no participation from Ancillary Units or when Ancillary units do not match the L1 price, then this reserved quantity for Ancillary Units shall be available for other participating vendors.

6.4 The negotiation shall be held by the designated Committee by discussion / E-mail / Fax.

6.5 On completion of negotiation, the reasonableness of the price may need to be recorded. However, in case where reasonableness of the price could not be established based on the available data, placement of Order may be considered depending upon the exigency of requirement.

6.6 REASONABLENESS OF PRICE:

6.6.1 Before placement of purchase order on the lowest evaluated responsive tender (L1), the reasonability of the price obtained against the tender is to be ascertained.

6.6.2 The Broad guidelines for judging the reasonableness of price are as under:

- (i) Last purchase price of same (or, in its absence, similar) goods, duly escalated based on relevant indices available from web/ net or industry publications
- (ii) Current market price of same (or, in its absence, similar) goods.
- (iii) Price of raw materials, which go into the production of goods
- (iv) Receipt of competitive offers from different sources
- (v) Quantity involved
- (vi) Terms of delivery
- (vii) Period of delivery

- (viii) Cost analysis (material cost, production cost, overheads, profit margin)

6.6.3 In order to assess reasonableness of the price in cases of Single Tender, cost price data as per format enclosed at Annexure - I & II may be sought from the bidder in the enquiry itself. However, non-submission of cost price data by the bidder shall have no bearing on the processing and evaluation of offer submitted by the bidder.

6.7 After negotiation, the proposal shall be submitted by the original proposer (committee or dealing purchase officer), as the case may be for financial concurrence/approval of the Competent Authority.

Bidder to furnish

- i. For the items offered to NALCO, the actual cost of production for similar items manufactured and supplied in the past.
- ii. Current cost of production by providing cost break-up as per format enclosed at Annexure-II.
- iii. Balance sheet for the last three years
- iv. Reduction in cost of production due to bulk Order quantity, particularly considering reduction of overhead.
- v. Price Fixation Policy followed by bidder's organization
- vi. Past supplied rates to other buyers along with copies of the contract/purchase orders.

FORMAT OF COST ANALYSIS

Break - Up of Fixed Price Quotation Year of Quotation		
(Rs. in Lakhs)		
Sl. No.	Particulars	Rs.
1.	MATERIAL	
1.1	Imported	
	i) Raw Materials Rejection (% on (i))	
	ii) Bought Out items Rejection (% on (ii))	
	Sub - total - 1.1	
1.2	Indigenous	
	i) Raw Materials Rejection (% on (i))	
	ii) Bought Out items Rejection (% on (ii))	
	iii) Any other input cost factor (to specify)	
	Sub - total - 1.2	
	Total - 1.1 + 1.2	
1.3	Freight & Insurance Charges { % of (1.1 + 1.2) }	
1.4	Storage Handling Charges { % of (1.1 + 1.2) }	
	Material Cost Sub - total - 1	
2.	CONVERSION COST Man hours x Manhour rate (MHR)	
	Sub - total - 2	
3.	NON - RECURRING COST	
	Sub - total - 3	
4.	SUNDRY DIRECT CHARGES	
	Sub - total - 4	

5.	FINANCING COST	
	Sub - total - 5	
6.	Total of Sub - totals (1 to 5)	
7.	Warranty Cost (% of 6)	
8.	Total Cost (6 + 7)	
9.	Profit (% of 8)	
10.	Selling Price (8 + 9)	

CHAPTER – VII
CANCELLATION OF TENDER

- 7.0 Tenders may be cancelled under the following circumstances;
- (i) Where there has been material change in the specifications.
 - (ii) Where tenders received do not fulfill the required specifications laid down in the Tender Notice even after techno-commercial clarification.
 - (iii) Where the price quoted appears to be unreasonably high or ring prices seem to have been quoted and there is possibility of getting lower rates.
 - (iv) Where there is sudden slump in the price of material in question after opening of tenders.
 - (v) Requirement ceases to exist.
 - (vii) Any other reason in the interest of the Company.
- 7.1 Reasons for cancellation of tender shall be recorded and approval to be taken from the Competent Authority with concurrence of Finance.

CHAPTER – VIII **ORDERING**

8.0 PLACEMENT OF PURCHASE ORDER:

Purchase Orders shall be placed strictly in accordance with the approval within the validity period.

In order to create a valid contract, reference of relevant documents and correspondences shall be embodied on the Purchase Order and the Order shall be signed "for and on behalf of the Company" by an officer as per provision of D.O.P. The Purchase Order confirming acceptance of offer of the Bidder, shall be sent in duplicate to the vendor and the vendor shall be advised to send the duplicate copy duly signed for Co. records within 7 days of receipt. Even if the same is not received, the Purchase Order will be treated as a Contract. Copies of Purchase Orders shall be sent to the Finance, Stores and user Departments.

Pre-printed Purchase Order form as per format given in this manual shall be used for all indigenous purchases. Special terms and conditions wherever required shall be incorporated in the Purchase Order. Similarly if any of printed terms and conditions are not applicable, the same shall be deleted. Purchase Order forms for imported items, raw materials and capital goods shall be drafted on case to case basis as per requirement. All the conditions/printed terms shall form part of all copies of Purchase Orders.

8.1 AMENDMENT TO PURCHASE ORDER:

Amendment to Purchase Orders can be issued if acceptable to both the parties. All amendments involving financial implication shall have to be concurred by Finance and approved by the Competent Authority.

8.2 DELIVERY EXTENSION AND WAIVAL OF LIQUIDATED DAMAGES (LD)/PRICE REDUCTION SCHEDULE (PRS):

If the reason of delay is not attributable to the supplier and / or the Company has not suffered any loss, delivery extension without LD or PRS, as the case may be, may be granted with the approval of the Competent Authority without financial concurrence. In other cases, delivery extension shall be granted with or without LD/PRS, full or part, with financial concurrence & approval of the competent authority.

8.3 Summary of Purchase Orders placed/ Contracts awarded above Rs. 2.0 Crores during the month is to be posted in NALCO website as per the format available in Chapter - XI - FORMS & ANNEXURES. The summary should cover at least 75% value of transactions. The threshold limit of

Rs. 2.0 Crore and 75% coverage will stand revised as per revision of CVC from time to time.

CHAPTER - IX
PENAL ACTION AGAINST SUPPLIER

9.0 BLACK LISTING:

9.1 CIRCUMSTANCES OF BLACKLISTING:

Blacklisting of a firm or supplier may be resorted to in following cases:-

- (i) If the Proprietor or Partner or Director of the Firm is convicted by a Court of Law, following prosecution under the normal process of Law for an offence involving moral turpitude in relations to business dealings;
- (ii) If security considerations including the question of loyalty to the State warrant as per recommendations of Ministry of Home Affairs.
- (iii) If there is justification for believing that the Proprietor or Partner or Director of the Firm has been guilty of malpractices such as bribery, corruption, cheating, fraud, substitution of tender etc.
- (iv) If the Firm refuses/fails to return the Company's dues without adequate cause;
- (v) If the Firm is blacklisted by any Department of the Central Government / State Government.
- (vi) If the Firm is a confirmed evader of Central / State taxes/duties for which NALCO has received notice from the concerned department of Central / State Govt.

9.2 PROCEDURE FOR BLACK LISTING:

- (i) Before black listing the party shall be given an opportunity of a notice and hearing.
- (ii) Cases of blacklisting and revocation thereof shall be legally vetted and submitted by Materials Department to the Chairman-cum-Managing Director of the Company through the Head of the Unit at Unit level and Executive Director (Materials) at Corporate levels. The Chairman-cum-Managing Director will be the Competent Authority to blacklist any firm. Period of black listing shall be decided by Competent Authority.

- (iii) The issue of such orders shall normally involve termination of all business with the Company including any on-going contracts.
- (iv) The list of blacklisted parties will be circulated by Corporate Materials Deptt. amongst the Unit Heads and Heads of Materials & Finance Departments of the Unit/Corporate office.
- (v) Particular care shall be taken to see that the same Firm is not permitted to transact business with the Company in the guise of another name or through any of its agents, employees or subsidiaries whatsoever.

9.3 REVOCAION OF BLACKLISTING ORDER:

A blacklisting order shall ordinarily not be revoked unless;

- (i) the period specified therein, if any, has expired; or
- (ii) On a review, the Chairman-cum-Managing Director is of the opinion that the punishment already meted out is adequate in the circumstances of the cases; or
- (iii) Where the order is based on a conviction in the Court of Law and the firm is honorably acquitted of the charge by a competent Court.

9.4 SUSPENSION OF BUSINESS :

Suspension of business may be ordered, where full enquiry into the allegations is pending, which, if proved, may entail the blacklisting of the Firm and Director (Commercial) is of the view that it is not desirable that business with the Firm should continue. The list of suspended parties will be circulated to all Units and the reasons of suspension shall not be communicated to the Firm concerned.

9.5 BANNING :

An order banning business with a Firm for a period exceeding one year but less than three years may be passed by Director (Commercial) duly recommended by Head of Materials Deptt. of respective units.

