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PURCHASE MANUAL



PURCHASE MANUAL

2024

NATIONAL ALUMINIUM COMPANY LIMITED

(A Government of India Enterprise)

NALCO BHAWAN, P - 1, Nayapalli, Bhubaneswar - 751013

ODISHA, INDIA.

FOREWORD

The existing Purchase Manual was approved in 253rd Meeting of Board of Directors held on 12th August' 2011. Since then, the existing Purchase Manual has been operational. However, there is a need to update the manual based on changes/ amendments in Central Vigilance commission's guidelines, Government of India Guidelines and latest revised Manual for Procurement of Goods issued by Department of Expenditure 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, Manual for Procurement of Goods and General Financial Rules (GFR), 2017 have been taken into consideration. Considering future needs, efforts have been made to prepare the manual ERP compatible.

In changing the business environment e-procurement and Reverse Auction has been introduced to save time & cost and make it more transparent. The provisions of tendering through CPP portal and GeM have also been incorporated as per Govt. of India Guidelines.

This Purchase Manual has now been modified for operational convenience and to enable expeditious processing of the procurement and other related proposals duly approved in the 350th Board Meeting held on 12th August' 2024. The revised manual comes into force with immediate effect.


(Sadashiv Samantaray)
 Director (Commercial)

Place: Bhubaneswar

DISCLAIMER

While care has been taken to ensure that the contents of this manual are accurate and up to date till 12.08.2024, the procuring departments are advised to check the precise current provisions of law and other applicable instructions from the original sources issued by Govt. of India (CVC, DPIIT, DoE, DPE, Administrative/ Nodal Ministry and other statutory authorities) in respect of public procurement.

As per Circular number 14/07/22 dated 11.07.2022 issued by Central Vigilance Commission (CVC), Department of Expenditure, Ministry of Finance has updated and revised Manual for Procurement of Goods 2022 wherein the guidelines issued by CVC on public procurement have been assimilated. The updated manual has been uploaded in website of CVC and all the earlier guidelines of CVC on public procurement have been withdrawn. Accordingly, effort has been made to update/ align this manual to the revised Manual for Procurement of Goods. However, reference to the revised Manual for Procurement of Goods should be made for matters not covered specifically in this manual.

In case of any conflict between the provisions stipulated in this manual and in the original source such as latest addition of Manual for Procurement of Goods or GFR or the prevailing laws, the provisions contained in the extant law and the original instructions shall prevail.

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PROCUREMENT GLOSSARY

In this Manual unless the context otherwise requires:

- i) “Bid” (including the term ‘tender’, ‘offer’, ‘quotation’ or ‘proposal’ in certain contexts) means an offer to supply goods, services or execution of works made in accordance with the terms and conditions set out in a document inviting such offers;
- ii) “Bidder” (including the term ‘tenderer’, ‘consultant’ or ‘service provider’ in certain Contexts) means any eligible person or firm or company, including a consortium (that is an association of several persons, or firms or companies), participating in a procurement process with a Procuring Entity;
- iii) “(Standard) Bid(ding) documents” (including the term ‘tender (enquiry) documents’ or ‘Request for Quotation (RFQ)’ or ‘Request for Proposal (RfP)’ documents in certain contexts) means a document issued by the Procuring Entity, including any amendment thereto, that sets out the terms and conditions of the given procurement and includes the invitation to bid. A Standard (model) Bidding Document is the standardised template to be used for preparing Bidding Documents after making suitable changes for specific procurement;
- iv) “Bidder registration document” means a document issued by a Procuring Entity, including any amendment thereto, that sets out the terms and conditions of registration proceedings and includes the invitation to register;
- v) “Bid security” (including the term ‘Earnest Money Deposit’ (EMD), in certain contexts) means a security from a bidder securing obligations resulting from a prospective contract award with the intention to avoid: the withdrawal or modification of an offer within the validity of the bid, after the deadline for submission of such documents; failure to sign the contract or failure to provide the required security for the performance of the contract after an offer has been accepted; or failure to comply with any other condition precedent to signing the contract specified in the solicitation documents.;
- vi) “Competent authority” means the officer(s) who finally approves the decision.

- vii) “Consultancy services” means a one-off (that is, not repetitive and not routine) services, involving project specific intellectual and procedural processes using established technologies and methodologies but the outcomes – which are primarily of non-physical nature – may not be standardised and would vary from one consultant to another. It may include small works or supply of goods which are incidental or consequential to such services;
- viii) “e-Procurement” means the use of information and communication technology (specially the internet) by the Procuring Entity in conducting its procurement processes with bidders for the acquisition of goods (supplies), works and services with the aim of open, no discriminator and efficient procurement through transparent procedures;
- ix) “Goods” includes all articles, material, commodity, livestock, medicines, furniture, fixtures, raw material, consumables, spare parts, instruments, machinery, equipment, industrial plant, vehicles, aircrafts, ships, railway rolling stock assemblies, sub-assemblies, accessories, a group of machines comprising an integrated production process or such other categories of goods or intangible, products like technology transfer, licenses, patents or other intellectual properties (but excludes books, publications, periodicals, etc., for a library), procured or otherwise acquired by a Procuring Entity. Procurement of goods may include certain small work or some services, which are incidental or consequential to the supply of such goods, such as transportation, insurance, installation, commissioning, training and maintenance;
- x) “Indenter” (or the term ‘User (Department)’ in certain contexts) means the entity and its officials initiating a procurement indent, that is, a request to the Procuring Entity to procure goods, works or services specified therein;
- xi) “Inventory” means any material, component or product that is held for use at a later time;
- xii) “Non-consultancy services” includes services of physical and procedural nature and are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied such as drilling, aerial photography, satellite imagery, mapping and similar operations. It may include small works or supply of goods which are incidental or consequential to such services;
- xiii) “Notice inviting tenders” (including the term ‘Invitation to bid’ or ‘request for proposals’ in certain contexts) means a document and any amendment thereto published or notified

by the Procuring Entity, which informs the potential bidders that it intends to procure goods, services and/or works.;

- xiv) "Pre-qualification (bidding) procedure" means the procedure set out to identify, prior to inviting bids, the bidders that are qualified to participate in the procurement;
- xv) "Pre-qualification document" means the document including any amendment thereto issued by a Procuring Entity, which sets out the terms and conditions of the prequalification bidding and includes the invitation to pre-qualify;
- xvi) "Procurement" or "public procurement" (or 'Purchase', or 'Government Procurement/ Purchase' in certain contexts) means acquisition by way of purchase, lease, license or otherwise, either using public funds or any other source of funds (e.g., grant, loans, gifts, private investment, etc.) of goods, works or services or any combination thereof, including award of Public Private Partnership projects, by a Procuring Entity, whether directly or through an agency with which a contract for procurement services is entered into, but does not include any acquisition of goods, works or services without consideration, and the term "procure" or "procured" shall be construed accordingly;
- xvii) "Procurement contract" (including the terms 'Purchase Order' or 'Supply Order' or 'Withdrawal Order' or 'Work Order' or 'Consultancy Contract' or 'Contract for Services' under certain contexts), means a formal legal agreement in writing relating to the subject matter of procurement, entered into between the Procuring Entity and the supplier, service provider or contractor on mutually acceptable terms and conditions and which are in compliance with all the relevant provisions of the laws of the country. The term "contract" will also include "rate contract" and "framework contract";
- xviii) "(Public) Procurement Guidelines" means guidelines applicable to Public Procurement, consisting of under relevant context a set of – (i) Statutory Provisions (The Constitution of India; Indian Contract Act, 1872; Sales of Goods Act, 1930; and other laws as relevant to the context); (ii) Rules & Regulations (General Financial Rules, 2017; Delegation of Financial Power Rules and any other regulation so declared by the Government); (iii) Manuals of Policies and Procedures for Procurement (of Goods; Works; Consultancy Services or any for other category) promulgated by the Ministry of Finance and (iv) Procuring Entity's Documents relevant to the context (Codes, Manuals and Standard/ Model Bidding Documents);
- xix) "Rate contract" (or the term 'framework agreement' in certain contexts) means an agreement between a Central Purchase Organisation or Procuring Entity with one or

more bidders, valid for a specified period of time, which sets out terms and conditions under which specific procurements can be made during the term of the agreement and may include an agreement on prices which may be either predetermined or be determined at the stage of actual procurement through competition or a predefined process allowing their revision without further competition;

- xx) "Reverse auction" (or the term 'Electronic reverse auction' in certain contexts) means an online real-time purchasing technique utilised by the Procuring Entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids;
- xxi) "Service" means any subject matter of procurement other than goods or works, except those incidental or consequential to the service, and includes physical, maintenance, professional, intellectual, training, consultancy and advisory services or any other service classified or declared as such by a Procuring Entity but does not include appointment of an individual made under any law, rules, regulations or order issued in this behalf;
- xxii) "Works" refer to any activity, sufficient in itself to fulfil an economic or technical function, involving construction, fabrication, repair, overhaul, renovation, decoration, installation, erection, excavation, dredging, and so on, which make use of a combination of one or more of engineering design, architectural design, material and technology, labour, machinery and equipment. Supply of some materials or certain services may be incidental or consequential to and part of such works. The term "Works" includes (i) civil works for the purposes of roads, railway, airports, shipping-ports, bridges, buildings, irrigation systems, water supply, sewerage facilities, dams, tunnels and earthworks; and so on, and (ii) mechanical and electrical works involving fabrication, installation, erection, repair and maintenance of a mechanical or electrical nature relating to machinery and plants.

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, for project related procurement through consultants, specific approval on Tendering & Purchase Procedure shall be taken from the Chairman-cum-Managing Director and the approved procedure shall be followed for all future projects with suitable updation as effected from time to time.

1.1 PURCHASE FUNCTION:

The purchase function starts with the raising of PR (Purchase Requisition) by the concerned Department. These PRs for purchase of goods shall be processed in the ERP/ SAP. After approval by the Competent Authority as per DOP, the PR is sent to Purchase Department for initiating purchase action. The approved PR received is scrutinized by the purchase department. Depending on the type of the PR, its value and nature of the material Indented, Purchase Department initiates action to issue Tender Enquiry. After receipt of the offer the same is evaluated, negotiation if required is conducted and the 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 closure of contract (as the case may be) and then file is closed.

1.2 GUIDELINES:

- (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.

Major Acts, Rules and Regulations (as amended from time to time):

Statutory framework governing public procurement:

- Article 299 of the Constitution of India, which stipulates that contracts legally binding on

the Government have to be executed in writing by officers specifically authorized to do so.

- Fundamental Rights (in particular Article 19 (1) (g) – Right to carry on a Profession) which have implications for Public Procurement.
- Indian Contract Act, 1872
- Sale of Goods Act, 1930
- MSMED Act
- Customs Act.1962
- Export Import Policy
- GST Acts
- Income Tax Act
- Arbitration and Conciliation Act, 1996;
- Competition Act, 2002;
- Information Technology Act, 2000
- General Financial Rules (GFR), 2017
- Public Procurement from MSEs Order 2012
- Public Procurement Preference to Make in India Order (PPP-MII Order 2017)
- Rule 149 of GFR ,2017 – Common use Goods and Services available in GeM are required to be procured mandatorily through GeM.

There is no law exclusively governing public procurement.

- (ii) The Director (Commercial) will issue guidelines as to which items will be procured centrally by Corporate, Materials Department. All other items will be procured by the Unit Materials Department.
- (iii) Amendments and modifications of Purchase Manual suiting to functional requirements should only be made with the approval of Chairman-cum-Managing Director (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 CMD.
- (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.
- (vi) Government guidelines issued from time to time by DPIIT, Department of Expenditure, DPE, etc. as circulated to Departments/ Units/ Complex (S&P, M&R) are to be complied

on as applicable and will be deemed to be part of the Purchase Manual. Government guidelines will prevail upon any guideline in the subject matter mentioned in the Purchase Manual. A compendium of Govt. Guidelines for Public Procurement (updated up to 07.07.2022) is placed at Annexure-I for guidance. Subsequent Government guidelines/ amendments on public procurement are to be referred to and complied by the tendering departments as and when issued.

1.3 **BASIC AIMS OF PROCUREMENT – THE FIVE R’S OF PROCUREMENT**

In every procurement, public or private, the basic aim is to achieve just the right balance between costs and requirements concerning the following five parameters called the Five R’s of procurement. The entire process of procurement (from the time the need for an item, facility or services is identified till the need is satisfied) is designed to achieve such a right balance. The word ‘right’ is used in the sense of ‘optimal balance’.

i) **Right Quality**

Procurement aims to buy just the right quality that will suit the needs – no more and no less – with clear specification of the Procuring Entity’s requirements, proper understanding of functional value and cost, understanding of the bidder’s quality system and quality awareness. The concept of the right balance of quality can be further refined to the concept of utility/value. For the Right Quality, Technical Specification is the most vital ingredient. In public procurement, it is essential to give due consideration to Value for Money while benchmarking the specification.

ii) **Right Quantity**

There are extra costs and systemic overheads involved with both procuring a requirement too frequently in small quantities or with buying large quantities for prolonged use. Hence, the right quantity should be procured (in appropriate size of contract) which balances extra costs associated with larger and smaller quantities

iii) **Right Price**

It is not correct to aim at the cheapest materials/ facilities/ services available. The price should be just right for the quality, quantity and other factors involved (or should not be abnormally low for a facilities/ works/ services which could lead to a situation of non-performance or failure of contract). The concept of price can be refined further to take into account not only the initial price paid for the

requirement but also other costs such as maintenance costs, operational costs and disposal costs (also termed as life cycle costing)

iv) **Right Time and Place**

If the material (or facility or services) is needed by an organisation in three months' time, it will be costly to procure it too late or too early. Similarly, if the vendor delivers the materials/facilities/services in another place, extra time and money would be involved in logistics. An unrealistic time schedule for completion of a facility may lead to delays, claims and disputes.

v) **Right Source**

Similarly, the source of delivery of Goods, Works and Services of the requirement must have just right financial capacity and technical capability for our needs (demonstrated through satisfactory past performance of contracts of same or similar nature). Buying a few packets of printer paper directly from a large manufacturer may not be the right strategy. On the other hand, if our requirements are very large, buying such requirements through dealers or middlemen may also not be right.

1.4 **REFINED CONCEPTS OF COST AND VALUE – VALUE FOR MONEY (VfM)**

The concept of price or cost has been further refined into Total Cost of Ownership (TCO) or Life Cycle Cost (LCC) or Whole-of-Life (WOL) to take into account not only the initial acquisition cost but also cost of operation, maintenance and disposal during the lifetime of the external resource procured. Similarly, the concept of quality is linked to the need and is refined into the concept of utility/ value. These two, taken together, are used to develop the concept of Value for Money (VfM, also called Best Value for Money in certain contexts). VfM means the effective, efficient, and economic use of resources, which may involve the evaluation of relevant costs and benefits, along with an assessment of risks, non-price attributes (e.g., in goods and/or services that contain recyclable content, are recyclable, minimise waste and greenhouse gas emissions, conserve energy and water and minimize habitat destruction and environmental degradation, are nontoxic, etc.) and/or life cycle costs, as appropriate. Price alone may not necessarily represent VfM.

In public procurement, VfM is achieved by attracting the widest competition by way of optimal description of need; development of value-engineered specifications/ Terms of Reference (ToR); appropriate packaging/slicing of requirement; selection of an appropriate mode of procurement and bidding system.

1.5 FUNDAMENTAL PRINCIPLES OF PUBLIC PROCUREMENT

General Financial Rules, 2017 (Rule 144) lay down the Fundamental Principles of Public Procurement. These principles and other additional obligations of procuring authorities in public procurement can be organised into five fundamental principles of public procurement, which all procuring authorities must abide by and be accountable for:

i) **Transparency Principle**

All procuring authorities are responsible and accountable to ensure transparency, fairness, equality, competition and appeal rights. This involves simultaneous, symmetric and unrestricted dissemination of information to all likely bidders. It must be ensured that there is consistency (absence of subjectivity), predictability (absence of arbitrariness), clarity, openness (absence of secretiveness), equal opportunities (absence of discrimination) in processes. In essence the Procuring Authorities' to do only that which it had professed to do as pre-declared in the relevant published documents and not to do anything that had not been so declared'.

As part of this principle, all procuring entities should ensure that offers should be invited following a fair and transparent procedure.

ii) **Professionalism Principle**

The procuring authorities have a responsibility and accountability to ensure professionalism, economy, efficiency, effectiveness and integrity in the procurement process. They must avoid wasteful, dilatory and improper practices. They should, at the same time, ensure that the methodology adopted for procurement should not only be reasonable and appropriate for the cost and complexity but should also effectively achieve the planned objective of the procurement.

In reference to the above two principles - Transparency and Professionalism Principle, it may be useful to refer to the following provisions in the General Financial Rules, 2017:

Rule 144. Fundamental principles of public buying (for all procurements including procurement of works). Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks: -

- a) *The description of the subject matter of procurement to the extent practicable should

 1. *be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics;*
 2. *not indicate a requirement for a particular trademark, trade name or brand.**
- b) *The specifications in terms of quality, type, etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations.*
- c) *The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure;*
- d) *Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards.;*
- e) *Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;*
- f) *Offers should be invited following a fair, transparent and reasonable procedure;*
- g) *The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;*
- h) *The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;*
- i) *At each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision;*
- j) *A complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued;*
- k) *All Departments shall prepare 3/5-year Procurement Plan and the same should also be placed on the website.*

iii) **Broader Obligations Principle**

Over and above transparency and professionalism, the procuring authorities have also the responsibility and accountability to conduct public procurement in a manner to facilitate achievement of the broader objectives of the Government.

- a) Preferential procurement from MSEs, locally manufactured goods or services as per orders / guidelines issued by Govt. of India.
- b) Reservation of procurement of specified class of goods from or through certain nominated CPSEs or Government organisations as per Govt. guidelines.
- c) Support to broader social policy and programme objectives of the Government (Make-in-India, Ease of Doing Business, etc. to the extent specifically included in the 'Procurement Guidelines');
- d) Facilitating administrative goals of other Departments of Government (ensuring tax or environmental compliance, Energy Conservation, accessibility, etc.)
- e) Procurement policies and procedures must comply with accessibility criteria which may be mandated by the Government from time to time. Keeping this in view Department of Expenditure amended Rule 144 of GFR and notified vide Order (Public Procurement No.1) dated 23.07.2020 stipulating that any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) only if the bidder is registered with the Competent Authority specified therein. This provision and other relevant provisions of the order shall be incorporated in the tender. The detailed provisions of the order and related notifications/ exemptions may be referred in the website (<https://doe.gov.in/procurement-policy-divisions>) of Department of Expenditure, Ministry of Finance for necessary compliance. The details of above order are also available in Manual for Procurement of Goods in Chapter - I under Broader obligations Principle.

iv) **Extended Legal Responsibilities Principle**

Procuring authorities must fulfil additional legal obligations in public procurement, over and above mere conformity to the mercantile laws. The Constitution of India has certain provisions regarding fundamental rights and public procurement. Courts have, over a time, taking a broader view of Public Procurement as a

function of 'State', interpreted these to extend the responsibility and accountability of public procurement authorities. Courts in India thus exercise additional judicial review (beyond contractual issues) over public procurement in relation to the manner of decision making in respect of fundamental rights, fair play and legality. Similarly, procuring authorities have also the responsibility and accountability to comply with the laws relating to Governance Issues like Right to Information (RTI) Act and Prevention of Corruption Act, and so on.

v) **Public Accountability Principle**

Procuring authorities are accountable for all the above principles to several statutory and official bodies in the Country – the Legislature and its Committees, Central Vigilance Commission, Comptroller and Auditor General of India, Central Bureau of Investigations and so on– in addition to administrative accountability. As a result, each individual public procurement transaction is liable to be scrutinised independently, in isolation, besides judging the overall outcomes of procurement process over a period of time.

The procuring authority, at each stage of procurement, must therefore place on record, in precise terms, the considerations which weighed with it while making the procurement decision from need assessment to fulfilment of need. Such records must be preserved, retained in easily retrievable form and made available to such oversight agencies. The Procuring Entity shall therefore maintain and retain audit trails, records and documents generated or received during its procurement proceedings, in chronological order, the files will be stored in an identified place and retrievable for scrutiny whenever needed without wastage of time. The documents and record will include:

- i) documents pertaining to determination of need for procurement;
- ii) description of the subject matter of the procurement;
- iii) statement of the justification for choice of a procurement method other than open competitive bidding;
- iv) documents relating to pre-qualification and registration of bidders, if applicable;
- v) particulars of issue, receipt, opening of the bids and the participating bidders at each stage;
- vi) requests for clarifications and any reply thereof including the clarifications given during pre-bid conferences;
- vii) bids evaluated, and documents relating to their evaluation;

- viii) contracts and Contract Amendments; and
- ix) complaint handling, correspondences with clients, consultants, banks.

1.6 STANDARDS (CANONS OF FINANCIAL PROPRIETY)

As per Rule 21 of GFR 2017 every officer incurring or authorising expenditure from public money should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed.

1.7 PRODUCT RESERVATION AND PREFERENTIAL/ MANDATORY PURCHASE FROM CERTAIN SOURCES:

The Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services.

Note: Before considering any Purchase Preference/ product reservation mentioned below, the Procuring Entity should check the latest directives in this regard for necessary action. Product Reservation/ Purchase Preference provision shall invariably be part of the Notice Inviting Tender (NIT) and Instructions to Bidders (ITB).

1.7.1 Reservation of procurement of certain class of products from certain agencies- i.e., 1. Khadi Goods/ Handloom Textiles from KVIC and /or Handloom clusters/ co-operative societies/ self-help groups, etc. 2. Pharmaceuticals from Pharmaceutical CPSEs as per policy notified by Dept. of Pharmaceuticals.

1.7.2 Reservation of specific items for procurement from Micro and Small Enterprises (MSE)

Presently 358 (three hundred and fifty-eight) items including eight items of Handicrafts, from Micro and Small Enterprises, which have been reserved for exclusive purchase from them. The latest list may be seen from the website of the MSME Ministry. (<http://dcmsme.gov.in>)

1.7.3 Public Procurement Policy for Micro and Small Enterprises (MSEs)

The Public Procurement Policy for Micro and Small Enterprises, 2012 (PPP-MSE Order,2012)- as amended in 2018 & 2021 notified by the Government under Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Details of the policy are available on the MSME website (<http://dcmsme>).

gov.in). Procurement details from MSEs by CPSUs are uploaded on monthly and annual basis in Sambandh portal (<https://sambandh.msme.gov.in>) for monitoring progress by Ministry. MSE grievances are lodged in the “Champions Portal” and to be responded to/ redressed by departments.

1.7.4 Public Procurement (Preference to Make in India) Order 2017 (PPP-MII Order, 2017) as amended. The latest revision of PPP-MII Order issued by DPIIT is dated 16.09.2020. Details are available in the website of Department of promotion of Industry and internal trade (DPIIT) (<https://dpiit.gov.in>). Purchase preference to Class-I local suppliers is to be accorded as per the order and should be incorporated in all tenders. Procurements with estimated value less than Rs. 5 lakhs are exempted from this order. Minimum local content requirement has been stipulated for Class-I and Class-II local suppliers as 50% and 20% respectively. However, notifications of nodal Ministry regarding higher minimum local content if any and participation of only Class-I local suppliers due to availability of sufficient local capacity under PPP-MII Order should be ascertained in the above DPIIT website.

1.7.5 Mandatory procurement of goods which are available in GeM portal to be procured from GeM. Guidelines for such procurements are available in separate chapter.

1.7.6 Unless exempted, no Global Tender Enquiry (GTE) to be done for tenders having an estimated value of Rs. 200 Cr. or less.

1.8 **PROCUREMENT CYCLE**

The procurement process for goods, works and/or services typically involves the following cycle of activities, undertaken in the order stated below.

- a) Need Assessment: Need assessment, formulation of Specifications and Procurement Planning;
- b) Bid Invitation: Preparing bid documents, publication, receipt and opening of bids;
- c) Bid Evaluation: Evaluation of bids and award of contract; and
- d) Contract Execution: Contract management and closure;
- e) Disposal of Scrap: Disposal of Scrap through various modes of disposal (Covered in stores manual)

CHAPTER - II

MATERIALS PLANNING

(Need Assessment, Formulation of Specifications & Procurement Planning)

2.0 NEED ASSESSMENT

Procurements should be initiated based on an indent from the user Department. The authority in the user Department initiating the indent for procurement shall first determine the need (including anticipated requirement) for the subject matter of the procurement. Description and specification of need assessment is of fundamental importance in ensuring value for money, transparency, competition and level playing field in procurement. The user Department shall maintain all documents relating to the determination and technical/ financial/ budgetary approvals of the need for procurement. During need assessments, the following matters are decided:

- (i) The expression/description of the need keeping in view the Value for Money (VfM) and to ensure wide competition. Therefore, to the extent practicable it should be:
 - (a) Unambiguous, complete, using common terminology prevalent in relevant trade;
 - (b) In accordance with the guidelines prescribed, if any, in this regard;
 - (c) Except in case of proprietary purchase from a selected single source, reference to brand names, catalogue numbers or other details that limit any materials or items to specific manufacturer(s) should be avoided as far as possible. Where unavoidable, such item descriptions should always be followed by the words "or substantially equivalent".
- (ii) Method of satisfying it (owning/ leasing/ hiring/ outsourcing or through Public Private Partnership (PPP), and so on) may be determined as per policies declared in this regard or based on a techno-economic evaluation (using life cycle cost, if feasible) of various alternative methods of satisfaction of the need and compatibility and interoperability with existing infrastructure or systems.

The quantity of the subject matter of procurement, commensurate with economy:

- (a) Care should be taken not to make unnecessary procurements much in advance of actual requirements, if such procurement is likely to be unprofitable coupled with unwarranted inventory-carrying cost. Where sales, consumption or usage limits of requirements have been laid down by the Competent Authority (CA), the officer signing the indent should verify that the prescribed scales or limits are not

exceeded. The authority preparing the indent shall neither package nor divide its procurement or take any other action so as to limit competition among potential bidders or to avoid its obligations under 'Procurement Guidelines'. Provided that in the interest of efficiency, economy, timely completion or supply, wider competition or access to MSEs, indenting or procuring authority may, for reasons to be recorded in writing, divide its procurement into appropriate packages, or club requirements of other users for procurement. Some requirements e.g., IT Systems may have elements of Goods, Works and Services. It could be either sliced into of Goods, Works and Services elements or combined into a package. Such decisions for slicing or packaging should be based on technical and VfM considerations. It is also necessary to round off the calculated quantity to the nearest wagon load/truck load/package to economise on transportation; and

- (b) Units of quantity are very important parameter. Some items may be manufactured in metric tons but may be used in units of numbers or units of lengths (for example, steel sheets/structural). For the sake of transparency, it is important to buy an item in units of manufacture. For example, it is better to buy steel/structural in units of weight since it has a tolerance in weight per unit of length; this usually works to the disadvantage of the buyer if it is bought in units of length. The buying and issuing units of an item may be different – but should be standardised.
- (c) Time-schedule and place of product/work/service delivery: Need assessment and generation of indent for procurement should be done sufficiently in advance of the time when goods are required. Delays in need assessment have adverse impact on the value for money and transparency. Great care is required to be exercised in filling up realistic dates for the requirement of material. The Procuring Entity should be allowed time in accordance with the establishment lead times. In urgent cases, the Procuring Entity may entertain indents providing shorter periods but such urgencies should be approved by the authority empowered to grant administrative approval for the indent and must be accompanied by proper justification.
- (d) Formulation of Specification to ensure value for money, transparency, level playing field and ensuring widest competition. This is further detailed in the subsequent para.

2.1 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 PRs for procurement. 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 the Order will be subject to approval of budget provision in the period when payments are scheduled to be made.

- 2.2 PRs for Revenue items such as minor Raw Materials, Consumables and Spare parts (including major spares designated as capital items) are to be raised from time to time by User Department taking the available stock, orders in process/in hand, past consumption pattern and lead time into consideration within the overall budget allocated/approved. As far as possible, consolidated PRs should be raised considering aggregation of items. These PRs are to be placed before the Screening Committee, which will normally sit once in a week. Before placing the PR to the Screening Committee, the mode of tendering, vendor list, Commercial Bidder's Qualification Criteria (if any), availability of standardization/ proprietary certificate (if applicable) is to be verified by Materials Deptt. The Screening Committee will be chaired by the Group General Manager of Unit / Group General Manager (O&M) and will have HOD of unit Materials and Finance or their authorised nominee as members. The Screening Committee will examine the present PR with reference to stock in hand, pending purchase orders, pending PRs (other than the present PR) and pending RFQs, 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, PRs for other items shall not be cleared normally if stock in hand, pending PO quantity, pending PR quantity (excluding present PR quantity) & RFQ 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. PR is to be approved by the Competent Authority after budget allocation and clearance of the Screening Committee.

PRs for revenue items can be raised with minimum estimated value of Rs.25,000/- (Rupees Twenty-Five Thousand). Therefore, efforts are required to be made to consolidate the requirement. The purchases up to Rs.25,000/- may be procured under petty purchase as provided in DOP. In case of exigencies, for purchases above Rs.25,000/- (Rupees Twenty Five Thousand) and up to Rs.5,00,000/- (Rupees Five Lakh), 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 (as per DoP) for proposed procurement value.

- 2.3 PRs for Capital items are to be raised as per the approved budget after drawing detailed specifications (Generic as far as possible). PRs for Capital items (excluding major spares designated as capital items) are not to be placed before the Screening Committee and are to be submitted to the Competent Authority through the Materials Department. for vetting of mode of Tendering, Vendor List, Commercial Bidder's Qualification Criteria (If any), availability of standardization/ proprietary certificate (if applicable) and through Finance Department for investment and administrative approval.
- 2.4 PRs 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.
- 2.5 For centralized procurement of bulk raw materials (excluding coal), procurement planning and proposal for administrative approval is to be done by Corporate Materials Department based on the production planning, specific consumption norm, order execution and stock status, safety stock and lead-time of procurement. The proposal for administrative approval is to be routed through the Production department.

Requirement of quantities to be procured including specifications/ technical requirement are to be provided by Production department with due approval of competent authority of Production department. However, any change in technical specification/ parameter and technical terms and conditions such as sampling and acceptance procedure, penalty/ rejection for non-conformance to quality parameters, etc. is to be duly approved by competent authority of production department as per DOP and communicated to Materials department.

Considering procurement planning, requirement as furnished by production department, expiry of existing contract and stocks, a detailed proposal giving quantity to be procured, mode of tendering, period of contract, BQC, distribution of quantities & major change in terms & conditions, estimated value and DOP clause will be proposed by Materials Department. The proposal is to be endorsed by the production department (if required) and with concurrence of Finance, administrative approval for procurement is to be obtained from the competent authority as per DOP. Purchase Requisition (PR) for major raw materials is to be created by the Materials Department. Procurement will be done by the Materials Department as per the above administrative approval.

- 2.6 PRs for other items are to be raised by the user Department.
- 2.7 The approved PR is to be sent to the Materials Department who in turn will scrutinize

the PRs for its completeness and in case of any deficiency, the PRs will be returned back to the Indenter for clarification.

2.8 Formulation of Technical Specifications (TS)

The indenting departments (Procuring Entity) should ensure that Technical Specifications (TS) are developed to ensure VfM, level playing field and wide competition in procurement (Rule 173 (ix) of GFR 2017). The TS constitutes the benchmarks against which the Procuring Entity will verify the technical responsiveness of bids and, subsequently, evaluate the bids. Therefore, well-defined TS will facilitate the preparation of responsive bids by bidders as well as examination, evaluation and comparison of the bids by the Procuring Entity. It would also help in ensuring the quality of the supplied goods. The procuring authority should ensure that the specification should:

- i) Provides a level playing field and ensures the widest competition;
- ii) Be unambiguous, precise, objective, functional, broad based/ generic, standardized (for items procured repeatedly) and measurable. TS should be broad enough to avoid restrictions on workmanship, materials and equipment commonly used in manufacturing similar kinds of goods;
- iii) Set out the required technical, qualitative and performance characteristics to meet just the bare essential needs of the Procuring Entity without including superfluous and nonessential features, which may result in unwarranted expenditure;
- iv) Normally be based on standards set by the Bureau of Indian Standards (BIS), wherever such standards exist. Preference should be given to procure the goods which carry the BIS mark. In the absence of BIS standards, TS may be based on the relevant international standards. Provided that an indenting authority may, for reasons to be recorded in writing, base the TS on equivalent international standards even in cases where BIS standards exist. For any deviations from Indian standards or for any additional parameters for better performance, specific reasons for deviations/ modifications should be duly recorded with the approval of the CA. Where the technical parameters are only marginally different, Indian standards may be specified and the Departmental specifications could cover only such additional details as packing, marking, inspection, and so on, as are specially required to be complied for a particular end use;
- v) All dimensions incorporated in the specifications shall be indicated in metric units. If due to some unavoidable reasons, dimensions in FPS units are to be mentioned, the corresponding equivalents in the metric system must also be indicated;

- vi) Comply with sustainability criteria and legal requirements of environment or pollution control and other mandatory and statutory regulations, or internal guidelines, if any, applicable to the goods to be purchased;
- vii) Make use of best practices. examples of specifications from successful similar procurements in the other organisations or sector may provide a sound basis for drafting the TS;
- viii) Commensurate with VfM, avoid procurement of obsolete goods and require that all goods and materials be new, unused and of the most recent or current models and that they incorporate all recent improvements in design and materials, unless provided for otherwise in the bidding documents;
- ix) Should have emphasis on factors such as efficiency, optimum fuel/power consumption, use of environmental-friendly materials, reduced noise and emission levels, low maintenance cost, and so on. Government of India has set up the Bureau of Energy Efficiency (BEE) (<http://www.bee-india.nic.in>) on 01st March, 2002 under the provisions of the Energy Conservation Act, 2001, with the primary objective of reducing the energy intensity of the Indian economy.

