



BRAITHWAITE & CO. LTD.

(A Govt. of India Undertaking)
(MINIRATNA Category-1 Company)

Ministry Of Railways

www.braithwaiteindia.com



PURCHASE MANUAL

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1.0.0 INTRODUCTION

1.1.0 SCOPE:

This Policy lays down the directions and guidelines to be followed by all Purchase and Store Officers / Personnel and related to Delegation of Administrative & Financial Powers (DAFPs). Procurement of goods, work contracts & consultancy services are covered by this Purchase Manual. This Manual supersedes the earlier Purchase Manual revised as on 01.04.2021 and various circulars/ instructions related to procurement, issued from time to time, will be effective from the date of its issue. This Manual shall be applicable for all Enquiries/ NITs/ Tenders floated on or after the date of issue of this manual. All post-award actions for orders placed under previous manual including new requirements/ indents intended to be covered under Repeat Ordering/ Agreement/ Rate Contract shall also be governed by the provisions of this manual. However, any Govt. notifications / circulars issued later on, shall prevail over the existing stipulations in this Purchase Manual.

All Purchase and Store Officers / Personnel are expected to have clear idea / knowledge about the following:

- a) Indian Contract Act 1872
- b) Sale of Goods Act 1930
- c) Guidelines for Material Management in Public Enterprises published by The Bureau of Public Enterprises.
- d) Contract Labour Acts 1970
- e) Companies Act 2013
- f) CVC Guidelines
- g) General Financial Rules 2017
- h) Public Procurement Law
- i) MSMED Act 2006 & Govt. Policies on MSEs
- j) GEM Rules & Regulations
- k) Railway Purchase Rules

Materials Management, as the name signifies, means Management of Materials. It broadly covers purchase and procurement of materials, equipment, machinery and related auxiliary and utility services from outside

sources, transporting the materials to its place of work, keeping the materials in stock, maintaining an optimum level of inventory of materials, issuing the materials as and when required and finally, keeping an overall account of the materials whether in process or in stores.

It is seen that about two thirds of any Company's sales turnover accounts for the purchase materials bills. It is therefore, of paramount importance to control these materials bills as much as possible, since any reduction on materials bill will result in improving the profitability.

1.2.0 **OBJECTIVE:**

Objective of procurement activity covered under the Purchase Manual shall be to procure at the right time, at an optimum price, consistent with quality requirements, in a transparent and fair manner in line with extant guidelines and Government directives, to meet Customer commitments.

1.3.0 **POLICY:**

The policy of purchase will depend on value of purchase, urgency as also to suit most advantageous and economic conditions for the Company. Unlike most other Public Sector Undertakings, **Braithwaite & Co. Ltd.** manufactures only tailor-made items i.e. as per customer's specification and there procurement plays a vital role. Time, quality and price are essential factors to a pre-planned time schedule, as such, very cautious, controlled and time-bound procurement is essential.

1.3.1 Detailed below are the general guidelines for purchase and procurement as also for works contracts. In case of any urgency / stock-out situation where some deviations may be resorted to as this Company is production oriented, suitable reasons for such deviations should be recorded. This is necessary in a PSU and will avoid criticism from Accounts and Audit as well as Vigilance.

1.3.2(a) In the case of emergency purchase, care should be taken to ensure that the quantity should be only limited to overcome the crisis and expenditure should not "prima facie" be more than the occasion demands.

- (b) The quality of material is procured in right quantity in right time and at right price to maximize the productivity and maintain optimum inventory level.
- (c) Purchaser's objective should be to procure goods that are best suited rather than those ranking highest absolute qualities. The purchaser should strive to procure the desired quality at the lowest possible cost.
- (d) Continuity of production is maintained.

2.0.0 FINANCIAL CONTROL:

2.1.0 PROCEDURE OF COST ESTIMATION:

While submitting indents in Purchase Department the following guiding principles in respect of determining the estimated cost of indented items / Services shall be followed. In this regard, a Standing Estimation Cell (SEC) consisting of One in-house independent technical expert from Works / Project / Business Development, one member from the Indenting Department and one from Finance department shall be formed, which will be headed by an officer of minimum DGM rank, who will be the Chairman of the Cell. Depending on the area of activity, technical expert should be co-opted.