In case where the conduct (which term would include any offence or failure to execute a contract satisfactorily) of the Firm is not serious enough to merit blacklisting but at the same time is of such a nature that removing the name of the Firm from the list of registered suppliers is justified in the interest of the Company, Head of Materials Deptt at

respective units may at their discretion, recommend on the banning of the Firm. The list of banned parties will be suitably informed to all concerned including Materials and Finance Deptts. of all the units with necessary/appropriate instructions in this regard. Temporary banning of Business with a firm for failure to execute a contract satisfactorily for a period not exceeding one year can be ordered by Head of Materials Department at the Units.

An order of banning/suspension/blacklisting, passed in respect of blacklisted/banned/ suspended Firms shall be extended to allied Firms. In determining this, the following factors shall be taken into consideration;

- (a) whether the Management is common;
- (b) Whether majority interest in the Management is held by the Partners or Directors of the blacklisted/banned/suspended Firm;
- (c) Whether substantial or majority shares are owned by the blacklisted/banned/ suspended Firm and by virtue of this it has a controlling power.

CHAPTER - X
REGISTRATION AND EVALUATION OF VENDORS

10.0 REGISTRATION OF VENDORS:

As a means to ensure pre-qualification of vendors before sending enquiries/ accepting their offers, system of registration of the vendors shall be followed. Vendors seeking registration for supply of specific products shall be required to submit their applications in duplicate in the prescribed form. While all new vendors shall be registered on the basis of the above information, the vendors already registered with the

Company will also be required to submit the same to update the Company's data base on vendors. The registration form is designed to provide adequate information on the vendor's financial standing and technical competence. To the extent possible, NALCO will try to verify the information provided by the vendors. Proposal for registration of vendor, Firms shall be submitted to General Manager (Materials) for approval. The master list of registered vendors at the Unit levels shall be reviewed and updated based on registration requests received.

10.1 REMOVAL OF VENDORS FROM REGISTRATION:

Vendors are liable to be removed from the registered list of suppliers under the following circumstances;

- (a) If the vendor fails to get qualifying rating on its supplies as per the vendor evaluation system described in the article no. 10.2;
- (b) If the vendor has been blacklisted, suspended or banned;
- (c) If the vendor is declared bankrupt or insolvent.
- (d) If the vendor is defaulter in respect of a previous contract.

10.2 EVALUATION OF VENDOR'S PERFORMANCE:

Vendors of all items critical to the product quality as identified and documented by NALCO shall be annually evaluated for their actual performance against each of the items supplied.

Evaluation shall be done based on;

- (i) The quality of the material supplied;
- (ii) Adherence to the delivery commitments.

The weightage for quality of the product shall be 70% and the weightage for adherence to delivery commitment shall be 30%.

Based on the deliveries made during the preceding year, the performance of vendors against each item shall be reviewed annually.

If the overall annual performance rating of a vendor is be low 70% for two consecutive years the vendors name will be dropped from the approved list.

In the case of proprietary items, imported items, developmental items for de-proprietaryization, and short supply items having limited sources if the performance rating is below 70%, the same should be brought to the notice of the top person in the bidder's organization for improvement.

10.3 ENGAGEMENT OF AGENTS/ MIDDLEMEN/ INTERMEDIARY/ CONSULTANTS/ SERVICE PROVIDERS:

- 10.3.1 Any bidder, hereinafter referred as “Principal”, who engages another entity (individual/ firm/ organization) to function, on their behalf, as Agents/ Middlemen/ Intermediary/ Consultants/ Service Providers, hereinafter referred as “Agent”, against any tender (single/ limited / open) must disclose the name and address of such an agent in their offer or in course of tendering process prior to the placement of order by NALCO.
- 10.3.2 Agent shall file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status, including the extent of authorization and authority given to commit the Principal, being enjoyed by the agent and the commission/remuneration/salary/ retainer-ship fee being paid by the principal to the agent before the placement of order by NALCO. Wherever the Agent is a foreign company, it shall be confirmed whether it is real substantial company and details of the same shall be furnished.
- 10.3.3 Wherever the Agent have communicated on behalf of their principal, and the principal has stated that they are not paying any commission to the Agent, and the Agent is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the principal before the placement of order by NALCO.
- 10.3.4 Agent who submits offer, on behalf of their principal, against a tender must submit Letter of Authority of the Principal specifically authorizing the agent to make such an offer.

10.3.5 No entity can be allowed to function as agent on behalf of two principals against any particular tender.

10.3.6 Failure to furnish correct and detailed information as called for in above paragraphs render the concerned offer liable for rejection or in the event of a contract materializing, the same is liable to termination by NALCO. Besides this, there would be a scope for imposing a penalty of banning business dealings with NALCO and/or payment of a named sum as damages.

10.4. GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS:

10.4.1 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with NALCO shall apply for registration.

10.4.2. Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/remuneration/salary/ retainer ship being paid by the principal to the agent before the placement of order by NALCO

10.4.3 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order

10.5 DISCLOSURE OF PARTICULARS OF AGENTS/ REPRESENTATIVES IN INDIA. IF ANY (FOREIGN NATIONALITY):

10.5.1. Tenderers of Foreign nationality shall furnish the following details in their offer.

10.5.2. The name and address of the agents/representatives in India, if any and the extent of authorization and authority given to commit the Principals. In case the agent/representative be a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.

10.5.3. The amount of commission/remuneration included in the quoted price(s) for such agents/representatives in India.

10.5.4. Confirmation of the Tenderer that the commission/ remuneration if any, payable to his agents/representatives in India, may be paid by NALCO in Indian Rupees only.

10.6 DISCLOSURE OF PARTICULARS OF AGENTS/ REPRESENTATIVES IN INDIA. IF ANY (INDIAN NATIONALITY):

- 10.6.1 Tenderers of Indian Nationality shall furnish the following details in their offers.
- 10.6.2. The name and address of the foreign principals indicating their nationality as well as their status, i.e, whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/representatives.
- 10.6.3. The amount of commission/remuneration included in the price (s) quoted by the Tenderer for himself.
- 10.6.4. Confirmation of the foreign principals of the Tenderer that the commission/remuneration, if any, reserved for the Tenderer in the quoted price (s), may be paid by NALCO in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items .
- 10.6.5. In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission /remuneration, if any payable to the agents/representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 10.6.6 Failure to furnish correct and detailed information as called for in paragraph-10.6.2 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by NALCO. Besides this there would be a penalty of banning business dealings with NALCO or damage or payment of a named sum.

To start with, above clause nos. 10.4, 10.5 and 10.6 are applicable for tenders valuing more than Rs. 50 Crores.

CHAPTER - XI **FORMS AND ANNEXURES**

- (i) Vendor Registration
- (ii) Indent
- (iii) Certificate of Proprietary Articles
- (iv) Certificate of Standardized Articles
- (v) Tender approval,
- (vi) Purchase Enquiry
- (vii) Standard Terms & Conditions of Enquiry
- (viii) Comparative statement of Quotations
- (ix) Purchase Proposal Abstracts
- (x) Purchase Order
- (xi) ECS Mandate Form
- (xii) Price bid format for single part indigenous bid
- (xiii) Agreed Terms & Conditions (Import) - For Purchase
- (xiv) Agreed Terms & Conditions (Indigenous) - For Purchase
- (xv) Standard Terms & Conditions of Purchase Order (Indigenous)
- (xvi) Standard Terms and Conditions of Purchase Order (Import)
- (xvii) Format for details of Orders placed/ Contracts awarded above Rs. 2.0 Crore during the month

Important: The standard terms and conditions specified in this purchase manual is of generic nature. However, specific conditions as applicable on case to case basis can be suitably drawn as relevant.

NATIONAL ALUMINIUM COMPANY LIMITED

(A Government of India Enterprise)

E-mail:
 TEL.NO.:
 FAX NO. :

VENDOR REGISTRATION FORM

A. GENERAL:

1. Name of the Company:
2. Regd. Office and Address:
 Telephone no. :
 Gram:
 E-mail/Fax nos. :
3. Branch Office & Address:
 Telephone no. :
 Gram:
 E-mail/Fax nos:
4. Factory Address:
 Telephone no. :
 Gram:
 E-mail/Fax nos:
5. Name & Address of
 Contact Person:
 Telephone no. :
 Gram:
 E-mail/Fax nos:
6. Nature of Company/
 (Please Tick Mark):

Proprietorship	Partnership	Public Ltd. Co.	Private Ltd. Co.	Govt. Sector

7. a) Status of Company : Manufacturer/Mfgr.'s Agent/
 (Strike off whatever Authorized Dealer / Stockist /
 is not applicable) Trader /Importer Indian Agent
- b) SSI / Medium / Large: (Attach SSI Certificate copy)
8. a) Items for which :
 Registration is sought
- b) Indicate if any of these are covered :
 under DGSD Rate Contract

- c) List of Items Manufactured :
enclose Product Catalogue/
Literatures.
9. List of Important Clients :
(Photo copies of 5-10 orders
to be enclosed).
10. Annual Turnover for past 3 years :
(Attach a copy of last Audited accounts)
11. Capital Employed :
- B. TECHNICAL AND QUALITY**
12. Manufacturing Facilities :
(Attach details of Equipments
indicating Type, Capacity, Year
of Manufacture etc. for all main
equipments).
13. Are your products certified to BIS/
other National/International Stds. : Yes / No
(Give Details).
14. Do you have ISO 9000/ISO 14000 / : Yes/ No
ISO 18000 Certification for the line
of Products offered.
15. Inspection, Measuring and :
Testing Facilities
(Attach details of main equipment)
If answer to Point.15 above is yes
- (a) Do you have a system of : Yes/ No
Calibration for these equipments
to National Standards
16. In case of Manufacturers, name :
the Technical Collaborator, if any
- C. COMMERCIAL:**
17. Your Banker's Name and Address :
(Attach Solvency Certificate)

18. VAT/Sales tax clearance certificate / Self Assessment certificate (To be attached) :
19. CST/ST/VAT Registration No. and Date :
20. Do you have any Sister Concerns :
If yes, for each one of item, indicate their
- (i) Name :
 - (ii) Address :
 - (iii) Phone / E-mail / Fax nos. :
 - (iv) Range of Products:
21. Do you confirm agreement for E-payment : Yes/ No

NATIONAL ALUMINIUM COMPANY LIMITED
INDENT

INDG./IMPORT		REVENUE/CAPITAL	
INDENT NO.		MPR NO.	
DATE		DATE	
DEPARTMENT		MATERIALS REQD. BY	
INDENTOR		NO. OF ITEM	
GEN/PROP/STAN D		NORMAL/EMERG.	
JUSTIFICATION			
RECOMMENDED VENDORS :			
REMARKS			

Indentor

H.O.D of the Deptt.