2.9 The following need to be ensured (wherever applicable as per extant guidelines) by the Indenting Department before sending the approved PR to Materials Department to start tendering activities:

- Investment approval, administrative approval, as applicable as per DOP
- Approved Scope of work / Technical specifications (including Special conditions of contract, if any, delivery schedule, onsite completion schedule, etc.)
- Manufacturing drawings, wherever required, with latest relevant revision if any. Wherever manufacturing drawing has been digitized / scanned, copies of the same should be provided.
- Approved Proprietary/ Standardized certificate in latest format.
- Approved Bidder's Qualification criteria in case of Open (OTE)/ Global (GTE) Tender (To be approved during administrative approval by Competent Authority who has the power to approve administrative approval as per DOP)
- In case, it is desired to split the order on more than one vendor, the Indenter shall specify so in the indent giving the maximum number of suppliers with percentage of allocation of quantity desired to be engaged, justifying the reasons for the same.
- When the requirement is to procure all the items of a PR from a single source for

various reasons, the same needs to be clearly mentioned in the PR giving proper justifications. For such cases the bidder will be required to quote for all the items of the PR.

- Special requirement of inspection/ quality assurance plan, Inspection procedure for goods ordered and criteria of conformity
- Special requirements of preservation, packing and marking, if any
- All essential technical, qualitative, functional, environmental and performance characteristics and requirements (such as material composition, physical, dimensions including over dimensional or out of gauge, tolerances, workmanship and manufacturing process wherever applicable; test schedule; if any), including guaranteed or acceptable maximum or minimum values, as appropriate. Whenever necessary, the user may include an additional format for guaranteed technical parameters as a part of technical specification which will be included in the tender documents for the bidder to provide detailed information on such characteristics in reference to the corresponding acceptable or guaranteed values;
- Requirement of the BIS mark, where applicable and mentioning all parameters where such a specification provides options.
- Requirement of an advance sample at the tendering stage or post contract stage before bulk production, if any.
- Requirement of inspection of manufacturing facility of new bidders, if felt necessary
- Requirements of special tests or Type Test certificate or Type Approval for compliance of statutory requirements with reference to pollution, emission, noise, if any;
- Other additional work and/or related services required to achieve full delivery/ completion, installation, commissioning, training (On-Site/ Off-Site), technical support, after-sales service and Annual Maintenance Contract (AMC) requirements, if any;
- Guarantee/ Warranty requirements;
- Any other aspects specific to the goods in consideration such as shelf life of the equipment, and so on.
- In case there are certain quantifiable factors required to be considered/ loaded while evaluating the prices quoted by the tenderers, such factors in clear quantifiable terms should be mentioned in the PR by the indenter
- Approved Vendor List in case of LTE (To be approved during administrative approval

by Competent Authority who has the power to approve administrative approval as per DOP).

- List of prospective bidders with contact details in case of Open/ Global Tender
- Mode of Tendering
- Whether Price Variation Clause is to be included (taking into account the nature of the stores item/service intended for procurement). The details of price variation clause with calculation formula.
- Free Issue Material.
- Requirement of SD/CPBG
- Special payment terms including advance payment if any suitable for the type of procurement and scope of work
- Pre-bid discussion or site visit if contemplated (for high value/ complicated technology equipment or two-part tender).
- Any other relevant details.

2.10 The 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 for regular items after approved PR clear in all respect 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 (NCB)	Two-part bid	120
Global Tender (ICB)	Two-part bid	150

NCB – National Competitive Bidding

ICB – International Competitive Bidding

CHAPTER – III

ESTIMATE

- 3.0 It will be the prime responsibility of the indenter to prepare a judicious estimate of the current value of the PR. The indenter shall take the help of various price indices, if so required, for the preparation of judicious estimate using scientific/ technical methods. The estimated value of each and every item to be procured / each and every item of work to be executed will be filled in the appropriate column in the PR. The detailed estimate signed by the Head of the Indenting Department will be enclosed with the PR. The estimate shall be net of Input Tax Credit (ITC). The estimate shall be approved by the Competent Authority who has the power to approve administrative approval as per DOP.
- 3.1 Following shall be the guidelines for the preparation of estimates: -
- a. For frequently purchased items (i.e., items purchased at least twice during last three years), the estimate shall be based on the last purchase price obtained through normal tendering and competitive bids with adjustment for variations in the prices of raw materials, wages and other inputs including current market conditions based on relevant RBI indices or any other indices, to the extent feasible.
 - b. For procurement of proprietary items, Last Purchase Price (LPP) should be considered as basis of estimate. Adjustment for variations in the prices of raw materials, wages and other inputs including current market conditions may be done based on relevant RBI indices or other indices to the extent feasible. In cases where LPP is not available, the supplier's price list / rates in the form of budgetary offer along with the applicable discounts shall be obtained for preparing estimates. Such list should be directly obtained from the manufacturer (as far as possible) and the list supplied by dealers / authorized agents may not be considered unless directed by the manufacturers.
 - c. For infrequently purchased items (i.e., items not purchased twice during last three years)/ new items, scientific/ technical estimate shall be prepared taking into consideration the cost of raw material, casting/ machining, treatment/ testing, labor, overhead expenses, transportation and applicable statutory duties and levies for which Input Tax Credit is not available, etc. In case, cost of making pattern/ engineering drawing/ development of the items are also included in the estimate,

all care should be taken to exclude this portion of cost in future while re-indenting/ re-ordering. If required, for guidelines, budgetary quotations may be obtained for infrequently purchased items preferably from registered vendors/ last supplier; for new item(s) or new technology, efforts should be made by the indenter to get more than one budgetary quotation. Before obtaining the budgetary quote, the scope of work including special conditions of contract should be firmed up so that potential suppliers can understand the scope and send budgetary quotations. The estimates should be prepared on the basis of the number of budgetary quote(s) received, which may even be one; and where more than one budgetary quote is received, the estimate should be framed on an average of the quotes which will reduce variations and fluctuations;

d. For Turnkey packages and AMR (Addition/ Modification/ Renovation) Project cases, the initial estimate prepared should be examined by the concerned officials and duly approved by the approving authority during the investment approval. In case of AMR projects/ procurement of more than 1 year, future inflation should be built into the cost estimate.

3.2 The estimates finalised prior to the notice inviting tender should be duly recorded.

3.3 Cost estimates need to be reviewed/ updated under the following situations, with full justification:

(a) The time interval is more than 12 months between preparation of cost estimate and the date of tender opening (in case of single part tender) or price bid opening (in case of two part tender). The revised estimate must be approved by the CA who has given the administrative approval or as per DOP.

(b) Substantial change in market condition as due to change in external economic and market environment.

(c) As a sequel to pre-bid techno-commercial discussions leading to change in any tender condition having financial impact.

3.4 Cost estimate may be reviewed by the indenting department who prepared the initial estimate. Such revised cost estimates shall be approved by the concerned competent authority who approved the preliminary estimate. The revised cost estimates prepared as a sequel to pre-bid discussion shall be frozen and approved by Competent Authority before bid opening.

3.5 Price indices can be obtained from the following websites. Some may require prior free registration and some paid subscription:

- a) For price indices of indigenous items: <http://www.eaindustry.nic.in/home.asp.in> (Ministry of Industry)
- b) For metals and other minerals <http://www.mmronline.com/> or <http://www.metalprices.com/index.asp> or <http://www.asianmetal.com/>
- c) For price trends of nonferrous details; London Metal Exchange - <https://www.lme.com/> gives price trends of nonferrous details, which often show volatile trends;
- d) Other useful sites: <http://www.tradeintelligence.com/> and <http://www.cmie.com/>. (Centre of Monitoring Indian Economy)
- e) For price trends of different countries: <http://www.imf.org/external/pubs/ft/weo/2015/01> (International Monetary Fund)
- f) For organization/chambers of commerce such as the (Indian Electrical and electronics Manufacturer's association) www.ieema.org;

CHAPTER - IV

MODE OF PURCHASE

4.0 Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for Pre-Qualification/ Registration or any other notice inviting bids or proposals in any form, whether they are advertised, issued to limited number of parties or to a single party including corrigenda thereon above Rs.10 Lakh are to be hosted on NALCO website (www.nalcoindia.com). Any tender floated through GeM need not be published in NALCO website.

As per Govt. guidelines, all common used goods for which product categories are available in GeM are to be mandatorily procured through GeM. In case goods are not available in GeM, efforts are to be made to onboard suppliers in GeM for such products. In case it is required to float tender other than GeM portal, the indenter is to give an undertaking that the category of goods being procured are not available in GeM and they have no objection in providing this information for making available such products on GeM. GeM availability Report and past transaction summary (GeMAR&PTS) is a prerequisite for floating a tender outside GeM. Procurement through GeM may be referred to in Chapter – XX.

As per extant PPP-MII Order, 2017 revision dated 16.09.2020 (Chapter-XIX), only Class-I and Class-II local suppliers as defined under the order are eligible to bid in procurements except when Global Tender enquiry (GTE) has been issued. In GTE non-local suppliers shall also be eligible to bid along with Class-I and Class-II local suppliers. However, in case nodal Ministry has notified under PPP-MII Order, 2017 that there is sufficient local capacity and local competition, only Class-I local suppliers are eligible to bid.

4.1 **OPEN TENDER (OTE/ NATIONAL COMPETITIVE BIDDING):**

4.1.1 Open Tenders are those tenders, which are open to indigenous bidders at large for quotation in INR only.

4.1.2 This is the default mode of procurement and gives the best value for money. Open Tendering shall be adopted in the following situations:

- i) Procurements exceeding the threshold of Rs. 300 Lakh (Rupees Three Hundred Lakh);
- ii) All common use requirements with clear technical specifications;

- iii) For requirements that are ordinarily available in the open market, but it is necessary to evaluate competitive offers to decide the most suitable and economical option available;
- iv) When requirements are not available from known sources or sources are presently limited and need to be broad based, OTE mode may be used, on a case-to-case basis.
- (v) The known supplies are suspected of having formed a ring.
- (vi) To generate more competition for quality and price.

4.1.3 For Open Tenders, a single stage two part or three-part bidding system is to be followed.

4.2 **GLOBAL TENDER (GTE/ INTERNATIONAL COMPETITIVE BIDDING):**

4.2.1 Global Tenders are those tenders, which are open to indigenous and foreign bidders at large for quotation in INR and/or foreign currency.

4.2.2 Global Tendering shall be adopted in following situations:

- i) Procurements exceeding the threshold of Rs. 300 Lakh (Rupees Three Hundred Lakh);
- ii) Where Goods of required specifications/ quality are not sufficiently available within the country and alternatives available in the country are not suitable for the purpose;
- iii) Non-existence of a local branch of the global principal of the manufacturer/ vendors/ contractors;
- iv) Requirement for compliance to specific international standards in technical specifications;
- v) Absence of sufficient number of competent domestic bidders likely to comply with the required technical specifications, and/or in case of suspected cartel formation among indigenous bidders.
- vi) To generate more competition

Govt. Guideline (GFR) on GTE to be complied:

As per OM No. F.12/17/2019-PPD dtd. 15/05/2020, 28/05/2020 & 29/10/2020 issued by Dept. of Expenditure, no global tendering shall be invited for tenders up to Rs.200 Crore. In exceptional cases, where there are special reasons for GTE, the indenting deptt. may record detailed justification & seek prior approval for relaxation to above

from competent authority i.e., - Secretary (Coordination), Cabinet Secretariat. However, as per OM dated 29.10.2020 of DoE, the above shall not be applicable on procurement of spare parts of the equipments/ plant & machinery, etc. on nomination basis from OEM/OES or OPM as no competitive tenders are invited in such cases.

Vide OM dated 18.11.2020, 03.08.2021 and DO letter dated 07.09.2021 DoE has stipulated modality for seeking relaxation for floating GTE, the details may be referred therein. As per instructions Ministries/ departments are to submit their GTE exemption applications through GTE portal. No physical application will be received.

- 4.2.3 For global Tenders, a single stage two part or three-part bidding system is to be followed.
- 4.2.4 OTE & GTE need not be advertised in the press. However, these tenders are to be advertised/ published in GeM and to be hosted on NALCO website and/or other appropriate websites.
- 4.3 The value cannot be the only criteria. The Competent Authority may approve for open/ Global or Limited/ Single Tenders with appropriate justification. If a single offer is received or a single offer is found techno-commercially acceptable against an Open/ Global Tender, the same shall be treated as a case of Single Tender.
- 4.4 In the case of Global Tendering, e-Procurement may not be mandatorily insisted upon. Foreign vendors may be allowed to submit their bids in sealed envelopes.
- 4.5 Intimation regarding published open/ Global tenders may be given by the dealing officer by email to all the vendors who had participated in tenders earlier or to any other prospective vendors.
- 4.6 In case where there is no concrete information on source of supply/ services, Pre-NIT discussion with the vendors or to float EOI may be considered for finalization of techno-commercial points for the tender.
- 4.7 **LIMITED TENDERS (LTE):**
 - 4.7.1 Limited Tenders are those tenders for which the enquiry is issued only to a limited number of pre-qualified/ shortlisted approved firms. In case a product/ raw material is standardized for procurement from more than one vendor, such cases will be considered as limited tender and, in such cases, approved standardization certificate is to be enclosed along with the PR. The Indenting Deptt. will review the standardization of machinery or components or spare parts or consumables every two years. LTE procedures may be adopted when the estimated value of procurement is up to Rs.300 lakh. However, the value cannot be the only criteria. The Competent Authority during administrative

approval may decide either to call for Open/ Global or Single Tenders.

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.

Note: As per OM No. F.12/17/2019-PPD dtd. 15/05/2020, 28/05/2020 & 29/10/2020, no global tendering shall be invited for tenders up to Rs.200 Crore. In exceptional cases, where there are special reasons for GTE, the indenting deptt may record detailed justification & seek prior approval for relaxation to above from competent authority i.e., Secretary (Coordination), Cabinet Secretariat. However, the above shall not be applicable to procurement of spare parts of the equipments/ plant & machinery, etc. on nomination basis from OEM/OES or OPM as no competitive tenders are invited in such cases.

- 4.7.2 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.
- 4.7.3 Limited tender enquiries (LTE) above Rs.10 Lakh are to be published on NALCO's website.
- 4.7.4 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, before the PR is submitted for approval. While short-listing the vendors, concerned officers will consider the following:
- Past performance in case of old vendor and 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 & MSE units
 - Vendors supplying to other units of NALCO
 - List of empanelled Vendor lists for Limited tender (LTE) should have a fixed validity period (say two years). Each list may be reviewed and new list incorporating new vendors as per requirements and procedure may be finalised well in time before lapse of the validity period.
- 4.7.5 For Limited Tender, single stage single part or two-part bidding system is to be followed. Preferably LTE is to be issued to a minimum of three or more bidders.

4.7.6 The following instructions would be put up:

“The Offer against these tenders from suppliers to whom LTE has been issued shall only be considered, offer from any other party shall be treated as unsolicited”.

In order to increase competition, following shall also be posted on the website:

“Whoever is interested to be registered as a supplier of these items, should fill up the vendor registration form hosted on the website. The normal registration process shall thereafter be followed by the plants / units for registering the eligible suppliers. This information is solely for the purpose of exploring the possibility of enhancing the vendor base, wherever required and should not be considered as a purchase enquiry. Purchase enquiry in future may be issued to such suppliers, if registered.”

4.7.7 Special Limited Tender Enquiry for procurements more than Rs.300 lakh:

Where normally OTE should have been done, LTE is permissible in certain special circumstances even for values higher than Rs.300 lakh. Special circumstances could be urgency for operational or technical requirements with proper justification.

4.8 **SINGLE TENDER:**

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

(i) **Purchase against Certificate of Proprietary Articles (PAC):**

Enquiries for Proprietary items (Original Equipment Manufacturers (OEM) or Original Equipment Suppliers (OES) or Original Parts Supplier (OPS) or Original Technology Supplier (OTS)) should be issued with the approval of competent authority as per the DOP. Such proprietary items should be purchased from the manufacturers or their authorized dealers only, where the manufacturer does not supply the equipment directly. In case there are more than one dealer authorized by the manufacturer to sell a particular proprietary item and discount may be possible through Limited Tender Enquiry, in such cases LTE may be issued to those authorized dealers. Items for which de-proprietarisation attempt(s) failed shall be procured as proprietary items from OEM/OES/OPS/OTS vendor(s).

Note: *Proprietary Items which are procured on single tender basis need to be uploaded in NALCO’s website for awareness and development of new vendors.*

For PRs raised on proprietary basis a certificate as prescribed about proprietary nature is to be approved by:

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

(ii) **Single Tender without Certificate of Proprietary Articles:**

The cases where the enquiry is restricted to only one particular source/ supplier, though many sources / suppliers exist, such procurement is on nomination basis. In normal circumstances Single Tender should be avoided. Such Single Tender Enquiries should be issued as an exception only and processed under the following situations:

- (a) In a case of existing or prospective emergency relating to operational or technical requirements to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.
- (b) For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery/ equipment, furniture, liveries or any other item to be purchased only from a selected firm. Approved Standardization certificate is to be submitted along with the PR. The approving authority for standardization certificate will be as follows:
 1. Executive Director: If CA to approve is Director/CMD and above.
 2. Group General Manager: For other cases (irrespective of level of approving authority).
 3. The PR should have concurrence of Finance and approval of Competent Authority.

The Indenting Deptt. will review the standardization of machinery or components or spare parts every two years.

- (c) Procurement for meeting natural calamities and emergencies
- (d) Supplier has exclusive right
- (e) No suitable substitute is available in the market
- (f) Auction/ Tender held for several dates/ times, but no bidder quoted successfully
- (g) The possibility of a new source is remote, etc.
- (h) Procurement from Technology Licensor's (like RTA) mandated vendor

4.8.2 Where an enquiry is to be sent to a single nominated bidder under the above condition, in such cases the detailed reasons and justification has to be clearly spelt out.

- 4.8.3 For Single Tender, a single stage single part bidding system is to be followed.
- 4.8.4 All orders/ contracts awarded on single nominated tender basis should be brought to the notice of the Board of Directors for information.
- 4.9 For sending LTE/ Single Tender Enquiry (for other than proprietary cases) for cases valuing more than Rs.300 lakh, the proposal should mention the following:
- (a) The demand is urgent, and any additional expenditure involved by not procuring through open/global 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) The sources of supply are definitely known and the possibility of fresh source(s) beyond those being tapped is remote.
- 4.10 While calling for Limited/ Single Tender (except for proprietary cases), C.A. must specify the exceptional conditions for such decisions, e.g.
- (a) In case of existing or prospective emergency relating to operational or technical requirements to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.
 - (b) For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery/ equipment, furniture, liveries or any other item to be purchased only from a selected firm.
 - (c) Procurement for meeting natural calamities and emergencies
 - (d) Supplier has exclusive rights
 - (e) No suitable substitute is available in the market
 - (f) Auction/ Tender held for several dates/ times, but no bidder quoted successfully
 - (g) Possibility of a new source is remote, etc.
 - (h) Procurement from Licensor's (like RTA) mandated vendor(s)
- 4.11 Normally at least 4 to 6 weeks should be given in case of Global/ Open tendering, 2 to 3 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 to 10 days' time is given the tender notice may be sent through faster means like fax/e-mail, etc. The above timeline given is for guidelines only. The duration may be changed on case-to-case basis giving proper justification.

4.12 PETTY PURCHASE (Direct Procurement without quotation):

Direct procurement of goods without formal quotations is normally done for small value requirements. This is also called petty purchase. It should be used for off-the-shelf goods of simple and standard specifications and when the required goods are not available in GeM. However, it is mandatory for the buyer to generate a “GeM Availability report and Past Transaction summary” (GeMAR&PTS) with a unique ID on GeM portal using login credentials for procurement outside GeM. All petty purchases up to Rs.25,000/- (Rupees twenty-five thousand) 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.

4.13 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 the annual budget of respective Departments. All emergency purchases and issues will be recorded in the Day Book of the Department. The 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 PR. Such emergency purchases are to be authorized by Unit head.

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 the Finance and the Materials Departments.

- (iii) If the item(s) is (are) proprietary or standardized or from single source, quotation may be accepted through e-mail enquiry.
- (iv) Through Limited Tender Enquiry by post giving 7 days' time for submission of bid.

4.14 **DIRECT PROCUREMENT BY PURCHASE COMMITTEE:**

This mode of procurement is normally used for procurements values above Rs.25,000/- (Rupees Twenty-Five Thousand) and up to Rs.5,00,000/- (Rupees Five lakh) only on each occasion. It is made by the local Purchase Committee constituted by the Competent Authority. However, procurement through committee may be done for higher value under emergency subject to approval of competent authority as per DOP.

Selection of suitable products and suppliers by actual market survey (not by calling of tenders like mini-LTE) is essence of this mode.

4.15 **REPEAT ORDERS:**

Repeat Orders are those orders which are placed with 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 a 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 the above, repeat order can be approved as per DOP. Repeat Order can be placed only if there is provision in the contract for placing the repeat order.

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 by proposer of no downward trend in the price. It should be treated as a single negotiated tender and approved by one level higher than the original approving authority.

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 the next higher authority. For cases where original order placement has 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.

4.16 RATE CONTRACT (RC) / FRAMEWORK CONTRACT (FC):

A Rate Contract is a contract for the 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. For entering into rate contracts/ long term contracts, the mode of tendering to be followed may be decided as per the nature of the item, the available sources, etc. Thus, rate contract enquiries may be by Open Tender/ Limited Tender/ Single Tender depending upon the nature of item. While issuing LTE for rate contracts, it should be ensured that only reliable and reputed manufacturers/ suppliers of proven ability are considered. In view of GeM coming into operation, Rate contract is not required to be executed for common use items like computers, printers, paper, stationary and other office items which are being placed in GeM and will now be applicable only for specialized and engineering items which are not available in GeM and are identified as common use items and are needed on recurring basis by various departments.

4.17 IMPORT SUBSTITUTION AND DE-PROPRIETARISATION:

For import substitution and de-proprietarisation, 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 an 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.

CHAPTER - V

TENDERING PROCEDURE FOR CRITICAL RAW MATERIALS

(Caustic Soda, CT Pitch, CP Coke, Aluminium Fluoride - ALF3, Quick Lime)

5.0 ADMINISTRATIVE APPROVAL:

Based on the procurement plan and timeline drawn for each critical raw material based on balance orders in hand, stock position, safety stock and lead time requirement, the corporate materials department is to initiate proposal for obtaining administrative approval of CMD/ Competent authority. Corporate materials department may seek requirement/ confirmation from Production department regarding Quantity and Technical Specifications for the raw material before initiating proposal. While processing proposals for administrative approval the essentiality of proposal, compliance with laid down guidelines and procedures are to be ensured. The proposal may be routed through ED(Production) and D(Production).

The proposal for administrative approval should contain following:

5.1 **Need for Procurement:** Order execution status, Present stock status, and Lead time for procurement and Timeline for tendering activities. Justification for Quantity as per production requirement, variation in specific consumption and required safety stock.

5.2 Mode of Tender:

Open (OTE/ National Competitive Bidding)/ Global (GTE/ International Competitive Bidding) Tendering shall be done for all critical raw materials. As per extant Govt. guideline domestic open tenders (OTE/NCB) for Raw Materials are to be done through GeM portal.

[**Note:** Compliance to

1. GFR 161(ix) regarding no GTE for estimated value less than Rs.200 Cr. to be ensured.
2. Nodal Ministry Notification for any procurement item (Like Caustic Soda) under PPP-MII Order, 2017 (as amended) regarding participation of only Class-I local suppliers due to availability of sufficient local capacity and competition, hence no Global tender to be issued]

5.3 Quantity & Period of procurement:

The quantity to be procured and its period of consumption is to be proposed with due justification.

The Tender quantity shall include the quantity earmarked for new/ development vendors.

5.4 Bidder's Qualification Criteria (BQC)/ Pre-Qualification Criteria (PQC) in case of open/ Global tender.

Pre-qualification Criteria (PQC) guidelines as stipulated at Clause 4.6.1 (4) along with Sample PQC at Annexure-12 of Manual for Procurement of Goods (second edition 2024) may be referred while fixing PQC/BQC.

PQC should be unrestrictive enough so as not to leave out even one capable vendor/ contractor. Otherwise, it can lead to higher prices of procurement/ works/ services. However, on the other hand, these criteria should be restrictive enough so as not to allow even one incapable vendor/ contractor and thus vitiate fair competition for capable vendors/ contractors to the detriment of the buyer's objectives. A misjudgment in either direction may be detrimental. Due consideration should be given while framing PQC, to its effect on the adequacy of competition. To encourage MSEs, past successful bidders, a call may be taken – whether PQC should apply to full quantity/ packages or be proportional to part quantity/ package quoted by a bidder. In case requirement is suddenly multiple times the past procurements, blind adoption of past PQCs may lead to disqualification of successful past vendors leading to inadequate competition. PQC should therefore be carefully decided for each procurement with the approval of CA for acceptance of the tender. It should be clarified in the PQB documents that bidders have to submit authenticated documents in support of eligibility criteria.

Pre-qualification/ post-qualification should be based entirely upon the capability and resources of prospective bidders to perform the particular contract. No bidder should be denied pre-qualification/ post-qualification for reasons unrelated to its capability and resources to successfully perform the contract."

The BQ criteria in the tender should neither be made very stringent nor very lax to restrict/ facilitate the entry of bidders. It should be ensured that the BQ criteria are exhaustive, yet specific and there is fair competition. It should be ensured that the BQ criteria are clearly stipulated in unambiguous terms in the bid document.

The BQC criteria should be explicit at the time of inviting tender so that basic concept of transparency and interests of equity and fairness are satisfied. The acceptance/ rejection criteria should not be arbitrary but on justified grounds as per the laid down

specifications, evaluation/ exclusion criteria.

Keeping in view above, the BQC/ PQC for procurement of raw materials through open/ global tenders may be kept as below. Suitable modifications in BQC/PQC may be incorporated while seeking administrative approval from Competent Authority. Due to requirement of supply or in case of inadequate competition, the BQC/PQC can also be reviewed with the approval of the competent authority to accord administrative approval on a case-to-case basis prior to tendering.

1. Eligibility to bid under Govt. Guidelines:

- i) PPP-MII Order, 2017 (As per latest revision): Only Class-I and Class-II local suppliers as defined under the order are eligible to bid in tenders except in GTE where non-local suppliers along with Class-I/ Class-II local suppliers are eligible to bid. In case nodal Ministry has notified under PPP-MII Order, 2017 (like in Caustic Soda) that there is sufficient local capacity and local competition, only Class-I local suppliers are eligible to bid. (Bidder must provide necessary self-certification/ certificate from statutory auditor/ cost auditor as per clause 9. a & b of the PPP-MII order)
- ii) As per Rule 144 of GFR, notified vide Order (Public Procurement No.1) dated 23.07.2020 by Department of Expenditure stipulated that any bidder from a country which shares a land border with India will be eligible to bid only if the bidder is registered with the Competent Authority specified therein. This provision and other relevant provisions of the order shall be incorporated in the tender. The detailed provisions of the order and related notifications/ exemptions may be referred in the website (<https://doe.gov.in/procurement-policy-divisions>) of Department of Expenditure, Ministry of Finance for necessary compliance.

2. Experience Criteria:

Bidders should have production and/or supply experience in any one of the last 2 (two) financial years. They must submit their production and/or supply experience duly certified by Chartered Accountant/ Chartered Engineer or supporting documents i.e., Order Copies, Invoice Copies, and Transport Documents/B/L, etc. matching the declared quantity.

The experience/ completion certificate submitted by the bidder may be considered only when they bear the name & designation of the authority issuing them. The same is enforced for the experience/ completion certificate issued after 30.06.2022.

For organizations where accounting is done on a calendar year basis, supply experience may be provided on calendar year basis.

Bidders other than manufacturer to furnish only supply experience along with name of manufacturer and back-up support letter from manufacturer confirming allocation of quantity to them by the manufacturer. In the case of multiple back-up manufacturers, back-up support letters from each manufacturer are to be submitted.

Note:

- I. *Any experience/ completion certificate submitted by any bidder should clearly bear the name & designation of the issuing authority to qualify in BQC/ PQC. Certificate by chartered accountant should bear the UDIN number.*
- II. *Value (Quantity) for experience criteria, if stipulated based on item being procured it may be kept between 10% (ten percent) of tender quantity (rounded up to next rake/ truck/ tanker load).*
- III. *For new bidders, i.e. bidders who have not supplied to Nalco earlier, supply experience may be relaxed/ waived. However, for such new bidder's limitation for order quantity is to be stipulated in tender*

3. **Financial Criteria:**

- a) The minimum average annual financial turnover of the bidder during the last three financial years should be 10% (ten percent) of the estimated value of the tender.
- b) The net worth of the bidder should be positive during the last financial year.

Note:

1. *Provision for escalation of annual turnover @ 10% (ten percent) per annum (simple interest) to bring them at the current price level may be incorporated. The annual turnover of the latest previous year shall not be considered for any escalation.*
2. *The condition of prior experience and turn over with respect to BQC/ PQC may be relaxed/waived for MSEs and/or all start-ups recognized by Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Govt. of India subject to their meeting quality and technical specifications. However, there may be circumstances (like procurement of items related to public safety, health, critical security operations and equipments, etc.) where procuring entities may prefer the vendors to have prior experience rather than giving orders to new entities. For such procurements, wherever adequate justification exists, the procuring entities may not relax the criteria of prior experience/ turnover for the startups.*

3. *Bidders have to submit copies of audited standalone financial statements (Balance Sheets and Profit & Loss account statements) of the relevant years in support of turnover and net worth criteria.*

4. **Sample Submission:**

For technical acceptance, sample submission along with bid, wherever necessary, may be kept in the tender condition. If the supply is from a new manufacturer (other than proven/ enlisted manufacturers), sample submission is a pre-requisite. If the supply is from the list of proven manufacturers (list to be specified in the proposal for administrative approval), sample submission is not required.

While submitting a sample, the sample should be accompanied by the original test certificate from the manufacturer.

5. **Minimum Offer Quantity:**

Minimum Offer quantity ____ MT/LMT/DMT, as the case may be (i.e., 10% to 20% of NIT quantity rounded up to rake loads) may be stipulated.

6. Suppliers who have failed to execute previous order due to which their Contract-cum-Performance Bank Guarantee (CPBG) has been encashed and/or have not settled claim against Risk & Cost procurement and/or banned by NALCO shall not be considered. Allied firms of the above suppliers will also not be considered against the present tender.

5.5 **Distribution Criteria/ Splitting of contracts/parallel contracts:**

If more than one source of supply is required, the distribution criteria for awarding the tender quantity should be specified with justification. The distribution of tender quantity could be in the ratio of 50%:30%:20%, 70%:30%, 60%:40% or any other ratio amongst the bidders in order of their price position subject to bidders offering such quantity. However, distribution may be made to more parties when more than one source is required, and the lowest bidder has not offered for full tender. NALCO's approved guideline/ SOP in this respect, if any, to be followed and incorporated in NIT. Such an approved SOP will form part of the Purchase Manual.

5.6 Purchase Preference Policy for MSEs (Micro and Small Enterprises) as per Public Procurement Policy for MSEs, 2012 as amended in 2018 & 2021 notified by the Government under Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is to be incorporated in the distribution clause of NIT. The MSEs will be required to compulsorily furnish their Udyam Registration Number in order to avail the benefit.

- 5.7 The distribution criteria for new/ development vendor is to be specified in the proposal.
- 5.8 Approved Criterion with respect to Public Procurement (Preference to Make in India), Order 2017 (PPP-MII order) as per Purchase Manual, Chapter XIX is to be incorporated in distribution clause of NIT. Presently distribution of quantities in raw materials tenders is done as per guidelines contained at para 3B of PPP-MII Order, 2017 revision dated 16.09.2020. The latest guidelines issued by the Department of Expenditure regarding concurrent application of PPP-MSE Order,2012 (as amended) and PPP-MII Order,2017 (as amended) are to be followed in case applicable.
- 5.9 Major Terms & Conditions of tender: Major terms & conditions such as “Specifications” of Material being procured, ‘Pricing’, ‘Delivery period’, etc. are to be mentioned.
- 5.10 **Two-part Bids:** Normally Raw material tenders are to be floated in a two-part bid fashion i.e., Part-I (Un-priced Bid) and Part-II (Price Bid).
- 5.11 **Provision for Reverse Auction:** Provision for Reverse Auction at the option of Nalco may be kept in the tender so that reverse auction may be conducted if so necessitated.
- 5.12 Any major changes in terms & conditions with respect to the last tender.
- 5.13 **Estimated/ Budgeted Value of procurement:** The estimated value of procurement for the proposed quantity of raw material is to be derived based on last purchase order price, Current applicable price (in case of variable pricing) or budgeted price. In case of any substantial upward/ downward movement of market since last purchase order or the last purchase order was issued more than 1 year back appropriate escalation/ reduction in estimate may be considered.
- 5.14 Approving authority with relevant DOP clause 3.2.1 (for Raw Materials including Coal & Fuel, etc.)/ Clause IV) iii of Annexure (Power delegated to CMD)/2. B2 (Power delegated to COD for procurements).

CHAPTER - VI

BIDDING SYSTEM

6.0 Following types of bidding systems may be used:

- i) Single Stage Bidding
- ii) Two Stage Bidding - Expression of Interest (EOI)

6.1 Single Stage Bidding System

6.1.1 In single stage bidding, all bids are invited in following manners:

- (i) Single Part
- (ii) Two Part
- (iii) Three Part

6.1.2 The tenderers shall be instructed to enclose each part separately.

6.1.3 Single part tendering should be adopted only when all technical and commercial terms are well defined/ stipulated in the tender document and are not negotiable. Conditional bids, i.e., bids not adhering to the tendered technical terms, will be rejected. However, deviation in commercial terms can be accepted and evaluated where suitable loading has been pre- determined and mentioned in the tender document.

6.1.4 In case the technical specifications and/ or commercial terms are not firm/ deterministic/ frozen and/or where the capability of source of supply is crucial for the successful performance of the contract, the Indenter will specify in the PR for inviting 2- or 3-part quotations.

6.1.5 Two-part tendering involves calling for tenders in two parts:

- (i) Part I: Tender comprising Earnest Money (wherever applicable), Bidder Qualification Document (wherever applicable), Integrity Pact (wherever applicable) & techno-commercial offer, which shall be covering all terms except the price.
- (ii) Part II: Tender comprising the price bid only.