The procedure of indenting shall be as follows:

- Indenter should integrate with SEC for fixation of estimated price.
- Thereafter, the indents with estimated price will be forwarded to the Purchase Department for further processing.

The cost estimation will be as per the following:

Case 1: Where material / Service has been previously procured.

Estimated Cost: To be worked out based on Last Purchase Price (L.P.P) along with normal inflation and market survey, wherever possible. Due escalation / de-escalation on account of increase / decrease in Wholesale Price Index (W.P.I), labour rate, minimum wages, etc. specific for the subject item, shall also be taken into consideration.

Case 2: First Time Procurement (FTP) / No earlier Procurement History / Bill of Quantity (BoQ) not available.

Estimated Cost: Indenter shall have to obtain at least 3 budgetary quotations from reputed eligible sources, and the estimated price shall be worked out based on the lowest budgetary cost.

In case of OEM (Original Equipment Manufacturer) / Proprietary Procurement/ Customer stipulated vendor, it should be done based on PAC (Proprietary Article Certificate) and the BQ (Budgetary Quotation) shall be obtained from the OEM / Proprietor, and estimation done accordingly. The format and authority for issuance of PAC will be approved by Indenter through concerned HOD. Draft format of PAC is attached as Annexure-1.

Note: Where there is no knowledge about the OEM, concerned OES (Original Equipment Supplier) can be contacted on proprietary basis.

Case 3: In case of Civil / Non-standard / Made to Order items / Services:

Estimated Cost: Estimate should normally be worked out, based on the tentative BoM / BoQ and applying unit rate from latest PWD / CPWD / other standard Govt. schedule of rates. The impact of price variation if any should also be considered from the date of publication of the schedule of rates till the date of indent.

L.P.P. as per Case 1 may be considered for estimation, wherever felt necessary. Basis of calculation with supporting documents for price estimation of the indented materials / jobs is to be enclosed.

In addition to the above, the following may also be adhered to during Price estimation:

- For indenting value less than Rs. 10,000/-, single quotation from merchants shall be sufficient.

- If quotation of OEM items is obtained from authorized dealer having valid dealership certificate, minimum 2 different dealer's quotations are required if the same is available.
- In no case less than 3 quotations will be considered, if quotation is from a trader / General Order Supplier.

NOTE: During Cost Estimation, care should be taken regarding the contribution (i.e. Sale price minus all variable cost) percentage which should not be below 7.5% commensurate with overhead cost of the Company. However, for lower percentage, approval from CMD is required along with financial concurrence.

2.2.0 FINANCIAL CONCURRENCE:

Financial concurrence implies a second check to ensure that the policy, delegation of powers and all administrative instructions are complied with, apart from a thorough checking of all calculations. Power for according financial concurrence to be exercised by the executives of finance department will be as per para given below:

1. Under the powers vested in him by the Board of Directors, The Chairman & Managing Director hereby authorizes the executives of the Finance & Accounts Department to severally exercise under the general supervision and control of Director (Finance) the powers in regard to Financial Concurrence to the extent indicated here-in-after.
2. Authority for according financial concurrence shall be executive one step lower than the approving authority. In the absence of finance executive of the required rank, powers of financial concurrence can be sub-delegated by Director (Finance).
3. While exercising these powers the executives of the Finance & Accounts Department will inter alia, ensure that the proposals conform to the provisions of the Companies Act, as applicable from time to time, Memorandum and Articles of Association of the Company, the directives issued by President of India, the policies laid down by the Board of Directors and also subject to such directives as may be given from time to time by CMD / Functional Directors, availability of funds in the approved Capital / Revenue and manpower budgets, and powers have been exercised by the

executives of the concerned department in accordance with the approved scheme of Delegation of Administrative and Financial Powers.