Screening Committee

((O & M)/ (Materials)/ (Finance))

(Approving Authority)

ANNEXURE 'A' TO INDENT NO.....

Sl. No.	Material Code & Description	UOM	Qty.	Estimated value	Last P.O. Rate	Last P.O. No. & date & vendor's name

ANNEXURE 'B' TO INDENT NO.....

Sl. No.	Material Code	UOM	Stock Qty.	Pending Indent Qty.	Current year consumption	2nd year consumption	Last Receipt date
		Indent Qty.	Pending P.O. Qty. & No	Pending MPR Qty. & No	Last year consumption	3rd year consumption	Last Issue date

JUSTIFICATION FOR INDENT NO:-----

*Please enclose extra sheet if required.

CERTIFICATE OF PROPRIETARY ARTICLES

1. Indent number & Date:
2. Description of Article(s):
3. Source: Indigenous/ Imported
4. Quantity (ies):
5. Estimated cost on landed basis:
6. Vendor's name and address:
7. Type of Article(s): A. Proprietary Article(s):
OEM/OEM's Sub-vendor/
party holds proprietary right.
8. The indented goods are manufactured by M/s
9. No other make/ model is acceptable for the following reasons:
10. Any efforts made for depropriatisation/ alternative source development.
(If yes give details & if no, give reasons)

This is to certify that to the best of my knowledge the article(s) is/are proprietary article(s) and the above particular are true.

Submitted	Recommended	Agreed	Approved
By	By	By	by
(Indentor)	(In charge of Indenting Deptt)	(GM of Indenting Deptt)	

Note: This certificate is to be approved by Executive Director if competent authority is Director/CMD. For other cases this certificate is to be approved by General Manager.

CERTIFICATE OF STANDARDIZED ARTICLES

1. Indent number & Date:
2. Description of Article(s):
3. Source: Indigenous/ Imported
4. Quantity (ies):
5. Estimated cost on landed basis:
6. Vendor's name and address:
7. Type of Article(s): A. Standardized Article(s):
Developed for NALCO / For
reasons of quality &
uniformity the particular
brand has been selected.
8. Any efforts made for alternative source development. (If yes give details & if no, give reasons)

This is to certify that to the best of my knowledge the article(s) is/are standardized article(s) and the above particular are true.

Submitted	Recommended	Agreed	Approved
By	By	By	by
(Indentor)	(In charge of Indenting Deptt)	(GM of Indenting Deptt)	

Note: This certificate is to be approved by Executive Director if competent authority is Director/CMD. For other cases this certificate is to be approved by General Manager.

TENDER APPROVAL FORM FOR MODE OF TENDERING & BIDDER LIST

1. Description:
2. Indent No. & Date:
3. Indent Value: Rs.
4. Indentor:
5. Type of Indent: Normal / Emergency
6. Mode of Tendering: Proprietary/Standardized/
Single Tender/ Limited Tender/
Open tender
7. Bidders List:

Indenting Officer Materials Officer Chief Manager (Materials.)

Materials member Finance member Chairman
SCREENING COMMITTEE

APPROVING AUTHORITY

**PURCHASE ENQUIRY NATIONAL ALUMINIUM COMPANY
LIMITED (A Govt. of India Enterprise)**

Under Certificate of Posting

E-mail :

Tel No. :

Fax No.:

To		Please send your sealed quotation in duplicate as per terms and conditions overleaf for the following items.	Enq. No. Date Due on :	
		DELIVERY REQUIRED BY		
Sl. No.	MATERIALS CODE AND DESCRIPTION	Unit	Quantity	
	For & on behalf of National Aluminium Co.Ltd			

STANDARD TERMS AND CONDITIONS OF ENQUIRY

1. Quotation shall be made on F.O.R Destination/Free Delivery at Site basis inclusive of Taxes, Duties, Levies, Packing, Forwarding and Freight charges etc., each indicated clearly and separately as per enclosed price bid format. Wherever the Taxes and Duties are not specifically indicated, the prices quoted will be presumed as inclusive of all Taxes & Duties and no statutory variation will be payable by NALCO. The rates of Taxes and Duties should be clearly mentioned. Excise Tariff heading and sub-heading no. should be indicated in the offer. Transit Insurance shall be arranged by NALCO and hence this should be considered in the offer.

In case the terms & conditions of the offer are in deviation to the Enquiry, loading as specified in Enquiry will be done for evaluation of offer(s).

2. Bidders are requested to quote their best prices considering the fact that price negotiation, if required, may be held with the lowest tenderer only.
3. Unless otherwise specified all prices quoted must remain firm except for statutory variation in taxes and duties during contractual delivery period. Any increase in taxes and duties after expiry of the delivery period will be to supplier's account. Price variation clauses if any should be clearly quantified without any ambiguity with ceiling limits.
4. Quotations should preferably be typewritten and any correction or overwriting should be initialed. Rates to be indicated both in words and figures.
5. In Techno-commercial bids, the bidders should furnish a list of its Partners/Directors and a declaration that such Partners/Directors have no interest in any other bidders in respect of the same tender.
6. No part of the contract nor any share or interest therein shall, in any manner or degree, be transferred, assigned or sub-let by the Seller directly or indirectly to any person, firm or corporation whatsoever without the consent of NALCO in writing.
7. Drawings and samples if forwarded shall become property of the buyer.
8. Sealed quotations in envelope superscribing tender enquiry no. and due date of opening must be sent by Registered or Speed Post or to be dropped in the Tender Box specified for the purpose. Quotations received after specified date and time are liable to be rejected.

9. Quotation should be valid for a minimum period of 90 days from the date of opening of tender.
10. Complete specifications with relevant Indian/International Standards, Manufacturer's name/brand name and country of origin with catalogues and drawings if any should be sent with the offer. Offer without adequate technical specifications/information shall liable to be rejected.
11. NALCO reserves the right to accept any tender in full or in part or to reject any or all tenders without assigning any reasons thereof.
12. Printed conditions on the back side of the offers will be ignored.
13. Unless otherwise agreed, payment shall be made within 30 days of receipt and acceptance. For negotiation of documents through Bank, Bank charges will be borne by the supplier.
14. If the tenderer is unable to quote against the Enquiry, Regret letter must be sent. Failure to do so repeatedly may result in deletion of tenderer's name from the approved supplier's list. In case of dealer/Indian Agent of Overseas Manufacturers, copy of the authorization certificate from manufacturer should be enclosed with the offer. However, the original shall be produced in case same is asked for.
15. In case the tenderer has entered into Rate Contract with DGS&D/EPM, a copy of Rate Contract must be sent along with the tender.
16. State Sales Tax Registration Number and Central Sales Tax Registration Number, if any, must be indicated.
17. Unless otherwise specified, the materials will be inspected by NALCO after delivery at sites. NALCO may have option to carry out stage inspection/pre-dispatch inspection at Supplier's works. Manufacturer's Test Certificate/Material Test Certificate from Govt. approved test house are to be provided wherever required. NALCO may have option for test in its laboratory and its report shall be final and binding.
18. Considering NALCO's delivery requirement, firm delivery schedule should be quoted. For delay in delivery attributable to the supplier, price will get reduced @ 1/2% of order value for each week or part thereof, subject to maximum of 5% of undelivered portion. If the equipment/machinery/items can not be commissioned or used for non-supply of any item(s), price will be reduced by 5% of the total order value. NALCO also reserve the right to procure the material from alternate sources at the Risk and Cost of the supplier, giving 15 days notice, if the Seller fails to execute the contract as per the terms and conditions of the

order. Any increase in taxes and duties after expiry of the delivery period will be to supplier's account. This will be without prejudice to the rights of NALCO for any other action including termination.