In case of single stage two-part tendering procedure, approval should be obtained from competent authority for acceptable bidders based on Earnest Money (wherever applicable), Bidder Qualification Document (wherever applicable), submission of Integrity Pact (wherever applicable) and techno-commercial conditions (1st part). Price part (2nd part) of acceptable bidders shall be opened after obtaining approval from Competent

Authority. Due intimation for date of price bid opening shall be given to all acceptable bidders through e-mail with a request for participation giving at least one working day time from the date of intimation only against offline tenders.

6.1.6 Three-part tendering involves calling for tenders in three parts:

- (i) Part I: Tender comprising Earnest Money, Bidder Qualification Document and Integrity Pact (wherever applicable)
- (ii) Part II: Tender comprising techno-commercial offer, covering all terms except prices.
- (iii) Part III: Tender comprising the price bid only.

In the case of single stage three parts tendering procedure, approval should be obtained from competent authority for acceptable bidders based on EMD, BQC and submission of Integrity Pact (1st part) before opening Techno-commercial part of the tender. Techno-commercial part (2nd part) of tender of acceptable bidders shall be opened and approval should be obtained from competent authority for acceptable bidders based on Techno-commercial (2nd part) conditions of the tender. Price part (3rd part) of techno commercial acceptable bidders shall be opened after intimating the date of price-bid opening (giving at least one working day time from the date of intimation) through e-mail to the acceptable bidder with a request for participation in the price bid opening and evaluated for award of work only against offline tenders.

6.1.7 For open tendering, single stage three parts or two parts tendering procedure shall be adopted with BQC. The objectives of single stage three parts or two parts tendering procedures are to select only capable techno-commercially acceptable bidders ensuring that the price does not influence ordering decision at the cost of quality.

6.1.8 For LTE, a single stage single part or two parts bidding system can be adopted. Single part bidding shall be adopted for LTE when the technical and commercial conditions are well defined/ stipulated in the tender document and are not negotiable. If specific confirmations are required from the bidders in case of LTE, two-part bid system shall be followed.

6.1.9 There cannot be standard bid formats for single, two- or three-part system since terms and conditions may vary from case to case. Hence, Techno-Commercial conditions and Price formats are to be prepared for each case.

6.2 **Two Stage Bidding - Expression of Interest Tenders – Market Exploration:**

There are instances where the equipment/plant to be procured is of complex nature

and the procuring organization may not possess the full knowledge of either the various technical solutions available or the likely sources for such products in the market. To meet the desired objectives of a transparent procurement process that ensures value for money, simultaneously ensuring upgradation of technology & capacity building, it would be prudent to invite a two-stage Expression of Interest (EoI) Bids and proceed to explore the market and to finalise specifications for tender to be invited based on technical discussions/ presentations with the experienced manufacturers/ suppliers in a transparent manner.

6.2.1 Expression of Interest (EoI) bids may be invited in following situations:

- (i) It is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders;
- (ii) The character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both;
- (iii) NALCO seeks to enter a contract for the purpose of research, experiment, study or development, except where the contract includes the production of requirements in quantities sufficient to establish their commercial viability or to recover research and development costs; or
- (iv) The bidder is expected to carry out a detailed survey or investigation of NALCO's Site conditions and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.

6.2.2 The procedure for two stage bidding shall include the following, namely:

- (i) In the first stage of the bidding process, the Procuring Entity shall invite EoI bids containing the broad objectives, technical and financial eligibility criteria, terms and conditions of the proposed procurement, etc. without a bid price. On receipt of the Expressions of Interest, group technical discussions/ common presentations may be held with the short-listed manufacturers/ suppliers (after taking approval of Competent Authority on shortlisted vendors), which are prima facie considered technically and financially capable of supplying the material or executing the proposed work, giving equal opportunity to all such bidders to participate in the discussions. During these technical discussions stage the procurement agency may also add those other stakeholders to the discussions who could add value to the decision making on the various technical aspects and evaluation criteria. Based on the discussions/ presentations so held, one or more acceptable technical

solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality benchmarks, warranty requirements, delivery milestones, etc., in a manner that is consistent with the objectives of the transparent procurement. At the same time, care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/ presentations and the process of decision making should be kept;

- (ii) In revising the relevant terms and conditions of the procurement, if found necessary as a result of discussions with the shortlisted bidders, NALCO shall not modify the fundamental nature of the procurement itself;
- (iii) NALCO shall obtain approval of Competent Authority for going to the second stage with justification.
- (iv) In the second stage of the bidding process, NALCO shall invite OTE/GTE in response to a revised set of terms and conditions of the procurement or the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of norms and conditions of the procurement; and;
- (v) Any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalised in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.
- (vi) If the procurement entity is of the view that after EOI stage, there is likelihood of further participation by many more bidders and to avoid getting trapped into a legacy technology, the second stage bidding may not be restricted only to the shortlisted bidders of EoI stage, and it may be so declared in the EoI document ab-initio. Thereafter in the second stage, normal OTE/GTE bidding may be done. Such variant of EoI is called "Non-committal" EoI.

CHAPTER - VII

BIDDER'S QUALIFICATION CRITERIA (BQC)

(For other than critical raw materials)

- 7.0 In case of Open/ Global Tenders, Bidder's Qualifying Criteria consisting of Technical Criteria and Commercial Criteria should be proposed by Indenting Deptt. for approval of Competent Authority at the time of seeking administrative approval. Such proposal should be routed through concerned Tendering/ Materials Department before putting up to Competent Authority for administrative approval. The approved Bidder's Qualifying Criteria should be clearly spelt out in the Tender Document.
- 7.1 All care should be taken while formulating the Bidder's Qualifying Criteria. Proposed criteria for technical eligibility and acceptance should neither be made very stringent nor very lax to restrict/ facilitate entry of bidders. It should be ensured that the eligibility criteria are exhaustive yet specific and there is fair competition. It should also be ensured that the criteria are clearly stipulated in unambiguous terms.
- 7.2 **Following broad guidelines for formulating of BQC may be followed:**
- 7.2.1 **Technical Criteria:**
- (i) **Manufacturing/ Production Criteria:**
Wherever necessary these criteria can be used for supply only from a manufacturer.
- (ii) **Supply Experience Criteria:**
- (a) **For Purchase of bulk materials (other than critical raw materials)/ Off the Shelf items/consumables:**
The bidder should have supplied at least 40% of the tendered quantity in at least one of the last five years (for regular item)/ seven years (for non-regular items) ending last day of the month previous to the one in which the tender is floated.
- (b) **For Purchase of equipment/ Plant/ Machinery:**
The bidder should have successfully executed one similar order for the tendered item (where the tendered quantity is one) or one similar order of the tendered item for at least 40% of the quantity rounded to next whole number (where the tendered quantity is more than one) during last five years (for regular item)/ seven years (for non-regular items) ending last day of the month previous to the one in which the tender is floated.

(c) **For LSTK contracts:**

Experience of one similar work of at least 40% of the annualized estimated value under the tender during last seven (7) years (for normal works)/ ten (10) years (for non-recurring nature works) ending last day of the month previous to the one in which the tender is floated.

In case of any deviation from the above, specific approval with proper justification may be taken on a case-to-case basis.

Note: - In case of splitting: 40% of estimated value/ quantity of highest portion to be taken.

(iii) **Project Completion Criteria:**

In the case of plant/machinery/ Equipment/ LSTK contracts, at least one number of offered version/ model of the product or project should be in successful operation for at least two years on the date of bid opening.

Relevant documents to be submitted for technical criteria:

- (i) Copies of manufacturing or production capacity for the intended material, duly certified by a practicing Chartered Engineer or practicing Cost Accountant/ Chartered Accountant.

In case the bidder is not a manufacturer, a backup letter in favor of the bidder from the manufacturer whose material is being offered is to be submitted, duly certified by a practicing Chartered Engineer or practicing Cost Accountant/ Chartered Accountant.

Note: If required, the manufacturing facility of the manufacturer may be visited by NALCO to assess the infrastructure and production capability of the bidder. In such a case, the same is to be clearly mentioned in the NIT.

- (ii) Copies of Purchase Orders along with invoices, certified by a practicing Cost Accountant/ Chartered Accountant
- (iii) Copies of completion certificate from the customer/ owner of the project, certified by a practicing Chartered Engineer.
- (iv) The experience/ completion certificate submitted by the bidder may be considered only when they bear the name & designation of the authority issuing them. The same is enforced for the experience/ completion certificate issued after 30.06.2022.

7.2.2 Commercial Criteria:

(a) For Purchase of equipment/Plant/Machinery & other O&M Contracts

- (i) Average annual financial turnover of the bidder during the last three years should be at least 40% of the annualized estimated cost.
- (ii) Net worth of the bidder during the last financial year shall be positive as per audited balance sheet.

(b) For AMR LSTK Contracts (with value above Rs.1 crore)

- (i) The average annual financial turnover of the bidder during the last three years should be at least 40% of the annualized estimated cost.
- (ii) The bidder should have minimum positive working capital of 3 times the average monthly execution value as per estimate. Alternatively, the bidder should make exclusive credit limit available from one or more scheduled commercial banks for the proposed work & submit a line of confirmation from the bank as documentary evidence.
- (iii) The bidder should have the minimum positive Net Worth equivalent to 2 (two) times the minimum positive working capital requirement.

If the end of the financial year of the bidder is beyond 3 months before the Bid Due Date, then it should be the latest financial year otherwise it will be the previous financial year (one year before the latest financial year). In case an audited balance sheet is not available for the latest financial year the bidder shall submit the financial statement for the same duly certified by a Chartered Accountant.

Note:

1. "Similar Order"/ "Similar Works" should be clearly defined on case-to-case basis in the BQC.
2. In the case of order intended to be split among more than one bidder, the turnover and past experience criteria need to be fixed as 40% of the estimated value/ quantity of the highest portion of the proposed split quantity for BQC purpose.
3. In case the financial statements submitted by the bidder are in currencies other than INR, Bill selling rate declared by State Bank of India prevailing on the date of publication of NIT shall be considered for converting it into INR.
4. In cases of Group of Companies, where the bidding company does not have their standalone financial, the bidder shall provide their standalone financial statement duly certified by independent practicing Chartered Accountant.

In cases where the bidding company has consolidated financial accounts, then the standalone financial accounts appearing in the consolidated financial accounts shall be considered. If the consolidated financial accounts do not have standalone financial accounts in it, then the bidder shall provide their standalone financial statement duly certified by an independent practicing Chartered Accountant.

In case, it is not mandatory for a company to prepare audited Annual report as per the law of the country, then the financial credentials certified by the Chief Financial Officer (CFO)/ Chief Executive Officer (CEO) of the company, duly endorsed by independent practicing Chartered Accountant in original shall be considered for evaluation of the financial criteria.

However, in case the Bidder submits translated copy of the financial statements, the same shall be certified either by statutory auditor or independent practicing Chartered Accountant in original.

5. In cases where the technical qualifying documents is not in English and the bidder submits translated copy of the documents in English, the same shall be certified by the Chief Executive Officer (CEO) of the company.

7.3 Consortium Bidding:

In case of tenders involving acceptance of consortium bidding (applicable for LSTK tenders only), the following clauses shall be applicable:

- (a) Maximum three partners/ members shall be allowed in case of Consortium.
- (b) The bidder should submit an agreement for Consortium duly notarized so as to be legally valid and binding on the partners / members. The agreement should contain precise indication of the responsibility of all the partners of the Consortium in respect of planning, design, construction equipment, key personnel, work execution and financing of the project duly indicating the percentage in financing of Consortium by each partner. This agreement shall be irrevocable and valid till successful completion of the contract. The format for the agreement is attached in the tender document.
- (c) Any party can be a member of only one Consortium in a tender. In case, any member participates in more than one consortium or individually, all such bids with his participation shall be rejected.
- (d) One of the partners/ members shall be nominated as Lead Partner being in-charge and the authorization shall be evidenced by submitting Power of Attorney in his favor duly signed by legal authorised signatories of all the partners/ members.
- (e) The lead partner shall meet financial criteria singly and all the partners shall meet experience criteria of Bidder's Qualifying Criteria jointly. However, each partner/ member

must meet the net worth criteria individually.

- (f) In case of dissolution/failure of Consortium, the contract shall be voidable at the option of NALCO and NALCO shall have right to execute the balance job at the risk and cost of the Consortium.
 - (g) The Lead Partner shall be authorized to incur liabilities and receive instructions for and on behalf of any and all partners of the Consortium and the entire execution of the contract.
 - (h) Lead partner of the Consortium shall be fully responsible for carrying out the supervision and quality control of the work including the performance guarantee test to be executed by other partner.
 - (i) The orders shall be placed with the Lead Partner, or any other consortium partner based on authorization of lead partner. However, all the partners of the Consortium shall be liable jointly and severally for the execution of the contract in accordance with the contract terms and conditions.
 - (j) In case of consortium bidding, the lead partner or other partner with authorization from lead partner will submit the EMD.
 - (k) In case of consortium bidding, the lead partner will submit CPBG.
 - (l) In case of consortium bidding, Integrity Pact has to be signed by each partner individually.
- 7.4 Due to requirement of the work or in case of inadequate competition during tendering process (before part-I bid opening), the Bidder's Qualifying Criteria can also be reviewed with the approval of Competent Authority who have originally accorded the administrative approval on case-to-case basis.
- 7.5 The performance of manufacturers/ companies, those who have supplied equipment to NALCO should be evaluated properly and the manufacturers/ companies whose equipment is not performing satisfactorily should not be allowed to bid while purchasing new equipment.
- 7.6 The condition of "prior turnover & prior experience" with respect to Bidder's Qualifying Criteria shall be relaxed/ waived 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. 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.

FORMAT FOR CONSORTIUM AGREEMENT

This Consortium Agreement is made on ____ (date)_____ at ____ (place)_____ BETWEEN:
 (1)_____(Bidder-leader)_____(full address) (here in after called the First party
 -Bidder, which expression shall include its successor, administrators, Executors and permitted
 assigns, of the one part (2) ____ (address of 1st associate)_____(full address) here
 in after called the 2nd party-Associate, (3) ____ (address of 2nd associate)_____
 (full address) here in after called the 3rd party-Associate, which expression shall include its
 successor, administrators, Executors and permitted assigns) of the 2nd part

WITNESSETH:

WHEREAS, the owner M/s. National Aluminium Company Ltd., is a Government of India
 Undertaking, having its Office at Nalco Bhavan, P/1, Nayapalli, Bhubaneswar - 751 013, Odisha,
 (hereinafter referred to as NALCO) has floated Notice inviting tenders bearing No._____
 for execution of work_____(description of work)_____, inviting offers
 from the interested parties; AND

WHEREAS the said Notice Inviting tender, permits submission of bid on consortium basis subject
 to the stipulations specified in the Notice Inviting tender; AND

WHEREAS M/s_____(name of the leader-bidder)_____ the 1st party-bidder will file the tender
 on consortium basis; taking the 2nd and 3rd party as the associate for the said project as detailed
 in the bid documents No._____ in order to meet the BQC criteria; since M/s_____(name of
 the leader-bidder)_____ the 1st party-bidder itself is meeting all the Qualifying requirements
 except ____ (describe the work which the associate(s) is/are required to execute)_____ AND;

WHEREAS the 2nd and 3rd party associate have the required men, materials, and establishment
 with them and eager to participate and execute the work covered by the NIT and WHEREAS
 parties to this consortium agreement have mutually agreed to execute the contract covered by
 the aforesaid bid document in this joint venture; if awarded to the 1st party-bidder;

NOW, therefore, it is agreed between the Parties as under:

1. M/s_____(name of the leader-bidder)_____ the 1st Party bidder is the leader, of this
 consortium Agreement; and is answerable to the owner i.e. NALCO in all respects with
 regard to execution of such work. However, the associate is not absolved from any
 liability that may arise during the course of execution of such contract work.

2. M/s ____ (name of the leader-bidder)_____ the 1st party bidder and leader will participate in the above mentioned Bid with the Owner i.e. NALCO, and is authorized and competent to enter into negotiations and make all correspondence with the owner as he deems fit just and proper and the parties to this agreement shall be bound by the decisions or/ and commitments made by the leader in that regard.
3. During the term of this Consortium agreement the parties shall not enter into any teaming arrangements with any other party for any component of the Bid covered under this Consortium Agreement.
4. This consortium agreement shall remain in force until finalization of the bid filed by the owner on consortium basis and in case of award of work, until completion of the awarded work including the defect liability period covered by the Bid documents, as the case may be.
5. The parties to this Consortium Agreement here by mutually agree that both (all) of them shall remain as irrevocable members of the tie-up for the complete execution and completion of this project.
6. The parties to this Consortium Agreement agree that after mutual consultation and technical discussions, they have agreed and decided with regard to preparation of the final bid, authorizing their leader to bid for the work.
7. The Parties to this Consortium Agreement shall be jointly and severally liable for the consequences of non-execution of the Contract work satisfactorily covered by the aforesaid Bid document. However, in case of any dispute or differences whatsoever between the Consortium Associates/ Partners, in that event lead bidder shall be individually liable for non-execution of the Contract work satisfactorily covered by the aforesaid bid document apart from joint and several liability of other associate members of the consortium.
8. The parties to this Consortium Agreement do here by declare that the leader 1st party M/s. ____ (name of the leader-bidder)_____ shall have the authority to conduct all business for and on behalf of any and all the partners of the Consortium during the bidding process and in the event the Consortium is awarded with the Contract, shall have the authority to conduct all business for and on behalf of any and all the partners of the Consortium during the entire Contract execution period.
9. It is hereby agreed that the leader M/s. ____ (name of the leader-bidder)_____ shall be entitled to receive all instructions and communications from the owner i.e. NALCO,

on behalf of the members of this Consortium Agreement. All such instructions and communications are deemed to have been made on all the parties to this consortium Agreement.

10. The parties do here by agree that all of them shall sign the Contract agreement in case of its award, with the owner i.e. NALCO.
11. The parties do here by agree that the leader (1st party) M/s. ____ (name of the leader-bidder)____ shall remain in-charge of the entire project if awarded by the owner i.e. NALCO, but however all of them shall make every endeavour to satisfactorily execute the Contract work in its entirety to the satisfaction of the owner i.e. NALCO.
12. The parties do hereby agree that the leader -1st party- M/s. ____ (name of the leader-bidder)____ shall raise periodical bills with the owner for the works executed and the leader -1st party M/s. ____ (name of the leader-bidder)____ shall only be eligible to receive payments from the owner. The associate(s) does/do hereby declare that he/they does/do not have the authority to raise any bills in respect of the allotted Contract work, basing on this Consortium agreement. The associate(s) to this agreement can only make correspondence through the leader -1st party M/s. ____ (name of the leader-bidder)____ with the owner i.e. NALCO.
13. The parties do here by declare that so far as NALCO is concerned, the 2nd and 3rd Party is/are only the agents/partners of the leader-1st party M/s __ (name of the leader-bidder)__, though they are jointly and severally liable for the consequences those may arose during or after execution of the contract work in question.
14. The parties to this agreement covenant with each other that each of them shall be entitled to share the payments received from Nalco according to work executed by them respectively, without any reference to NALCO.
15. The parties to this Consortium Agreement shall mutually cooperate with each other and shall not do or cause to be done or indulge in any sort of activity, which would impede or adversely affect the progress of the awarded contract work and in its completion satisfactorily.
16. In the event of the acceptance of the Bid and on award of work on the leader on the basis of this Consortium Agreement, the Contract work shall be executed by all of the parties to this consortium agreement as per the bidding documents and as per the Work Schedule given here under.

WORK SCHEDULE

Sl. No.	Name of Bidder/member of consortium	Work Particulars	Completion schedule.

17. The leader of Consortium is here by authorized to incur liabilities and receive instructions for and on behalf of any and all the consortium members for the entire Contract Work.
18. This Consortium agreement having been exclusively entered in to by the associates with their Leader-Bidder, the leader bidder shall alone is accountable and answerable to the associates concerning the execution of the contract work so awarded and NALCO the owner shall in no case be held liable or answerable to the associates, for all or any of the matters covered by this consortium agreement.
19. In the event of any default in the execution of the contract, i.e. execution of work in accordance with specifications and within the scheduled time by any member/ members of consortium, the rights and obligations of the consortium shall continue to be in full force without being affected by any changes, until the final bill of the contract work of Nalco is settled. The leader shall ensure performance of the contract and if one or more associates fail to perform their respective portions of the contract, the same shall be deemed to be a default by all the members of the Consortium.
20. The parties to this consortium agreement do here by declare that they shall not cancel or amend this agreement unilaterally without the consent of the owner i.e. NALCO, which consent shall be obtained in writing.
21. It is agreed that the responsibility of all partners/ members of the consortium in respect of planning, design, construction equipment, key personnel, work execution and financing of the project has been decided and defined.
22. The associated parties i.e. M/s. _____(Name of 1st Associate)_____ shall provide adequate finances, tools and tackles, transportation equipments, other plant and equipments, measuring and monitoring devices, men and machineries, etc. for proper and effective execution of the works undertaken by them as per this Consortium agreement.

23. This Consortium agreement shall be construed and governed by laws of India and the parties here by agree to submit themselves to the exclusive jurisdiction of _____ Courts within whose jurisdiction they contract work in question is to be carried out.
24. Any matter which is not stipulated in the consortium agreement shall be settled in good faith by discussion among the parties in the spirit of understanding and cooperation.
25. All disputes or differences whatsoever arising among the parties regarding this consortium agreement, shall be settled by arbitration, in accordance with Arbitration and Conciliation Act, 1996 (as amended by 2015 Act). The Arbitral Tribunal shall consist of a sole arbitrator who shall be nominated and appointed by the Lead Bidder on the request of either party to the Consortium Agreement. The venue of Arbitration shall be at _____. With the consent of the parties the arbitrator may hold sittings at any other place other than the venue agreed for, for the convenience of the parties.
26. That during the arbitration process and after arbitration those differences/ disputes which does not resolve, in those events the lead bidder shall be wholly responsible for execution of Contract satisfactorily and individually liable for consequences under the contract thereof. However, it does not mean that other associates of Consortium are discharged from their joint and several liability under this agreement.
27. In witness whereof, the parties here to have executed this Consortium Agreement in duplicate/ triplicate, today the _____ day of _____ 20.... at _____.

1st Party (leader)

2nd party (associate)

3rd party (associate)

WITNESSES

1.

2.

Drafted, Computer typed by me, as per the instructions of the parties. Read over and explained the contents of the agreement to the parties in presence of witnesses, to which they admitted the same to be true and correct and as per their instructions and signed the same in my presence and in presence of the witnesses.

Advocate

Note: The agreement should be duly attested by Notary Public.

CHAPTER - VIII

E-PROCUREMENT

8.0 It is mandatory to receive all bids through e-Procurement portals for purchases above the value of Rs.2 Lakh. Either through GeM, Central Public procurement Portal (CPPP) or SRM-7 or any other e-portal decided by NALCO shall be used for e-procurement. SRM-7 or any other e-procurement platform of NALCO shall only be used in case of Limited Tendering where one or more of the selected vendors are foreign vendors or single/ proprietary/ standardized item tender involving foreign vendor.

In case of participation of foreign vendors in tender who do not possess digital signature, hard copy shall be accepted and the same is to be clearly mentioned in the tender.

8.1 In the Invitation to Bid published on the website/ e-procurement portal, the name, designation and e-mail address of the designated Administrator who is to be contacted by bidders, for the particular tender, should be indicated.

It shall be insisted that all bidders participating in e-tenders should submit bids only in e-mode.

8.2 However, in case it is felt necessary by the Tendering Deptt. not to resort to e-procurement method of tendering in exceptional cases exceeding Rs.2 Lakh, approval of Unit head of Materials would be required with proper reasons. The monthly report of all such cases is to be submitted to concerned director.

8.3 For e-procurement through CPPP, all documents are to be uploaded in the portal. However, original copies of only EMD, Integrity Pact and other declarations/ certificates, etc. which are required to be submitted in original as per tender, shall be submitted in hard copy form in sealed envelope. These documents should reach NALCO on or before the date and time of opening of the tender.

In case of participation of foreign vendors in the tender who do not possess Indian DSC, hard copy shall be accepted. For consideration of hard copy offer for opening, the bidder will be required to give a declaration to NALCO before the due date and time of tender submission that they do not possess requisite DSC and that their hard copy offer may be accepted. The same is to be clearly mentioned in the tender.

8.4 For e-procurement through SRM-7/ any other e-procurement platform of NALCO, bidders will be asked to submit offers on-line as well as in hard copy mode in sealed envelope

in specific cases for which reasons are to be recorded. In such cases, online bids will be considered for evaluation of offers. The hard copy of the bids submitted will only be considered for opening and for evaluation under the following circumstances.

- (a) In case of technical difficulty at Buyer's/ Bidder's E-procurement Portal for which online offer could not be submitted.
- (b) In case of technical difficulty at Buyer's E-procurement Portal for which online bids could not be opened.
- (c) In case of foreign vendors who do not possess Indian DSC.

For considering of opening of hard copy offer, under situation at (a) above, bidder has to give a request to Tender Manager of NALCO before the due date and time of tender opening, along with the proof of difficulty during submission of offer.

For consideration of hard copy offer for opening under situation (b) above, the bidders will be requested to give separately declaration that the hard copy offer submitted is identical to online offer submitted by them in buyer's E-procurement Portal.

For consideration of hard copy offer for opening under situation (c) above, the bidders will be required to give a declaration to NALCO before the due date and time of tender submission that they do not possess requisite Indian DSC and that their hard copy offer may be accepted.

The above conditions may be incorporated in NIT.

Non-availability of Class III DSC (except for foreign bidders) or any requisite software at bidder's end, will not be entertained as technical difficulty.

For situation as at 8.4(a) above, ERP Cell has to certify the technical difficulty at Nalco's SRM-7 portal or any other e-procurement platform of NALCO for which on-line offer could not be submitted by the bidder.

For situation as at 8.4(b) above, ERP Cell has to certify the technical difficulty at Nalco's SRM-7 portal or any other e-procurement platform of NALCO for which on-line offer could not be opened.

Note: As per the latest Govt. Guidelines and Company circular Ref. NBC/GeM/952 dated 31.03.2023 read with modifications vide circular dated 02.06.2023, all tenders for goods & services are to be floated in GeM portal except in some cases as mentioned therein.

CHAPTER - IX

REVERSE AUCTION

- 9.0 Electronic Reverse Auction is a type of auction (classified as dynamic procurement method) where the starting price, bid decrement, duration of auction, maximum number of automatic extensions are announced before start of online reverse auction.
- 9.1 The decision to conduct Reverse Auction will be part of Tender Document and approval for the same shall be accorded during administrative approval of the tender by Competent Authority for administrative approval.
- 9.2 Flow of auction process shall be initiated after price bid opening. Business rules like event date, time, methodology, start bid price and bid decrement value, Elapse Time, auto extension time etc. shall be indicated in NIT for information of bidders (indicative format is enclosed at Annexure-A). The exact values shall be intimated before the actual start of reverse auction.
- 9.3 If a bidder does not participate in the Reverse Auction, the price quoted by the bidder in the price bid shall be considered as the valid price of that bidder. The inter-se position of the said bidder shall be considered based on their position on completion of reverse auction.
- 9.4 In case of tender invited through GeM, Reverse Auction (RA) shall be conducted as per the provision, terms & conditions of reverse auction given on GeM portal.
- 9.5 CPP Portal Server standard time shall be the basis of Start time & Closing time for bidding and shall be binding for all.
- 9.6 In CPP Portal, the auction process will be initiated after the price bid opening by TIA. (Tender Inviting Authority)
- i. Tender-Cum-Auction type tender is created from the beginning while floating the tender. TIAs, using their own DSC, will open the price bids of all the qualified offers considered for reverse auction online. The system generates inter-se positions based on the BOQ and only L1 price will be available for views.
 - ii. Subsequently TIAs, using their own DSC, will initiate the reverse auction process in the CPP Portal. Subsequently, a reverse auction platform will be created in the CPP Portal for the tender, displaying only the L1 price(s), obtained without disclosing names of the bidder(s).
 - iii. Before initiation of Reverse Auction activity, the TIAs need to enter the following configurable parameters in CPP Portal.

- a. Type of Auction (Reverse)
 - b. Displaying of Bidder Name (Set as Hide by default)
 - c. Bid Starting Price
 - d. Bid Decremental Value
 - e. Elapse Time in Minutes
 - f. Auto Extension Time in Minutes
 - g. Maximum Seal Percentage
 - h. Auction Start Date & Time
 - i. Auction End Date & Time
- iv. Flow of Reverse Auction process will start and shall come to end after completion of the process. Once the Auction process is initiated the system takes over for auto auction activity. Then, the comparison chart is auto generated by the system after freezing of the auction process by TIA.
- 9.7 The bidders to participate in tender-cum auction process in CPP Portal, has to log into CPP Portal (i.e., <https://eprocure.gov.in/e-procure/app>) with DSC to access the application and quote from their own offices/ place of their choice. Once logged in, the software gives them a platform to place them.
- 9.8 All electronic bids submitted during the reverse auction process shall be legally binding on the bidder. The bid values submitted by the bidder are digitally signed by the bidders before submitting. The bidder, after initial submission of a bid cannot subsequently increase the bid value. They can only reduce their bid by the minimum permissible decrement or its multiples. The last bid submitted by the bidder in the Reverse Auction will be considered as the valid price bid offered by that bidder and will be the basis for evaluation/ acceptance by Nalco.
- 9.9 Types of Bill of Quantity (BOQ):
Facilities available in CPP Portal for following type of BOQs for reverse auction.
- i. Item-rate BOQ: This type of BOQ shall be used where tender evaluation is done as a whole i.e., on an overall L1 basis and not on individual item wise.
 - ii. Item-wise BOQ: This type of BOQ shall be used for tenders with multiple items and where orders can be placed on multiple bidders, whoever is L1 for that item.
 - iii. Percentage BOQ: This type of BOQ shall be used where tender evaluation is done as a whole i.e., on overall. L1 basis and not individual item wise for Plus (+)/ Minus (-) tender cases.
- 9.10 Auction Process:
- i. In case of Item-rate-BOQ and Percentage BOQ: System displays quoted L1 price

- in auction creation form and allows TIA to edit the value as start bid price. Normally TIA will enter the L1 Price as the start bid price.
- ii. In case of Item-wise-BOQ: After opening of price bids, comparison chart (multi-lot-Auction-template) is generated from CPP Portal in Excel format, and it provides L1 value of individual items.
 - iii. Data as Para 9.6 (iii) gets updated in the comparison chart (multi-lot-Auction-template) by the TIA and uploaded in CPP Portal with password protection for initiation of reverse auctioning process.
- 9.11 **Decremental Value:** It may be fixed within 0.1% to 0.5% of the starting bid price. The reduction to be offered by the bidder shall be as per the decrement value or in multiple thereof. In order to have ease of submission of reverse auction bid by the bidders it is suggested that decrement value may be rounded off to nearest rupee.
- 9.12 **Elapsed time:** It has to be set in minutes and may be fixed at five to ten minutes depending upon the simplicity/ complexity of the BOQ. There will be auto extensions of time, every time, (by five to ten minutes) in case of any reduction recorded in the last auto-extension-time duration. The reverse auction will come to a close only when there is no further bid recorded in the last five to ten-minute slot.
- i. **Auto extension time:** It has to be set in minutes. This value has to be less than or equal to elapsed time. This can be fixed at five to ten minutes.
 - ii. **Maximum Seal Percentage:** It is the maximum reduction that can be allowed in the bidding process in a single go. This value can be put as 3% which means that a bidder can reduce a maximum of 3% from the running L1 price in a single step. Higher reductions will not be allowed by the system. This protects from any possible mistakes by bidders. For any higher discount, the bidder has to repeat the action, and the system allows it.
 - iii. **Auction Start/ End Time:** The reverse auction may be conducted on the day price bids are opened. The initial period of reverse auction will be for two hours i.e. auction date & time can be set as two hours from auction start date & time. The reverse auction duration preferably should be continuous and without any break.
 - iv. Only the chronologically last bid submitted by the bidder till end of auction shall be considered as the valid price bid of that bidder. Any bid submitted early by the bidder prior to submission of his last bid will not be considered as valid price bid.
- 9.13 **Final BOQ-Comparative-Chart** is generated from the system, by freezing the tender at the end of reverse auction process. This chart contains the original offer and L1 auction price details. The log details of the entire reverse auction process will be generated by the

- system once the process of reverse auction is completed. The above information can also be accessed by the participating bidders, once the reverse auction process is completed.
- 9.14 If the tender contains multiple items, after completion of auction process the rates of individual items are reduced proportionately to match the lowest rate quoted the L1 bidder, in the reverse auction process.
- 9.15 Conversion Rate: While evaluating the bids, the latest available RBI exchange rate as on the date & time of price bid opening will be taken into account for conversion of foreign currency into Indian Rupee.
- 9.16 In case of disruption of service at the CPP Portal end during Reverse Auction Process, the Reverse Auction Process will start all over again. In such a situation, the last recorded lowest price of prematurely ended Reverse Auction Process, will be the Start Bid price for the restarted process. Disruption and restarting of Reverse Auction Process shall be intimated to all the bidders through System/ auto generated SMS/ email through CPP Portal. All the stipulations of pre-maturely ended Reverse Auction Process will be applicable to the restarted process.
- 9.17 Bidders at their own interests should ensure uninterrupted internet connectivity at their end during the reverse auction with necessary backups to take care of any connectivity problem.
- 9.18 Reverse Auction shall not be followed for:
1. Items Procured under single part/ proprietary/ standardised single tenders.
 2. LTE where number of bidders shortlisted for the tender are less than 3.
 3. Tenders involving foreign vendors
- 9.19 Items identified for Reverse Auction:
- (i) Raw materials like Lime, CP Coke, CT Pitch, etc.
 - (ii) Bulk procurement like Cement, Steel, etc.
 - (iii) General Engineering Items like Grinding media, Conveyor belts, Cables, Nuts & Bolts
 - (iv) Stores, spares, Consumables including major spares classified as property Plant & equipment, etc. The list is only indicative and not exhaustive.
- 9.20 Item(s) once identified from reverse auction in any tendering event will be procured in future through tender-cum-auction mode only and shall be implicit/ inarticulate part of above list mentioned at Para 9.19 above. Specific approval with detailed justification, needs to be taken along with administrative approval from Competent authority as per DOP clauses to exclude any such items for tendering without reverse auction.
- 9.21 Reverse auctions conducted in GeM portal will be strictly as per GeM terms & conditions.