4. Executives entrusted with the responsibility of administering Public Funds should adhere scrupulously to the age-old and universally accepted canons of financial propriety which are as follows:
 - (a) Every officer / employee should exercise the same vigilance in respect of expenditure incurred from company's money as a person of ordinary prudence would exercise in respect of his own money.
 - (b) The expenditure should not be prima-facie more than the occasion demands.
 - (c) Powers of sanctioning expenditure should not be exercised to pass an order which will directly or indirectly be advantageous to the authority sanctioning the expenditure.
 - (d) The amount of allowances granted to meet expenditure of a particular type should be so regulated that these are not on the whole a source of profit to the recipients.
5. Financial concurrence would be necessary in all cases **except** the following cases:
 - (i) For all proposals including Amendments, up to the value of Rs. 50,000/- for single tender & Rs. 1,00,000/- for limited tender.
 - (ii) Reduction of notice period for submission of offer.
 - (iii) For Amendments to contracts for Materials / Services due to variation to the technical specification except those affecting price or total economics.
 - (iv) For administrative approval including:
 - For deciding Mode of Tendering.
 - For delivery extension where L.D as per contract is levied.
 - For increase or decrease in quantity within the limits provided in the contract.

6. Financial concurrence shall be required at the time of price bid opening, negotiation and placement of order.

3.0.0 COMPETENT AUTHORITY, FORMATION & POWER OF THE TENDER COMMITTEE:

Competent Authority shall refer to the Authority competent to sanction / approve up to prescribed value in terms of monetary limits given in the "Delegation of Administrative & Financial Powers (DAFP)". The Landed Cost (for products) /Cost to the Company (for services) shall be considered as the value for deciding the Authority competent to approve the proposals. All the purchases / contracts would be processed through a Tender Committee (T.C.) duly constituted by the Competent Authority from time to time and recommendation will be approved by the respective Competent Authority.

The Tender Committee shall also act as Negotiation Committee wherever required.

3.1.0 TENDER COMMITTEE:

The composition of the Tender Committee will consist of representatives of Purchase, Finance and Indenting (User) Department. In lieu of above, a standing committee (TC I & II) may be formed with the approval of CA along with induction of a Fourth member, usually having domain / technical knowledge / expertise. The value (all-inclusive value) of the Purchase proposal should determine the level of the tender committee.

The formation of the committee will have the approval of the Competent Authority. Minutes of the meetings would be processed through Purchase Department and financial concurrence authority for the sanction of Competent Authority as per DAFP. All purchase whether by individual officer or by tender committee should have a proper note sheet embodying the following particulars.

- a) Purchase proposal should be initiated by the concerned purchase officer enclosing therewith recommendation of the tender committee, comparative

statement, tender specification opening / technical bids / recommendations of Tender Evaluation Committee invitation for the price bid etc.

- b) Special care should be taken to fill up all columns.
- c) All members of the committee should sign the TC recommendation.

3.2.0 Following cases need not be referred to TC and actions can be taken by Purchase Officials as per respective DAFP:

- a) Floating of tenders.
- b) Extension of due date of tenders.

4.0.0 MODES OF PROCUREMENT

Offers from prospective bidders from the Manufacturers / their authorized Dealers / Agents / Stockist / Registered Vendors in public procurement must be invited. Different modes of procurement and bidding systems are used for the purpose.

The various modes of procurement that can be used in public procurement are:

- 1) Open Tender**
 - a) Mandatory Procurement of Goods and Services for Goods or Services available on GeM
 - b) Other procurement not available in GeM but value above Rs. 25 Lakhs
- 2) Global Tender**
- 3) Limited Tenders**
 - a) Tender to RDSO Approved Vendor
 - b) Tender for Others (Upto Rs. 25 Lakhs)
- 4) Single Tender**
 - a) Single Tender with Proprietary Article Certificate (PAC)
 - b) Single Tender without PAC
- 5) Procurements without Calling Tenders**
 - a) Petty Purchase

- b) Spot Purchase
- 6) **Special Procurement**
MOU, Rate Contract, EPC& PMC, etc

Note:

- Procurement of materials and all types of services including sub-contracting shall be normally through tendering, either open or limited, depending on the value of annual contract.
- In exceptional cases with prior approval of Competent Authority emergency purchase through short tendering can be done with justification recorded to avoid any stock-out situation / interruption of essential services up to a limit as specified in DAFP.
- **Purchases through long term contracts:**
Regular consumption items and services may be procured under long term contracts (from approved vendors / vendors selected through open tendering or website display of the tender notice) for a maximum period of 3 years i.e. considering normal 2 years initially plus 1 year extension period, if required. Such contracts shall have provisions for suitable price variation (wherever desirable), short closing of contracts, termination in case of bad performance and / or abrupt downward market price variation. No repeat order can be placed for long term contracts.