19. NALCO shall have the right to terminate the contract by giving 60 days notice without assigning any reasons thereof. However, in the event of any breach of terms of the contract, NALCO will have right to terminate the contract by written notice to the Seller.
20. Unless otherwise specified the materials will have a warranty of 18 months from the date of dispatch or 12 months from the date of use whichever is earlier against defective design, faulty materials of construction, poor workmanship and unsatisfactory performance. In specific cases wherever stipulated, the seller shall give a Performance Bank Guarantee in NALCO's prescribed format from any bank in NALCO's approved list of bankers for 10% of the order value, which will be valid for 18 months from the date of dispatch or 12 months from the date of putting into use whichever occurs earlier, excluding claim period of three months. PBG shall be sent along with dispatch documents while claiming payment.
21. In specific cases wherever stipulated, the successful tenderer shall either deposit 5% of order value as Security Deposit or give a Bank Guarantee for like amount towards Security Deposit in NALCO's prescribed format from any bank in NALCO's approved list of bankers which will be valid for six months beyond the date of last dispatch including three months claim period. Security Deposit will be deposited within 15 days of P.O.
22. Material code number mentioned in the Purchase Order must be written on the material tag and be painted on the body of the items supplied.
23. The seller shall ensure to dispatch the materials only through NALCO's authorized transporters where the contract is entered on ex-works/F.O.R. dispatching point delivery term. In case order is placed on FOT destination basis and payment is to be negotiated through bank, the material should be dispatched preferably through NALCO's authorized/approved transporters.
24. The tenderer has to comply with the environmental policy of NALCO.
25. FORCE MAJEURE: Any delay or failure to perform the contract by either party caused by acts of God or acts of Government or any direction or restriction imposed by Government of India which may affect the contract or the public enemy or contingencies like strikes, riots etc. shall not be considered as default for the performance of the contract or give rise to any claim for damage. Within 7 days of occurrence and cessation

of the event(s), the other party shall be notified. Only those events of force majeure which impedes the execution of the contract at the time of its occurrence shall be taken into cognizance.

26. In case of any dispute or difference arising out of the contract which can not be resolved mutually between NALCO and Seller, it shall be referred to a Sole Arbitrator to be appointed by the CMD, NALCO. The CMD, NALCO, shall communicate/cause to communicate, a panel of three names of persons to Seller/NALCO as the case may be in this regard within 30(thirty) days of notice of arbitration by the Seller/NALCO as the case may be, to select any one of them to be appointed as the Arbitrator. In case Seller/NALCO as the case may be has not communicated its selection as above within thirty days, CMD, NALCO will appoint any one of the persons from the panel as a Sole Arbitrator. The Arbitrator shall give a reasoned and speaking award. The award of the Arbitrator shall be binding on both the parties. The venue of arbitration shall be at Bhubaneswar. In case of any vacancy another Arbitrator will be appointed in the same manner as above.

The Arbitration and Conciliation Act, 1996 and rules made there under shall apply to the Arbitration Proceedings.

The contract shall be governed by and construed according to the laws in force in India and subject to exclusive jurisdiction of the Courts of Bhubaneswar only.

COMPARATIVE STATEMENT OF QUOTATION

Indent No. & Date _____ Tender No. & Date _____

No. of parties Contacted _____

Indentor _____ Date of opening _____ No. of offer received _____

Sl. No.	Item Sl. No. MPR	Description of item	Qty	Unit	1		2		3		4		5		6	
					Basic	Landed	Basic	Landed	Basic	Landed	Basic	Landed	Basic	Landed	Basic	Landed
Terms & Conditions 1. Price Basis 2. Discount : 3. Excise Duty : 4. P & F : 5. Sales Tax : 6. Freight : 7. Entry Tax: 8. Payment terms : 9. Delivery period: 10. Validity 11. Any other:																

PREPARED BY _____

CHECKED BY _____

VERIFIED BY _____

PURCHASE ORDER

NATIONAL ALUMINIUM COMPANY LIMITED (A Government of India Enterprise)				
E-mail :				
Tel No. :		Fax No. :		
To		Order No. & Date :		
		Your Offer No. & Date :		
		Our Sales Tax CST : Regd. No. VAT		
Dear Sir, We confirm acceptance of your above mentioned offer. Accordingly Please supply the goods mentioned in the annexure(s) and send the duplicate copy of Purchase Order duly signed for Co. records				
Total no. of items as per annexure(s)		BASIC TO VALUE		
	Total Ex. Duty & Cess	Pkg. & Forwarding	CST/VAT	SC in lieu of CST/ VAT
Entry Tax	Other Taxes and Levies	Handling/Misc. charges		Total PO Value
PRICE BASIS		Packing & Forwarding		
SALES TAX		Excise Duty & E Cess		
INSURANCE		Mode of Dispatch		
FREIGHT		Inspection		
Payment Terms :		Delivery Period		
Send Bills as per clause 11 for prompt payment		For & on behalf of NATIONAL ALUMINIUM CO.LTD		

Regd. Office: NALCO Bhavan, P/1, Nayapalli, Bhubaneswar-751013, Orissa, India

ANNEXURE TO P.O. NO. :

Sl. NO	MATERIAL CODE AND DESCRIPTION	UNIT	QNTY	UNIT RATE (Rs.)	TOTAL (Rs.)	ED %

ECS MANDATE FORM

ELECTRONIC CLEARING SERVICES/ELECTRONIC FUND TRANSFER/INTERNET BANKING MANDATE FORM

To
National Aluminium Company Limited,
NALCO Bhawan,
Plot No. P/1, Nayapalli,
Bhubaneswar - 751061

Dear Sir,

Sub: Authorization for release of payment due from NALCO, Corporate Office, Bhubaneswar through Electronic Clearing Services(RBI)/Electronic fund transfer(RBI/SBI)/Internet Banking(SBI).

Refer Order No.....dt.....and/or Tender/Enquiry/Letter No.....dt.....

(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1. Name of the Party :
2. Address of the party :
.....
.....
.....
City:..... Pin Code:.....
E-mail Id:

3. Particulars of Bank:

Bank Name		Branch Name	
Branch Place		Branch City	
Pin Code		Branch Code	
MICR No.			
(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank. Please attach Xerox copy of a cheque of your bank for ensuring accuracy of the bank name, branch name and code number)			
Account Type ?	Savings ?	Current ?	Cash Credit ?
Account Number(as appearing in the Cheque Book)			

4. Date from which the mandate should be effective:

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected for reasons of incomplete or incorrect information, I shall not hold National Aluminium Company Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of amount through RBI ECS/RBI EFT/SBI NET.

Place:

Date:

Signature of the party/Authorized Signatory

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

Bank's Stamp:

Date:

(Signature of the Authorized Official from the Banks)

PRICE BID FORMAT FOR SINGLE PART INDIGENEOUS BID

The following may be mentioned in enquiry for single part bidding. The bidder is required to submit their offer as per Price Bid format enclosed

Sl. No.	Description	U/M	Qty offered	Basic price/Unit	Packing & forwarding	Excise duty including Education Cess	CST/VAT	Entry Tax	Freight (*)	Total landed price (5+6+7+8+9+10)
1	2	3	4	5	6	7	8	9	10	11

Notes:

- Excise Duty is required to be mentioned either in terms of percentage of quoted basic unit price + Packing & forwarding OR in terms of fixed value. If excise duty is not mentioned as prescribed or quoted, as Inclusive/Not applicable, the evaluation of bid will be done without considering any CENVAT credit. In case ED is indicated as Not applicable, the reasons must be mentioned in the offer.

The bidder should quote actual amount of ED applicable. In case the ED as per Excise Invoice is found to be lower, then the quoted rate due to reasons other than change in tariff, the differential ED amount shall be deducted from the invoice value.

- In case of dispatches from outside the state of Orissa, percentage of CST against submission of Form-‘C’ or otherwise is to be clearly mentioned. In case of dispatches within the state of Orissa, the applicable rate of VAT is to be clearly mentioned.
- (a) In case of supplies to be made within the state of Orissa, Entry Tax as applicable is required to be mentioned clearly. If Entry Tax is not mentioned clearly, it will be presumed that Entry Tax is inclusive in quoted price.
(b) In case of supplies to be made from outside the state of Orissa, Entry Tax will be paid by Nalco directly to Sales tax authorities.
- Total amount of freight including service tax & Cess thereupon is to be mentioned in the above format under freight column. The break up of

freight, service tax & Cess thereupon is to be clearly mentioned in the format as below. If break up is not mentioned, the evaluation of bids will be done without considering CENVAT credit of service tax.

(*)

Freight element	Rs. Paise
Freight	
Service tax	
Cess on service tax	
Total freight mentioned in price bid format	

5. Transit insurance shall be arranged by Nalco & therefore bidders are not required to include transit insurance in their offer.

**AGREED TERMS & CONDITIONS (IMPORT)
(FOR PURCHASE)**

IMPORTANT

1. This questionnaire must be filled in against all Serial Nos. & enclosed with the Un - priced offer. Non submission or submission of incomplete questionnaire may lead to rejection of the offer.
2. All commercial terms except the deviations to Standard Terms & Conditions of Purchase Order (Import) must be given in this questionnaire itself and not elsewhere in the quotation. In case of contradiction, the terms given below shall prevail. The deviations to Standard Terms & Conditions of Purchase Order (Import) if any must be listed in a separate Annexure.

Sl. No.	Descriptions	Vendor's Confirmation with details
1.(i)	Acceptance of technical specification and scope of supply , as per Tender documents.	
(ii)	In case of deviations, confirm that the same has been highlighted separately.	
2.	Confirm that Data sheets/ Technical questionnaire duly filled in are attached, wherever required in requisition.	
3.	Indicate Manufacturer's Name and Address.	
4.	Confirm that the offer contains firm Unit and Total prices SEPARATELY on FOB Port of Shipment and CFR basis.	
5.	Indicate International Port of exit/ shipment.	