**Guideline to bidder on Reverse Auction
(Shall be included in the Tender Document)**

1. If a bidder does not participate in the Reverse Auction, the price quoted by him in the price bid shall be considered as the valid price of that bidder. The inter-se position of the said bidder shall be considered based on their position on completion of reverse auction.
2. Price bid shall be opened at --:--Hrs on --.--,---- (date) and Reverse Auction shall commence at about --:-- Hrs and shall remain open for a minimum of two hours.
3. Starting bid price shall be the L1 offer price received against the tender.
4. Bid Decremental Value shall be Rs -----/-
5. Auto Extension Time shall be fixed at 05 to 10 Minutes
6. Other relevant parameters shall be displayed in the CPP Portal reverse auction window.
7. CPP Portal Server time shall be the basis of Start time & Closing time for bidding and shall be binding for all.
8. Auction flow is started and is closed after completion of the process. Once the Auction process is initiated the system takes over for auto auction activity. Then, a comparison chart is generated.
9. The bidders to participate in tender-cum-auction process in CPP Portal, must log into CPP Portal (i.e., <https://eprocure.gov.in/eprocure/app>) with DSC to access the application and quote from their own offices/place of their choice. Once logged in, the software gives them a platform to place bids.
10. All electronic bids submitted during the reverse auction process shall be legally binding on the bidder. The bid values submitted by the bidder are digitally signed by the bidders before submitting. The bidder, after initial submission of a bid, cannot subsequently increase the bid. They can only reduce their bid by the minimum permissible decrement or its multiples. The last bid submitted by the bidder in the Reverse Auction will be considered as the valid price bid offered by that bidder and will be the basis for evaluation/ acceptance by Nalco.
11. System displays L1 landed price in auction creation form and allows TIA to edit the value as 'start bid' price. Normally, TIAs will enter the L1 Price as the start bid price.

12. Elapsed time: Shall be fixed at ten minutes. There will be auto extensions of time, every time, (by five to ten minutes) in case of any reduction recorded in the last auto-extension-time-duration. The reverse auction will come to a close only when there is no further reduction recorded in the last ten-minute slot.
13. Maximum Seal Percentage: It is the maximum reduction that can be allowed in the bidding process in a single go. Higher reductions will not be allowed by the system. This protects us from any possible mistakes by bidders. For any higher discount, the bidder has to repeat the action, and the system allows it.
14. Only the chronologically last bid submitted by the bidder till the end of the auction shall be considered as the valid price bid of that bidder. Any bid submitted earlier by the bidder prior to submission of his last bid will not be considered as a valid price bid.
15. Final BOQ-Comparative-Chart is generated from the system, by freezing the tender at the end of reverse auction process. This chart contains original offer and L1 auction price details. The log details of the entire reverse auction process will be generated by the system once the process of reverse auction is completed. The above information can also be accessed by the participating bidders, once the reverse auction is completed.
16. In case of Item-rate-BOQ for placement of order on over-all-L1 basis; after completion of auction process the rates of individual items are reduced proportionately to match the lowest landed rate quoted by the L1 bidder, in the reverse auction process.
17. In case of disruption of service at the CPP Portal end during Reverse Auction Process for any reason, the Reverse Auction Process will start all over again. In such a situation, the last recorded lowest price of prematurely ended Reverse Auction Process, will be the 'Start Bid' price for the restarted process. Disruption and restarting of Reverse Auction Process shall be intimated to all the bidders through system/SMS/e-mail through CPP Portal. All the stipulations of pre-maturely ended Reverse Auction Process will be applicable to the restarted process.
18. Bidders in their own interest should ensure uninterrupted internet connectivity at their end during the reverse auction with necessary backups to take care of any connectivity problem.

CHAPTER - X

TENDER DOCUMENTS

10.0 Preparation of Tender Documents:

The tender documents should be in line with administrative approval and complying with the extant guidelines/ Purchase Manual/ Manual for Procurement of Goods or latest update, issued by Department of Expenditure. Due care needs to be taken to examine the estimate and the BQC to be incorporated in the NIT. The tender documents should be self-contained and comprehensive without any ambiguity. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. A carefully prepared tender document avoids delays and complaints and promotes transparency and competition. Hence, it is worth spending time and effort on this even in cases of urgency.

10.1 Single Stage Single Part Tendering:

The Tender Documents for Single Part Tender should contain the following minimum information:

- (a) Description and specification of the goods and quantity
- (b) Period and terms of delivery
- (c) Place and deadline for receipt of tenders
- (d) Place, time and date for opening of tenders
- (e) Amount and form of Earnest Money Deposit (if applicable)
- (f) Terms of Payment
- (g) Any other important information
- (h) Applicable Commercial Terms and Conditions based on item on case-to-case basis
- (i) Price Bid Format/ BOQ
- (j) Standard formats, including Bid Cover letter, bank guarantees, Integrity Pact, SA 8000 format, etc. wherever applicable
- (k) Evaluation Criteria of Bids in case of competitive bidding
- (l) Technical and Commercial Loading, if any.

10.2 Single Stage Two Part/ Three Part Tendering:

The Tender Documents for Two Part Tender should contain the following minimum

information:

- (a) Notice Inviting Tender (NIT).
- (b) Instructions to Bidders (ITB).
- (c) Special Instructions to Bidders (SIB) if applicable
- (d) Bidder's qualification criteria wherever applicable
- (e) Schedule of requirements.
- (f) Technical specifications (including Drawings) and Quality Assurance (Inspections and Tests).
- (g) Standard Terms and Conditions of Purchase, wherever applicable
- (h) Tender Documents Commercial (Import)/ (Indigenous), wherever applicable (GCC is a part of this document).
- (i) Special Conditions of Contract (SCC) wherever applicable
- (j) Agreed Terms and Conditions Questionnaire
- (k) Other terms and conditions wherever applicable on case-to-case basis
- (l) Price Bid Format/ BOQ
- (m) Standard formats, including Bid Cover letter, bank guarantees, Integrity Pact, SA 8000 format, etc. wherever applicable
- (n) Evaluation Criteria of Bids in case of competitive bidding
- (o) Technical and commercial loading, if any

10.3 **Two Stage Tendering – Expression of Interest (EOI):**

The EOI Documents in the first stage should contain the following minimum information:

- (a) Notice for Expression of Interest.
- (b) Instructions to Bidders (ITB).
- (c) Special Instructions to Bidders (SIB) if applicable
- (d) Broad Objective of the EOI
- (e) Technical & Financial Eligibility criteria
- (f) Terms and conditions of the proposed procurement

In the second stage, tender documents will be prepared as per Para – 10.2 above.

10.4 **Distribution of Tender Quantity:**

In case of critical/vital/safety/security nature of the item, large quantity under procurement, urgent delivery requirements and inadequate vendor capacity, it may be advantageous to decide in advance to have more than one source of supply. In such cases a clause should be added to the bid documents, clearly stating that NALCO reserves the right to split the contract quantity between suppliers. The manner of

deciding the relative share of lowest bidder (L1) and the rest of the tenderers should be clearly defined, along with the minimum number of suppliers sought against the tender. In case of splitting in two and three, the ratio of 60:40, 70:30; 50:30:20, respectively, may be used or a different ratio may also be used with justifications.

In all the cases where more than one source is required, approval is to be taken during administrative approval from the competent authority who has the power to approve the administrative approval as per DOP 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. It should also be mentioned in the NIT that the distribution can be changed in the event bidders eligible for ordering as per pricing position in the tender have offered/ acceptable for lesser quantity and based on participation of MSE & Ancillary Units.

In case where splitting is not stipulated in the tender, and it is discovered that the quantity to be ordered is far more than what L1 alone is capable of supplying, then the quantity being finally ordered may be distributed among the other bidders by counter offering the L1 rate in a manner that is fair, transparent and equitable based on objective data available in the bids e.g., eligibility data, quantity/delivery, etc.

10.5 In case of Open/ Global Tender the following clause should form part of the tender documents:

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, the bidder should furnish litigation history of their firm or group firm (if claiming fulfillment of BQC 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

Based on this declaration furnished by the bidder, NALCO may accept or reject the offers. This clause should be incorporated in the Tender.

10.6 EARNEST MONEY DEPOSIT (EMD)/ BID SECURITY:

Bidders may be asked to deposit Earnest Money/ Bid Security 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 exact amount of EMD/ Bid Security, rounded off to the nearest thousands

of Rupees, as determined by the Procuring Entity, is to be indicated in the bidding documents.

While working out the EMD, the Bill Selling rates of exchange declared by the State Bank of India as applicable on date of floating of Tender or previous working day (if bill selling rates for the date of floating tender is not available) will be taken into account.

Acceptable Modes of EMD: EMD may be accepted in the following forms:

- (i) Bank Guarantee (including e-Bank Guarantee) from banks acceptable to NALCO as per format of NALCO, valid for 30 days beyond the required validity of bid.
- (ii) In the form of TT remittance/ online transfer - NEFT, RTGS, SWIFT.
- (iii) Account payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque, etc. from a Commercial Bank.

The proof of such transfer/ transaction needs to be submitted with the offer. However, EMD will not be accepted in cash.

The Public Sectors, Government agencies and the Micro & Small Enterprises registered with 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), Micro & Small Enterprises having Udyam Registration Number or as per notification, others for which specific exemption has been granted by NALCO and all Startups recognized by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Govt of India are exempted from payment of EMD.

In all open/ Global 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/ Global 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.

For the tenders, which are invited electronically through CPPP, Participating MSE vendors are required to declare their Udyam Registration Number (or as per notification) in CPPP, failing which such bidders shall not be exempted from deposit of Earnest Money Deposit (EMD). This condition should be incorporated in the tender documents.

The EMD will be returned to all unsuccessful bidders within seven working days after finalization of the order with the approval of HOD of the Materials Department. The EMD of the successful bidder will be returned after they accept the order, submit Security Deposit (SD) or Contract cum Performance Bank Guarantee (CPBG) and bank confirmation of the SD/ CPBG thereafter, 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.

10.7 **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 order value (excluding taxes) is to be submitted by the successful bidder either in the form of 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 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 bills of the vendor till the full amount is recovered.

10.8 **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 5% (five percent) of the order value for Supply contract & 10% (ten percent) order value for LSTK contract 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 order value will be calculated excluding taxes. The BG shall remain valid up to 60 (sixty) days beyond the warranty/ 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 till the full amount is recovered. In all such cases, the security deposit requirement shall not be applicable.

In case of foreign vendors, the performance security should be in the same currency as the contract and must conform to Uniform Rules for Demand Guarantees (URDG 758) - an international convention regulating international securities (rules developed by the International Chamber Of Commerce).

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.

Acceptable modes of CPBG: CPBG may be accepted in the following forms:

- (i) Bank Guarantee (including e-Bank Guarantee) from banks acceptable to NALCO as per format of NALCO, valid for 60 (sixty) days beyond the warranty/ guarantee period.
- (ii) In the form of TT remittance/ online transfer - NEFT, RTGS, SWIFT.
- (iii) Account payee Demand Draft, Fixed Deposit Receipt, etc. from a Commercial Bank.

Proof of such transfer / transaction needs to be submitted.

However, CPBG will not be accepted in cash.

10.9 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. The clauses of ATC are indicative only and the ATC may be altered depending upon the tender requirement

10.10 Loading Factor:

10.10.1 The Indentor and MM Dept. shall also determine/ record the relevant factors (for technical and commercial loadings) in addition to the price to be considered in Tender Evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated tender. These factors, other than the price, to be used for determining the lowest determinable tenderer shall, to the extent practicable, be expressed in monetary terms or given relative weightage in the evaluation provisions in the Tender Document. No factors other than those specified in the Tender Document shall be used in the evaluation of offers at the time of preparing the Comparative Statement. This shall also form part of the Tender Document.

10.10.2 Loading on payment terms shall be applicable as follows and should be mentioned in the tender:

- (i) Price loading on account of payment terms at variance with payment terms of tender documents will be loaded for the relevant period @ the interest rate based on Marginal Cost of Funds based Lending Rate - MCLR (1-year tenor) of SBI for one year as on April of the said FY plus 1%. The interest rate based on MCLR shall be frozen for the tender depending on the date of issue of tender and shall be valid till finalization of the tender.
- (ii) Mobilization Advance, if insisted by bidder, shall be interest bearing. Rate of interest on advance will be based on MCLR (1-year tenor) of SBI for one year as of April of the said financial year plus 1%. No loading shall be done on account of advance payment in case the bidder accepts interest bearing advance. In case the bidder does not agree for interest bearing advance, loading shall be done as per the above rate.
- (iii) Loading in case of foreign vendor getting paid on FOB basis vis-à-vis competing indigenous vendor getting paid upon receipt of materials with 30 days credit

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

(A) In case the tender item cannot be split or divided, and when L1 bidder is not an MSE, then participating qualified MSE bidder quoting a price within the price band of L1+15% may be awarded for full/ complete supply of total tendered quantity/ value subject to matching the L1 price.

(B) In tender, if the L1 price is from someone other than an MSE, participating MSEs quoting prices within a price band of L1+15 (fifteen) per cent shall be allowed to supply up to 25 (twenty-five) per cent of the total tendered value by bringing down their price to L1 price.

In case of participation of SC/ST category MSEs in a tender with splittable or divisible quantity, minimum 4% 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 L1 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 as above, subject to matching with L1 Price in the tender.

The following MSEs would be treated as owned by SC/ST or Women entrepreneurs:

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

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

(C) In a tender with splittable or divisible quantity as per para (B) above, in case of more than one such MSEs in a tender, the supply shall be shared proportionately (to tendered quantity). However, it can be done depending upon split-ability and reasonability of distributing the tendered quantity. In case 25% quantity cannot be further divided, NALCO shall place the order for supply of 25% quantity to lowest eligible MSE amongst the MSEs qualifying within the price band of L1 + 15%.

(D) "To encourage the Ancillary units, up to 40% of the tender quantity less the quantity considered on MSEs as at para 10.11(B) above, shall be reserved for Ancillary units, subject to matching with L1, in a tender with split-able or divisible quantity.

In case no MSE is participating in the tender and/or is not matching L1 price, Ancillary units can be allowed up to 40% quantity on matching L1 price, subject to split ability & 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.

Note:

1. The above Purchase Preference to MSEs should be mandatorily incorporated in the tender as applicable for a splittable/ divisible tender or for a tender where tender quantity is not splittable/ divisible and as per administrative approval.
2. Out of the target of 25% of annual procurement from MSEs (Not in the specific tender), the sub-target of 4% of annual procurement from MSEs is earmarked for procurement from MSEs owned by Scheduled Caste (SC)/ Scheduled Tribe (ST) entrepreneurs, and 3% of annual procurement from MSEs is earmarked for procurement from MSEs owned by women entrepreneur. However, in the event of failure of such MSEs to participate in the tender process or meet tender requirements and L1 price, the 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and 3% earmarked to women entrepreneurs will also be met from other MSEs.
3. Policy benefits are applicable for all MSEs registered under Udyam Registration irrespective of relevance of product category. For the tenders, which are invited through CPPP, MSE vendors are required to declare their Udyam Registration number in CPPP, failing which such bidders will not be allowed to avail Purchase Preference Policy for MSEs. This condition should be incorporated in the tender documents.
4. Policy is meant for procurement of only Goods produced and services rendered by MSEs. Traders/ distributors/ sole agent/ works contracts are excluded from the purview of Public Procurement Policy for MSEs Order, 2012. Subcontract given to MSEs will be considered as procurement from MSEs.
5. As per Govt. guidelines all goods and services from MSEs are to be procured through GeM portal.
6. Procurement details from MSEs are to be uploaded in MSME Sambandh Portal on a monthly and annual basis

TReDS Platform:

As per the guidelines of the Govt. of India, NALCO is registered in TReDS platform of M/s. Receivables Exchange of India Limited (TReDS Platform) w.e.f. January 2018. The TReDS

platform is, for MSE vendors only, to facilitate the seller to discount the bill and get their payment immediately. The financier gets the payment from the buyer on the due date by debiting his account. Efforts need to be made to register all the MSE vendors of the company on TReDS platform and provide the benefits to all the MSE's who desire to avail the benefits of TReDS.

For the tenders, which are invited electronically through CPPP, Participating MSE vendors are required to declare their Udyam Registration number (or as per notification) in CPPP, failing which such bidders will not be allowed to avail Purchase Preference Policy for MSEs. This condition should be incorporated in the tender documents.

10.12 EVALUATION CRITERIA OF BIDS:

Supply prices shall be evaluated as follows:

(i) IMPORTED

1	FOB Price	:	As quoted
2	Add Ocean Freight	:	as quoted or estimated freight by NALCO
3	Sub - Total (CFR)	:	1 + 2
4	Marine Insurance	:	As per applicable rate (fixed through Annual Insurance Contract for FY) on CFR
5	Sub - total (CIF)	:	3 + 4
6	Customs Duty	:	As per Applicable rate on 5
7	Social Welfare Surcharge (SWS)	:	10% on 6
8	Total with CD & SWS	:	5 + 6 + 7
9	IGST	:	As per applicable rate on 8
10	GST Compensation Cess	:	As per applicable rate on 8
11	Landed cost	:	8 + 9 + 10
12	Custom clearance, handling and transportation up to site	:	As quoted or estimated @3% on 11
13	Total FOT Site Price	:	11 + 12
14	Technical loadings, if any	:	On FOB Supply Price
15	Commercial loadings, if any	:	On FOB Supply Price
16	Total after loading	:	13 + 14 + 15
17	Less, Input Tax Credit (ITC)	:	(-) 9 + (-) 10
18	Total Comparable Price	:	16 + 17

Notes:

- A) 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.
- B) GST Compensation cess shall be applicable for items as notified by Govt. of India from time to time.
- C) The aforesaid evaluation will be applicable for Bulk items, Capital Equipments & Project Items.
- D) For Spares, loading of 5% is to be done on FOB price at Sl. No. - 2 above. Sl. Nos. – 4 & 12 are to be deleted.
- E) The above-mentioned calculation is an example only.

Bids in Foreign Currency shall be evaluated based on Bill selling exchange rate of SBI/ FBIL/ RBI available as on date of price bid opening. For imported proprietary spares, bids shall be evaluated based on Bill selling exchange rate of SBI/ FBIL/ RBI available as on date of receipt of the offer through mail/ hard copy.

In the Tender Documents where the above evaluation criteria are incorporated, a clause may be specifically incorporated mentioning that the taxes and duties will be applicable as on the date of price bid opening.

Transit Insurance is borne by NALCO. In case the bidder quotes insurance charges inclusive, they will be requested to furnish the takeout price. If they still insist for inclusive insurance charge, their bid shall be loaded by the % (percentage) indicated in the evaluation criteria.

(ii) **INDIGENOUS**

1	FOT Despatch Point	:	As quoted
2	Freight Charges	:	As quoted
3	Total Price	:	1 + 2
4	IGST/CGST & SGST	:	As per applicable rate on 3
5	GST compensation cess	:	As per applicable rate on 3
6	Total including GST & GST compensation cess	:	3 + 4 + 5
7	Transit Insurance	:	As per applicable rate (fixed through Annual Insurance Contract for FY) on 6
8	Technical loadings, if any	:	On FOT Despatch price
9	Commercial loadings, if any	:	On FOT Despatch price
10	Total after loading	:	6 + 7 + 8 + 9
11	Less, Input Tax Credit (ITC)		(-) 4
12	Total Comparable Price	:	10 + 11

Notes:

- A) 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.
- B) Compensation cess shall be applicable for items as notified by Govt. of India from time to time.
- C) The above-mentioned calculation is an example only.

In the Tender Documents where the above evaluation criteria are incorporated, a clause may be specifically incorporated mentioning that the taxes and duties will be applicable as on the date of price bid opening.

Transit Insurance shall be borne by NALCO. In case the bidder quotes insurance charges inclusive, they will be requested to furnish the takeout price. If they still insist for inclusive insurance charge, their bid shall be loaded by the % (percentage) indicated in the evaluation criteria.

In the case of composite contracts i.e., contracts involving both supply and site work (i.e., civil structural, installation, commissioning, PG Test, etc.) Marine cum Erection (MCE) insurance shall be in the scope of the supplier, wherever possible and on case-to-case basis.

10.13 Clarification of Tender Documents

In cases where pre-bid conference is not held, provisions shall be incorporated in the tender document that bidders can submit relevant queries to the tender inviting office within 5 to 15 days (to be decided on case to case basis depending on the duration for which the tender is kept open) from the date of publication of NIT in case of open tenders or from the date of issuance of bid document in case of Limited Tenders.

Queries on technical issues, if any, received shall be examined by the technical department, for issuing replies directly to the bidder within reasonable time. Queries on commercial issues, if any, received shall be examined by the Materials Department, for issuing replies to the bidder within a reasonable time. All replies shall be ensured before the bid due date and time.

10.14 Pre-bid Conference/ Meeting

In case of turnkey contract(s) and facilities of a special nature for procurement of sophisticated and costly equipment or large works, a suitable provision is to be kept in the bidding documents for pre-bid conference for clarifying issues/ clearing doubts, if

any, about the specifications and other allied technical/commercial details of the plant, equipment and machinery projected in the bidding document and for ensuring that the technical requirements provide a level playing field.

The date, time and place of the pre-bid conference should be indicated in the tender documents. Bidders should be asked to submit written queries in advance of the conference. After the conference, the techno-commercial requirements may be revised if considered necessary by way of issue of a formal corrigendum after approval of Competent Authority. The corrigendum will be hosted on the NALCO Website.

Submission of bids shall be allowed only after pre-bid discussions or after issue of corrigendum wherever necessary. The date after which submission of bids shall be allowed should be mentioned in the tender itself or in the corrigendum if such corrigendum is issued after pre-bid discussions. The copy of corrigendum may also be sent to all bidders who had participated in the pre-bid discussions in order to ensure transparency and to give them the opportunity to revise their offer if so desired. The duration needed for submission of bids shall be frozen during the pre-bid discussion in consultation with the bidders.

10.15 **Revision in Technical Specification and Scope of Work (SOW):**

1. Once given along with the approved PR, Technical Specification and SOW would be considered as final.
2. In case after the pre-bid conference, if it becomes necessary to revise/ amend the specifications based on the inputs received from the vendors then same would require approval of the competent authority, who had originally approved the scope of work, with full justification.
3. After floating of tender, where no pre-bid conference takes place, no change in specifications or scope of work or special conditions of contract is admissible generally. If the indenter seeks revision of any of the above based on the queries received or otherwise, the approval of the concerned authority who had originally approved the scope of work will be required with full justification.
4. Change in scope of work/ specification after opening of tender (Part-I – Un-priced bid) is not permissible, except for cases of proprietary tender.

10.16 **Amendment to Tender Documents:**

At any time prior to the date of submission of bids, the purchaser may, whether at his own initiative or in response to a clarification sought by a prospective bidder, amend

bid documents by issuing a corrigendum with the approval of the concerned authority. The corrigendum shall be notified through email to all known prospective bidders. Such amendments are also to be uploaded on the relevant website. When the amendment/ modification changes the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments, and prepare a revised tender, the time and date of submission of tenders are also to be extended suitably, along with suitable changes in the corresponding timeframes for receipt of the tender, tender validity period, and so on, and validity period of the corresponding EMD.

10.17 **Extension of due date for submission of Tender:**

10.17.1 When the amendments/ modifications in tender change the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments/ modifications & prepare their revised tender, the time and date for submission of tenders shall be extended suitably, along with necessary changes in the corresponding timeframe for receipt of tender. In such cases, intimation should be sent to all the tenderers to whom tenders have been issued and approved corrigendum shall be simultaneously published on the NALCO website.

10.17.2 In the event of extension of the due date, if any tenderer requests in writing before the tender due date for withdrawing of their tender (in hard copy) which they have submitted, the request may be agreed to, and their tender can be returned. In case of e-tender the vendor may withdraw their offer from the system.

10.17.3 Where, for any reason, the due date and/or time of opening the tender is extended, the concerned executive shall intimate the revised tender opening date and time to all the firms to whom the tender had been issued in case of LTE irrespective of the number of quotations already received. In the case of Open/ Global Tender, the extension of bid due date will be hosted in the websites where the original tender was hosted. Intimation may also be given to all the bidders who have already submitted their offer, other parties who have shown interest in the tender as well as any prospective/ potential vendors.

10.17.4 Requests for extension of tender submission received on the date of tender submission shall NOT be considered in case sufficient bids are received.

10.18 **Validity of Tender**

The maximum validity of the tender from the date of its opening may be fixed in the NIT as under:

Sl. No.	Tender system	Validity Period
1	Single Tender	45 days
2	Limited Tender single Part	60 days
3	Limited Tender two part	90 days
4	Open Tender/ Global Tender	120 days (for regular procurements) 180 days for (LSTK/ irregular procurements)

10.19 Issue of bidding documents to firms with whom business has been banned/ suspended/ not settled the risk and cost claim:

It may be specified in the Tender that firm(s) to whom no further business is to be given or dealings with whom have been banned/ suspended/ not settled the risk and cost claim, are not eligible to participate in the tender and any bid received from such firm(s) shall not be considered and will be returned un-opened to the concerned firm(s).

10.20 **Conflict of Interest:**

In Techno-commercial bids, the bidders shall be required to 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. They shall also be required to give a declaration giving the names of other firms/ agencies/ partnership firm/ wholly owned or partly owned subsidiary, etc., where they are having financial/ professional stakes and also give a certificate, if any, such firm/ agency is participating against the subject tender. The declaration by bidder should be certified by a Chartered Accountant.

In determining allied firms/ conflict of interest among bids submitted against the tender, the following shall be taken into consideration:

- (a) Whether they have Board of Directors/management in common as per Annual Report/ declaration submitted against the tender. (OR)
- (b) Whether they have received any direct or indirect subsidy/ financial stake from any of them. (As per declaration by the bidder)
(OR)
- (c) Whether they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder. (As per Declaration by the bidder)
- (d) The bidder participates in more than one bid in the bidding process. As per documents/ declaration submitted)

- (e) They have the same legal representative/ agent for the purpose of the bid. (As per documents/ declaration submitted)

Note: A principal can authorize only one agent, and an agent should not represent or quote on behalf of more than one principal. There can be only one bid from the principal manufacturer directly or through an agent on his behalf. However, this shall not debar more than one Authorised distributor (with/ or without the OEM) from quoting equipment manufactured by an Original Equipment Manufacturer (OEM) in procurements under a Proprietary Article Certificate or Standardized Certificate.

- (f) Bidder or any of its affiliates participated as consultant in the preparation of the design or technical specifications of the contract that is the subject of the bid.
- (g) In the case of a holding company having more than one independently manufacturing unit, or more than one unit having common business ownership/ management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/ common business/ management units in same/ similar line of business. (As per documents/ declaration submitted)

Note: -

(1) Specific declaration in a format should be sought from bidders in the NIT in respect to clauses (a) to (g) above duly certified by Chartered Accountant.

(2) Copies of published latest annual report of the bidder to be sought. In case, annual report is not being published by an organization/entity, the annual report to be duly certified by the Chartered Accountant.

Offers received against a tender from such firms as stated above, shall be considered that the offers are from a single source and only the lowest bid price, out of such multiple techno-commercially acceptable offers, shall be considered for evaluation & other bids shall be rejected. If prices quoted by the bidders are the same, then the bidder who has the highest eligible quantity shall be considered.

CHAPTER - XI

RECEIPT AND OPENING OF OFFERS

11.1 **DESPATCH & RECEIPT OF TENDERS:**

11.1.1 While tender enquiries can be sent through Online/Post/ Courier.-

The following shall be the recognized methods for receipt of tender: -

- i. Tenders received by Post.
- ii. Tenders received by Courier service.
- iii. Tenders received through Tender Box. Location of the Tender Box is to be indicated in the Tender Document.
- iv. Handed over to dispatch section by bidder(s)
- v. Through e-portal as described in e-procurement

11.1.2 E-mail quotations may also be considered as valid quotations in the case of single tenders (single tenders as defined at Chapter IV).

11.1.3 The mode of dispatch and receipt of tender is to be clearly specified in the NIT.

11.2 For the purpose of opening, tenders shall be classified into following categories:

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

11.2.2 Late Tender:

Tenders received after the due date and time of tender submission will be treated as late Tenders.

Such tenders shall not be considered except for single tenders.

11.2.3 Offers received against Single Tender cases can be opened before or after the tender opening date by the dealing MM Dept.

11.2.4 **Unsolicited Tenders/ Offers:**

The following tenders/ offers are called unsolicited tenders/offers.

- (i) Tenders/ offers received from parties to whom the enquiry has not been sent, except those to whom the enquiry has been forwarded by the original bidder to quote on their behalf. Bids/ offers submitted by non-empaneled vendors, against tender floated with empanelment requirement on GeM.

- (ii) 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.
- (iii) Un-called for tenders/offers submitted by bidders after negotiation. Such tenders shall not be considered.

11.3 **Withdrawal, Substitution and Modification of Tenders**

The tenderer, after submitting the tender, is permitted to withdraw, substitute or modify the tenders in writing without forfeiture of EMD, provided these are received up to the date and time of submission of tender. Any such request received after the prescribed date and time of submission of tenders will not be considered. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of offer validity. Withdrawal of a bid during this period will result in forfeiture of the bidder's EMD and other penal actions.

11.4 **OPENING OF TENDER:**

As far as possible, the tenders are to be opened on the due date and time specified in the NIT. The tenders can be opened on any working day. If any due date happens to be unscheduled holiday, then next working day may be fixed. Provision to be kept in the Tender for such eventuality.

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.

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.

Composite 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, extension of bid opening date or opening of the bids will be given with approval of competent authority as per DOP.

Tender Opening Committee:

Tenders shall be opened by a Tender Opening Committee consisting of responsible officer from Materials Deptt. and Finance Department.

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

Price bids for the two-part tender will be opened after approval of Committee recommendations (wherever applicable) by the Competent Authority. In two-part tenders if any tender(s) is/(are) received in composite form in hard copy, 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 (in offline tendering mode) shall be serially numbered and signed on all pages by the nominated officers of the Materials and Finance Department. Any over-writing or corrections on the tender shall be encircled and initialed by both the persons with date. Offers received in online mode and over mail (in case of proprietary items) need not be signed.

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

In case technical bid is not properly submitted / could not be decrypted in on-line tenders, such documents / clarifications can be taken from the bidder with approval of CA for placement of order as per DOP.

11.5 **OEM/ Authorised Dealer/ Agents of Supplier**

When a firm sends a quotation for an item manufactured by a different company, the firm is also required to attach in its quotation that manufacturer's valid authorisation certificate and also manufacturer's confirmation of extending the required warranty for that product (in addition to the tenderers' confirmation to the required warranty). If the firm is an authorised agent/ dealer of that manufacturer, certified documentary evidence to this effect is to be attached along with the quotation. This is necessary to ensure a quotation from a responsible party offering the genuine product, also backed by a warranty obligation from the concerned manufacturer.

The manufacturer's authorization must be insisted upon on tender specific basis, not on general authorisation/ dealership basis, by declaring so in the bid documents clearly. In cases where the manufacturer has submitted the bid, the bids of its authorised dealer will not be considered and EMD will be returned.

One agent cannot represent more than one manufacturer or quote on their behalf in a particular tender enquiry. One manufacturer can also authorise only one agent/ dealer except for proprietary or standardised cases. There can be only one bid from the following:

1. The principal manufacturer directly or through one agent on his behalf; and
2. Indian/ foreign agent on behalf of only one principal.

- 11.6 Wherever foreign company/ supplier participates in the tender, purchases should preferably be made directly from the suppliers/ manufacturers. However, either the agent on behalf of the Principal/ OEM or the Principal/ OEM directly be permitted to bid in a tender, but not both. If agents/ dealers/ Stuckists of foreign companies quote along with manufacturer, only the offer of Principal/ OEM will be considered as valid. One agent cannot represent two suppliers/ Principal/ OEM or quote on their behalf in a particular tender.
- 11.7 In the event, during the process of procurement action, the name of the Company changes because of acquisition, merger, change in name, etc., then such cases on being vetted by Legal Department/ Company Secretary Deptt., can be approved by GGM (Materials) for placement of Order on the newly formed Company by considering the Bidder Qualification Criteria of the original Company.
- 11.8 In the event, after placement of order, the name of the Company changes because of acquisition, merger, change in name etc., then such cases on being vetted by Legal Department/ Company Secretary Deptt. can be approved by the competent authority who has approved for placement of Order. In the event proprietor of the company changes due to demise of the original proprietor and GST number of the company changes subsequently then such cases on being vetted by Legal Department/ Company Secretary Deptt. can be approved by the competent authority who has approved for placement of Order for issue of suitable order amendment.

CHAPTER - XII

EVALUATION OF TENDER

12.0 SINGLE PART TENDER:

Technical evaluation will be done by the Indentor after seeking necessary clarifications directly from the bidders, which are not having any price implication but not beyond scope of tender and commercial evaluation will be done by the Materials Department. However, technical clarification of the bids received through GeM tender shall be taken only through GeM portal in coordination with concerned purchaser of Materials department.

In case of proposal valuing more than Rs.50 Lakhs, the Tender Committee will send its recommendations for approval of the Competent Authority, for placement of order/ award of contract.

Where no Committee is required as per D.O.P., the indenter will scrutinize technical aspects and send to the MM Dept. its clear-cut recommendations within seven days from the date of receipt of offer by the indenter. Where the finally assessed value based on actual prices is substantially higher or lower than the estimate, the Indenter should specifically comment on the basis of their estimation and the reasonableness of quoted price. Based on technical recommendation, Materials Department will examine the commercial aspects, obtain clarifications, if required and process the case for placement of order/award of contract, after negotiation if required.

In case of single part tender involving more than one vendor, as a principle, commercial clarifications having price implication from bidders after opening of tenders are to be avoided. However, 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 wherever the loading conditions has been mentioned in the tender.
- b) Deviations of minor nature, which have no financial implications, can be considered in the interest of competition.
- c) For tenders, where procurement of all the items of an indent is required from

one source is a condition, the bidder shall be asked to quote all the items and the offer 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 on case-to-case basis.