4.1.0 OPEN TENDER

4.1.1 MANDATORY PROCUREMENT OF GOODS AND SERVICES FOR GOODS OR SERVICES AVAILABLE ON GEM

Procurement through GeM Portal as per directive of Govt. of India is permitted in respect of any tender falling under provisions of Open Tender, Limited Tender, Single Tender etc. as necessary. In such procurements through GeM, the terms & conditions shall be as applicable by GeM authority. If any special Terms & Conditions are necessary for the interest of BCL for inclusion in the order, the same can be done through discussion and acceptance of the selected vendor. GeM procedures may be followed in this regard.

4.1.2 OTHER PROCUREMENT NOT AVAILABLE IN GEM BUT VALUE ABOVE RS. 25 LAKHS

In OT, an attempt is made to attract the widest possible competition by publishing the NIT simultaneously on the designated websites.

OT procedures through e-procurement or through traditional tendering should be adopted in the following situations:

- i) Procurements exceeding Rs. 25 Lakhs (Rupees Twenty-Five Lakhs)
- ii) All items with clear technical specifications;
- iii) When required items are not available from known sources or sources are presently limited and need to be broad based. In such situations, even for procurements below Rs. 25 (Rupees Twenty-Five) lakh, OT mode may be used, if warranted.

4.1.3 GENERAL TERMS AND CONDITIONS:

Advertisement in such cases should be given on e-procurement portal and on GeM. The same should also be published on the Company's web site or any other portal as per Govt. guidelines. Company should also post the complete bidding document in its web site to enable prospective bidders to make use of the document by downloading from the web site. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders. The availability for downloading of tender documents against NIT should not be restricted and should be available freely.

The due date for opening of an open tender should not be less than 30 days (both days inclusive) from the date of advertisement. However, this period can be relaxed depending upon the requirement for which reasons should be recorded and approved by the Competent Authority.

4.2.0 GLOBAL TENDER

GT is similar to OT but, through appropriate advertising and provision for payment in Foreign Currencies through Letter of Credit, it is aimed at

inviting the participation of inter-alia foreign firms. Development of local industry also needs to be kept in mind.

The advertisement is to be indicated as 'Global Tender' under the following situations:

- i) Where Goods of required specifications/quality are not available within the country and alternatives available in the country are not suitable for the purpose.
Absence of a sufficient number of competent domestic bidders likely to comply with the required technical specifications, and in case of suspected cartel formation among indigenous bidders.
- ii) Non-existence of a local branch of the global principal of the manufacturer/vendors/ contractors. However, it is advisable to ensure that such a global principal should have a local agent for providing warranty and/or after sales services.
- iii) Requirement for compliance to specific international standards in technical specifications.

4.2.1 GENERAL TERMS & CONDITIONS:

- i) Advertisement in such cases should be given on e-procurement portal and on GeM. The same should also be published on the Company's web site or any other portal as per Govt. guidelines. Company should also post the complete bidding document in its web site to enable prospective bidders to make use of the document by downloading from the web site. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders. The availability for downloading of tender documents against NIT should not be restricted and should be available freely.
- ii) Global tender documents must be in English and the price should be asked in Indian Rupees or US Dollars or Euros or Pound Sterling or Yen or in currencies under the Reserve Bank of India's notified basket of currencies.

For the basis of evaluation, conversion of currencies shall be done considering SBI card rate for the closing date of the tender.

- iii) Global tender documents must contain technical specifications which are in accordance with national requirements or else based on an international trade standard.
- iv) In such cases e-procurement may not be mandatorily insisted upon.
- v) The due date fixed for opening of the tender shall be minimum four weeks from the date of advertisement which may vary taking into account the nature of material called for as well as the time required to prepare the bids. The due date may be subsequently extended with the approval of the CA only to promote better competition and also considering account delivery requirement.
- vi) Relevant INCOTERMS should be included in the tender.
- vii) Insurance: When the seller passes on the insurance responsibility to the purchaser and the same is accepted, a mention should be made to that effect in the copy of the Purchase Order to enable Accounts Department make premium remittance, if applicable.