Sl. No.	Descriptions	Vendor's Confirmation with details
6.	Indicate Shipping weight (net and gross) including dimensions/ volume of consignments.	
7.	Indicate the country of origin of goods offered.	
8.	Mention the currency of the quoted price. The quotation should be in single currency and preferably in USD, GBP, CAD, EUR, CHF, JPY, NOK and AUD.	
9.	Indicate earliest firm FOB delivery period.	
10.	Confirm customer reference s are given in offer.	
11.	Confirm complete technical literature/catalogue is being submitted along with offer.	
12.	Confirm acceptance of Price reduction schedule for delay in deliveries specified in Standard Terms & Conditions of Purchase Order (Import)/ Enquiry Documents.	
13.	Confirm acceptance of 100% Payment through irrevocable letter of credit against despatch documents through Bank and against furnishing Performance Bank Guarantee for 10% of Total order value as per attached terms and conditions (valid till expiry of materials/ equipment guarantee period)	

Sl. No.	Descriptions	Vendor's Confirmation with details
14.	Letter of Credit shall be opened through a Govt. of India Bank and hence need not be confirmed. However, if you still insist, confirmation charges shall be to your account.	
15.	All Bank charges and Stamp duties payable outside India in connection with payments to be made under this Purchase Order shall be borne by you. All bank charges and stamp duties payable in India shall be borne by the Purchaser.	
16.	All taxes, duties and levies of any kind payable up to FOB Port of Shipment / Air Port shall be borne by you.	
17.	Prices quoted must exclude transit insurance charges from FOB Port of Shipment or from Air Port as the same shall be arranged by the Purchaser. All Transit Insurance charges for inland transit up to FOB Port of Shipment/Air Port must be included by you in your prices.	
18.	Confirm that the quoted prices shall remain firm and fixed till complete execution of order.	
19.	Confirm acceptance to Part Order.	
20.	Please indicate name and address of your Bankers.	
21.	All correspondence must be in ENGLISH language only.	

Sl. No.	Descriptions	Vendor's Confirmation with details
22.	Confirm that Contract cum Performance/ Performance Bank Guarantee wherever required will be furnished for value and terms & conditions as per document attached with NIT.	
23.	Confirm goods to be supplied by you shall be guaranteed for performance as per Standard Terms & Conditions of Purchase Order (Import)/ Enquiry Documents.	
24.	Confirm that the itemised specific charges for 3 rd party inspection like Lloyd's or equivalent (if required) have been separately quoted in the priced bid.	
25.	Confirm that the quoted prices are valid for acceptance up to six months from the final due date of submission of Bid.	
26.	Confirm acceptance in toto of the terms and conditions of Standard Terms & Conditions of Purchase Order (Import) and other documents attached with enquiry.	
27.	Indicate Quantity discount/ Trade discount/ Special discount, if applicable.	

NOTE: (i) We have read the Buyers Terms and conditions contained in their Tender Notice as also in the Standard Terms and Conditions of PO (Import) and hereby agree to abide by the same.

(ii) The firm shipment schedule as well as other information of the material stated above forms an integral part of this offer.

Place:

Date:

Signature:

Name :

Designation:

Seal:

**AGREED TERMS & CONDITIONS (INDIGENOUS)
(FOR PURCHASE)**

IMPORTANT

1. This questionnaire must be filled in against all Serial nos. & enclosed with the Un-priced offer. Non submission or submission of incomplete questionnaire may lead to rejection of the offer.
2. All commercial terms except the deviations to Tender Documents - Commercial (Indigenous) and Addendum to Tender Documents must be given in this questionnaire itself and not elsewhere in the quotation. In case of contradiction, the terms given below shall prevail. The deviations to Tender Documents - Commercial (Indigenous) and Addendum to Tender Documents, if any must be listed in a separate Annexure.

Sl. No.	Descriptions	Vendor's confirmation with details
1. (i)	Acceptance of Technical specifications and scope of supply as per attached Annexure - I.	
(ii)	In case of deviations, confirm that the same has been highlighted separately.	
2.	Confirm that data sheets/ technical questionnaire duly filled in are attached, wherever required.	
3.	Confirm Spare parts list, wherever required with item wise prices have been submitted for following categories of Spares.	
(a)	Commissioning & Start-up Spares	
(b)	Special Tools & Tackles	
(c)	Spare Parts for Two Years Operation & Maintenance	

Sl. No.	Descriptions	Vendor's confirmation with details
4.	It is noted that deviations to terms & conditions shall lead to loading of prices or rejection of offer.	
5.	Confirm that the quoted prices are based on FOR/ FOT Despatch point including packing & forwarding.	
a)	If quoted on Ex- works basis, indicate P&F charges in terms of percentage.	
b)	Indicate despatching station.	
6.	Confirm you have quoted prices strictly in the price schedule format enclosed with NIT documents.	
7.	Please confirm that a firm freight charge up to Site by Road is quoted in price bid.	
(a)	In case you have not indicated the freight charges separately in the price schedule, please quote the same in terms of percentage of the quoted price.	
(b)	Confirm freight charges for Recommended Spares for Two Years normal O&M have been quoted separately and freight for all other supplies are included in ocean freight for main equipment.	
8.	Confirm Transit insurance is excluded from the quoted prices. If inclusive, indicate rebate for excluding the same.	

Sl. No.	Descriptions	Vendor's confirmation with details
9.	Indicate rate of Central Sales Tax/Orissa VAT payable extra.	
(i)	CST without concessional Form.	
(ii)	CST with concessional Form.	
(iii)	VAT without concessional form.	
(iv)	VAT with concessional Form.	
10(a)	Statutory increase in Excise Duty & Education cess beyond contractual delivery date shall be to vendor's account but any reduction up to actual date of despatch shall be to owner's account.	
(b)	Indicate present rate of Excise Duty & Education Cess applicable on the supplies (including Spares) and whether the same is included/excluded from quoted prices.	
(c)	If there is any increase in ED & E-cess at the time of supplies for any reasons, other than statutory, including turnover, confirm the same will be borne by the vendor.	
(d)	If ED & E-ces is presently not applicable, confirm whether the same will be borne by the vendor in case it becomes leviable later.	
(e)	In case (c) or (d) is not acceptable, advise maximum rate of ED & E-cess chargeable.	

Sl. No.	Descriptions	Vendor's confirmation with details
11.	Entry tax on supplied items shall be paid by Nalco directly to Tax Authorities. However, any Entry tax applicable for items and consumables etc used for Erection/ Commissioning shall be to Seller's account.	
12.	Confirm submission of following documents with offer:	
	<ol style="list-style-type: none"> 1) Valid Excise Regn. Certificate. 2) Valid Sales Tax Regn. Certificate. 3) Valid Service Tax Regn. Certificate. 4) TIN (Tax Identification No.) 	
13.	Confirm in case of delay on a/c of vendor, any new or additional taxes and duties imposed after contractual delivery shall be to vendor's account.	
14.	Confirm acceptance to delivery/ Completion period as mentioned in NIT documents.	
15.	Confirm acceptance of Price Reduction Schedule/ LD, as specified in Tender Documents - Commercial (Indigenous), for delay in deliveries.	
16.	Confirm acceptance of relevant terms of payment as per the NIT documents attached.	
17.	Confirm that the quoted prices are firm and fixed till complete execution.	

Sl. No.	Descriptions	Vendor's confirmation with details
18.	Confirm that Contract cum Performance/ Performance Bank Guarantee wherever required will be furnished for value and terms & conditions as per document attached with NIT.	
19.	Confirm that Bank Guarantee for equivalent amount of Free Issue Materials, wherever applicable, shall be furnished.	
20.	Confirm that goods supplied by you supplied by you shall be guaranteed for performance as per Tender Documents - Commercial (Indigenous)/ Enquiry Documents.	
21.	Confirm that quoted prices are inclusive of all Testing charges as required in the Enquiry.	
22.	Confirm acceptance of Part Order. In the event of Part Order lump sum charges if any shall be prorated on value basis.	
23.	Indicate acceptance of Repeat Order within 12 months from the date of original order.	
24(i)	All other Commercial terms & conditions shall be as per Tender Documents - Commercial (Indigenous), Addendum to Tender Documents and other documents attached with the Enquiry. Confirm.	
(ii)	In case of deviations, mention clause wise comments in a separate Annexure.	

Sl. No.	Descriptions	Vendor's confirmation with details
(iii)	All the terms & conditions have been indicated in this format including Annexure and has not been repeated elsewhere. It is noted that terms & conditions indicated elsewhere shall be ignored.	
25.	Confirm that all taxes, duties and levies of any kind payable by Seller up to the stage of handing over of the system to Owner shall be borne by you.	
26.	Import permit/ Licence, if required shall be the responsibility of the Seller and any expenditure towards the same shall be borne by you. Please confirm.	
27.	In case of any Imported supply to be quoted in INR by Indian Associate, confirm that all variations in Customs duty and Foreign Exchange till complete execution of the contract shall be to Seller's account.	
28.	The vendor is required to state whether any of the Directors of vendor is a relative of any of the Directors of Owner or the vendor is a firm in which any Director of Owner or his relative is a partner or the vendor is a Private Company in which any of the Directors of Owner is a member or Director.	
29.	Confirm that the offer shall be valid up to 6 months from the bid due date/ extended bid due date.	