No change in technical specifications shall be done at Tender Scrutiny stage. In case of any change in technical specifications, re-tendering will have to be resorted to except for tenders with PAC.

12.1 **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 Group General Manager for technical evaluation wherever necessary.
- (i) During evaluation, if any, technical or commercial clarifications are required the same shall be obtained either through correspondence or discussions backed with correspondence with tenderers by User or Materials Department respectively. However, technical clarification of the bids received through GeM tender shall be taken only through GeM portal in coordination with concerned purchaser of Materials department. Clarifications should be sought from bidders, by specifying a reasonable cut-off time for submission of clarifications/ confirmations/ deficient documents. Sufficient time should be given to the bidders to submit their responses depending upon the nature of clarifications/ confirmations/ deficient documents which are required to be submitted. The guiding principle in accepting clarifications is that the basic structure of the bid already submitted by the bidder should not be allowed to change after opening of bids. The technical committee will give their technical recommendation well within the offer validity period. In case, offer validity has expired during technical evaluation, suitable offer validity extension will be taken by the technical committee before forwarding their approved technical recommendation to Materials Deptt. The proposal for acceptance of Techno Commercial bids, shall be prepared by the Committee and approved by the Competent authority as per DOP 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 give their technical recommendation well within the offer validity period. In case offer validity has expired during technical evaluation, suitable offer validity extension will be taken by the Technical Deptt. before forwarding

their approved technical recommendation to Materials Deptt. 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.

12.2 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/checking the comparative statement. Wherever the NIT stipulates splitting of Orders, conditional discount, if any, shall be considered while evaluating bids and determining inter-se positions only up to the eligible quantity as per NIT.

12.3 In case more than one tenderer is qualifying as L1 (when there is a tie for L1 position), after price evaluation and the order is not to be split, the placement of order shall be done after obtaining reduced revised price bid from the L1 tenderers in sealed envelope. However, provision of finalization of such cases shall be done as per GeM provision for the cases tendered on GeM.

12.4 **REVISED PRICE BIDS/ PRICE IMPLICATION:**

The following clauses shall be incorporated in all tenders to be floated through CPPP/ SRM-7/ any other e-procurement platform of NALCO towards submission of price implication in off-line mode in two-part tenders:

- (a) In case the validity of offers expires during the processing of the case, all the techno-

commercially accepted bidders shall be requested to extend the offer validity with same price and terms & condition of the tender. The offers of such bidders shall be rejected if they do not extend the validity unconditionally.

- (b) In case of withdrawal of deviations to NIT specification, if any, bidder insists for revision in price before opening of price bid and Nalco agrees for the same, the submission of price implication shall be in offline mode from the bidder in a sealed envelope by hand/ password protected file through e-mail within a stipulated time. The submission of price implication shall be intimated for information to all other techno-commercially acceptable bidders.
- (c) In case of necessity due to post tender minor changes in specifications/ scope of work/ terms & conditions of NIT, etc. before price bid opening, corrigendum shall be issued regarding the changes to all concerned techno-commercially qualified bidders and they shall be permitted to submit the price implication, if any, in offline mode in sealed envelope by hand/ password protected file through e-mail within a stipulated time.
- (d) The price implication submitted in offline mode by the bidders shall be opened and uploaded in CPP portal (preferably as part of techno-commercial evaluation summary while configuring price bid opening) before opening of original price bids for information of all the participating bidders. The evaluation will be done taking into account the original on-line price bid along with offline price implications.

However, provision of finalization of such cases shall be done as per GeM provision for the cases tendered on GeM.

12.5 **ADVANCE PAYMENT**

12.5.1 Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make Interest bearing recoverable advance payments in the following types of cases:

- i) Advance payment demanded by firms for high value equipment
- ii) Advance payment demanded by firms against turnkey/ project contracts

Such advance payments should not exceed 30% of the Contract Value.

The rate of interest of such advance shall be based on MCLR (1-year-tenor) of SBI as declared in the month of April of that financial year of bid floating date plus 1%. The rate of interest shall be made variable instead of fixed for entire tenure of the contract.

If the advance amount is up to 10% of the contract value, the amount of Advance BG (ABG) to be submitted by the vendor shall be 110% of the advance amount. If the advance amount is above 10% of the contract value, the amount of Advance BG (ABG) to be submitted by the vendor shall be 115% of the advance amount. The ABG shall be valid up to the completion period plus one-month, shall be from any bank as per list provided by NALCO and in a format acceptable to the NALCO. The contractor/ supplier shall at the request of NALCO suitably extend the validity of the ABG for such period as may be required.

The advance shall be paid as follows:

For Supply:

1. The advance will be interest bearing and recoverable.
2. The advance shall be paid to the vendor/ supplier, if requested by them, in not less than two installments in case the advance sought is up to 10% of the order value (excluding taxes & duties) and in not less than three installments in case the advance sought is above 10% of the order value (excluding taxes & duties).
3. Advance shall be made against submission of Contract cum Performance Bank Guarantee as per Contract Terms and submission of ABG for amount as mentioned at Para – 12.5.1 above.
4. The second and subsequent installments of the advance amount shall be paid after submission of utilization certificate with supporting documents by the vendor/ supplier for the previous installments paid for execution of this contract only. If it is found that, the said advance has been utilized by the vendor/ supplier in whole or part for any other purpose; NALCO may at its discretion forthwith recall the entire advance and without prejudice to any other right or remedy available to the NALCO, recover the same by recourse to forfeiture the Bank Guarantee(s).
5. Contractor/ Supplier may submit multiple BGs (each BG should not be less than 25% of the advance amount) for facilitating release of BG amount equivalent to advance realized from their invoice.
6. Recovery of advance paid shall start from 1st Invoice and will continue till the full advance amount and interest is recovered.
7. No commercial loading shall be done on account of payment of advance if the vendor agrees for interest bearing advance as per our NIT.

8. Modality for advance (% percentage of advance and number of installments and its recovery modality, etc.) payment shall be approved during administrative approval and shall be suitably incorporated in the tender.

For Site Work:

1. The advance will be interest bearing and recoverable.
2. The advance shall be paid to the Contractor, if requested by them, in not less than two installments in case the advance sought is up to 10% of the order value (excluding taxes & duties) and in not less than three installments in case the advance sought is above 10% of the order value (excluding taxes & duties).
3. Advance shall be made against submission of Contract cum Performance Bank Guarantee as per Contract Terms and submission of ABG for amount as mentioned at Para – 12.5.1 above.
4. The second and subsequent installments of the advance amount shall be paid after submission of utilization certificate by the vendor/ contractor for the previous installments paid for execution of this contract only and satisfactory site Mobilisation by the contractor duly certified by the Engineer-In-Charge. If it is found that, the said advance has been utilized by the vendor/contractor in whole or part for any other purpose; NALCO may at its discretion forthwith recall the entire advance and without prejudice to any other right or remedy available to the NALCO, recover the same by recourse to forfeiture of the Bank Guarantee(s).
5. Recovery of advance paid shall start from 1st Running Account (RA) Bill and will continue till the full advance amount and interest is recovered.
6. No commercial loading shall be done on account of payment of advance if the vendor agrees for interest bearing advance as per our NIT.
7. Modality for advance (% percentage of advance and number of installments and its recovery modality, etc.) payment shall be approved during administrative approval and shall be suitably incorporated in the tender.

12.5.2 Normally Advance payment to the vendors without bank guarantee and without interest should not be considered. 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.

12.6 **GUIDELINES FOR EVALUATION OF SINGLE BID SITUATION:**

12.6.1 This guideline is to deal with single bid situation during tendering process of Limited Tender Enquiry (LTE), Open Tender (National Competitive Bidding - NCB) and Global Tender (International Competitive Bidding - ICB). This will ensure timely Placement/ issuance of orders ensuring clarity and uniformity in decisions in procurement under single bid situation.

12.6.2 **DEFINITION OF SINGLE BID/ RESULTANT SINGLE BID:**

SINGLE BID:

Receipt of one responsive bid against LTE/NCB/ICB excluding proprietary cases or where single party is standardized/ single nomination basis cases.

RESULTANT SINGLE BID:

Single acceptable bid against receipt of multiple bids (i.e. one bid is techno-commercially qualified against receipt of multiple bids) in LTE/NCB/ICB.

12.6.3 **APPROVING AUTHORITY:**

In case of Single bid situations, restricted powers of Single tender mode of procurement would apply as per DOP.

12.6.4 **TENDERING PROCEDURE TO BE FOLLOEWED IN ALL TENDERS:**

Before according administrative approval for a tender to be floated, following procedure will be followed:

- The bidders qualifying criteria (BQC) of the tender shall be framed generic in compliance to the provision of extant rules & procedures of the company.
- Latest estimate should be prepared as per scope of work based on budgetary quotation/ executed value of similar work escalated to the latest level/ DSR/ CPWD/ Internal information (last purchase order value duly escalated)/ Market scenario during the tendering period/ consultant recommendation.
- The tender enquiry should be published in, NALCO website and consultant's website (wherever consultant is engaged).
- For submission of bids, time should be given as per the extant procedure and guideline

of Nalco/ approved by competent authority (in case of deviation) along with intimation and follow-up with the vendors for both Open/ Global & LTE tenders.

- In case of OPEN/ LTE, registered and relevant vendors/ shortlisted vendors shall be given intimation about forthcoming tenders via mail.
- In case where there is no concrete information on source of supply/ services, Pre-NIT discussion with the vendors or EOI may be considered for finalization of techno-commercial points for the tender.

12.6.5 CHECK LIST FOR ACCEPTANCE AND REJECTION OF SINGLE BID/ RESULTANT SINGLE BID:

Following Check list shall be followed for acceptance/ rejection of Single/ resultant single bids.

ACCEPTANCE OF SINGLE BID/ RESULTANT SINGLE BID:

SI. No.	Description	Status
01	While seeking Administrative approval, mode of tendering/ mode of purchase has been followed as per guideline of Contract Manual/ Purchase Manual/ extant rules and guidelines approved by Management. (Justification to this effect have been made by proposing department/ Technical committee/ Consultant.)	Yes/ No
02	The NIT has been hosted in NALCO website, Consultant website (in case consultant is engaged for floating of tender) & communicated to shortlisted vendors through mail/letter by respective tendering agency. (Documentary evidence available in compliance to this clause)	Yes/ No
03	Bid submission time has been given in NIT as per provision of Contract Manual (Cl. 8.4) /Purchase Manual (Cl. 4.11). In case of deviation to above provision (less or more than the stipulated time of above Manuals), specific approval has been taken from competent authority with justification.	Yes/ No
04	The Bidders qualifying criteria (BQC) are generic in nature & are not unduly restrictive. (While seeking administrative approval of competent authority on BQC, declaration on generic BQC should be made by proposer/ Technical Committee/ consultant.). For all cases BQC is to be endorsed by a committee consisting of Indenting, Tendering & Finance Department.	Yes/ No

SI. No.	Description	Status
05	After compliance of all above four points, the price bid (single bid/ resultant single bid) has been opened with approval of Competent Authority.	Yes/ No
06	After opening of the price bid, the reasonableness of the negotiated price has been established by Tender Evaluation Committee/ approved committee in comparison to latest estimate prepared based on <ul style="list-style-type: none"> • budgetary quotation Or • executed value of similar work escalated to the latest year Or • estimate based on prevailing DSR Or • CPWD rate analysis Or • Internal information (last purchase order value duly escalated)/Consultant recommendation. Or • Market scenario during the tendering period 	Yes/ No

Note: (i) For acceptance of single bid/ resultant single bid after opening of techno-commercial Part-1 offers and before opening of price bids, all points from 1 to 4 above are to be complied/ marked as YES.

(ii) For acceptance of single bid/ resultant single bid after opening of price bid, Sl.No.-6 above is to be complied/ marked as YES along with reasonableness to be certified by Tender Committee members/ USER Deptt./ Consultant.

REJECTION OF SINGLE BID / RESULTANT SINGLE BID:

01	(i) Single bid / Resultant single bid is liable to be rejected before price bid opening in case any one point of the above mentioned in SI no (1) to (4) is not complied with, subject to approval of competent authority. (ii) In case the negotiated price of single bid/ Resultant single bid could not be established to be reasonable, the tender is liable to be cancelled, subject to approval of competent authority.
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CHAPTER – XIII

NEGOTIATION

13.1 Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances. If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is techno-commercially responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate. The circumstances where negotiations may be considered could be:

- a) Where the procurement is on proprietary or nomination basis
- b) Procurement is from single or limited sources
- c) Procurements where there is suspicion of cartel formation
- d) Where the requirements are urgent and the delay in re-tendering for the entire requirement due to the unreasonableness of the quoted rates would jeopardise essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements. The balance bulk requirement should, however, be procured through a re-tender, following the normal tendering process.

13.1.1 The decision whether to invite fresh tenders or to negotiate, should be made by the tender accepting authority based on the recommendations of the Tender Committee. Convincing reasons must be recorded by the authority recommending negotiations. The CA should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated.

13.1.2 A counteroffer to L1, in order to arrive at an acceptable rate, shall amount to negotiation. However, any counteroffer to L2, L3, and so on (at the rates accepted by L1) in case of splitting of quantities shall not be treated as counteroffer or negotiation.

13.2 During price negotiations, changes in the already decided techno- commercial terms shall not be allowed and no increase in price is permitted.

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.

13.3 When more than one source is required or the lowest bidder has not offered for full tender quantity, negotiation will be held first with L1 bidder in case negotiation is

necessary to freeze the acceptable L1 price. The frozen L1 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 L1 bidder or the distribution quantity stipulated in the tender provided he has offered for such quantity and is considered acceptable, the remaining quantity will be distributed among bidders (who have matched L1 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 cannot be kept in abeyance till the next tender, then negotiation will be held with the lowest bidder who have not matched the L1 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. However, orders on differential pricing shall be avoided.

If the L1 bidder has offered more quantity than allocated for L1 bidder and other bidders do not match the L1 price, then the L1 bidder can be considered for additional quantity.

- 13.4 In case of critical/vital/safety/security nature of the item, large quantity under procurement, urgent delivery requirements and inadequate vendor capacity, it may be advantageous to decide in advance to have more than one source of supply. In such cases a clause should be added to the bid documents, clearly stating that NALCO reserves the right to split the contract quantity between suppliers. The manner of deciding the relative share of lowest bidder (L1) and the rest of the tenderers should be clearly defined, along with the minimum number of suppliers sought against the tender. In the case of splitting in two and three, the ratio of 60:40; 70:30; 50:30:20, respectively, may be used or a different ratio may also be used with justifications.

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. It should also be mentioned in the NIT that the distribution can be changed in the event bidders eligible for ordering as per pricing position in the tender have offered/acceptable for lesser quantity and based on participation of MSE & Ancillary Units.

In case where splitting is not stipulated in the tender, and it is discovered that the quantity to be ordered is far more than what L1 bidder alone is capable of supplying, then the quantity being finally ordered may be distributed among the other bidders by counter offering the L1 rate in a manner that is fair, transparent and equitable based on objective data available in the bids e.g., eligibility data, quantity/ delivery, etc.

13.5 The negotiation shall be held by the designated Committee by discussion/ E-mail/ video conferencing/ telephonic discussion. However, provision of finalization of such cases shall be done as per GeM provision for the cases tendered on GeM.

13.6 On completion of negotiation, the reasonableness of the price may need to be recorded. However, in cases 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.

13.7 REASONABLENESS OF PRICE:

13.7.1 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.

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

(i) Last Purchase Price (LPP) of same (or, in its absence, similar) goods, duly escalated based on relevant indices available from web/ net or industry publications.

Where the firm holding the LPP contract has defaulted, the facts should be highlighted and the price paid against the latest contract placed prior to the defaulting LPP contract, where supplies have been completed, should be used.

Where the supply against the LPP contract is yet to commence, that is, delivery is not yet due, it should be taken as LPP with caution, especially if the supplier is new, the price paid against the previous contract may also be kept in view.

(ii) Price list of manufacturers, PO copies for same/ similar items from other Govt./ Govt. Underatkinings/ reputed private companies.

(iii) Current market price of same (or, in its absence, similar) goods.

(iv) Price of raw materials, which go into the production of goods

(v) Receipt of competitive offers from different sources

(vi) Quantity involved

(vii) Terms of delivery

(viii) Period of delivery

(ix) Cost analysis (material cost, production cost, overheads, profit margin)

(x) Prices paid in emergencies or prices offered in a distress sale are not accurate guidelines for future use. Such purchase orders shall not be considered for comparison purpose

13.7.3 In order to assess the reasonableness of the price in the case of Single Tender, cost price data as per format enclosed at Annexure-I 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 the offer submitted by the bidder.

13.8 **CONSIDERATION OF ABNORMALLY LOW BIDS**

An Abnormally Low Bid is one in which the bid price appears so low that it raises material concerns as to the capability of the bidder to perform the contract at the offered price.

In such cases, Purchase Deptt. will ask Indenting Deptt. to justify the workability of the bid price vis-à-vis the estimate. The performance of similar equipment/ item against similar order may also be referred for certification. Indenting Deptt. may seek written clarifications from the bidder that they have well understood the scope of work, schedule and any other requirements of the tender documents. The bidder may also be asked to give detailed price analysis in relation to the above scope of work, schedule, etc.

Based on the justification given by the bidder and Indenting Deptt. on workability of rates, bid shall be considered for ordering.

However, it would not be advisable to fix a normative percentage below the estimated cost, which would automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of the bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.

- 13.9 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.

In case L1 bidder backs out, re-tendering should be resorted to in a transparent and fair manner without considering the backed-out tenderer. Besides forfeiting the EMD (wherever applicable) submitted by the said tenderer, the tenderer shall be kept under hold without issue of tender enquiries up to next one year including barring participation in open tenders with the approval of Competent Authority.

Annexure-I

Bidder to furnish

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

Annexure-II

FORMAT OF COST ANALYSIS

Break - Up of Fixed Price Quotation Year of Quotation		
(Rs. in Lakhs)		
Sl. No.	Particulars	Rs.
1.	MATERIAL	
	Imported	
1.1	i) Raw Materials Rejection (% on (i))	
1.1	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 – XIV

CANCELLATION OF TENDER

14.0 Tenders may be cancelled under the following circumstances:

- a) If the quantity and quality of requirements have changed substantially or there is an un-rectifiable infirmity in the bidding process.
- b) Where there has been material change in the specifications.
- c) Change in specifications (not changing the fundamental nature of requirement) in case of single part competitive bidding or Open Tender after opening of bids
- d) When none of the bids are substantially responsive in terms of compliance to the technical specification/ scope of work or commercial conditions of the tender;
- e) None of the technical bids meet the minimum technical requirement.
- f) If effective competition is lacking. However, lack of competition shall not be determined solely on the basis of the number of Bidders.
- g) The offered prices are substantially higher than the cost estimate or ring prices seem to have been quoted and there is possibility of getting lower rates;
- h) If the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to accept the purchase order/ contract as may be required, or refuses to provide the SD/CPBG as may be required for the performance of the contract or otherwise withdraws from the procurement process.
- (i) Where there is a sudden slump in the price of the material in question after opening of tenders.
- (j) Requirement ceases to exist.
- (k) Any other reason in the interest of the Company with proper justification and with approval of one grade higher level authority than the original authority.
- (l) Approval for cancellation of tender should be accorded by the CA after recording the reasons/ proper justification in writing with concurrence of Finance. The decision to cancel the tender shall be immediately communicated to all bidders that participated in the procurement process.

CHAPTER – XV

ORDERING

15.0 **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 correspondence 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 signed copy of the PO is not received from vendor, the Purchase Order will be treated as a Contract. However, the buyer will ensure a copy of PO acknowledgement from the vendor. Copies of Purchase Orders shall be sent to the Finance, Stores and user Departments.

All Purchase Orders shall be generated in SAP/ ERP System except for cases processed on GeM. However, after placement of order on GeM, dummy purchase order shall be generated in SAP/ ERP System for regularization purpose only. 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. All the conditions/ printed terms shall form part of all copies of Purchase Orders.

15.1 **AMENDMENT TO PURCHASE ORDER:**

Once a contract has been concluded, the terms and conditions thereof should not be varied. No amendment to the contract should be made that can lead to a vitiation of the original tender decision or bestow an undue advantage on the contractor/supplier. However, due to various reasons, changes and modifications are needed in the contract. Where it becomes necessary/inescapable, any modification will be carried out with the prior approval of the CA. Financial concurrence should be obtained before issuing any amendment that has financial implications/repercussions. Amendment to Purchase Orders can be issued if acceptable to both the parties.

An amendment can concern any of the clauses of the contract but, in supply contracts, amendments often relate to the following:

- (i) Increase or decrease in the quantity required (exercise of quantity option clause);

- (ii) Changes in schedule of deliveries and terms of delivery;
- (iii) Changes in inspection arrangements;
- (iv) Changes in terms of payments and statutory levies; and
- (v) Change due to any other situation not anticipated.

All amendments involving financial implications shall have to be concurred by Finance and approved by the Competent Authority.

15.2 OPERATION OF OPTION CLAUSE

15.2.1 OPTION CLAUSE

The purchaser reserves the right to place orders for an additional quantity up to a specified percentage of the originally contracted quantity at the same rate and terms of the contract, during the currency of the contract. This clause and percentage should be part of the Bid/NIT documents and the contract and ideally should not exceed 25% to 30%. Approval should be taken from the CA (who originally approved placement of order/ tender decision) to exercise the option clause based on the value of the contract with the increased quantity. In case the recalculated value of the contract goes beyond the delegation of powers of the original CA, approval of the CA for the enhanced value may be taken.

The clause may be framed along following lines:

“The purchaser reserves the right to increase/ decrease the ordered quantity by up to [.....] per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period).”

15.2.2 CONDITIONS GOVERNING OPERATION OF OPTION CLAUSE

The following points must be kept in mind while operating the option clause:

- i. In case of decrease in the ordered quantity, it would be fair to allow the firm to supply work-in-progress or goods already put up for inspection;
- ii. There should be no declining trend in the price of the stores as evidenced from the fact that no order has since been placed at lower rates and no tender has been opened since the time offers have been received at lower rates – even if not finalised;
- iii. If the option clause exists, during provisioning of the next cycle and during tender evaluation in the next cycle of procurement, application of the option clause must be

positively taken into account. The contract management authority must also keep a watch on delivery against contract, if other conditions are satisfied, the option clause must be exercised;

- iv. The option clause is normally exercised after receipt of 50 (fifty) per cent quantity but if the delivery period is going to expire and other conditions are fulfilled, it can be exercised even earlier;
- v. The option clause shall be exercised during the currency of the contract such that the contractor has reasonable time/ notice for executing such an increase and can be exercised even if the original ordered quantity is completed before the original last date of delivery. If not already agreed upon, the delivery period shall be fixed for the additional quantity on the lines of the delivery period in the original order. This will satisfy the requirement of giving reasonable notice to the supplier to exercise the option clause;
- vi. The quantum of the option clause will be excluded from the value of tenders for the purpose of determining the level of CA in the original tender;
- vii. There should be no option clause in development tender;
- viii. This provision can also be exercised in case of PAC/ single supplier OEM cases; and
- ix. However, where parallel contracts on multiple suppliers are available, care should be taken in exercising the option clause, so that the original tender decision of splitting quantities and differential pricing is not upset or vitiated. Other things being equal, the supplier with the lower rate should first be considered for the option quantity.

15.3 **DELIVERY EXTENSION AND WAIVER OF LIQUIDATED DAMAGES (LD):**

If the reason for the delay is not attributable to the supplier and/or the Company has not suffered any loss, delivery extension without LD may be granted with the approval of the Competent Authority with financial concurrence. In other cases, delivery extension shall be granted with or without LD, full or part, with financial concurrence & approval of the competent authority after taking recommendation of the User Deptt. However, in the case of capital items where non acceptance of delivery period/ completion schedule is a reason of rejection of bid, LD waiver shall not be given for delay attributable to supplier.

Extension of the delivery date can be only done with the consent of both parties (that is, the purchaser and supplier). No extension of the delivery date is to be granted suo-motu unless the supplier specifically asks for it. However, in a few cases, it may be

necessary to grant an extension of the delivery period suo-motu in the interest of the administration. In such cases, it is legally necessary to obtain clear acceptance of the extension letter from the supplier.

After expiry of the contract delivery period or towards the end of it, the last line of letter/ email communication made with a supplier/ vendor should be as follows:

“This letter/ email is issued without any prejudice to Procuring Entity’s rights and remedies under the terms and conditions of the subject contract and without any commitment or obligation.”

15.4 **PROVISIONAL TIME EXTENSION:**

In exceptional cases, considering the exigency & urgency of the work (reasons to be recorded in writing), provisional time extension may be granted by Unit Head/ Competent Authority without owner’s prejudice to levy penalty in terms & conditions of the contract and subject to rates remaining firm & without any escalation. User deptt. to ensure that adequate funds are available with the Company (including SD/CPBG) to levy penalty at a later date, if imposed. This applies to purchases, works contracts, turnkey/ composite contracts etc.

- 15.5 Summary of Purchase Orders placed/ Contracts awarded above Rs. 2.0 Crores during the month is to be posted on the NALCO website as per the format available in Chapter - XXI - Forms & Annexures. The summary should cover at least 75% of the value of transactions. The threshold limit of Rs. 2.0 Crore and 75% coverage may stand revised as per revision of CVC from time to time.

CHAPTER – XVI

PENAL ACTION AGAINST SUPPLIER

16.0 DEFINITIONS:

- a) **Firm:** The term 'firm' or 'bidder' has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.
- b) **Allied firm:** All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:
 1. Whether-the management is common;
 2. Majority interest in the management is held by the partners or directors of banned/ suspended firm;
 3. Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
 4. Directly or indirectly control or is controlled by or is under common control with another bidder.
 5. All successor firms will also be considered as allied firms.

The terms "banning of firm", 'suspension', 'Black-Listing' etc. convey the same meaning as "Debarment".

16.1 GUIDELINES ON DEBARMENT OF FIRMS FROM BIDDING

Guidelines have been issued by PPD, Department of Expenditure, Ministry of Finance, Govt. of India (Ref 3.5.3 of Manual for procurement of Goods). The guidelines are classified under following two types:

- i) **Debarment by single Ministry/Department:** In cases where debarment is proposed to be limited to an Organization/ department/ single Ministry.
- ii) **Debarment across all Ministries/Departments:** Where it is proposed to extend the debarment beyond the jurisdiction of the organization/ Ministry i.e., covering to all central Ministries/ Departments.

16.2 CIRCUMSTANCES OF DEBARMENT OF SUPPLIERS /BIDDERS:

Suppliers/bidders are eligible to participate in NALCO's procurements subject to compliance

with GFR Rule 151, Code of Integrity, Integrity Pact for Public procurement and satisfactory performance in contracts.

16.2.1 Rule 151 of General Financial Rules (GFRs), 2017 states the following regarding 'Debarment from Bidding: -

- i) A bidder shall be debarred if he has been convicted of an offence
 - a. under the Prevention of Corruption Act, 1988; or
 - b. the Indian Penal Code or any other Law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract,
- ii) A bidder debarred under sub-section (i) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment, Department/ Organization will maintain such list which will also be displayed on the company website.
- iii) A procuring entity may debar a bidder or any of its successors from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity/ Integrity Pact. The Department/ organization will maintain such a list which will also be displayed on their website.
- iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment (including personal hearing, if requested by firm).

16.2.2 **Code of Integrity:** (Rule 175 of GFR 2017 & Clause 3.2 of Manual for procurement of Goods)

Procuring authorities as well as bidders, suppliers, contractors and consultants should observe the highest standard of ethics and should not indulge in the following prohibited practices either directly or indirectly at any stage during the procurement process or during execution of contracts.

- (a) **Corrupt Practice:** Making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
- (b) **Fraudulent practice:** any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained, or an obligation avoided. This includes making a false declaration or providing false

information for participation in a tender process or to secure a contract or in execution of the contract.

- (c) **Anti-competitive practice:** Any collusion, bid rigging or anticompetitive arrangement between two or more bidders that may impair the transparency, fairness and the progress of the procurement process or to establish bid prices at artificial, non-competitive levels.
- (d) **Coercive Practice:** Harming or threatening to harm directly or indirectly, any party or its property to influence the procurement process or affect the execution of a contract.
- (e) **Conflict of Interest:** Participation by a bidding firm or any of its affiliates that are either involved in the consultancy contract to which this procurement is linked or if they are part of more than one bid in the procurement or if the bidding firm or their personnel have relationships or financial or business transactions with any official of the procuring entity related to tender or execution process of contract; which can affect the decision of the procuring entity directly or indirectly or improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.
- (f) **Obstructive Practice:** Materially impedes the procuring entity's investigation into allegations of one or more of the above-mentioned prohibited practices or impeding the auditing & access to information by the procuring entity.

16.2.3 **Obligation of Proactive Disclosure:**

- i) Suo-motto disclosure of conflict of interest by procuring authorities as well as bidders, suppliers, contractors and consultants.
- ii) Disclosure by the bidder of any previous transgressions made in respect of the code of integrity with any entity in any country during the last three years or of being debarred by any other procuring entity.

16.2.4 **Integrity Pact:**

NALCO's integrity Pact program has been adopted as per SOP issued by CVC and is detailed in Chapter XVIII of this manual.

16.2.5 **DEBARMENT BY THE ORGANISATION/ DEPARTMENT/ SINGLE MINISTRY**

Orders for debarment of a firm(s) shall be passed by the organization/ Ministry / Department keeping in view the following. Such debarment will be limited to the Organization/ single Ministry.

- i) A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.
- ii) Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017. (Ref. Rule 151(iii) of GFR) or Integrity Pact.
- iii) A bidder can also be debarred for any actions of omissions by the bidder other than violation of code of integrity or Integrity Pact, which in the opinion of the organization/ Ministry/ Department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material against LOI/BOA/Purchase Order, abandonment of works, sub-standard quality of works, failure to abide "Bid Securing Declaration". If the firm refuses/ fails to return the Company's dues without adequate cause, Misbehavior/ threatening of departmental supervisory staff during work execution, Constant non-achievement of milestones on insufficient and imaginary grounds and non-adherence to quality specifications despite being pointed out, submission of false/ fabricated/ forged documents for consideration of a bid, etc.
- iv) Debarment by organization will be limited to within organization. If the debarment is by a single Ministry, it shall not be circulated to other Ministries/ Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public Sector Undertakings (CPSUs) etc. of the Ministry/ Department issuing the debarment Order.
- v) The organization/Ministry/ Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
- vi) Debarment order by organization will be issued by the Competent Authority of the organization. Secretary of Ministry/ Department may nominate an officer at the rank of Joint Secretary/ Additional Secretary as competent authority to debar the firms within single Ministry.
- vii) Organisation/ Ministry/ Department that issued the order of debarment can also issue an Order for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the Order before expiry of debarred period should be done with the approval of Secretary concerned of Ministry/ Department.

- viii) The Ministry/ Department/ organisation will maintain a list of debarred firms, which will also be displayed on its website.
- ix) Debarment is an executive function and should not be allocated to the Vigilance Department.

16.2.6 It is possible that the firm may be debarred concurrently by more than one Ministry/ Department. Ministries/ Departments at their option may also delegate powers to debar bidders to their CPSUs, Attached Offices/ Autonomous Bodies, etc. In such cases, broad principles for debarment in para 16.2.5 as above are to be kept in mind. Debarment by such bodies like CPSUs etc. shall be applicable only for the procurements made by such bodies. Similarly, Government e-Marketplace (GeM) can also debar bidders as per GeM provisions. In case of debarments done by CPSUs, revocation of the debarment orders before expiry of debarred period should be done only with the approval of Chief Executive Officer of concerned CPSUs etc.

16.2.7 Debarment across All Ministries/ Departments:

- i) Where a Ministry/ Department/ organization is of the view that business dealings with a particular firm should be banned across all the Ministries/ Departments by debarring the firm from taking part in any bidding procedure floated by the Central Government Ministries/ Departments, the Ministry/ Department/ organization concerned should after obtaining the approval of the Secretary concerned, forward to DoE a self-contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/ Departments is in accordance with Rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.
- ii) The firm will remain in suspension mode (i.e., debarred) during the interim period till the final decision taken by DoE, only in the Ministry/ Department forwarding such proposal.
- iii) Ministry/ Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
- iv) DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment.

- v) No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/ Departments/ Attached/ Subordinate offices of the Government of India including autonomous body, CPSUs, etc. after the issue of a debarment order.
- vi) DoE will maintain a list of such debarred firms, which will be displayed on Central Public Procurement Portal.

16.2.8 Revocation of Orders:

- i) An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.
- ii) A debarment order may be revoked before the expiry of the Order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

16.2.9 Other Provisions (common to both types of debarments):

- i) No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department/ organization. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/ two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.
- ii) If case, any debarred firms has submitted the bid, the same will be ignored. In case such firm is lowest (L1), next lowest firm shall be considered as L1. Bid security submitted by such debarred firms shall be returned to them.
- iii) Contracts concluded before the issue of the debarment order shall, not be affected by the debarment Orders.
- iv) The Debarment shall be automatically extended to all its allied firms. In case of joint venture/ consortium is debarred all partners will also stand debarred for the period specified in Debarment Order. The names of partners should be clearly specified in the "Debarment Order".
- v) Debarment in any manner does not impact any other contractual or other legal rights of the procuring entities.
- vi) The period of debarment shall start from the date of issue of debarment order.

- vii) The Order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.
- viii) Ordinarily, the period of debarment should not be less than six months.
- ix) In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, the endeavor should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.