In case of F.O.R destination delivery terms, the onus of ensuring safe arrival of consignment rests with the suppliers. In such cases, the policy documents shall also be sent to the Purchaser along with proof of despatch, inspection note etc. The supplier shall not be allowed to negotiate advance payment / negotiation of L.C through bank or directly without these documents.

NOTE:

- No Global Tender up to Rs. 200 crores shall be invited or such limit as per Government Notification from time to time. In exceptional cases where the Management feels that there are special reasons for inviting GT, for tenders below such limit, it may record its detailed justification and seek prior approval for relaxation from the Competent Authority as per DAFP.
- Government Circular relevant to import and restriction on import may be referred from time to time.

4.3.0 LIMITED TENDERS

Limited Tender (LT) is a restricted competition procurement, where a registered vendor list, empanelled vendors through EOI, RDSO approved vendor list (no restriction of value), BCL's customer approved vendor list is directly approached for bidding.

As per CVC guidelines, tender value above Rs. 5 Lakhs has to be published in Company website, other vendors participating against such NIT displayed in website with suitable eligibility conditions are also to be considered.

For tender value below Rs. 5 Lakhs, bids from uninvited bidders are treated as unsolicited and are normally not entertained, except in special circumstances.

4.3.1 TENDER TO RDSO APPROVED VENDOR

Where sources of supply are limited / restricted and which are to be procured only from the registered sources as per RDSO approved vendor list irrespective of value.

4.3.2 TENDER FOR OTHERS (UPTO RS. 25 LAKHS)

Where sources of supply is limited / restricted and which are to be procured only from the registered sources as per BCL's approved vendor list irrespective of value.

4.3.3 GENERAL TERMS AND CONDITIONS:

- i) Copies of the bidding documents should be sent free of cost (except in case of priced specifications/ drawings) directly by speed post/courier/e-mail to firms which are registered vendors/ contractors. Further, BCL should also mandatorily publish its limited tender enquiries on the Company's web site.
- ii) A simplified Bid Document should be used. The minimum number of bidders to whom LT should be sent is more than three. In case less than three approved vendors/contractors are available, LT may be sent to the available

approved vendors/contractors with approval of the CA, duly recording the reasons.

- iii) Limited Tenders must be issued to the pre-approved vendors. For this purpose, the Purchase Department should invite open tenders once in every two years for the empanelment of vendors for all the major required products and services.
- iv) For branded items, enquiry is to be sent to maximum number of Manufacturers and also authorized agents to get maximum possible discount and better terms.
- v) For submission of limited tender, a minimum time of 14 days from the date of enquiry / issue should be allowed. However, this time limit can be relaxed with approval of Competent Authority.

4.4.0 SINGLE TENDER

Procurement may be made on single tender basis in the following cases:

4.4.1 SINGLE TENDER (ST) WITH A PAC

In procurement of goods, certain items are procured only from Original Equipment Manufacturers (OEMs) or manufacturers having proprietary rights (or their authorised dealers/stockists) against a PAC certificate (Annexure1) signed by the appropriate authority. Once a PAC is signed at the designated level, the powers of procurement are the same as in normal conditions as per DAFP.

4.4.1.1 GENERAL TERMS AND CONDITIONS:

- i) Users should enclose, with their Indent, a PAC certificate indicating the justification and approval at the appropriate level, for sourcing an item from OEM or PAC firms or their authorised agents.
- ii) Proprietary items shall be purchased only from a nominated manufacturer or its authorised dealer as recorded in the PAC certificate.

4.4.2 SINGLE TENDER (ST) WITHOUT A PAC

A tender invitation to one firm only without a PAC certificate should be resorted to only under following conditions:

- i) 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.
- ii) For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery/equipment (on the advice of a competent technical expert and approved by the Competent Authority), the required goods are to be purchased only from a selected firm.
- iii) Purchase from Foreign Collaborators, as agreed in Collaboration Agreement.
- iv) Purchase under specific instructions from the customer as may be incorporated in the contract or agreed to by the Company.
- v) Purchase of items with specific design requirements that may not be available from alternative sources and certified to that effect by the head of concerned department.
- vi) For any emergent maintenance spare to restrict break down time.