Sl. No.	Descriptions	Vendor's confirmation with details
30.	Please furnish Annual Report containing Balance Sheet & Profit & Loss Account for the last 3 years.	
31.	Confirm that net worth of your company during the last financial year is positive.	
32.	Confirm that in case of conflicting version of various terms & conditions at different places, Owner can choose any version.	
33.	Please confirm that you have not been banned or de-listed by any Government or Quasi Government agencies or PSU.	

Place:

Date:

Signature:

Name :

Designation:

Seal:

STANDARD TERMS AND CONDITIONS OF PURCHASE ORDER

(INDIGENOUS)

1. ACKNOWLEDGEMENT:

Acknowledgement of acceptance of the purchase order must be sent to NALCO within 7 days from the date of receipt of the Order, failing which it shall be deemed that the Order has been accepted by the supplier in full.

2. The Purchase Order No. and date should be quoted in all correspondences including the dispatch documents and invoices.

3. SUB-LETTING OF THE CONTRACT:

No part of the contract nor any share or interest therein shall, in any manner or degree, be transferred, assigned or sub-let by the Seller directly or indirectly to any person, firm or corporation whatsoever without the consent of NALCO in writing.

4. PRICE(S):

The Price mentioned in the Purchase Order will remain firm and fixed till complete execution of the Order unless otherwise specified elsewhere in the Order. However statutory variations, if any in taxes, duties and levies during contractual delivery period only, may be considered against documentary evidence. NALCO will not pay any packing and forwarding charges, Excise Duty, Sales Tax, Entry Tax and or any other taxes, duties or levies that have not been specified in the Order.

5. CENVAT BENEFIT:

In case of Excisable goods, for availing CENVAT Credit Transporter's copy of Invoice as prescribed in the Central Excise Rules, must be handed over to the carrier along with other relevant dispatch documents. The original copy of the Excise Duty Invoice should be sent along with the payment documents. However, any modification in the prescribed rule by Excise Authorities from time to Time will be applicable.

6. DELIVERY AND PRICE REDUCTION SCHEDULE /LIQUIDATED DAMAGES:

Delivery period is the essence of the contract and the materials should be dispatched within this time, failing which, NALCO without prejudice to its rights under the contract shall have the option either to reduce the

price @ 1/2% of order value per week or part thereof subject to a maximum of 5% of the undelivered portion/ the order value (if the item(s) can not be used unless full supply is made) or to cancel the Order and purchase the materials from alternative source at the risk and cost of the supplier.

7. ALTERNATIVE ARRANGEMENTS:

If the Seller fails to fulfill the terms and conditions of the order, NALCO shall have the right to procure the materials from any other party for execution/completion of the contract and recover from Seller all charges/expenses/losses/damages suffered by NALCO, at the risk and cost of the Seller after giving 15 days notice to the seller. This will be without prejudice to the rights of NALCO for any other action including termination.

8. TERMINATION:

NALCO shall have the right to terminate the contract by giving 60 days notice without assigning any reasons thereof. However, in the event of any breach of terms of the contract, NALCO will have right to terminate the contract by written notice to the Seller.

NALCO shall have the right to terminate the contract or any part thereof by written notice to the seller in the event of any direction or restriction imposed by the Govt. of India which may effect the Contract.

9. INSPECTION:

Unless and otherwise specified, inspection of materials will be carried out at NALCO premises and NALCO decision regarding acceptance or rejection shall be final.

10. PACKING:

It is the responsibility of the supplier to securely and properly pack the consignment and also in the prescribed manner for transport by road, rail or sea as the case may be so as to ensure its safe delivery at destination. The consignment shall be prominently marked showing the Purchase Order No., Consignee with Destination. Each package shall contain a list of items packed therein.

11. CONSIGNEE:

All consignments shall be booked to consignee as specified in the Purchase Order.

12. TRANSIT INSURANCE:

Unless otherwise specified, transit insurance shall be arranged by NALCO upon receipt of dispatch intimation.

13. DESPATCH INTIMATION:

Delivery Challan and non-negotiable copies of LR/RR along with one copy of the invoice shall be sent to the Consignee specified in the Purchase Order so as to reach him immediately. In addition to above, the supplier shall send the dispatch particulars such as LR/RR No. Bill No. and value through FAX/E-mail. Unless the above are complied with, the supplier shall be responsible for Wharfage, Demurrage and all risks in transit.

14. WAY BILL FORM:

For materials coming inside the State of Orissa from outside States Way Bill form XXXII is required for transportation purpose. Transporter shall collect Orissa Way Bills from NALCO's authorized agents stationed at Orissa border check posts. Any change in present procedure of way bill by the Government of Orissa will be adopted.

15. The seller shall ensure to dispatch the materials only through NALCO's authorized transporters where the contract is entered on ex-works/F.O.R. dispatching point delivery term. In case order is placed on FOT destination basis and payment is to be negotiated through bank, the material should be dispatched preferably through NALCO's authorized/approved transporters.

16. BANK CHARGES:

Unless otherwise specified, all the Bank charges at the supplier's end will be to the seller's account.

17. BILLING:

Dispatch documents (i.e. Packing list, Challan, LR/RR) along with Bills shall be sent as follows:

- (a) Direct payment: - Two sets to designated Finance and Materials executive and one set to the consignee specified in the purchase order.
- (b) Payment through Bank - One set to the designated finance executive, two sets to negotiating Bank with advice to send one set

to the designated finance executive along with Bank intimation. The supplier will also send one set each the authority placing the purchase order and one set to the designated consignee in Central Stores.

DUPLICATE COPY OF EXCISE INVOICE (TRANSPORTER COPY) SHOULD BE SENT ALONG WITH CONSIGNMENT TO THE CONSIGNEE FOR AVAILING CENVAT.

18. Charges for prepaid freight, where admissible should be substantiated by original vouchers attached to the invoices.

19. WARRANTY:

The materials shall conform to specifications for satisfactory performance under normal conditions and carry a warranty against any faulty design, wrong specification, defective materials or bad workmanship for a period of 12 months from the date of putting into use or 18 months from the date of dispatch whichever is earlier.

20. The amount due against this Order can be recovered from or adjusted against any outstanding sums that may be due from NALCO to the seller on any account and without prejudice to any other rights of NALCO.

21. REMOVAL OF REJECTED GOODS:

Rejected goods shall be dispatched to the supplier on freight to pay basis.

22. ARBITRATION:

In case of any dispute or difference arising out of the contract which can not be resolved mutually between NALCO and Seller, it shall be referred to a Sole Arbitrator to be appointed by the CMD, NALCO. The CMD, NALCO, shall communicate/cause to communicate, a panel of three names of persons to Seller/NALCO as the case may be in this regard within 30(thirty) days of notice of arbitration by the Seller/NALCO as the case may be, to select any one of them to be appointed as the Arbitrator. In case Seller/NALCO as the case may be has not communicated its selection as above within thirty days, CMD, NALCO will appoint any one of the persons from the panel as a Sole Arbitrator. The Arbitrator shall give a reasoned and speaking award. The award of the Arbitrator shall be binding on both the parties. The venue of arbitration shall be at Bhubaneswar. In case of any vacancy another Arbitrator will be appointed in the same manner as above. The Arbitration and Conciliation Act, 1996 and rules made there under shall apply to the Arbitration Proceedings.

Jurisdiction:

The contract shall be governed by and construed according to the laws in force in India and subject to exclusive jurisdiction of the Courts of Bhubaneswar only.

23. FORCE MAJEURE

Any delay or failure to perform the contract by either party caused by acts of God or acts of Government or any direction or restriction imposed by Government of India which may affect the contract or the public enemy or contingencies like strikes, riots etc., shall not be considered as default for the performance of the contract or give rise to any claim for damage. Within 7 days of occurrence and cessation of the event(s), the other party shall be notified. . Only those events of force majeure which impedes the execution of the contract at the time of its occurrence shall be taken into cognizance.

24. Security Deposit, wherever specified, will be deposited immediately failing which it will be recovered from the bills as the case may be.

Security Deposit in the shape of Bank Guarantee in Nalco's format from a bank approved by NALCO shall also be acceptable.

25. Performance Guarantee (in the shape of a Bank Guarantee from a bank approved by NALCO) , wherever specified, shall be submitted in NALCO's format in the manner specified in the purchase order.
26. Sales Tax declaration forms will be issued once in a year covering all the Bills after receipt of a letter with relevant bill copies.
27. Material Code number shall be painted/embossed/cast on the item.
28. Other terms and conditions of the enquiry including agreed variation, if any, to the extent not covered above will also be applicable to this Order.

STANDARD TERMS & CONDITIONS OF PURCHASE ORDER

(IMPORTS)

1.0. ACCEPTANCE OF ORDER:

This Order is expressly conditioned on Seller's acceptance of all the terms and conditions hereof and constitute the entire agreement between parties hereto. With the acceptance of the Order, seller waives and considers as void all general sales conditions. The Seller shall sign, stamp and date one copy of the Purchase Order and return within seven days after receipt of Order copy to Purchaser as token of having accepted the order without reservation. Non return as above, however, will not be construed as non-acceptance, unless, there is an express, communication to that effect in writing by the Seller with specific reasons and details.