16.2.10 Safeguarding Procuring Entity’s interests during debarment of suppliers:

Suppliers are important assets for the procuring entities and punishing delinquent suppliers should be the last resort. It takes lot of time and effort to develop, register and mature a new supplier. In case of shortages of suppliers in a particular group of materials/ equipment, such punishment may also hurt the interest of the procuring entity. Therefore, views of the concerned Department may always be sought about the repercussions of such punitive action on the continuity of procurements. Past records of performance of the supplier may also be given due weightage. In case of shortage of suppliers or in case of less serious misdemeanors, the endeavor should be to pragmatically analyze the circumstances, reform the supplier and get a written commitment from the supplier that his performance will improve. If he fails, efforts should be made to see if a temporary debarment can serve the purpose. (Rule 151 of GFR 2017)

16.3 PROCEDURE OF DEBARMENT IN NALCO

Debarment of suppliers/ bidders in NALCO will be based on principles of debarment as per GOI guidelines outlined at para 16.1 above. Debarment of suppliers/ bidders by NALCO shall be applicable only for procurements made by NALCO.

- a) Before issuing the debarment order against a firm, the Materials Department must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by the firm).
- b) For orders placed at complex level and debarment period of 6 months specific to the complex for violation referred under clause 16.2.5 ii) & iii) above, debarment shall be approved by respective complex ED. For orders placed at Corporate Office, ED (Materials) shall approve such debarment.
- c) Any debarment proposal for more than 6 months shall be reviewed by appropriate committee as per DOP commensurate with the competent authority which shall hear

submissions of the firm, if represented, before recommending debarment of the firm for approval of competent authority. CMD or any Director nominated by CMD/ Director (Commercial) shall be the competent authority to approve debarment of the firms.

- d) Debarment orders shall be issued by the Materials department for procurement related cases based on approval obtained from CA.
- e) A list of debarred firms shall be displayed on NALCO website.

- 16.3.1 Where the violation by the firm warrants that business dealings with a particular firm should be banned across all the CPSUs/ Departments under the Ministry by debarring the firm from taking part in any bidding procedure floated by the Ministry, the case may be referred to the Ministry after obtaining the approval of CMD setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents.
- 16.3.2 An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.
- 16.3.3 A debarment order may be revoked before the expiry of the Order, with the approval of CMD/ Competent Authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.
- 16.3.4 All other terms & conditions of clause 16.2.10 above will apply and to be strictly followed in cases of debarment by NALCO. NIT/ Bidding documents must also be suitably amended, to align with the guidelines.

16.4 **HOLIDAY LISTING (TEMPORARY DEBARMENT OR SUSPENSION):**

A supplier may be temporary debarred (put on holiday list) for a period of up to 12 (twelve) months for one or more of the following reasons:

- i) Vendors against LTE who have not responded to requests for quotation/ tenders consecutively three times without furnishing valid reasons
- ii) Repeated non-performance or performance below specified standards (including after sales services and maintenance services);
- iii) Supplier fails to settle any outstanding amount on account of materials (including short return)/ scrap or any other account
- iv) Suppliers undergoing process for debarment/ removal from registration may

also be put on a holiday listing pending outcome of such proceedings, if so, recommended by the competent authority.

16.4.1 **PROCEDURE FOR HOLIDAY LISTING:**

If evidence or sufficient grounds exist for putting a firm in Holiday list, then Committee of Indenting Deptt. and the respective Materials and Finance Department, not below the level of AGM, shall deliberate on the matter and put up the recommendation. The recommendation after due vetting by the Legal Cell shall be put up to respective Head of Materials Department for approval.

If sufficient evidence or ground exists for putting a firm in Holiday List, then an order for putting a supplier or firm under holiday list or temporary debarment or suspension for a period of up to 12 Months may be passed by Head of Materials Deptt. of respective Units.

On approval, the communication in this regard shall be made by respective Materials Deptt. to the delinquent agencies with intimation to all and hosting of the party name in NALCO website. The "date of suspension" and "period of suspension" along with following note shall be mentioned in the NALCO website:

"As per extant NALCO Policy Guidelines, the decision to lift the suspension order may be examined and considered only on receipt of communication from the Firm to respective NALCO Unit about corrective/ preventive action taken, along with request to lift the suspension. Hence, the Firm will continue to be in the list till such time its name appears in the above list."

16.4.2 **EFFECTS OF HOLIDAY LISTING:**

1. No new bids shall be invited from the supplier put on holiday during the period of holiday.
2. Any new offers of the supplier put on holiday shall not be entertained during the period of holiday.
3. Contractual obligations already entered into with a Supplier before the date of issue of the order of Holiday shall not be affected.
4. In ongoing cases where techno-commercial Part-I Bids are under evaluation, then the tender may be processed excluding the bid of that Supplier which has been put on holiday. However, if price bid has been opened and that Supplier happens to be L1, then re-tendering is to be resorted to.
5. In case of running rate contracts where multiple POs are placed against a single rate

contract, further POs are not to be placed on the Supplier during the holiday period.

16.5 **DELISTING OF SUPPLIER:**

A supplier may be delisted from the list of registered vendors (but the supplier data should not be deleted from the system database) for maximum period of 2 years for one or more of the following reasons:

- i) If the firm ceases to exist or is acquired by or merged with another firm, or ceases to operate in the category of requirements for which it is registered;
- ii) Bankruptcy or insolvency on the part of the supplier as declared by a court of law;
- iii) If the firm has been put under Holiday list or has been debarred / under process for debarment as per aforementioned guidelines.

Proposal for delisting of bidders to be approved from Head of Unit at Complex/ ED (Materials) at Corporate. No new bids shall be invited from the supplier delisted. Any new offers of the supplier delisted shall not be entertained during the period of delisting. Contractual obligations already entered into with a Supplier before the date of issue of the order of delisting shall not be affected.

16.6 **INCIDENT MANAGEMENT/DEBARMENT IN GeM PROCUREMENT:**

Latest Incident Management Policy of GeM is to be referred in GeM portal for raising incidents against the defaulting Sellers in case of any failure by the Seller to abide by the Terms & Conditions of GeM bid, timely supply of material, meeting the required specifications, etc.

The appropriate action against the Seller/ suspension will be taken by the GeM authorities as per the laid down policy and severity of incident. Hence, penal action undertaken by GeM under their policy for items procured through GeM, portal will normally prevail upon NALCO's suspension/ debarment action.

However, if a Seller has been suspended/ debarred by NALCO/ Ministry/ DOE as per laid down GOI policy and guidelines contained in this manual, the same should be communicated to GeM along with the copies of approval from competent authority for implementing the same in GeM portal.

CHAPTER – XVII

SUPPLIER RELATIONSHIP MANAGEMENT

17.0 Suppliers are much more than the source for goods & services. They offer expertise, specialist knowledge and broader market awareness. Managed rightly, they can be a source for inspiration & innovation, not to mention a competitive advantage.

Good things come out of strong supplier relationships—much more than just savings. Ensuring that they become major assets generating competitive advantage, not risk, requires visibility and control.

17.1 Effective Supplier Management aims to establish and maintain supplier relationships, ensure compliance and mitigate risk.

17.2 Effective Suppliers management:

(a) Supplier registration:

The suppliers should be treated like customers and the registration process should be easy & fast to onboard the interested suppliers.

(b) Supplier information management:

It is to be ensured for current, validated and authenticated supplier information which will improve insight while mitigating risk.

(c) Supplier risk & performance management:

(i) Supplier Surveys/ Visit to supplier's plant

(ii) Supplier Rating & Review Process

17.3 **REGISTRATION OF VENDORS:**

Ensuring an up-to-date and current list of registered, capable and competent suppliers facilitates efficiency, reasonable prices and promotion of competition in public procurement, especially where open tendering is not resorted to. The list may be referred to while floating a limited tender.

As a means to ensure pre-qualification of vendors before sending enquiries/ accepting their offers, a structured 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 database 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) of concerned unit for approval. The time frame of completion of the registration process shall be two months from the date of receipt of application complete in all respect from the vendor.

For orders placed through GeM portal, vendor code shall be created based on the order placement approval and no separate approval for vendor code creation shall be required.

17.4 **EMPANELMENT FOR LTE PROCESS:**

17.4.1 Details of major items for each complex will be identified and displayed on the website for information of prospective vendors. To start with, items with an annual procurement value of more than Rs.50.00 Lakh may be considered. The value limit shall be reviewed from time to time.

17.4.2 Press advertisement once a year will be done, in addition to the website announcement for registration of major items (tender value above Rs. 50.00 Lakh), drawing attentions to details on Nalco's website for registration of LTE. Vendors will be requested to visit our plant to gather knowledge of the materials being used.

17.4.3 The master list of registered vendors at the Unit levels shall be reviewed and updated every two years with the help of Technical Deptt and with approval of GM (Materials) of concerned unit. The provisions of Chapter XV as applicable shall be followed for review.

17.5 **REMOVAL OF VENDORS FROM MASTER LIST OF APPROVED VENDORS:**

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. 17.6;
- (b) If the vendor has been delisted or banned;
- (c) If the vendor is declared bankrupt or insolvent.
- (d) If the vendor is defaulting in respect of a previous contract.

17.6 **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 below 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 deproprietaryization, 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.

Sharing of outcome of evaluation to be done amongst all units of NALCO.

17.7 **INTERACTIVE MEET WITH VENDORS:**

Materials Department of all units of NALCO shall hold "Interactive Meets" with existing vendors at least once in every year to be used as a platform for interacting with the vendors for resolution of their issues/complaints and redressal of their grievances and to have better participation from local prospective bidders in tenders for incidental requirement., besides educating them about Nalco's tendering procedure. The expectations from the vendors against vital tender requirements and the common errors and lapses committed by the vendors should be highlighted during such "Interactive Meets with Vendors". Senior officers from all disciplines shall participate in the meeting. The issues requiring resolution at the local level should be addressed by taking suitable actions. MSEs (including those owned by SC/ST entrepreneurs/ women owned MSEs) shall also be invited for participating in such Periodical Interactive Meets with Vendors, for resolution of their issues, besides educating them about Nalco's tendering procedure.

Special Interactive Vendor Meet with SC/ST and Women owned MSEs to be conducted at least twice in a year at each complex.

17.8 **ON-BOARDING MECHANISM FOR SUPPLIERS:**

Suppliers' participation can be increased significantly by following means:

- (i) Proactively addressing the concerns of vendors
- (ii) Timely payment
- (iii) By focusing on 20% of suppliers who typically account for 80% of supply.
- (iv) Suppliers training

- (v) Awareness program as and when NALCO's procurement process is updated/ revised

17.9 Vendor feedback:

Vendor feedback to be collected once in a year as per the feedback format & necessary action plan towards improvement if any to be initiated.

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

- 17.10.1 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.
- 17.10.2 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 a really substantial company and details of the same shall be furnished.
- 17.10.3 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.
- 17.10.4 An agent who submits an offer, on behalf of their principal, against a tender must submit a Letter of Authority of the Principal specifically authorizing the agent to make such an offer.
- 17.10.5 No entity can be allowed to function as agent on behalf of more than one Principal against any particular tender.
- 17.10.6 Failure to furnish correct and detailed information as called for in the above paragraphs renders 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.

17.11 GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS:

- 17.11.1 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.
- 17.11.2 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
- 17.11.3 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

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

- 17.12.1 Tenderers of Foreign nationality shall furnish the following details in their offer.
- 17.12.2 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 is a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.
- 17.12.3 The amount of commission/ remuneration included in the quoted price(s) for such agents/ representatives in India.
- 17.12.4 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.

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

- 17.13.1 Tenderers of Indian Nationality shall furnish the following details in their offers.
- 17.13.2 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.

- 17.13.3 The amount of commission/remuneration included in the price(s) quoted by the Tenderer for himself.
- 17.13.4 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.
- 17.13.5 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.
- 17.13.6 Failure to furnish correct and detailed information as called for in paragraph 17.13.2 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.

CHAPTER - XVIII

INTEGRITY PACT

- 18.0 Integrity Pact (IP) will be applicable for all tenders of procurement, works and services having estimated value above threshold limit of Rs.50 Lakh as per present policy. NALCO's Integrity Pact has been revised vide Circular No. NBC/MM/Integrity Pact/GGM(Mat)/2022/107 dated 13.06.2022 in line with revised SOP issued by CVC DATED 03.06.2021.
- 18.1 The Pre-contract Integrity Pact clause and format should be included and will form part of the tender document. All Tendering Depts. are required to mention name and Contact details (Name, E-mail & postal address) of all the IEMs in the tender to be covered under Integrity pact. Only those vendors/ bidders who commit themselves to the Integrity Pact with NALCO would be considered competent to participate in the bidding process i.e. entering into this pact would be a preliminary qualification. Each page of such Integrity pact proforma would be duly signed by Purchaser's competent signatory. All pages of the Integrity Pact are to be returned by the bidder duly signed by the same signatory who signed the bid, i.e. who is duly authorized to sign the bid and to make binding commitments on behalf of his company.
- 18.2 IP will be executed on plain paper, irrespective of whether it is from foreign or Indian bidders. In the case of joint bidding such as consortium etc., all the partners should sign the Integrity Pact. In case of sub-contracting, the principal contractor shall take responsibility of the adoption of IP by the sub-contractor. It is to be ensured that all subcontractors also sign the IP.
- 18.3 In a case of procurement of goods on proprietary basis, if the bidder does not agree to submit the Integrity Pact in spite of making all out efforts, then dispensation from the requirement of submission of Integrity Pact in such cases can be considered with the approval of the concerned Director.
- 18.4 In all other cases, submission of IP is a pre-requisite for accepting the offer.
- 18.5 Submission of incomplete IP documents with the tender should not lead to disqualification of the bidder. Such vendors should be asked to comply to all IP guidelines subsequently.
- 18.6 Offers violating any of the provisions of the Integrity Pact should be rejected, without

considering them for any relaxation/ dispensation from the provisions of Integrity Pact. In exceptional circumstances, if it is considered essential to grant any relaxation/ dispensation to the provisions of IP to any bidder, the issue should be referred to IEMs for their expert opinion on whether such relaxation/ deviation can be accepted or not. Based on their opinion, such cases can be considered with the approval of the concerned Director.

- 18.7 In cases of submission of IP without being properly signed by the authorized signatory or non-submission of IP in either manual tender or in e-procurement (where scanned copy is to be uploaded along with Techno-commercial bid and physical documents are to be submitted separately) bidder(s) may be asked to submit original copy of IP in physical form as deficient documents. However, in case bidder(s) do not submit these documents, then such bids may be rejected/ accepted with approval of Competent Authority.
- 18.8 The Integrity Pact is deemed as a part of the contract and the parties are bound by its provisions. This should be incorporated in the NIT & PO/ Contracts. Integrity Pact in respect of particular contract shall be operative from the date of signing of the IP till date of completion of contract.
- 18.9 The Integrity Pact is implemented through a panel of Independent External Monitors (IEMs) appointed by NALCO. Names of IEMs are available in NALCO's website. As per the latest SOP issued by CVC, all complaints shall be dealt/ examined jointly by the full panel of IEMs.
- 18.10 For tenders which are not covered under IP, the bidders will be required to submit a declaration to commit themselves to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre-contract or post-contract stage. (A short declaration format has been circulated).

CHAPTER - XIX

PUBLIC PROCUREMENT

(Preference to Make in India)

19.0 Public procurement (Preference to Make in India) policy is the reflection of the Government of India to encourage "Make in India" and promote manufacturing and production of goods and services in India with a view to enhancing income & employment.

The policy has been implemented through an Order pursuant to Rule 153(iii) of the General Financial Rules, 2017 to provide purchase preference (linked with local content) in Government procurements. Under the policy, preference in Government procurement will be given to local suppliers. This policy has been approved by NALCO and will form a part of the tender wherever applicable.

The latest revision of PPP-MII Order, 2017 has been issued by DPIIT vide office order dated 16.09.2020. Any further revision/ exemptions to the order are to be complied with as and when issued. All procurement departments are required to certify compliance of PPP-MII Order while submitting proposals.

Procedure to provide preference to "Make in India" in Public Procurement:

19.1 **Definitions:**

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

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

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

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

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

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

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

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

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

19.2 Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'non-local suppliers' for different types of procurement

- a. In procurement of all goods, services or works in respect of which the Nodal Ministry/ Department has communicated that there is sufficient local capacity and local competition, only class-I local suppliers, as defined under the order, shall be eligible to bid irrespective of purchase value.
- b. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub para(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.
- c. For the purpose of this Order, works include Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

19.3 **Purchase preference:**

- (a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.
- (b) In the procurements of goods or works, which are covered by para 19.2(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'non-local supplier' as per following procedure:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier, the contract for full quantity will be awarded to L1.

- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- (c) In procurement of goods or works, which are covered by para 19.2(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'non-local supplier' as per following procedure:
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is Class-I local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not a 'Class-I local supplier' the lowest bidder among the Class-I local supplier' will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
 - iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the class-1 local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.
- (d) 'Class-II local supplier' will not get purchase preference in any procurement undertaken by procuring entities.
- 19.4 Applicability in tenders where contract is to be awarded to multiple bidders - In tenders where contract is awarded to multiple bidder's subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
- (a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such,

the multiple suppliers who would be awarded the contract, should be all and only 'Class I Local suppliers'.

- (b) In other cases, 'Class II local suppliers' and 'non-local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per the provisions of this Order.
- (c) If 'Class I Local suppliers' qualify for an award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.
- (d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
- (e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

19.5 **Exemption of small purchases:** Procurements where the estimated value to be procured is less than Rs. 5 Lakh shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

19.6 **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is a minimum of 20%. Nodal Ministry/ Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/'Class-II local supplier'. For the items for which Nodal Ministry Department has not prescribed higher minimum local content notification under the

Order, it shall be 50% and 20% for 'Class-I local supplier'! 'Class-II local supplier' respectively.

- 19.7 **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
- 19.8 **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
- 19.9 **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
- 19.10 **Verification of Local Content:**
- (i) The 'Class-I local supplier'/'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - (ii) In cases of procurement for a value in excess of Rs.10 crore, the 'Class-I local supplier'/'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - (iii) Decisions on complaints relating to the implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - (iv) Nodal Ministries may constitute committees with internal and external experts for independent verification of self- declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
 - (v) Nodal Ministry & procuring entities may prescribe fees for such complaints.
 - (vi) False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules (GFR 2017) for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules 2017 along with such other actions as may be permissible under law.

- (vii) A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed in the below paragraph.
- (viii) The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convener of the Standing Committee and the Department of Expenditure through the concerned Ministry/ Department or in some other manner.
 - ii. On a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s).
 - iii. In respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in such a manner that ongoing procurements are not disrupted.

19.11 Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. **Reciprocity clause:**
 - I. When a Nodal Ministry/ Department identifies that Indian suppliers of an item are not allowed to participate and or compete in procurement by any foreign Govt., due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSU, state govt and other procuring agencies under

their administrative control & GeM for appropriate reciprocal action.

- II. Entities of other countries which have been identified by the nodal Ministry/ Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
- III. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases in GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ department.
 - d. Specifying foreign certifications/ unreasonable technical specifications/ Brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
 - e. All administrative Ministries/ departments whose procurement exceeds Rs.1000 crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/ PSUs, for the next 05 years on their respective website.

19.12 Action for non-compliance of the provisions of the order:

In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the administrative department undertaking the procurement (including procurement by any entity under its administrative control) to fix the responsibility for the same. Thereafter appropriate action, administrative or otherwise shall be taken against erring officials of procurement entities under relevant provisions. Intimation of all such actions shall be sent to the standing committees.

19.13 Assessment of supply by Nodal ministry:

The nodal Ministry shall keep in view the domestic manufacturing/ supply base as assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoid cost increase from the operation of this order.

19.14 Increase in Minimum Local Content:

The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

19.15 Manufacture under license/ technology collaboration agreements with phased indigenization:

While notifying the minimum local content, special provisions may be made for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

19.16 Powers to grant exemption and to reduce minimum local content: The administrative department undertaking the procurement with the approval of their Minister In-charge may by written order, for reasons to be recorded in writing,

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

A copy of such order shall be provided to the standing committee and concern nodal Ministry/Department. The nodal Ministry/Department concerned will continue to have the power to vary its notification on minimum local content.

19.17 Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over provisions of this order. All other existing orders on preference to local content shall be reviewed by the nodal Ministries and revised as needed to conform to this order.

19.18 Clarification on PPP-MII Order:

Bidders offering imported products will fall under the category of non-local suppliers. They can't claim themselves as Class-I/ Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, and training and after sales service support like AMC/ CMC, etc. as local value addition.

CHAPTER - XX

PURCHASE THROUGH GeM

20.0 Government e-Marketplace (GeM) is the National Public Procurement Portal, an end-to-end online Marketplace for Central and State Government Ministries/ Departments, Central & State Public Sector Undertakings (CPSUs & SPSUs), Autonomous institutions and Local bodies, for procurement of common use goods & services. The portal is owned and managed by GeM SPV which is a Section 8 (Non-Profit) Company registered under the Companies Act, 2013. GeM SPV operates, monitors and supervises all the business transactions on the portal through the Managed Service Provider as per roles and responsibilities defined in the Legal Framework Document available on GeM portal. The purchases through GeM by Government users have been authorized and made mandatory by the Ministry of Finance by adding a new Rule No. 149 in the General Financial Rules, 2017.

For Purchase of Goods/Services through GeM Portal and the resulting NIT/Contracts shall be governed by the General Terms and Conditions (GTC) (unless otherwise superseded by Product/Service specific Special Terms and Conditions (STC) and BID/ Reverse Auction Additional Terms and Conditions (ATC) as applicable).

20.1 **BROAD GUIDELINES FOR PROCUREMENT of GOODS THROUGH GeM**

20.1.1 Procurement may be done from the supplier having lowest price, meeting the requisite quality, specification and delivery period in line with the provisions of GeM in the following ways.

(a) **For procurement value up to Rs.50,000/- (or any revised value on GeM) using 'Direct Purchase' method:**

Procurement of GeM catalogue items may be done through any of the available suppliers on the GeM, subject to meeting the requisite quality, specification and delivery period without inviting bids.

(b) **For procurement of GeM catalogue items of value ranging from Rs.50,000/- to Rs.10.0 lakh (or any revised value on GeM) using 'Price comparison' method:**

Procurement may be done on L1 basis by means of price comparison of three different OEMs as per the provisions of GeM portal.

(c) **For procurement of automobiles:**

Procurement may be done by means of 'Direct Purchase' without any ceiling limit (or any revised value on GeM).

- (d) For all other cases, procurement may be done by means of bidding using “catalogue bid/custom bid/BOQ bid” with or without reverse auction provision. Buyer shall follow GeM procedures for tender floating by means of “catalogue bid/ custom bid/BOQ bid”.
- (e) For procurement of catalogue items, PR estimation is to be done based on the selected product id price available on GeM excluding applicable GST. For procurement of other items, PR estimation is to be done as per the details mentioned in Chapter III of this ‘Purchase Manual’.
- (f) NIT documents/ tenders to be floated on GeM shall be prepared as per GeM GTC and as per the available provisions of GeM. Additional requirements if any are to be clearly mentioned in Buyer Added Terms & Conditions.
- (g) There is no need to obtain separate approval for NIT terms and conditions in case of two-part tender, if there is no deviation from GeM GTC and all the conditions are covered as per guidelines of GeM.
- (h) Standardized items or Proprietary Article Certificate items (PAC) may also be procured through GeM.
- (i) Negotiation with L1 bidder only may be done as per procedure mentioned at clause 13.5 of this manual. Negotiated price obtained through GeM portal shall be put up for approval of Competent Authority through the tender committee or without committee, as the case may be.
- (j) Standard Payment terms: 100% payment to be released within 10 days of issue of consignee receipt-cum-acceptance certificate i.e., within 10 days of receipt & acceptance of materials. A compliance on a monthly basis needs to be submitted.
- (k) Milestone payment terms: If required, can be given in Buyer added Terms & conditions based on administrative approval.
- (l) For procurement involving buyback, suitable GeM ATC clause may be selected in the tender, based on administrative approval.

20.1.2 **PROCUREMENT OUTSIDE GeM**

- a. Procurement outside GeM can only be done in compliance with GoI guidelines.
- b. Items which are available on GeM, specific approval of Functional Director of User/ Technical Department needs to be taken, with reasons recorded for outside GeM procurement.
- c. For items which are not available on GeM or any specific functionality is not available on GeM for evaluation of bids, specific reasons to be recorded, while seeking administrative approval of purchase requisitions.

- d. GeM Availability Report and Past Transaction Summary (GeMAR&PTS) has to be generated from GeM portal which shall be pre-requisite for floating tenders outside GeM including CPPP.

20.1.3 **ADMINISTRATIVE APPROVAL FOR PROCUREMENT OF GOODS THROUGH GeM:**

Following details to be furnished while seeking the administrative approval of PR.

- (a) Mode of Procurement - Proprietary/Standardized/Single/ LTE/ Open
- (b) Mode of Tendering - Single part/Two-part bid
- (c) Basis of Estimation.
- (d) PQC/BQC requirement if any.
- (e) Requirement of EMD/SD/CPBG if any.
- (f) Applicability of MSE/ancillary/MII Purchase Preference
- (g) Evaluation method - Total value wise/ Group wise/Item-wise
- (h) Reverse auction provision, if required
- (i) Distribution/ splitting of tender quantity
- (j) Delivery period from date of award of Contract
- (k) Staggered delivery in days from award of contract.
- (l) Payment Terms/LD Clause other than standard terms of GeM if any.
- (m) Annual maintenance (AMC), if required, duration in number of year Inbuilt warranty, Duration for AMC Post warranty and AMC service frequency (quarterly, bi-annually, monthly, annually etc.), Bank guarantee for AMC in percentage.
- (n) Comprehensive maintenance (CMC), if required, duration in number of year Inbuilt warranty, Duration for CMC Post warranty, Bank guarantee for CMC in percentage.
- (o) Pre-bid meeting requirement, if any.
- (p) Samples approval, if required.
- (q) For catalogue items: Indentors shall mention the product id in the PR with additional requirements, if any within the prescribed limit of GeM. Proper care shall be taken by the indentors that additional parameters added in the PR shall not be in contradiction to the basic specification of the selected product.
- (r) For custom bid/ BOQ bid of other items, Indentors shall make the PR with detailed specification without any ambiguity and in compliance to PPP MII order of GoI.
- (s) For administrative approval, the financial implication shall be worked out with back calculation of tax credit if any.

Note: The above requirements are indicative in nature and not exhaustive. Indentor may include other clauses if any as per their requirements.

20.1.4 TENDERING ON GEM PORTAL

- a. Single part tenders: Based on the administrative approval, the respective buyer shall float/ issue the tender in GeM portal.
- b. Two-part tenders: Based on the administrative approval, the tender in GeM portal shall be floated after approval of terms & conditions as per DOP.
- c. Technical query/ representation, raised in GeM portal by Bidders, before opening of techno-commercial bid shall be forwarded to technical deptt. Response against the representation shall be posted in GeM portal. In such cases, the bid date shall be extended up to 7 days if required without approval. In case, the technical query/ representation requires publication of corrigendum in GeM portal, the same shall be done only after administrative approval of CA.
- d. If the tender is floated with Pre-bid meeting condition, the summary of pre-bid outcome if any shall be uploaded with approval and if required the tender/ bid may be extended.
- e. Integrity pact requirement to be added in GeM tenders under 'Additional/Buyer Added T&C clause'. Refer Chapter XVIII of 'Purchase Manual' for further details.

20.1.5 OPENING OF TECHNICAL BIDS, PRICE BIDS, EVALUATION AND AWARD OF CONTRACT:

- (i) Opening of technical bids, price bids, reverse auction, evaluation of GeM bid shall be done as per administrative approval of the PR.
- (ii) The techno-commercial offer and Price bids of single part tender (as per administrative approval) 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.
- (iii) Price bids/ financial bids of two-part tender will be opened after approval of the Competent Authority
- (iv) Opening of Price & Technical bids not covered under (ii) above should be done with the approval of the Competent Authority for acceptance of tenders called/ placement of order/ award of work/ cancellation of Tender as per DOP.
- (v) GEM offers are to be opened by respective Material officer with the help of OTP/DSC of concerned officer only in line with the provision of GeM i.e. without involving the Tender opening committee.

- (vi) GeM portal allows bidders to submit representation as per stipulated time period of the portal days of tender. In case the representation raised by the bidders cannot be answered as per the details available in the file, representation is to be referred to the user deptt. for submitting the response in GeM portal.
- (vii) The technical evaluation of bids shall be done by the technical deptt./ technical committee as per the provision of purchase manual.
- (viii) Price reasonability of L1/negotiated L1 price obtained in the tender shall be established as per Cl. 13.7 of Purchase Manual.
- (ix) For all the tenders floated through GeM, auto-generated POs (created using OTP/DSC of the respective buyer in line with the provision of GeM) shall be placed on GeM portal, which shall be considered for all legal & contractual purpose. For SAP-ERP accounting purpose, dummy PO needs to be created in SAP with GeM PO added as an attachment in the SAP PO. SAP PO shall be meant for internal use only and the same shall not be used for any communication outside NALCO.
- (x) Vendor code of un-registered vendors of NALCO who have got the order through GeM portal shall be created by the ERP cell on the basis of order placement approval on such vendors.
- (xi) EMD for Bids in GeM will be governed by the Guidelines of Govt. of India and rules applicable in GeM. e-EMD is also acceptable in GeM Portal.
- (xii) Evaluation of bids in GeM: As per standard procedure for evaluation of the bid in GeM, price is all inclusive. Hence the guidelines shall be as under.
 - (a) For evaluation of bids, the L1 bidder as evaluated in GeM portal with all-inclusive is to be accepted, assuming that GST rate is same based on HSN code of the product.
 - (b) Reverse Auction (RA) may be used for evaluation of bids wherever applicable.
 - (c) In case of tie at the L1 bid price, Reverse Auction shall be conducted by default as per provisions of GeM portal.
- (xiii) Exemption of EMD submission shall be as per GeM GTC and provisions of this Purchase Manual.

20.1.6 **Post contract award & incident management:**

- (i) If the supplier fails to deliver the material within the PO delivery date, 'performance-cum extension' notice for 15 days can be given by the respective "buyer" without approval.

- (ii) The delivery date extension without imposition of LD shall be given after approval of CA as per DOP.
- (iii) GeM incident management system: GeM incident management system shall be used for managing and handling all procurement related issues including penal action on suppliers, if any, and risk & cost procurement against 'Performance cum delivery extension notice', etc.

Note:

- i) Any other terms and conditions of GeM not covered here shall also be applicable for purchase through GeM.
- ii) Any amendment/change in GeM GTC/functionalities shall be applicable for purchase through GeM.

CHAPTER – XXI

FORMS AND ANNEXURES

1. Vendor Registration
2. Certificate of Proprietary Articles
3. Certificate of Standardized Articles
4. Standard Terms & Conditions of Enquiry (Indigenous)
5. Standard Terms & Conditions of Enquiry (Import)
6. Comparative statement of Quotations
7. Purchase Proposal Abstracts
8. ECS Mandate Form
9. Sample Price bid format
10. Agreed Terms & Conditions (Import) - For Purchase
11. Agreed Terms & Conditions (Indigenous) - For Purchase
12. Standard Terms & Conditions of Purchase Order (Indigenous)
13. Standard Terms and Conditions of Purchase Order (Import)
14. Format for details of Orders placed/ Contracts awarded above Rs. 2.0 Crore during the month
15. Format for Integrity Pact
16. Format for Bid Security Declaration

Important:

The standard terms and conditions specified in this purchase manual are of a 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 is not applicable) Authorized Dealer / Stockist/
Trader /Importer Indian Agent
- b) Micro/Small/ Medium / Large : (Attach copy of Certificate)
8. a) Items for which :
Registration is sought
- b) List of Items Manufactured :
enclose Product Catalogue/
Literatures.
9. List of Important Clients :
(Photocopies of 5 to 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/ SA 8000 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 Calibration for these Equipments to National Standards : Yes/ No
16. In case of Manufacturers, name the Technical Collaborator, if any :
- C. **COMMERCIAL:**
17. Your Banker's Name and Address :
(Attach Solvency Certificate)
18. Copy of GST registration certificate :
(To be attached)
19. Copy of GST registration acknowledgement slip containing the ARN (To be attached) :
20. Copy of PAN card :
(To be attached)
21. Principal place of business with state (as per GSTIN) :
22. Address of Additional Place of Business (if any) :
23. Vendor to indicate the type of Registration (as Composite dealer/ Regular dealer) :

24. Description along with GST HSN :
number of items dealt with
25. Description along with GST Service :
Accounting Code of services dealt with
26. Do you have any Sister Concerns? :
If yes, for each one of item,
indicate them
- (i) Name :
- (ii) Address :
- (iii) Phone / E-mail / Fax nos. :
- (iv) Range of Products :
27. Do you confirm agreement for : Yes/ No
E-payment

- Vendor Registration Forms duly filled in along with Company profile, copies of Balance sheet and Profit & Loss account statement for past 3 years, details of past experience/ involvement, details of major orders executed, etc. may be sent to the Materials Department of the concerned Unit of NALCO where the subject item is required. If the items are required by more than one Units of NALCO, separate applications may be sent to the concerned UNITS.
- Address of Materials Deptt, Mines & Refinery Complex:
GGM(Materials), M&R, Alumina Refinery, Nalco, Damanjodi- 763008, Odisha.
- Address of Materials Deptt, Smelter & Power Complex:
GGM(Materials), S&P, Smelter plant, Nalco Nagar, Angul- 759145, Odisha

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): 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 de-proprietarisation/ 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 By (Indentor)	Recommended By (In charge of Indenting Deptt)	Agreed By (GM of Indenting Deptt)	Approved by
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Note: This certificate is to be approved by the Executive Director if the competent authority is Director/ CMD. For other cases this certificate is to be approved by the Group 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): Standardized Article(s):
Developed for NALCO / for reasons of quality & uniformity the particular brand has been selected.
8. Reasons of standardization:
 - (a) The brand of product only fits or is compatible with machinery equipment already procured.
 - Or
 - (b) There is a specific requirement to minimize volume, variety & inventory of spares.
9. Any efforts made for alternative source development. (If yes give details & if no, give reasons)
10. The date of last review by the Standardization Committee:

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
By
(Indentor)

Recommended
By
(In charge of
Indenting Deptt)

Agreed
By
(GM of
Indenting Deptt)

Approved
by

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

STANDARD TERMS AND CONDITIONS OF ENQUIRY (INDIGENOUS)

1. Quotation shall be made on F.O.R Destination basis indicating separately the basic price, packing and forwarding charges, freight charges, discount, if any and applicable GST along with HSN/SAC code each indicated clearly and separately as per enclosed price bid format/ BOQ. Whenever the offered material is not subjected to GST, the applicable taxes and duties should be clearly and separately indicated. 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 the order will be placed on 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 for which Input Tax Credit is not admissible to NALCO will be to supplier's account. Any decrease in taxes and duties during the extended period will be availed of. 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 over-writing should be initialed. Rates to be indicated both in words and figures. In the case of e-procurement, quotations should be submitted on-line.
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. 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. In the case of e-procurement, on-line quotation must be submitted before the due date and time. Quotations received after a specified date and time are liable to be rejected.
7. Quotation should be valid for a minimum period of 90 days from the date of opening of the tender.
8. 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 be liable to be rejected.