4.4.2.1 GENERAL TERMS AND CONDITIONS:

- i) The reasons for a ST and selection of a particular firm must be recorded and approved by the CA as per DAFP, prior to single tendering.
- ii) Other terms and conditions of PAC procurement mentioned above would also apply in this case.

4.5.0 PROCUREMENTS WITHOUT CALLING TENDERS

4.5.1 PETTY PURCHASE

In case of emergencies due to stock out situations, purchases of petty items through physical cash transaction upto Rs 10,000/- may be made by the user directly from the market or from authorized source. Unit Heads / respective departmental heads will be the sanctioning authority for such expenditure within their delegated financial limits.

In case of emergencies due to stock out situations, purchase above Rs. 10,000/- and upto Rs. 1.00 Lakh may be made by the user with the approval of Competent Authority along with financial concurrence, as per DAFP.

The above purchases may be done without calling quotations & without placing Purchase orders of the respective units. Such purchases shall be regularized within 15 days from the date of purchase. While regularizing, the purchaser shall produce original documents of purchase, GST compliant invoice/ challans, etc as applicable from an authentic source.

Care should be taken for non-splitting of purchase indent to bring smaller value to accommodate within the financial powers.

However, physical cash transaction over and above Rs. 10,000/- is not allowed.

4.5.2 SPOT PURCHASE:

Spot Purchase is to be resorted to:

- Meet extremely emergent requirements expressed by user department duly certified by HOD/Unit Head for value not exceeding Rs. 50 Lakhs. However, for values higher than Rs. 50 Lakhs, discretion of CMD will only be considered.
- Requisite approval of spot purchase shall be taken by Purchase Department from CMD, being the Competent Authority for the same. A Purchase Committee for the same has to be formed on a case-to-case basis.
- Procure limited quantities of readily available commercial off-the-shelf goods that are not specifically produced to a particular description.

A Purchase Committee comprises of members from the Purchase, Finance and the User Department, shall obtain offers preferably from three vendors after verifying the sources. The committee will be required to survey the market to ascertain the reasonableness of rates, quality and specification & identifying the supplier. Purchase order will be processed based on such offers recommended by the committee.

4.5.2.1 SMALL VALUE WORKS AT PROJECT SITES

It is often noticed that in case of Project Sites including Service Sites, adequate number of vendors are not available / willing to execute such projects at remote locations.

The value of such works at Project Sites should not be exceeding Rs. 20 Lakh (in each case). The tendering / awarding shall be carried out with the approval of Site In charge not below the rank of DGM (E-6) & above. However, in case of emergency, for only labour contracts, the value shall be considered upto Rs. 1 Cr. with approval of CMD.

A committee comprising of the Site In-charge, representative from HQ-Finance as well as HQ-Purchase not below the rank of Sr. Officer(E-1) shall go for spot purchase for finalisation of the contracts at respective sites. Locally available contractors and / or BCL's registered contractors who are technically qualified may be included for spot tendering purpose. A report for all such works undertaken at site shall be submitted to HQ for subsequent regularisation in ERP system.

For value above Rs. 1 Cr for Labour Contracts and Rs. 20 Lakhs for others, standard purchase procedure shall be followed.

4.6.0 SPECIAL PROCUREMENT: MOU, RATE CONTRACT, PMC, EPC, ETC.

4.6.1 MOU

A Memorandum of Understanding (MoU) may be drawn with the Government Departments or the Public Sector Undertaking for proper execution of work / procurement of materials. The MoU should spell out the obligations on the part of Government Departments or PSU regarding execution of works / procurement of materials as per proper specifications

and for maintaining proper quality and speed of execution of works / procurement of materials.

Different stages at which funds shall be released to the Government Departments should also be clearly spelt out. Such MoU would normally be for a specific standalone work, but could also be for a Project consisting of a collection of related works. In case of MoU with Government Departments it could also be as a long-term framework MoU. A MOU format suiting to the requirements of the parties involved shall be prepared and vetting shall be done from BCL's legal cell.