2.0. SUB-LETTING OF THE CONTRACT:

No part of the contract nor any share or interest therein shall, in any manner or degree, be transferred, assigned or sub-let by the Seller directly or indirectly to any person, firm or corporation whatsoever without the consent of Purchaser in writing.

3.0. PRICES:

3.1 FIRM PRICE:

- Ⓐ All prices are to be quoted on FOB port of shipment basis.
- Ⓑ Prices can be also quoted on any other mode viz. FCA/CFR/DDU/DDP etc.
- Ⓒ However, Seller shall confirm that quoted prices in any form shall be firm and subject to no escalation whatsoever till complete execution of order.

3.2 TRANSIT INSURANCE:

- Ⓐ Price quoted shall exclude transit insurance charges from F.O.B. Port of Shipment or Airport as the same shall be arranged by the Purchaser. Therefore, all transit insurance charges only for inland transit up to F.O.B. Port of Shipment or Airport should be included by the Seller in their prices.

- (ii) Even when, CFR Indian Sea/Air Port prices are quoted alternatively as per specific requirement of the tender enquiry/NIT quoted prices shall exclude Insurance charges from FOB Port of Shipment to discharge Port in India which will be arranged and borne by the Purchaser

3.3 BANK CHARGES/STAMP DUTIES/TAXES:

- (i) All Bank charges (including charges for confirmation of Letter of Credit if required by Seller and agreed to by Purchaser) and Stamp Duties payable in Seller's country in connection with the payment to be made under this Purchase Order shall be borne by the Seller. All Bank Charges and Stamp Duties payable in India shall be borne by the Purchaser.
- (ii) All Bank charges, taxes, duties and levies of any kind that may be payable up to the stage of putting the materials in F.O.B. Position shall be borne by the Seller.
- (iii) All taxes and duties payable in India on the material shall be payable by the Purchaser, except income tax on supervision of erection and commissioning or any other technical services rendered in India, as applicable as per Double Taxation Avoidance agreement between Seller's country and India, which shall be borne by the Seller.

4.0. PAYMENT TERMS:

Unless specifically asked for and agreed between the parties for any other payment terms full payment to the Seller shall be made through an irrevocable Letter of Credit. The Seller shall furnish a contract cum performance bank guarantee in the prescribed proforma for the agreed value indicated and valid for the warranty period vide clause 14 as well as for price reduction for Delayed Deliveries vide clause 8.2 here of.

The Bank Guarantee shall be furnished along with the acceptance of Purchase Order to enable Purchaser to open irrevocable 'Letter of Credit'.

A certificate to the effect that nothing is due to the Seller from Purchaser (No dues Certificate/no claim certificate) shall form part of the documents to be submitted while claiming the final payment.

Any other payment terms e.g. on C.A.D. basis will be applicable only if mutually agreed upon.

5.0 SELLER'S SALES CONDITIONS:

Seller's standard Sales Conditions, if any, shall not be applicable to the offer and only the Purchaser's General Purchase Conditions shall apply with the exception of deviations specifically agreed between the Seller and the Purchaser and/or brought out in the Purchase Order.

6.0 COMPLETE AGREEMENT:

The Terms and conditions of the Purchase Order constitute the entire Agreement between the parties hereto. Changes will be binding only if the amendments are made in writing and signed by an authorized representative of the Purchaser and the Seller.

7.0 IMPORT LICENSE:

Details of Import License shall be communicated prior to order finalization.

8.0 DELIVERY AND DELAYS:

8.1 CONTRACTUAL DELIVERY DATE:

Contractual delivery date is the date on which goods shall be delivered on F.O.B. Port of shipment or FOB Port of Dispatch by air or arrival at Port/Airport of Discharge in India based on the agreed terms stipulated in the Purchase Order.

8.2 PRICE REDUCTION SCHEDULE FOR DELAYED DELIVERY:

In the event of delay on the part of the Seller in effecting deliveries as agreed contractually, Purchaser will levy a reduction in price for delayed deliveries @ ½% (half of one percent) of total F.O.B. value per week of delay or part thereof, subject to a maximum of 5% of undelivered portion/total F.O.B. value (if the item(s) can not be used unless full supply is made) or to cancel the Order and purchase the materials from alternative source at the risk and cost of the supplier. If the delay in delivery is due to Force Majeure Purchaser shall be free to act in terms under Article 8.3 of the text.

8.3 CAUSES OF FORCE MAJEURE:

Delivery dates will be extended to the Seller without being subject to Clause "Price Reduction Schedule for Delayed Deliveries" in the event of force majeure within contractual delivery period. Only the following to the extent they affect the execution of this order will be considered cause

of force majeure, acts of God (like earthquakes, floods, storms etc.) act of states/government, any direction or restriction imposed by Government of India which may affect the contract or the direct and indirect consequences of wars) declared or undeclared, hostilities, national emergencies, civil commotions and strikes(only those which exceed duration of ten continuous days) of Seller's complete factory and major power cuts for a consecutive minimum period of 30 days. The Seller shall immediately inform the Purchaser with certificate issued by Chamber of Commerce or statutory authorities) at the beginning and the end of all such impediments but in no case later than 10 days of the beginning and end of each cause of Force Majeure condition as defined above. It is understood that delivery dates will be extended only for the above mentioned impediments. The decision of the Owner regarding this shall be final and binding on Seller. Only those events of force majeure which impedes the execution of the contract at the time of its occurrence shall be taken into cognizance.

9.0. DELAYS AND NON CONFORMANCE:

In case of Delivery schedule not being adhered to in progressing the manufacture or supply the Purchaser has the right to:

- Ⓐ Cancel the order wholly or in part without any liability/cancellation charges and procure the goods from elsewhere, in which case the Seller shall make good the difference between the cost of goods procured elsewhere and price set forth in the order with the Seller.
- Ⓑ Hire for the period of delay the goods meeting the specifications from elsewhere at Seller's cost and risk.

In the event of rejection of non-confirming goods the Seller shall be allowed to correct the non-conformities without extension in delivery period. If Seller fails to do so within the stipulated time, the Purchaser shall have the right to take recourse to (i), (ii) above.

The fact of goods having been inspected by the Purchaser before receipt at Project Site shall not affect the Purchaser's right to reject non-confirming goods in any way. Besides, the Purchaser shall have the right to recover actual expenses incurred by Purchaser in installing and removing the non-confirming goods.

10.0. ALTERNATIVE ARRANGEMENTS:

If the Seller fails to fulfill the terms and conditions of the order, Purchaser shall have the right to procure the materials from any other

party for execution/completion of the contract and recover from Seller all charges/expenses/losses/damages suffered by Purchaser, at the risk and cost of the Seller after giving 15 days notice to the seller. This will be without prejudice to the rights of Purchaser for any other action including termination.

11.0. TERMINATION:

Purchaser shall have the right to terminate the contract by giving 60 days notice without assigning any reasons thereof. However, in the event of any breach of terms of the contract, Purchaser will have right to terminate the contract by written notice to the Seller. Purchaser shall have the right to terminate the contract or any part thereof by written notice to the seller in the event of any direction or restriction imposed by the Govt. of India which may effect the Contract.

12.0. INSPECTION-CHECKING-TESTING:

The materials or workmanship covered by the Purchase Order are subject to inspection and testing any time prior to shipment and/or dispatch and/to final inspection within a reasonable time after arrival at Site. Inspectors shall have the right to carry out the inspection and testing which will include the raw materials at manufacturer's shop, at fabricator's shop and at the time of actual dispatch before and after completion of packing. The materials shall be subject to inspection by Agencies as mentioned in the requisition and the Seller will also bear the expenses concerning preparation and rendering the tests required by such agencies nominated or Boiler Inspectorate or such other statutory testing agencies as approved by Purchaser as may be required.

Such inspection and subsequent non-performance shall in no way relieve the Seller of their responsibility or liability with respect to such materials nor prejudice the right of buyer to reject unsuitable material after arrival at the destination unless specifically stated to the contrary in the Order. Expenses relevant to the preparation and performance testing, inspection and the preparation of any test reports or certificates shall be borne by the Seller EXCEPT for the salaries, fees, traveling lodging and boarding expenses of Buyers representatives.

Before shipping or dispatch of the equipment and/or materials will have to be checked and stamped by Inspectors. However, such inspectors are authorized also to forbid the use and dispatch of any equipment and/or materials which during tests and inspection fail to comply with the specifications, codes and testing requirements.

The Seller will have to inform Purchaser at least eight days in advance of exact place, date and time of rendering the equipment or materials for required inspection and provide free access to inspectors during normal working hours to Sellers or his/its sub vendor's works and place at their disposal all useful means of performing, checking, marking testing inspection and final stamping.

13.0. REVISIONS, CHANGES AND CANCELLATION:

The Purchaser may make any revisions or changes in Purchase Order including additions to or deletion from the quantities ordered. Claims for adjustment must be made within 15 days of revision/cancellation being conveyed to the Seller. The effect of such changes or prices, delivery period and/or other terms and conditions may be settled through mutual agreement.

14.0. WARRANTIES/GUARANTEES:

All goods or materials shall be supplied strictly in accordance with the specifications, drawings, data sheets, other attachments and conditions stated on the order. No deviation from such specifications or alternations of these conditions shall be made without Purchaser's agreement in writing which must be obtained before any work against the order is commenced. All materials furnished by the Seller pursuant to this order (irrespective of whether engineering, design data or other information has been furnished reviewed or approved by Purchaser) are guaranteed to be of the best quality of their respective kinds (unless otherwise specifically authorized in writing by Purchaser) and shall be free from faulty design, bad workmanship and defective materials.