9. NALCO reserves the right to accept any tender in full or in part or to reject any or all tenders or to cancel the bidding process at any time prior to award of the Contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder/ bidders of the ground for NALCO's action. However, a bidder may seek clarification regarding the bidding document provisions, bidding process and/ or rejection of his bid. NALCO shall respond to such queries within a reasonable time.
10. Printed conditions on the back side of the offers will be ignored. 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.
11. 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.
12. 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.
13. The vendor must provide GSTN number along with a copy of the registration certificate, copy of Acknowledgement receipt containing the Application Reference Number (ARN), copy of PAN, the state and state code in his offer.
14. Unless otherwise specified the materials will have a warranty as per Standard Terms and Conditions of Purchase (Indigenous). In specific cases wherever stipulated, the seller shall give a Contract-cum-Performance Bank Guarantee in NALCO's prescribed format from any bank in NALCO's approved list of bankers for 10% of the order value (excluding taxes), which will be valid for three months beyond the Warranty period. CPBG shall be submitted within the time period specified in the Purchase Order.
15. In specific cases wherever stipulated, the successful tenderer shall either deposit 5% of order value (excluding taxes) on Security Deposit amount as Security Deposit either in the form of E-payment or by way of Bank Guarantee 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. Security Deposit will be deposited within 15 days of P.O.
16. The tenderer has to comply with the environmental policy of NALCO.
17. The Standard Terms and Conditions of Purchase (Indigenous) will form part of the Enquiry.

STANDARD TERMS AND CONDITIONS OF ENQUIRY (IMPORT)

1. Prices should be quoted on FOB seaport or on FCA/FOB seaport of exit basis inclusive of charges for documentation, packing and forwarding, if any. Freight charges from the port of dispatch to Kolkata/ Vishakhapatnam port should be indicated clearly and separately. Wherever packing and forwarding charges are not specifically indicated same shall be considered as included in the quoted FOB/FCA price.
2. Quoted price shall be firm and without any escalation whatsoever till completion of delivery period.
3. Bidders are requested to quote their best prices considering the fact that order will be placed on lowest tenderer only
4. Quotation should be in English language only. Quotations should preferably be typewritten, and any correction or over-writing should be initialed. Rates to be indicated both in words and figures. In the case of e-procurement, quotations should be submitted on-line.
5. Quotation should be valid for a minimum period of 90 days from the date of opening of the tender.
6. 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.
7. 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 be liable to be rejected.
8. NALCO reserves the right to accept any tender in full or in part or to reject any or all tenders or to annul the bidding process at any time prior to award of the Contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder/ bidders of the ground for NALCO's action. However, a bidder may seek clarification regarding the bidding document provisions, bidding process and/ or rejection of his bid. NALCO shall respond to such queries within a reasonable time.
9. Printed conditions on the back side of the offers will be ignored. 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.

10. 100% payment will be made through an irrevocable letter of credit against submission of shipping documents; or 100% payment will be made on collection (CAD) basis against direct submission of shipping documents. Tenderer should furnish in their offer bank account details along with the SWIFT code of the banker. All bank charges outside India shall be to the beneficiary's account.
11. 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.
12. Unless otherwise specified the materials will have a warranty as per Standard Terms and Conditions of Purchase (Import). In specific cases wherever stipulated, the seller shall give a Contract-cum-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 three months beyond the Warranty period. CPBG shall be submitted within the time period specified in the Purchase Order.
13. The Standard Terms and Conditions of Purchase (Import) will form part of the Enquiry.

COMPARATIVE STATEMENT OF QUOTATION
(For tenders floated through other than CPP Portal)

PR No. & Date _____ Tender No. & Date _____

No. of parties Contacted _____ No. of offer received _____

Due Date of opening _____ Opened on: _____

Sl. No.	Item No. PR	Description of item	Qty	Unit	1		2		3		4		5		6	
					Basic	Landed										
Terms & Conditions 1. Price Basis 2. Discount : 3. P & F : 4. Freight : 5. GST: 6. Payment terms : 7. Delivery period: 8. Validity 9. Others (if any) :																

PREPARED BY
(MATERIALS)

CHECKED BY
(MATERIALS)

VERIFIED BY
(FINANCE)

PURCHASE PROPOSAL ABSTRACT (PPA)

VENDOR _____

VENDOR CODE:

NIT NO. _____

DATE: _____

MSE: YES/ NO

Sl. No.	NIT Item No.	Brief Description	Bid Status	Qty.	UOM	U/Rate Rs.	Total Price Rs.	LPO (if any)	VARIATION W.R.T. LPO

Price Basis:

Inspection:

Delivery Period:

Payment:

GC/TC/FGC:

OFFER VALIDITY:

(P -)

Discount:

P&F:

Freight:

GST:

INSURANCE:

F. I. Total: Rs.

ITC:

F.I. (Net of ITC): Rs.

PREPARED BY
(MATERIALS)

CHECKED BY
(MATERIALS)

VERIFIED BY
(FINANCE)

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)

SAMPLE PRICE BID FORMAT

The bidder is required to submit their price bid in this format only

(This format is for tenders where bidders are to fill the prices in this format and upload the scanned copy in e-tender portal. For tenders floated through CPPP, BOQs as available in the CPPP is to be used)

To,

.....

Quotation No. _____ Dt. _____

We are submitting our best price(s) against your RFx/NIT No. _____ Dt. _____ as under:

RFx/ NIT Sl. No.	Description of item/ Material Code as mentioned in RFx/ NIT.	HSN code*	RFx/NIT Quantity		Unit Price in Rs.													Landed Unit price at NALCO (10 + 12 + 14 + 16 + 18)
			Quantity	Unit of measurement	Basic Price*	Pkg. & forwarding	Freight	Discount	Sub total (6+7+8+9)	CGST		SGST		IGST		GST Compensation Cess (wherever applicable)		
										Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

* Mandatory field

- 1) Dispatching GSTIN No _____
- 2) Despatching State _____
- 3) Despatching State code _____
- 4) Nalco GSTIN no. 21AAACN7449M1Z9

Notes:

1. GST is required to be mentioned both in terms of percentage and also in terms of fixed value. In case prices are not given in the Price bid format and GST is not quoted both in percentage and actual amount, offer is liable to be rejected. If GST is indicated as Zero/ not applicable, the reason must be mentioned in the offer along with the HSN code of the materials.
2. Transit insurance shall be arranged by Nalco and therefore bidders are not required to include transit insurance in their offer.
3. For payment other than stipulated payment term, the quoted price of the tenderer shall be suitably loaded at the rate as decided by NALCO. Any condition or component of the tender having a financial bearing on arriving at the landed price or otherwise to Nalco, if not quoted or agreed to in the tender, shall be suitably loaded to quoted price for comparison purpose.
4. Any reduction in the rate of Tax on supply of goods or benefit of input tax credit shall be passed on to NALCO by way of commensurate reduction in prices.

Place:
Date

Signature of Bidder
(Authorised Signatory with seal)

**AGREED TERMS & CONDITIONS (IMPORT)
(FOR FOREIGN BIDDER)**

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/Enquiry 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/ Enquiry Documents, if any, must be listed in the format attached at the end of this questionnaire.

Sl. No.	Descriptions	Vendor's Confirmations
1	(i) Confirm acceptance of technical specifications and scope of supply/ work as per attached Tender/ Enquiry 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 Tender/ Enquiry.	
3	Confirm Spare parts list, wherever required as per tender/ enquiry documents, with item wise prices have been submitted for following categories of Spares:	
	(a) Insurance Spares	
	(b) Commissioning & Start – up Spares	
	(c) Mandatory Spares	
	(d) Vendor recommended spares for two years/ one-year normal operation and maintenance	
	(e) Special Tools & Tackles	
4	It is noted that deviations to terms & conditions shall lead to loading of prices or rejection of offer.	
5	Indicate Manufacturer's Name and Address with Tel/ Fax no. etc.	
6	Confirm you have quoted prices strictly in the price schedule format enclosed with tender/ enquiry documents.	
7	Indicate International Sea Port/ airport of shipment.	

Sl. No.	Descriptions	Vendor's Confirmations
8	Confirm that firm ocean freight/ air freight charges to Indian (Kolkata/ Vizag) seaport/ airport have been quoted by you in the Price bid.	
	(a) In case you have not quoted the ocean freight/ air freight charges to Indian (Kolkata/ Vizag) seaport/ airport separately in the Price bid, please quote the same in terms of % of the quoted FOB price	
	(b) Confirm that ocean/ air freight charges for recommended spares for two years/ one-year normal O&M have been quoted separately and ocean/ air freight for all other supplies are included in ocean/ air freight charges of main equipment.	
9	Indicate Shipping weight (net and gross) including dimensions/ volume of consignments.	
10	As soon as shipment/ dispatch is made, the seller shall intimate Nalco's Underwriters the dispatch details at the address, to be intimated later.	
11	Prices quoted must exclude transit insurance charges from FOB Port of Shipment as the same shall be arranged by the Purchaser. All Transit Insurance charges for inland transit up to FOB Port of Shipment must be included by you in your prices.	
12	Indicate the country of origin of goods offered.	
13	Confirm that the quoted prices are in the currency of country of origin and also indicate currency of quote.	
14	Confirm acceptance to Delivery/ Completion Period as mentioned in tender/ enquiry documents.	
15	Confirm utility requirement wherever applicable are given in offer.	
16	Confirm customer references are given in offer.	
17	Confirm complete technical literature/ catalogue are being submitted along with offer.	
18	Confirm that you have indicated the item wise HS Code of all items as per scope of supply/ Work of tender/ enquiry document.	
19	Confirm acceptance of LD for delay in delivery/ completion specified in Tender/ enquiry Documents.	
20	Confirm acceptance of relevant terms of payment as per the tender/ enquiry documents attached.	
21	Letter of Credit shall be opened through a Govt. of India Bank and hence need not be confirmed. Confirm that confirmed L/C is not required by you.	
22	In case confirmed L/C is required, L/C confirmation charges shall be to your account.	

Sl. No.	Descriptions	Vendor's Confirmations
23	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.	
24	All taxes, duties and levies of any kind payable up to FOB Port of Shipment shall be borne by you.	
25	Confirm that the quoted prices shall remain firm and fixed till complete execution of order.	
26	Please indicate name and address of your Bankers.	
27	All correspondence must be in ENGLISH language only.	
28	Confirm that Contract cum Performance/ Performance Bank Guarantee wherever required will be furnished for value and terms & conditions as per document attached with tender/ enquiry.	
29	Confirm that Bank Guarantee for equivalent amount of Free Issue Materials, wherever applicable, shall be furnished as per tender/ enquiry documents.	
30	Confirm acceptance of Guarantee/ Warranty as per documents attached with tender/enquiry.	
31	Confirm acceptance of Part Order. In the event of Part Order lump sum charges if any shall be prorated on value basis.	
32	Confirm acceptance of Repeat Order within 12 months from the date of original order.	
33	Confirm that quoted prices are inclusive of all inspection & testing charges as per tender/ enquiry terms.	
34	Confirm that the quoted prices are valid for acceptance for period as indicated in the tender/ enquiry documents.	
35	Confirm that the quoted prices for vendor recommended two years/ one-year O&M spares shall be valid for acceptance for period as mentioned in the tender/ enquiry document.	
36	Confirm that in case of placement of order, you will be submitting firm cargo details containing weight, dimensions, no. of packages, no. and types of containers required and port of shipment within time period specified in the tender/ enquiry documents.	
37	Confirm that the quoted prices for ocean/ air freight charges to Indian Port (Kolkata/ Vizag) sea/ airport shall remain valid for acceptance up to one month beyond submission of complete cargo details by you.	

Sl. No.	Descriptions	Vendor's Confirmations
38	(i) All other Commercial terms & conditions shall be as per Tender/ enquiry Documents. Confirm acceptance.	
	(ii) In case of deviations, confirm clause wise comments have been specified in the format attached at the end of this questionnaire.	
	(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.	
39	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.	
40	Confirm that net worth of your company during the last financial year is positive.	
41	Please furnish Annual Report containing Balance Sheet & Profit & Loss Account for the last 3 years.	
42	Please note that you have not been banned or de-listed by any Government or Quasi Government agencies or PSU. Confirm you have submitted declaration to this effect as per tender conditions.	
43	Confirm that in case of conflicting version of various terms & conditions at different places, Owner can choose any version.	
44	Furnish name and address of the official to whom correspondence should be sent including telephone number/ fax number and e-mail id. If e-mail id is not available, an undertaking is to be given that e-mail id is to be registered within 2 weeks of bid submission.	
45	Confirm you have submitted EMD as per tender/ enquiry.	
46	Confirm you have submitted the duly filled in SA 8000 Questionnaire as per tender/ enquiry.	
47	Confirm you have submitted two original copies of the pre - contract Integrity Pact as per tender/ enquiry.	

Place:

Signature:

Date:

Name:

Designation:

Seal:

DEVIATIONS TO TENDER/ ENQUIRY DOCUMENTS

SL. NO.	REFERENCE OF TENDER/ ENQUIRY DOCUMENT		SUBJECT	DEVIATIONS
	DOCUMENT	CLAUSE NO.		

NOTE: This shall be submitted along with the Un-priced Offer. Deviation mentioned anywhere else in the offer shall not be considered.

Place:
Date:

Signature:
Name:
Designation:
Seal:

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

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/ Enquiry Documents must be given in this questionnaire itself and not elsewhere in the quotation. In case of contradiction, the terms given below shall prevail. Deviations to Tender/ Enquiry Documents, if any, must be listed in the format attached at the end of this questionnaire.

Sl. No.	Descriptions	Vendor's Confirmations
1	(i) Confirm acceptance of technical specifications and scope of supply/ work as per attached tender/ enquiry 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 tender/ enquiry.	
3	Confirm Spare parts list, wherever required as per tender/ enquiry documents, with item wise prices have been submitted for following categories of Spares:	
	(a) Insurance Spares	
	(b) Commissioning & Start – up Spares	
	(c) Mandatory Spares	
	(d) Vendor recommended spares for two years/ one-year normal operation and maintenance	
	(e) Special Tools & Tackles	
4	It is noted that deviations to terms & conditions shall lead to loading of prices or rejection of offer.	
5	Indicate Manufacturer's name & address with Tel/ Fax no., etc.	

Sl. No.	Descriptions	Vendor's Confirmations
6	Confirm that the quoted prices are based on FOR/ FOT Despatch point including packing & forwarding.	
	(i) If quoted on Ex-works basis, indicate P&F charges in terms of percentage.	
	(ii) Indicate dispatch station.	
7	Confirm that firm freight charges up to Site are quoted in price bid.	
8	In case you have not quoted the freight charges separately in the Price bid, quote the same in terms of % of the quoted FOT dispatch point price	
9	Confirm that freight charges for recommended spares for two years/ one-year normal O&M have been quoted separately and freight for all other supplies are included in freight charges of main equipment.	
10	Confirm you have quoted prices strictly in the price schedule format enclosed with tender/ enquiry documents.	
11	Confirm Transit insurance is excluded from the quoted prices. If inclusive, indicate rebate for excluding the same.	
12	(a) Statutory variation in GST, if any, upto the contractual delivery date (CDD) shall be borne by NALCO. Any increase beyond the CDD for which Input Tax Credit is not admissible to NALCO shall be borne by the vendor. However, the benefit of any reduction in any of the above statutory levies beyond CDD must be passed on to NALCO. Pl. note and confirm.	
	(b) Please indicate the present rate of GST applicable on the supplies (For Intra-state supplies CGST + SGST shall be applicable whereas for Inter-state IGST shall be applicable. Vendor to quote accordingly).	
	(c) If there is any increase in GST at the time of supplies for any reasons, other than statutory, including turnover, confirm the same will be borne by the vendor.	
	(d) If GST 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 GST chargeable	
13	Confirm submission of GSTIN along with acknowledgement receipt containing the ARN	

Sl. No.	Descriptions	Vendor's Confirmations
14	Confirm in case of delay on a/c of vendor, any new or additional taxes and duties imposed after contractual delivery/ completion period for which Input Tax Credit is not admissible to NALCO shall be to vendor's account.	
15	Confirm acceptance to delivery/ Completion Period as mentioned in tender/ enquiry documents	
16	Confirm utility requirement wherever applicable are given in offer.	
17	Confirm customer references are given in offer.	
18	Confirm complete technical literature/catalogue are being submitted along with offer.	
19	Confirm acceptance of LD for delay in delivery/ completion specified in Tender/ enquiry Documents.	
20	Confirm acceptance of relevant terms of payment as per the tender/ enquiry documents attached.	
21	Confirm that the quoted prices shall remain firm and fixed till complete execution of order.	
22	Confirm that Contract cum Performance/ Performance Bank Guarantee wherever required will be furnished for value and terms & conditions as per document attached with tender/ enquiry.	
23	Confirm acceptance of Guarantee/ Warranty as per documents attached with tender/ enquiry.	
24	Confirm that Bank Guarantee for equivalent amount of Free Issue Materials, wherever applicable, shall be furnished as per tender/ enquiry.	
25	Confirm acceptance of Part Order. In the event of Part Order lump sum charges if any shall be prorated on value basis.	
26	Confirm acceptance of Repeat Order within 12 months from the date of original order.	
27	Confirm that quoted prices are inclusive of all inspection & testing charges as per tender/ enquiry terms.	

Sl. No.	Descriptions	Vendor's Confirmations
28	Although you were not eligible for input tax credit of Central & State Taxes in pre-GST period but under GST you are entitled to full credit of GST paid and you shall have benefit of incremental input tax credit under the GST regime as above. As such you need to pass on the benefit of your incremental input tax credit to NALCO. Accordingly, please quote your best basic prices (In Price bid)	
29	Indicate type of your Vendor category under GST: Compounding Scheme Vendor or Registered Vendor or Un Registered Vendor If Vendor is GST Compounding Scheme vendor, please confirm that you have submitted the copy of the declaration: FORM GST –CMP 01 or FORM GST CMP 02. (In case of non-submission of these documents, your offer may be liable for rejection.)	
30	Confirm that you have quoted the HSN (Harmonized System of Nomenclature) code of goods or Accounting Code of services for all items as per scope of supply/ work of tender/ enquiry documents.	
31	(i) All other Commercial terms & conditions shall be as per Tender/ enquiry Documents. Confirm acceptance.	
	(ii) In case of deviations, confirm clause wise comments have been specified in the format attached at the end of this questionnaire.	
	(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.	
32	If offer is based on certain Imported Raw Materials required for Equipment/ Materials offered, please note and specify the following:	
	(i) Owner will not provide any Import License for the same. Any expenditure towards the same shall be borne by Seller.	
	(ii) Indicate Description, Quantity & CIF value of Imported Materials (in Rs.) for each Equipment/ item of quotation in price bid.	
	(iii) Confirm that all variations in Customs duty and Foreign Exchange till complete execution of the contract shall be to Seller's account.	
33	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.	

Sl. No.	Descriptions	Vendor's Confirmations
34	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.	
35	Confirm that the quoted prices are valid for acceptance for period as indicated in the tender/ enquiry documents.	
36	Confirm that the quoted prices for vendor recommended two years/ one-year O&M spares shall be valid for period as mentioned in the tender/ enquiry documents.	
37	Confirm that in case of conflicting version of various terms & conditions at different places, Owner can choose any version.	
38	Confirm that net worth of your company during the last financial year is positive.	
39	Please furnish Annual Report containing Balance Sheet & Profit & Loss Account for the last 3 years.	
40	As soon as shipment/ dispatch is made, the seller shall intimate Nalco's Underwriters the dispatch details at the address, to be intimated later.	
41	Please note that you have not been banned or de-listed by any Government or Quasi Government agencies or PSU. Confirm you have submitted declaration to this effect as per tender conditions.	
42	Furnish name and address of the official to whom correspondence should be sent including telephone number/ fax number and e-mail id. If e-mail id is not available, an undertaking is to be given that e-mail id is to be registered within 2 weeks of bid submission	
43	Confirm you have submitted EMD as per tender/ enquiry.	
44	Confirm you have submitted the duly filled in SA 8000 Questionnaire as per tender/ enquiry.	
45	Confirm you have submitted two original copies of the pre - contract Integrity Pact as per tender/ enquiry.	

Place:

Date:

Signature :

Name :

Designation :

Seal :

DEVIATIONS TO TENDER/ ENQUIRY DOCUMENTS

SL. NO.	REFERENCE OF TENDER/ ENQUIRY DOCUMENT		SUBJECT	DEVIATIONS
	DOCUMENT	CLAUSE NO.		

NOTE: This shall be submitted along with the Un-priced Offer. Deviation mentioned anywhere else in the offer shall not be considered.

Place:

Date:

Signature:

Name:

Designation:

Seal:

STANDARD TERMS AND CONDITIONS OF PURCHASE (INDIGENOUS)

1. ACCEPTANCE OF ORDER:

This Order is expressly conditioned on the Seller's acceptance of all the terms and conditions hereof and constitute the entire agreement between parties hereto. With the acceptance of the Order, the 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. 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 or any other taxes, duties or levies that have not been specified in the Order.

5. INPUT TAX CREDIT:

In case of taxable goods, for availing Input Tax Credit Transporter's copy of Invoice as prescribed in the GST Rule, must be handed over to the transporter along with other relevant dispatch documents. The original copy of the Tax Invoice should be sent along with the payment documents. However, any modification in the prescribed rule by GST Council from time to time will be applicable.

6. DELIVERY AND 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 recover liquidated damages @ 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) cannot 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.

Liquidated damages will be calculated on the basis of contract/ supply order price of services/ materials excluding duties and taxes, where such duties/ taxes have been shown separately in contract/ supply order. LD shall be recovered along with applicable GST thereon.

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 affect the Contract.

9. INSPECTION-CHECKING-TESTING:

In addition to any tests to be conducted by the Seller under the Contract or any applicable codes or standards, the Material(s) and workmanship covered by the Purchase Order are subject to inspection and/or testing by Inspector(s) (including Third Party Inspector(s)) at any time prior to shipment and/or despatch and to final inspection within a reasonable time after arrival at Site. The Inspector(s) shall have the right to carry out the inspection and/or testing, which will include inspection and/or testing of the raw materials at manufacturer's shop, at fabricator's shop and at the time of actual dispatch before and/or 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 shall not tender such rejected Material(s) for supply to NALCO nor shall incorporate the same in any Material(s) to be tendered for supply to NALCO.

The Seller will have to inform Purchaser at least eight days in advance of exact place, date and time of tendering 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.

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. E-WAY BILL (EWB):

E-way bill and provisions contained therewith, which is covered under Sec 68 of the CGST Act, 2017 and Rule 138 made there under, shall be the responsibility of the supplier.

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 the order is placed on FOT destination basis and payment is to be negotiated through bank, the material should be dispatched through any registered common carrier. Transportation through NALCO's authorized/ approved transporters will be preferable.

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 the 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 to each of the authorities placing the purchase order and one set to the designated consignee in Central Stores.

DUPLICATE COPY OF TAX INVOICE (TRANSPORTER COPY) SHOULD BE SENT ALONG WITH CONSIGNMENT TO THE CONSIGNEE FOR AVAILING INPUT TAX CREDIT.

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. Repaired or replaced materials shall be similarly guaranteed for a period of not less than 18 months from the date of dispatch.

20. 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, without prejudice to any other mode or source of recovery available, be entitled to recover sums from any sums then due or which at any time thereafter may become due to the Seller under this or any other contract with the Purchaser and/or by recourse to any bank guarantee available to purchaser for this purpose, 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.

21. 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:

- (i) 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.
- (ii) 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 Vendor shall at its own risk and cost remove any rejected Material(s) from the Site after suitable replacement of the materials. In case of plant, machinery, equipment, parts or components which have been installed, the vendor shall dismantle and remove the same from the Site subject to the following:

- i) The vendor shall furnish a bank guarantee to NALCO from NALCO approved banks for equivalent amount
- ii) The vendor shall undertake to replace the rejected Material(s) with other Material(s) conforming to the Vendor's guarantees aforesaid applicable thereto.

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 in case the vendor fails to dismantle and/or remove any rejected Material(s) from the Project Site within the time specified.

22. **ARBITRATION:**

All disputes or differences whatsoever which shall at any time arise between the parties hereto touching or concerning this contract or the execution or maintenance thereof of the contract or the rights touching or concerning the works or the execution or maintenance thereof of this contract or the construction meaning operation or effect thereof or to the rights or liabilities of the parties or arising out of or in relation thereto whether during or after completion of the contract or whether before or after determination, before closure or breach of the contract (other than those in respect of which the decision of any person is by the contract expressed to be final and binding) shall after written notice by either party to the contract to the other of them and to the Appointing Authority hereinafter mentioned be referred for adjudication to a sole Arbitrator to be appointed as hereinafter provided.

For the purpose of appointing the sole Arbitrator referred to above, the Appointing Authority i.e. Chairman cum Managing Director, NALCO, will send within thirty days of receipt of the notice, to the seller a panel of three names of persons.

The seller shall on receipt of the names as referred select any one of the person names to be appointed as a sole Arbitrator and communicate his name to the Appointing Authority within thirty days of receipt of the names. The appointing Authority shall there upon without any delay appoint the said person as the sole Arbitrator. If the seller fails to communicate such selection as provided above within the period specified, the Appointing Authority shall make the selection and appoint the selected person as the sole Arbitrator.

If the Arbitrator so appointed is unable or unwilling to act or resigns his appointment or vacate his office due to any reason whatsoever sole Arbitrators shall be appointed as aforesaid. The work under the contract shall, however continue during the arbitration proceedings.

The Arbitrator shall be deemed to have entered on the reference on the date he issues notices to both the parties fixing the date of the first hearing.

The Arbitrator shall give a separate award in respect of each dispute or difference and shall give a reasoned and speaking award/ awards.

The seat of arbitration shall be at Bhubaneswar. However, if the situation so warrants venue of arbitration may be at as and where required basis, and may be held at the place where the site of work is situated.

The fees, if any, of the Arbitrator shall, if required to be paid before the award is made and published be paid half and half by each of the parties. The costs of the reference and of the award including the fees, if any of the Arbitrator shall be in the discretion of

the Arbitrator who may direct to and by whom and in what manner, such costs or any part thereof shall be paid may fix or settle the amount of costs to be so paid.

The award of the arbitrator shall be final and binding on both the parties.

Subject to aforesaid, the provisions of the Arbitration and Conciliation Act, 1996 as amended by the Arbitration and Conciliation (Amendment) Act, 2015 or any statutory modification or re-enactment thereof and the rules made there under, and for the time being in force shall apply to the arbitration proceeding under this clause.

In the event of disputes or differences arising between one public sector enterprise and a Govt. Department or between two public sector enterprises the above stipulations shall not apply, the provisions DPE office memorandum No.4(1)/2013-DPE(PMA)/FTS-1835 dated 11th April, 2017 or its amendments for arbitration shall be applicable.

JURISDICTION & GOVERNING LAWS:

The contract shall be governed by and construed according to the laws in force in India. For all disputes arising of this contract, the jurisdiction shall be lie under the jurisdiction of direct courts in the respective areas in the State of ODISHA (India) only.

23. FORCE MAJEURE

Any delay or failure to perform the contract by either party caused by following events shall not be considered as default for the performance of the contract or give rise to any claim for damage:

- a) Acts of God (like earthquakes, floods, tsunami, storms, hurricanes/ typhoons or other natural disaster etc.)
- b) Act of terrorism
- c) Act of states/ government, any direction or restriction imposed by the Government of India which may affect the contract
- d) Riot, war, invasion, act of foreign enemies, hostilities (whether war declared or not), national emergencies, civil war, rebellion, revolution, insurrection of military or usurped power;
- e) Ionizing radiation or contamination, radioactivity from any nuclear fuel/nuclear waste from reaction of nuclear fuel or any other hazardous radioactivity.
- f) Epidemics, fire, major power cuts for a consecutive minimum period of 30 days
- g) Freight embargoes, strikes at national/ statewide level (for more than 10 consecutive days) where the supplier's works is located.

Within 10 days of occurrence and cessation of the event(s), the other party shall be

notified with certificate issued by Chamber of Commerce or statutory authorities. It is understood that delivery dates will be extended only for the above-mentioned impediments. The decision of NALCO regarding this shall be final and binding on Seller. Only those events of force majeure which impede the execution of the contract at the time of its occurrence shall be taken into cognizance.

In the event of Force Majeure, Seller shall bear any costs incurred by it resulting there from. The Seller affected by Force Majeure shall use all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of delays occasioned by such Force Majeure

If the performance in whole or in part or any obligation under the contract is prevented or delayed by any reason of FM for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.

- 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.

- 25.** Material Code number shall be painted/embossed/cast on the item.

- 26.** 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.

27. LIMITATION OF LIABILITY:

Notwithstanding any other provisions herein to the contrary, except only in cases of willful misconduct and/or criminal acts, neither the Contractor nor the Company (NALCO) shall be liable to the other, whether in Contract, tort, or otherwise, for any consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs. Notwithstanding any other provisions incorporated elsewhere in the contract, the aggregate liability of the Contractor in respect of this contract, whether under Contract, in tort or otherwise, shall not exceed 100% (hundred percent) of contract value.

28. PART ORDER:

The seller hereby agrees to accept part order at Purchaser's option without any limitation whatsoever.

29. REPEAT ORDER:

Seller agrees 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.

30. CONFIDENTIALITY OF TECHNICAL INFORMATION:

Drawing, specifications and details specifically developed for NALCO shall be the property of NALCO 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 NALCO. 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 imparted and supplied to the Seller by NALCO shall at all times remain the absolute property of NALCO. Imparting of any confidential information by the Seller will be breach of contract.

31. 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. COMPLETE AGREEMENT:

The Terms and conditions of the Purchase Order and other annexures to the purchase order constitute the entire Agreement between the Seller and NALCO in relation to the

purchase order. Changes will be binding only if the amendments are made in writing and signed by an authorized representative of NALCO and the Seller.

33. 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 for any goods hereunder or approval of design or goods 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 its 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/ Purchaser's representatives act as waiver of the terms hereof.

34. WEIGHTS AND MEASUREMENTS:

The dispatch 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.

35. GST clause:

- 35.1 It would be the responsibility of the Seller to get the registration with the respective Tax authorities under provision of GST. Any taxes being charged by the Sellers would be claimed by issuing proper TAX Invoice in a GSTN (Goods & Services Tax Network) acceptable format indicating details elements of all taxes charged and necessary requirements as prescribed under the respective tax laws and also to mention his correct and valid GSTN number along with NALCO's GSTN number as applicable for particular supply on all invoices raised on NALCO under GST Regime.
- 35.2 The Seller would be liable to reimburse or make good of any loss/claim by NALCO towards tax credit rejected /disallowed by any tax authorities due to non-deposit of taxes or non updation of the data in GSTIN network or non-filing of returns or non-compliance of tax laws by the Seller by issuance of suitable credit note to NALCO. In case, Seller does not issue credit note to NALCO, NALCO would be constrained to recover the amount including interest payable along with statutory levy/Tax, if any, payable on such recovery.
- 35.3 Tax element on any Debit Note / Supplementary invoice, raised by the contractor will be reimbursed by NALCO as long as the same is within the permissible time limit as per the respective taxation laws and also permissible under the Contract terms and conditions. Contractors to ensure that such debit Notes are uploaded while filing the statutory

returns as may be prescribed from time to time.

- 35.4 The contractor will be under obligation for quoting/charging correct rate of tax as prescribed under the respective Tax Laws. Further the Contractor shall avail and pass on benefits of all exemptions/concessions/benefits/waiver or any other benefits of similar nature or kind available under the Tax Laws. In no case, differential Tax Claims due to wrong classification of goods and/or services or understanding of law or rules or regulations or any other reasons of similar nature shall be entertained by NALCO.
- 35.5 In case, NALCO's Input Tax Credit (ITC) is rejected on account of wrong levy of tax i.e. payment of Integrated Tax in place of Central Tax+ State/Union Territory Tax or vice versa, the contractor is liable to make good the loss suffered by NALCO by issuance of suitable credit note to NALCO. In case, contractor does not issue credit note to NALCO, NALCO would be constrained to recover the amount including interest payable along with Statutory levy, if any, payable on such recovery.
- 35.6 NALCO shall reimburse GST levied as per invoice issued by the Contractor as prescribed under section 46 of the CGST Rules 2017 and respective states Act and Rules.
- 35.7 To enable NALCO to avail ITC, the contractor/supplier shall furnish/submit any and all certificates, documents and declarations as are required by NALCO to avail of the ITC with respect to GST reimbursed by NALCO on materials sold to NALCO.
- 35.8 The HSN Code under which the goods/service will fall should be clearly mentioned along with the Rate at the time of submission of invoice for releasing payment.
- 35.9 In case, NALCO is not able to take Input Tax Credit due to any noncompliance/default/negligence of the seller, the same shall be recovered from the pending bills/dues (including security deposit, BG, etc.).
- 35.10 Seller shall be responsible to indemnify NALCO for any loss, direct or implied, accrued to NALCO on account of supplier's failure to discharge his statutory liabilities like paying taxes on time, filling appropriate returns within the prescribed time, etc.
- 35.11 Any benefit by way of reduction in rate of tax or increase in input tax credit arising due to introduction of GST shall be passed on to NALCO through reduction in supply value by way of commensurate reduction in Bill value.
- 35.12 **Tax deduction at source (TDS) under GST**
As per section 51 of CGST Act 2017, Nalco shall deduct at source @ 1% CGST & @ 1% SGST for intra state transaction and @2% IGST in the case of interstate transaction from the payment made or credited to the supplier of taxable goods and/or services, provided if the contract value is more than Rs.2,50,000/-.