In exceptional circumstances, MoU with private entities can be entered into with specific approval of CMD.

4.6.2 **PMC & EPC**

PMC: These days, some Govt. Agencies / Departments executes projects by appointing PSUs as their Project Management Consultants (PMC). Under this model, the PMC is assigned the responsibility for co-ordinating various aspects of the project including planning, scheduling, budgeting and quality control. Wherever applicable, the role of the PMC should be clearly defined in the contracts.

In case, responsibility of PMC includes selection of the contractor, BCL would do the same based on open competitive bidding as per its general purchase guidelines.

EPC-Engineering, Procurement and Construction (EPC) Contracts

The Engineering, Procurement and Construction (EPC) (also called 'Design & Build' Contracts) approach relies on assigning the responsibility for investigations, design and construction to the contractor for a lump sum price determined through competitive bidding. The objective is to ensure implementation of the project to specified standards with a fair degree of certainty relating to costs and time while transferring the construction risks to the contractor.

Unlike the normal practice of construction specifications, the technical parameters in the EPC Agreement are based mainly on output specifications

/ performance standards. The Contractor has full freedom to design and plan the construction activities using best practices.

Selection of the contractor by BCL is based on open competitive bidding as per general purchase guidelines of BCL.

4.6.3 RATE / RUNNING CONTRACT:

A Rate Contract (commonly known as RC) is an agreement between the purchaser and the supplier for supply of specified goods (and allied services, if any) at specified price and terms & conditions (as incorporated in the agreement) during the period covered by the Rate Contract.

4.6.3.1 Once a supply order is placed on the supplier for supply of a definite quantity in terms of the rate contract during the validity period of the rate contract, that supply order becomes a valid and binding contract. Such contracts shall be approved as per DAFP.

4.6.3.2 Rate contract may be renewed for a further period of maximum one year subject to the receipt of satisfactory performance report(s) during the last rate contract from user department(s), provided the current vendor agrees to supply the stores and / or service as per existing price, terms & conditions and there is no downward trend in market price.

4.6.3.3 Purchase may also be made from a firm having a current running rate contract with DGS & D. Where two or more suppliers quote DGS & D rate, then before splitting the order other factors like distance, delivery, quality, reliability etc. shall be taken into consideration. Purchase may be made from registered DGS & D rate contract holder. Normally for all purchase of stores for which DGS & D rate contracts exists, should be made available.

4.6.3.4 During the period of rate contract, price enhancement is to be restricted to rise of statutory levies only. However, during finalization of the original rate contract, care should be taken to ensure incorporation of suitable price variation clauses for increase / decrease with a statistic of 3 (three) months.

4.6.3.5 Following procedures to be followed for Rate Contract:

On receipt of purchase requisition, tender shall be issued with due approval of Competent Authority. The tender document shall contain at least the following information besides other normal terms and conditions:

- a) In the Schedule of Requirement, no quantity is mentioned; only the anticipated drawl is mentioned without any commitment.
- b) Intention for rate contract.
- c) Period of rate contract should normally be for one year. The rate contract may be extended for a further period of one year at the discretion of purchaser with approval of Competent Authority as per same price, terms & conditions.
- d) On finalization of tender, the required quantity shall be awarded to the lowest (L-1) bidder. However, if L-1 bidder expresses inability to supply requirement of full quantity, then balance quantity may be distributed among other bidders at the negotiated agreed rates of the lowest (L-1) bidder, in a fair & equitable manner and in the pre-decided ratio as mentioned in the Tender Enquiry.
- e) Rate contract may be issued to more than one vendor to conform smooth supply and in that case the ratio of splitting to be mentioned in the tender document itself.
- f) The purchaser as well as the supplier may withdraw the rate contract by serving suitable notice to each other. The prescribed notice period is generally fifteen days.
- g) The Rate Contract is in the nature of a standing offer from the supplier firm.

5.0.0 INDENTING PROCEDURE:

5.1.0 The procurement action shall be initiated by the Purchase Department only after receipt of duly processed and approved indents by the Unit Head. Placement of indent in right time for the right quantity with clear specifications of the materials to be purchased is therefore, pre-requisite for efficient Materials Management. The Purchase Executive shall carefully examine the indent to ensure that it is complete in all respect and is duly approved by the Competent Authority.