Checking of Seller's drawings by the Purchaser/Purchaser's representative and their approval and permission to ship or despatch the equipment and materials granted by inspectors shall not relieve the Seller from any part of this/its responsibilities of, proper fulfillment of the requirement. If any trouble or defect originating with the design, materials, workmanship or operating characteristics of any materials arise at any time prior to twelve (12) months from the date of the successful commissioning/commercial operation of the Plant of which the materials supplied under this order from a part thereof, or thirty (30) months from the date of last shipment, whichever period shall first expire, and the Seller is notified thereof. Seller shall, at its own expense and as promptly as possible make such alternations, repairs and replacements as may be necessary to permit the materials to function in accordance with the specifications and fulfill the foregoing guarantees. Purchaser may, at its option, remove such defective materials, at Seller's expense, in which event Seller shall without cost to Purchaser and as

promptly as possible furnish and install proper materials. Repaired or replaced materials shall be similarly guaranteed for a period of not less than thirty (30) months from the date of shipment.

In the event that the materials supplied do not meet the specifications and/or are not in accordance with the drawings, data sheets or the terms of this order and rectification is required at Site, Purchaser shall notify the Seller giving full details of deficiencies. Accordingly, Seller shall attend the site within seven (7) days of receipt of such notice or as at a mutually agreed upon date to meet and agree with representatives of Purchaser the action required to correct the deficiencies. Should the Seller fail to attend meeting at Site within time prescribed above, Purchaser shall immediately rectify the works/materials and Seller shall reimburse Purchaser all costs and expenses incurred in connection with such trouble or defect.

15.0. NON ASSIGNMENT:

Any assignment of this Purchase Order or of the rights hereunder in any manner or under any certificate by operation of the law or, otherwise shall be void without prior written consent of Purchaser.

16.0. PACKING, MARKING & SHIPMENT:

Packing shall be able to withstand rough sea weather for the reasonable period as warranted by the nature of material and shall be commensurate with best commercial export practices. Similarly for air freighting packing shall conform to IATA standards and regulations.

All packing, boxing, crating, marking and shipment shall conform to the specifications or requirements detailed in the respective attachment to the Order. The Seller shall be held liable for damage or breakage to the goods due to defective or insufficient packing or protection. The Seller shall not charge anything extra for such packing or any dues or levies on packing.

17.0. WEIGHTS AND MEASUREMENTS:

The shipping documents, invoices, packing lists and all other relevant documents shall contain the same units of weight and measurements as given in the Purchaser's Purchase Order.

18.0. SPARE PARTS:

The Seller must furnish itemized priced list of spare parts required for two year's operation of the equipment, if asked for. The Seller shall

provide the necessary cross sectional drawing to identify the spare parts numbers and their location as well as inter-changeability chart, wherever necessary and applicable.

19.0. RESPECT FOR DELIVERY DATES:

Time of delivery mentioned in the Purchase Order shall be essence of the agreement and no variation shall be permitted except with prior authorization in writing from the Purchaser. Goods should be delivered securely packed and in good order and condition, at the place and within the time specified in the Purchase Order for their delivery. By time of delivery, is meant the date on the Bill of Lading/Airway Bill at FOB/FCA Port of Dispatch.

20.0. PART ORDER:

Seller hereby agreed to accept part order at Purchaser's option without any limitation whatsoever.

21.0. REPEAT ORDER:

Seller agreed to accept Repeat Order (s) during a period of twelve (12) months from the date of original Purchase Order on same unit prices, terms and conditions as that of original Purchase Order.

22.0 RECOVERY OF SUMS DUE:

Whenever any claim against the Seller for payment of sums of money arises out of or under the contract, Purchaser shall be entitled to recover sums from any sums then due or which at any time thereafter may become due from the Seller under this or any other contract with the Purchaser and should this sum be not sufficient to cover the recoverable amount the Seller shall pay to the Purchaser on demand the balance remaining due.

23.0. NON WAIVER:

Failure of the Purchaser/Purchaser's representatives to insist upon performance of any of the terms of conditions incorporated in the Purchase Order or failure or delay to exercise any rights or remedies herein or by law or failure to properly notify Seller in the event of breach, or the acceptance of, or payment of any goods hereunder or approval of design shall not release the Seller and shall not be deemed a waiver of any right of the Purchaser/Purchaser's representative to insist upon the strict performance thereof or of any of his or their rights or remedies as to any such goods regardless of when goods are shipped, received or

accepted nor shall any purported oral modification or revisions of the order by Purchaser's representatives act as waiver of the terms hereof.

24.0 TECHNICAL INFORMATION:

Drawing, specifications and details specifically developed for Purchaser shall be the property of the owner and shall be returned by the Seller on demand. The Seller shall not make use of drawings and specification for any purpose at any time save and except for the purpose of the Purchaser. The Seller shall not disclose the technical information furnished to or gained by the Seller or by virtue of or as a result of the implementation of the Purchase Order to any person, firm or body or corporate authority and shall make all endeavors to ensure that the technical information is kept CONFIDENTIAL. The technical information imported and supplied to the Seller by Purchaser shall at all times remain the absolute property of the Purchaser.

25.0 PATENTS, ROYALTIES, SELLER'S LIABILITY AND COMPLIANCE OF REGULATIONS:

Seller shall protect and fully indemnify the Purchaser from any claims for infringement of patents, copy right, trade mark of the like. Seller shall also protect and fully indemnify the Purchaser from any claims from Sellers workman/employees, their heirs, dependents, representatives etc. or from any other person/persons or bodies/companies etc. for any act of commission or omission while executing the order.

Seller shall be responsible for compliance with all requirements under the laws and shall protect and indemnify completely the Purchaser from any claims/penalties arising out of any infringement.

26.0. SUBSTITUTION AND WRONG SUPPLIES:

Unauthorized substitution of materials delivered in error of description or quality or supplied in excess quantity or rejected goods shall be returned to the Seller at the Seller's cost and risk.

27.0. SELLER DATA REQUIREMENTS:

The submission by the Seller to Purchaser of drawings and data documentation wherever applicable shall be an integral part of the order. The number of copies (re-producible and prints) and time limits for submitting these documents by the Seller shall be as specified in the Order. These requirements must be respected failing which the order will not be deemed to have been duly executed for all purposes.

28.0. ORDER OF PRECEDENCE:

In case of any difference between these conditions of order and special conditions, if any, referred to or incorporated in a particular order and the later shall prevail.

29.0. ARBITRATION:

In case of any dispute or difference arising out of the contract which can not be resolved mutually between NALCO and Seller, it shall be referred to a Sole Arbitrator to be appointed by the CMD, NALCO. The CMD, NALCO, shall communicate/cause to communicate, a panel of three names of persons to Seller/NALCO as the case may be in this regard within 30(thirty) days of notice of arbitration by the Seller/NALCO as the case may be, to select any one of them to be appointed as the Arbitrator. In case Seller/NALCO as the case may be has not communicated its selection as above within thirty days, CMD, NALCO will appoint any one of the persons from the panel as a Sole Arbitrator. The Arbitrator shall give a reasoned and speaking award. The award of the Arbitrator shall be binding on both the parties. The venue of arbitration shall be at Bhubaneswar. In case of any vacancy another Arbitrator will be appointed in the same manner as above. The Arbitration and Conciliation Act, 1996 and rules made there under shall apply to the Arbitration Proceedings.

30.0. JURISDICTION:

The contract shall be governed by and construed according to the laws in force in India and subject to exclusive jurisdiction of the Courts of Bhubaneswar only.

31.0. IMMUNITY TO GOVERNMENT OF INDIA:

It is expressly understood and agreed by and between the Seller and Purchaser i.e. M/s. National Aluminium Co. Ltd. (A Government of India Enterprise) that M/s. National Aluminium Co. Ltd. is entering into this agreement solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Government of India is not a party to this agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that M/s. National Aluminium Co. Ltd. is an independent legal entity with power and authority to enter into contracts solely in its own behalf under the applicable Laws of India and general principles of Contract Law. The Seller expressly agrees, acknowledges and understands that M/s. National Aluminium Co. Ltd. is not an agent, representative or delegate of the Government of India. It is further

understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the contract. Accordingly, the Seller hereby expressly waives, releases and foregoes any and all actions or claims including cross claims, impleader claims or counter claims against the Government of India arising out of this contract and covenants not to sue the Government of India as to any manner, claims, cause of action or thing whatsoever arising of or under this agreement.

32.0. GENERAL:

Wherever applicable, definitions of trade terms shall be as per INCO TERMS latest edition revision.

FORMAT FOR DETAILS OF ORDERS PLACED/ CONTRACTS AWARDED ABOVE RS. 2.0 CRORE DURING THE MONTH

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Tender No.	Item/ Nature of Work	Mode of Tender Enquiry	Date of publication of NIT	Type of Bidding (Single/ Two Bid system)	Last date of receipt of Tender	No. of tenders received	No. and names of parties qualified after technical evaluation	No. and names of parties not qualified after technical evaluation	Whether contract awarded to lowest tenderer/ evaluated L - 1	Contract No. and Date	Name of Contractor	Value of contract	Scheduled date of completion of supplies