36. 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.

37. REVISIONS, CHANGES AND CANCELLATION:

The Purchaser may make any revisions or changes in Purchase Order including additions to or deletion from the quantities ordered, subject to consent of Seller. 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.

38. BILL OF MATERIAL(S):

Where the price of Material(s) is a lump sum price and pro-rata payment is envisaged in the Purchase Order, the Seller shall within 60 (sixty) days of the issue of the Purchase Order furnish to NALCO for approval, a priced and detailed Bill of Material(s)/ Billing Schedule as required covering all Material(s), which shall conform to the price break-up and Total Order Value given in the Purchase Order. The Bill of Material(s) shall operate as the Billing Schedule for payment of the price of the Material(s). In preparing the Bill of Material(s), the Seller shall ensure that all contracted Material(s) are included in the Bill of Material(s) so as to ensure that NALCO is not required, due to any oversight or omission, to pay any taxes and duties on a value in excess of the total Value indicated in the order. Should NALCO be required to pay taxes or duties on account of such oversight or omission, the Seller shall reimburse such excess payments to NALCO.

39. 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.

40. 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.

41. 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.

42. 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 interchangeability chart, wherever necessary and applicable.

43. 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.

44. 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.

45. OIL & LUBRICANTS:

The first filling of oils and lubricants for every equipment shall be included in the price, if asked for. The Seller shall also recommend the quality and quantity of oils and lubricants required for one year's continuous operation, if asked for.

46. The special Terms and Conditions, if any, stipulated in the tender will supersede those in standard terms & conditions of Purchase (Indigenous) in case of any conflicting provisions.

STANDARD TERMS & CONDITIONS OF PURCHASE (IMPORTS)

1. 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. 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. PRICES:

3.1 FIRM PRICE:

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:

- (i) 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. All transit insurance charges 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 charges 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. 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. In case, the Seller desires to get the Letter of Credit confirmed, confirmation charges will be borne by the Seller. 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 liquidated damage for Delayed Deliveries vide clause 8.2 hereof.

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. 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. COMPLETE AGREEMENT:

The Terms and conditions of the Purchase Order and other annexures to the purchase order constitute the entire Agreement between the Seller and NALCO in relation to the purchase order. Changes will be binding only if the amendments are made in writing and signed by an authorized representative of NALCO and the Seller.

7. IMPORT LICENSE:

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

8. 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 LIQUIDATED DAMAGES (LD) FOR DELAYED DELIVERY:

In the event of delay on the part of the Seller in effecting deliveries as agreed contractually, Purchaser will recover liquidated damages 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% (five percent) of undelivered portion/ total F.O.B. value (if the item(s) cannot 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:

Any delay or failure to perform the contract by either party caused by following events shall not be considered as default for the performance of the contract or give rise to any claim for damage:

- a) Acts of God (like earthquakes, floods, tsunami, storms, hurricanes/ typhoons or other natural disaster, etc.)
- b) Act of terrorism
- c) Act of states/ government, any direction or restriction imposed by the Government of India which may affect the contract
- d) Riot, war, invasion, act of foreign enemies, hostilities (whether war declared or not), national emergencies, civil war, rebellion, revolution, insurrection of military or usurped power;
- e) Ionizing radiation or contamination, radioactivity from any nuclear fuel/ nuclear waste from reaction of nuclear fuel or any other hazardous radioactivity.
- f) Epidemics, fire, major power cuts for a consecutive minimum period of 30 days
- g) Freight embargoes, strikes at national/ state wide level (for more than 10 consecutive days) where the supplier's works is located.

Within 10 days of occurrence and cessation of the event(s), the other party shall be notified with certificate issued by Chamber of Commerce or statutory authorities.

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.

In the event of Force Majeure, Seller shall bear any costs incurred by it resulting there from. The Seller affected by Force Majeure shall use all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of delays occasioned by such Force Majeure.

If the performance in whole or in part or any obligation under the contract is prevented or delayed by any reason of Force Majeure for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.

9. 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:

- (i) 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.
- (ii) 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 Vendor shall at its own risk and cost remove any rejected Material(s) from the Site after suitable replacement of the materials. In case of plant, machinery, equipment, parts or components which have been installed, the vendor shall dismantle and remove the same from the Site subject to the following:

- i) The vendor shall furnish a bank guarantee to NALCO from NALCO approved banks for equivalent amount.
- ii) The vendor shall undertake to replace the rejected Material(s) with other Material(s) conforming to the Vendor's guarantees aforesaid applicable thereto.

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 in case the vendor fails to dismantle and/or remove any rejected Material(s) from the Project Site within the time specified.

10. 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. 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 affect the Contract.

12. INSPECTION-CHECKING-TESTING:

In addition to any tests to be conducted by the Seller under the Contract or any applicable codes or standards, the Material(s) and workmanship covered by the Purchase Order are subject to inspection and/or testing by Inspector(s) (including Third Party Inspector(s)) at any time prior to shipment and/or despatch and to final inspection within a reasonable time after arrival at Site. The Inspector(s) shall have the right to carry out the inspection and/or testing, which will include inspection and/or testing of the raw materials at manufacturer's shop, at fabricator's shop and at the time of actual dispatch before and/or 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 of 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 shall not tender such rejected Material(s) for supply to NALCO nor shall incorporate the same in any Material(s) to be tendered for supply to NALCO.

The Seller will have to inform Purchaser at least eight days in advance of exact place, date and time of tendering 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. REVISIONS, CHANGES AND CANCELLATION:

The Purchaser may make any revisions or changes in Purchase Order including additions to or deletion from the quantities ordered, subject to consent of Seller. 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. WARRANTIES/ GUARANTEES:

All goods or materials shall be supplied strictly in accordance with the specifications, drawings, data sheets, other attachments and conditions stated in 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, and to be sufficient size and capacity and of proper materials so as to fulfill in all respects all operating conditions, if any, specified in this order.

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 putting into use, or twenty (20) 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 twenty (20) 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 to 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. 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. 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 confirm 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. 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. 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 interchangeability chart, wherever necessary and applicable.

19. 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. PART ORDER:

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

21. 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. 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, without prejudice to any other mode or source of recovery available, be entitled to recover sums from any sums then due or which at any time thereafter may become due to the Seller under this or any other contract with the Purchaser and/or by recourse to any bank guarantee available to purchaser for this

purpose, 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. 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 for any goods hereunder or approval of design or goods 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 its 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/ Purchaser's representatives act as waiver of the terms hereof.

24. CONFIDENTIALITY OF TECHNICAL INFORMATION:

Drawing, specifications and details specifically developed for NALCO shall be the property of NALCO 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 NALCO. 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 imparted and supplied to the Seller by NALCO shall at all times remain the absolute property of NALCO. Imparting of any confidential information by the Seller will be breach of contract.

25. 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, trademark 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. 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.

27. 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.

28. ARBITRATION:

All disputes or differences whatsoever which shall at any time arise between the parties hereto touching or concerning this contract or the execution or maintenance thereof of the contract or the rights touching or concerning the works or the execution or maintenance thereof of this contract or the construction meaning operation or effect thereof or to the rights or liabilities of the parties or arising out of or in relation thereto whether during or after completion of the contract or whether before or after determination, before closure or breach of the contract (other than those in respect of which the decision of any person is by the contract expressed to be final and binding) shall after written notice by either party to the contract to the other of them and to the Appointing Authority hereinafter mentioned be referred for adjudication to a sole Arbitrator to be appointed as hereinafter provided.

For the purpose of appointing the sole Arbitrator referred to above, the Appointing Authority i.e. Chairman cum Managing Director, NALCO, will send within thirty days of receipt of the notice, to the seller a panel of three names of persons.

The seller shall on receipt of the names as referred select any one of the person names to be appointed as a sole Arbitrator and communicate his name to the Appointing Authority within thirty days of receipt of the names. The appointing Authority shall there upon without any delay appoint the said person as the sole Arbitrator. If the seller fails to communicate such selection as provided above within the period specified, the Appointing Authority shall make the selection and appoint the selected person as the sole Arbitrator.

If the Arbitrator so appointed is unable or unwilling to act or resigns his appointment or vacate his office due to any reason whatsoever sole Arbitrators shall be appointed as aforesaid. The work under the contract shall, however continue during the arbitration

proceedings.

The Arbitrator shall be deemed to have entered on the reference on the date he issues notices to both the parties fixing the date of the first hearing.

The Arbitrator shall give a separate award in respect of each dispute or difference and shall give a reasoned and speaking award/ awards.

The seat of arbitration shall be at Bhubaneswar. However, if the situation so warrants venue of arbitration may be at as and where required basis, and may be held at the place where the site of work is situated.

The fees, if any, of the Arbitrator shall, if required to be paid before the award is made and published be paid half and half by each of the parties. The costs of the reference and of the award including the fees, if any of the Arbitrator shall be in the discretion of the Arbitrator who may direct to and by whom and in what manner, such costs or any part thereof shall be paid may fix or settle the amount of costs to be so paid.

The award of the arbitrator shall be final and binding on both the parties.

Subject to aforesaid, the provisions of the Arbitration and Conciliation Act, 1996 as amended by the Arbitration and Conciliation (Amendment) Act, 2015 or any statutory modification or re-enactment thereof and the rules made there under, and for the time being in force shall apply to the arbitration proceeding under this clause.

In the event of disputes or differences arising between one public sector enterprise and a Govt. Department or between two public sector enterprises the above stipulations shall not apply, the provisions DPE office memorandum No.4(1)/2013-DPE(PMA)/FTS-1835 dated 11th April, 2017 or its amendments for arbitration shall be applicable.

Foreign Arbitration:

The Arbitration and Conciliation Act 1996 has provisions for international commercial arbitration, which shall be applicable if one of the parties has its central management and control in any foreign country.

When the contract is with a foreign supplier, the supplier has the option to choose either the Indian Arbitration and Conciliation Act, 1996 or arbitration in accordance with the provisions of the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules.

The venue of arbitration should be in accordance with UNCITRAL or arbitration rules of India, whereby it may be in India or in any neutral country.

29. JURISDICTION & GOVERNING LAWS:

The contract shall be governed by and construed according to the laws in force in India. For all disputes arising of this contract, the jurisdiction shall be lie under the jurisdiction of direct courts in the respective areas in the State of ORISSA (India) only.

30. 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.

31. GENERAL:

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

32. LIMITATION OF LIABILITY:

Notwithstanding any other provisions herein to the contrary, except only in cases of willful misconduct and / or criminal acts, neither the Contractor nor the Company (NALCO) shall be liable to the other, whether in Contract, tort, or otherwise, for any consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs. Notwithstanding any other provisions incorporated elsewhere in the contract, the aggregate liability of the Contractor in respect of this contract, whether under Contract, in tort or otherwise, shall not exceed 100% (hundred percent) of contract value.

33. BILL OF MATERIAL(S):

Where the price of Material(s) is a lumpsum price and pro-rata payment is envisaged in the Purchase Order, the Seller shall within 60 (sixty) days of the issue of the Purchase Order furnish to NALCO for approval, a priced and detailed Bill of Material(s)/Billing Schedule as required covering all Material(s), which shall conform to the price break-up and Total Order Value given in the Purchase Order. The Bill of Material(s) shall operate as the Billing Schedule for payment of the price of the Material(s). In preparing the Bill of Material(s), the Seller shall ensure that all contracted Material(s) are included in the Bill of Material(s) so as to ensure that NALCO is not required, due to any oversight or omission, to pay any taxes and duties on a value in excess of the total Value indicated in the order. Should NALCO be required to pay taxes or duties on account of such oversight or omission, the Seller shall reimburse such excess payments to NALCO.

34. OIL & LUBRICANTS:

The first filling of oils and lubricants for every equipment shall be included in the price, if asked for. The Seller shall also recommend the quality and quantity of oils and lubricants required for one year's continuous operation, if asked for.

35. The special Terms and Conditions, if any, stipulated in the tender will supersede those in standard terms & conditions of Purchase (Import) in case of any conflicting provisions.

PRE-CONTRACT INTEGRITY PACT

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ 20__, between, on one hand, the National Aluminium Company Limited (NALCO), a company registered under the Companies Act 1956 and a Government of India Enterprise, having its Registered Office at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar- 751013, Odisha, India (referred to as NALCO) acting through Shri _____ (with designation of the Officer) (hereinafter called the "BUYER", which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s. _____ represented by Shri _____, Chief Executive Officer (hereinafter called the "BIDDER / Seller" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER proposes to procure _____ and the BIDDER/Seller is willing to offer/has offered the stores and

WHEREAS the BIDDER is a private company / public company /Government undertaking/ partnership /registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a Company under the administrative control of the Ministry of Mines, Govt. of India.

NOW THEREFORE

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence / prejudiced dealings prior to during and subsequent to the currency of the contract to be entered into with a view to: -

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

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

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

Commitments of the BUYER

1.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with

the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDERS, either for themselves or for any person or organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

- 1.2 The BUYER will, during the pre-contract stage, treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 1.3 All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

Commitments of BIDDERS

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following: -
 - 3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
 - 3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of

the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.

- 3.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.
- 3.4 BIDDERS shall disclose the payment to be made by them to agents / brokers or any other Intermediary, in connection with this bid / contract.
- 3.5 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 3.6 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 3.7 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 3.8 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.
- 3.9 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable fact.
- 3.10 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.11. If the Bidder or any employee of the Bidder or any person acting on the behalf of the Bidder, either directly or indirectly, is a relative of any of the officers of the Buyer, or alternatively, if any relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender.

The term "relative" for this purpose would be as defined in Section 6 of the Companies Act 1956.

3.12. The Bidder shall not lend to or borrow any money from or enter into monetary dealings or transactions, directly or indirectly, with any employee of the Buyer.

3.13 Bidder(s)/ Contractor(s) who have signed the integrity pact shall not approach the courts while representing the matter to IEMs and shall wait for their decision in the matter.

4. Previous Transgression

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

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

5. Sanctions for Violations:

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

- (i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.
- (ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit / Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.
- (iv) To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
- (v) To en-cash the advance bank guarantee and performance bond / warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.

- (vi) To cancel all or any other Contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation / rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
 - (vii) To debar the BIDDER from participating in future bidding processes of NALCO for a minimum period of five years, which may be further extended at the discretion of the BUYER.
 - (viii) To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.
 - (ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER, the same shall not be opened.
 - (x) Forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 5.2 The BUYER will be entitled to take all or any of the actions mentioned at para 5.1(i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal Code 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.
- 5.3 The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the independent Monitor(s) appointed for the purposes of this Pact.

6. Independent External Monitors (IEMs):

- 6.1. The BUYER has a panel of Independent External Monitors (hereinafter referred to as IEMs) for this Pact in consultation with the Central Vigilance Commission as mentioned in NALCO's NIT/NALCO's website (www.nalcoindia.com).
- 6.2 The task of the IEMs shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- 6.3 The IEMs shall not be subject to instructions by representatives of the parties and perform their functions neutrally and independently.
- 6.4 Both the parties accept that the IEMs have the right to access all the documents relating to the project / procurement including minutes of meetings.

- 6.5 As soon as the IEM notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER.
- 6.6 The BIDDER(s) accepts that the IEM has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The IEM shall be under contractual obligation to treat the information and documents of the BIDDER / Subcontractor(s) with confidentiality.
- 6.7 The BUYER will provide to the IEM sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the IEM the option to participate in such meetings.
- 6.8 The IEM will submit a written report to the designated Authority of BUYER / Secretary in the Department / within 8 to 10 weeks from the date of reference or intimation to his by the BUYER / BIDDER and should be occasion arise, submit proposals for correcting problematic situations.

7. Facilitation of Investigation:

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

8. Law and Place of Jurisdiction:

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

9. Other Legal Actions:

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

10. Validity:

- 10.1 This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. If any claim is made/ lodged during this time, the

same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/ determined by CMD, NALCO.

- 10.2 Should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.
- 11. If the bidder/ Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members
- 12. The parties hereby sign this Integrity Pact at _____ on _____.

	For & on behalf of	For & on behalf of
	BUYER	BIDDER
Name of the Officer:		
Designation:		
Company:	NALCO	
Official Seal:		
	Witness	Witness
	1. _____	1. _____
	2. _____	2. _____

Bid Securing Declaration Form

Tender No. _____

Date: _____

To

(Insert complete name and address of the purchaser)

I/We. The undersigned, declare that:

I/We understand that, according to your conditions, bids must be supported by a Bid Securing Declaration.

I/We accept that I/We may be disqualified from bidding for any contract with you for a period of Two Years from the date of notification if I am /We are in a breach of any obligation under the bid conditions, because I/We

- a) have withdrawn/ modified/ amended, impairs or derogates from the tender, my/our Bid during the period of bid validity specified in the form of Bid; or
- b) having been notified of the acceptance of our Bid by the purchaser during the period of bid validity (i) fail or reuse to execute the contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the Instructions to Bidders.

I/We understand this Bid Securing Declaration shall cease to be valid if I am/we are not the successful Bidder, upon the earlier of (i) the receipt of your notification of the name of the successful Bidder; or (ii) thirty days after the expiration of the validity of my/our Bid.

Signed: (insert signature of person whose name and capacity are shown) in the capacity of (insert legal capacity of person signing the Bid Securing Declaration) Name: (insert complete name of person signing the Bid Securing Declaration)

Duly authorized to sign the bid for an on behalf of (insert complete name of Bidder) Dated on _____ day of _____ (insert date of signing) Corporate Seal (where appropriate)

(Note: In case of a Joint Venture, the Bid Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid)

List of Govt. Guidelines for public procurement for compliance

(As Updated on 07.07.2022)

A. Issued by Department of Expenditure under GFR 161(ix), 144(xi), 150

Letter Reference	Subject	Brief Description
1. OM dated 21.06.2022 of DPIIT on Relaxation for GTE under Rule 161(iv) of GFR	Consolidation of demand of products / items by Administrative Ministry seeking GTE	To ensure that Administrative Ministry undertakes due consolidation of demands of products/ Items seeking relaxation for GTE before approaching CA by DoE/DPIIT. Accordingly, CPSEs/ departments are required to furnish their consolidated proposals for GTE relaxation to administrative ministry.
2. OM dated 21.06.2022 by DoE	Relaxation on GTE under Rule 161(iv) of GFR for medical devices/ Equipment	371 numbers of Medical devices/ equipment (Annexure-A) will be exempted from instructions vide OM dated 15.05.2020 & 28.05.2020 regarding restriction for GTE below Rs.200 Cr. Valid till 31.03.2023.
3. OM dated 07.09.2021 & OM dated 05.05.2021 of DPIIT	Launch of online portal for lodging grievances by suppliers / bidders for alleged violation of PPP-MII Order,2017	Suppliers/ Bidders will mandatorily be required to lodge their grievances for alleged violation of PPP-MII Order,2017 effective from 01.07.2021 through online portal: https://pmiig.dpiit.gov.in
4. D.O. letter dated 02.05.2022 from Secretary (Co-ordination), Cabinet Secretariat.	Submitting applications for GTE exemption u/r 161(iv) b of GFR through online 'GTE portal' under e-Samiksha platform of GTE cell, Cabinet Secretariat.	All user agencies, Ministries/departments are to submit their GTE exemption applications and comments through the GTE portal (https://esamiksha.gov.in OR https://cabsec.gov.in/more/globaltenderenquiryproposal) starting from 05.05.2022. No physical application will be received by the office. <ul style="list-style-type: none"> • CPSE shall submit proposal online in above portals. • Proposal should be submitted via Govt. of India's email address (like gov.in, nic.in). The OTP will be sent to this email address for authorisation purpose. • After verification of e-mail address, the proposal will be submitted to the administrative ministry. (Unique Proposal ID will be generated)

Letter Reference	Subject	Brief Description
5. OM dated 1 st April, 2022 amending Rule 170(ii) of GFR	Regarding return of Bid Security	Bid securities of the unsuccessful should be returned at the earliest after expiry of final bid validity and latest on or before the 30 th day after award of contract. However, in case of two stage bidding, bid security should be returned within 30 days of declaration of result of 1 st stage.
6. OM dated 14.02.2022 by DoE	Relaxation on GTE under Rule 161(ix) of GFR 2017 for raw materials.	Procurement of raw materials like Nickel, Chromite sand, Low Carbon ferro chrome, Metallic Manganese flakes, etc. which are <u>not available in the country</u> (or <u>not available of requisite quality/ grade</u>) may be done through GTEs with the approval of Secretary of Ministry/ Department concerned.
7. OM dated 02.02.2022 by DoE.	Amendment to GFR 170(i) and 171(i) to include Insurance Security Bonds as Security Instrument	Bid security and Performance Security in the form of Insurance Surety Bonds has been included besides Account payee Demand Draft, Fixed deposit receipt, Banker's cheque or Bank Guarantee from any of the commercial banks or online payment.
8. OM dated 30.12.2021 by DoE.	Extension of validity of OM dated 12.11.2020 Reg: Performance Security @ 3% till 31.03.2023	Validity of OM dated 12.11.2020 regarding Performance Security of 3% (instead of 5-10%) has been extended till 31.03.2023.
9. OM dated 02 nd November, 2021 by DoE.	Guidelines on debarment of firms from Bidding (GFR 151)	Guidelines on debarment of firms from bidding either by (i) Single Ministry/ Department or (ii) Across all Ministries / Departments have been stipulated.
10. OM dated 29.10.2021 by DoE	Insertion of Rule 227A in GFR 2017- Arbitration awards	In cases where Department has challenged an Arbitral award and as a result the award amount has not been paid, 75% of the award amount shall be paid to the contractor against a Bank Guarantee into a designated Escrow Account.
11. OM dated 08.10.2021 by DoE	Certain Items procured by Oil & Gas PSUs permitted for GTE with approval of Secretaries of Ministry	DoE vide OM dated 21.12.2020 had notified that Secretary, MOPNG as CA to approve issuance of GTE for certain items (Listed in Annexure). Such items have been permitted to be procured with approval from Secretaries of Ministries.

Letter Reference	Subject	Brief Description
12. OM dated 03.08.2021 by DoE	Revised Consolidated Instructions regarding Global Tender Enquiry (GTE) under Rule 161(iv) of GFR,2017	<ul style="list-style-type: none"> - Instruction for submission of proposals for GTE exemption in specified Format through administrative Ministry. - Before sending proposal 1) Domestic open tender to be floated, 2) Deliberation with DPIIT / Industrial bodies & 3) 3/5-year procurement plan must be complied.
13. OM dated 12.03.2021 (with reference to OM dated 15.05.2020 on amendment in GFR 161(ix) that no GTE upto Rs.200 Cr)	Relaxation on GTE under Rule 161(ix) of GFR 2017-reg	<p>It is clarified that OM dated 15.05.2020 will not be applicable in following cases</p> <ul style="list-style-type: none"> i) Where procuring entities need to issue GTEs to fulfil contractual commitments/obligations entered by them before 15.05.2020 i.e. bid has been submitted by them to clients before 15.05.2020. ii) Where procuring entities need to issue GTEs in view of existing collaboration agreements entered by them with foreign suppliers before 15.05.2020.
14. OM dated 02.03.2021 (Referring to OM dated 23.07.2020 at Sl.no.7)	Restrictions under Rule 144(xi) of GFR 2017	Procurement of spares and other essential service support like Annual Maintenance Contract (AMC)/ Comprehensive Maintenance Contract (CMC) including consumables for closed systems, from OEMs or their authorised agents, shall be exempted from requirement of registration as mandated under Rule 144(xi) of GFR 2017 and public procurement orders issued in this regard.
15. OM dated 08.02.2021 (Referring to OM dated 23.07.2020 at Sl.no.7)	Restrictions under Rule 144(xi) of GFR 2017	<ol style="list-style-type: none"> 1. A bidder is permitted to procure raw material, components, sub-assemblies, etc. from vendors from countries which share land border with India. Such bidders will not be required to be registered with competent authority. 2. However, in case a bidder has proposed to supply finished goods procured directly/ indirectly from the vendors from countries sharing land border with India, such vendors are required to be registered with the competent authority.

Letter Reference	Subject	Brief Description
<p>16. OM dated 18.11.2020 (Referring to OM dt. 15/05 and 08/10 of DOE)</p>	<p>Global Tender Enquiry-GTE reg</p>	<p>To ensure following before sending proposals seeking approval for GTE:</p> <ol style="list-style-type: none"> 1. First float domestic tender to identify domestic manufacturers/ service providers for the item/ service. 2. To discuss with DPIIT/ Industry bodies for identification of domestic manufacturers/ service providers. Include details of deliberation in the proposal. 3. Publish 3/5 yr procurement plan in their website as mandated by DPIIT's PPP-MII Order, 2017 Dt. 16.09.2020.
<p>17. OMs No. 9/4/2020-PPD dated 12.11.2020</p>	<p>Bid Security/ EMD, Performance Security & Additional Performance Security in case of abnormally low bids</p>	<ul style="list-style-type: none"> - No provision regarding bid security (EMD) should be kept in the bid documents in the future and only provision of bid security declaration should be kept. - Performance security requirement to be reduced from existing 5-10% to 3% of the value of the contract - No provision should be kept in bid documents regarding additional security deposit/ BG in case of abnormally low bids.
<p>18. OM dated 29.10.2020 (Referring to OM dt. 15/05 and 28/05 of DOE)</p>	<p>Relaxation on GTE under Rule 161(ix) of GFR 2017</p>	<p>Amendment in GFR vide OM dt. 15.05.2020 will not be applicable to procurement of spare parts of equipment/ plant & machinery, etc. on nomination basis from OEM/ OES or OPM as no competitive tenders are invited in such case.</p>
<p>19. Cabinet Secretariat OM dated 06.10.2020</p>	<p>Revised Format seeking approval for GTE under GFR 161(ix).</p>	<p>Cases to be submitted on or before 10th of every month to Cabinet Secretariat, DPIIT & Dept. of Expenditure.</p>

Letter Reference	Subject	Brief Description
20. OM dated 24.08.2020	Registration of Suppliers in GeM portal under Rule 150 of GFRs.	In a tender if total amount of bid of a Seller is > Rs. 25 Lakhs (Incl. Taxes), it is mandatory for the Sellers providing Goods & Services to be registered in GeM and obtain a unique GeM Seller ID at the time of placement of order. This ID shall be <u>incorporated in every Purchase Order, contract, agreement.</u> GeM Seller ID is <u>not mandatory at time of tendering.</u> But it is <u>only required for successful tenderer at the time of award of order.</u> This requirement should be incorporated in the tender. However, orders placed against Global Tender Enquiry and orders pertaining to works contracts are exempted from the above guideline.
21. OM dt. 23.07.2021, Order (Public Procurement No.1) dated 23.07.2020, Order (Public Procurement No.2) Dt. 23.07.2020 & Order (Public Procurement No. 3) Dt. 24.07.2020 and Format for registration	Restrictions under Rule 144(xi) of the GFRs, 2017	Any bidder from a country which shares land border with India will be eligible to bid in any procurement whether goods, services or works only if the bidder is registered with the specified Competent authority. This requirement is to be incorporated in tenders floated after 23.07.2020. Detail procedure & clarification given in the orders.
22. Two OMs dated 28.05.2020 (With reference to amendment of Rule 161 (iv) of GFR on GTE)	Global Tender Enquiry	Restriction on GTE as per revised GFR rule 161(iv) i.e. no GTE to be invited for tenders up to value of Rs. 200 Cr will be applicable for all procurements of goods, services and works after 15.05.2020. Prior approval to be sought with detailed justification. Secretary (co-ordination), Cabinet Secretariat shall be the competent authority.
23. OM dated 15.05.2020	Amendment in GFR Rule 161(iv) – Global Tender Enquiry	No global tender enquiry (GTE) shall be invited for tenders up to Rs. 200 cr. Provided that in exceptional cases if there are special reasons for GTE prior approval to be sought from Competent authority with detailed justification.

B. Issued by DPIIT (Department of Promotion of Industry and internal trade) under PPP-MII Order,2017

Letter Reference	Subject	Brief Description
1. OM dated 04.03.2021 (With reference to the PPP-MIII Order, 2017 as amended on 16.09.2020)	Clarification for local content calculation PPP-MII Order-- reg.	It is clarified that the bidders offering imported products will fall under the category of Non-local suppliers. They can't claim themselves as Class-I /Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, and training and after sales service support like AMC/CMC, etc. as local value addition.
2. OM dated 07.12.2020	Alleged non-compliance of PPP-MII Order,2017	DPIIT in their OM has advised that all the procurement agencies are required to certify compliance of PPP-MII Order before uploading tenders on CPPP. Further, it is mentioned therein that disciplinary action may be considered against erring officers where restrictive conditions against domestic manufacturers have been imposed with malafide intentions
3. PPP-MII Order,2017 revision dated 16.09.2020 (Latest)	Public Procurement (Preference to Make in India) Order,2017 Revision	<ul style="list-style-type: none"> - This latest revised PPP-MII Order,2017 is to be incorporated in tenders floated on or after 16.09.2020 (in place of previous revision dated 04.06.2020) - New clause at para 3B (page-4) on applicability in tenders where contract is to be awarded to multiple bidders. - Slight modification in definition of Class-II local suppliers with respect minimum local content (Ref para 5) i.e. minimum 20% (as against earlier more than 20% in order dt. 04.06.2020) - Other minor changes
4. Any notification issued by nodal Ministry under para 3(a) & para 5. of PPP-MII Order,2017 dtd 16.09.2020	Nodal Ministry notification regarding sufficient local capacity or competition and the minimum local content	<p>Example: Order dated 01.0-6.2020 by Deptt. of Chemicals & Petrochemicals notifying that there is sufficient local capacity and competition for Caustic soda so that only Class-I local suppliers are eligible to bid. In the same order the minimum local content for Aluminium Fluoride & Caustic soda has been notified.</p> <p>Concerned departments should verify whether there is any notification from nodal ministry under para 3(a) and para 5. Of PPP-MIII Order, 2017. Accordingly, the same should be complied with.</p>

C. Public Procurement Policy for the MSEs Order ,2012

1. Public procurement policy for MSEs amendment order, 2018 dated 09.11.2018	Mandatory procurement from MSEs	<ol style="list-style-type: none"> 1. Mandatory procurement of minimum 25% of annual procurement from MSEs within price band of L1+15% 2. Sub target of 3% within the 25% target shall be earmarked for procurement from MSEs owned by women.
2. Public Procurement Policy for MSEs Order, 2012 dated 23.03.2012	Mandatory procurement from MSEs	<ol style="list-style-type: none"> 1. Mandatory procurement of minimum 20% of annual procurement from MSEs quoting price within price band of L1+15% subject to matching L1 price. 2. Sub target of 4% shall be earmarked for procurement from MSEs owned by SC/ST entrepreneurs.

D. NALCO office Order

Office order Ref D(P&T)/864/2020 dated 08.12.2020	Bid Security/ EMD, Performance Security/ Additional performance security in case of Abnormally Low bids	As approved in the 299 th meeting of FDC dated 03.12.2020, Bid Security/ EMD, Performance Security/ Additional performance security in case of Abnormally Low bids should be in conformity to the OMs No.9/4/2020-PPD dated 12.11.2020 issued by Deptt of expenditure and also DPE OM DPE/7/(4)/2017-Fin (Part1) dated 19.11.2020.
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The above list is not exhaustive. Necessary action without fail must be taken by all concerned on all other Govt. OM/guidelines/notices, which have been issued and orders issued from time to time. On receipt of Govt. OM/ circulars/ guidelines, the same is circulated to all GGM (Malts) of Corporate and Site, ED of complexes and other concerned executives. This will be the responsibility of above person to ensure circulation of communication to down below all concerned executives for strict compliance.

ABBREVIATION

ABG	- Advance Bank Guarantee
AMC	- Annual Maintenance Contract
ATC	- Agreed Terms and Conditions/Additional Terms and Conditions in GeM
BG	- Bank Guarantee
BOQ	- Bill of Quantity
BO	- Brief Order
BQC	- Bidder's Qualification Criteria
CA	- Competent Authority
CAD	- Cash against document
CFR/ C&F	- Cost and Freight as per INCO Terms
CIF	- Cost, insurance and Freight as per INCO Terms
CPBG	- Contract cum Performance Bank Guarantee
CPPP	- Central Public Procurement Portal
CPSE	- Central Public Sector Enterprise
DDP	- Delivered duty paid
DDU	- Delivered duty unpaid
DIPP	- Department of Industrial Policy and Promotion
DOP	- Delegation of Power
EMD	- Earnest Money Deposit
ERP	- Enterprise Resource Planning (in IT tool)
EXW	- Ex-works as per INCO Terms
FCA	- Free carrier
FOB	- Free on Board as per INCO Terms
FOT	- Free on Truck
FOR	- Free on Road
FPS	- Foot-Pound-Second
GCC	- General Conditions of Contract
GeM	- Government e-Market place
GFR	- General Financial Rule
GoI	- Government of India

- GST - Goods and Service Tax
- GTC - General Terms and Conditions in GeM
- ICB - International Competitive Bidding
- INCO Terms - International commercial terms
- ITB - Instructions to Bidders
- ITC - Input Tax Credit
- LC - Letter of Credit
- LD - Liquidated Damages
- LTE - Limited Tender Enquiry
- LOA - Letter of Acceptance
- LOI - Letter of Intent
- LPO - Last Purchase Order
- LPP - Last Purchase Price
- MSE - Micro & Small Enterprise
- MSME - Micro, Small & Medium Enterprise
- MT - Metric Ton
- NCB - National Competitive Bidding
- NIT - Notice Inviting Tender
- OEM - Original Equipment Manufacturer
- OES - Original Equipment Supplier
- PO - Purchase Order
- PR - Purchase Requisition
- PPP-MII - Public Procurement Policy - Make in India
- PQ - Pre-Qualification
- PSU - Public Sector Undertaking
- RFQ or RFX - Request for Quotation
- SAP - Systems, Applications, Products in Data Processing (a type of ERP)
- SCC - Special Conditions of Contract
- SD - Security Deposit
- STC - Special Terms and Conditions in GeM
- UAN - Udyog Aadhar Number
- UAM - Udyog Aadhar Memorandum
- WO - Work Order



नालको  **NALCO**

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