5.2.0 Minimum, Maximum & Re-ordering level should be assessed and maintained periodically as required. Under no circumstances, idle inventory should be built up without valid, sufficient & cogent reasons.

- 5.3.0** For Capital Items: Before taking approval of indents, it should be certified that funds in the budget are available and liability for this indent is noted against the total available budget.
For Revenue Items: Before taking approval of indents, it should be mentioned that against which sales order the indent is to be raised.
- For Other Items: Before taking approval of indents, certification of administrative heads of respective department should be obtained.
- 5.4.0** In case the time schedule of delivery is urgent (or shorter than usual lead-time) an urgency certificate should be recorded justifying the urgency.
- 5.5.0** Indenters should monitor the progress of the Indents submitted by them. For this purpose, monitoring system should be in place.
- 5.6.0** For Stock / regular consumption items, minimum stock level shall be for at least 3 months. The indenter shall specify in the indent about the stock-in-hand based on which the purchase proposal shall take appropriate purchase actions.
- 5.7.0** Indenter should mention “Bill To” and “Ship To” in the Indent for the purpose of GST specification/ clarification.
- 5.8.0** While indenting care should be taken as to the following:
- a) Indents should be raised in prescribed indent Form as per ERP system.
 - b) Requisition / Bought-out list or Purchase Indent (preferably certified by Unit Head), for items to be procured / purchased specifying the description of the items, requirement against the job order, the guiding specifications, quantity required, quantity available in stock, delivery schedule, in case of standard items, the code number, estimated value and source of purchase, where known (based on last purchase), should be incorporated.
 - c) The purchase or procurement requisition / Indent must be approved by an official empowered / authorized to initiate the same. For better control, it is advisable to initiate single requisitions(s) for one item or items having same category from suppliers’ point of view.

- d) The purchase requisition / Indent must also indicate the job or contract against which the same items are required to be procured unless the same is for stock item.
- e) There should be separate requisitions for stock and non-stock items under different heading / coloured forms. The stock items to be routed through Stores so that any stock available can be verified for procurement of balance stock.
- f) In case any purchase requisition for consumable store is not covered by a Purchase Order within 3 months of placements, same should be revalidated by the officer initiating such purchase.
- g) Wherever available, new codified number should be quoted on requisitions against each item.

6.0.0 PROCUREMENT GUIDELINES

After receipt of the Indent, the procuring entity should take following decisions to initiate procurement:

6.1.0 Reassessment of the quantity and appropriate aggregation of quantities of various users:-

The Purchase Department shall normally neither package nor divide its procurement or take any other action so as to limit competition among bidders or to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand. Provided that in the interest of efficiency, economy, timely completion or supply, wider competition or access to MSEs, Purchase department may, for reasons to be recorded in writing, divide its procurement into appropriate packages, or club requirements of other users for procurement.

Packaging of the contract and procurement planning should be done keeping in view the availability and possibility of eliciting the interest of the qualified firms; effective competition for the type and size of the contract; and access to MSEs.

6.2.0 Determine and declare in documents, any limitation on participation of bidders as per the Government's procurement policy regarding preference to certain sections of industry, if any. The Purchase Department shall not establish any requirement aimed at limiting participation of bidders in the procurement process that discriminates against or amongst bidders or against

any category thereof except to lay down a reasonable and justifiable eligibility or prequalification criteria for the bidders

6.3.0 Selection of a system of bidding i.e. single/two stage, single/two bids, suitability for e-procurement and the mode of procurement i.e. open tenders, limited tenders, single tenders, and so on shall be done by Purchase Department depending on the estimated value duly approved by Competent Authority as per DAFP.

6.4.0 Decisions on the timeframe for completing various stages of procurement, which should be declared in the bidding documents. The Purchase Department should endeavour to adhere to the time limit so decided and record reasons for any modification of such limits.

6.5.0 Integrated procurement plan should be prepared for goods, works and services for the ensuing financial year based on the latest cost estimates, and realistic time schedule for procurement activities and contract implementation and thus schedule and stagger the procurements over the year with a view to ensure an even load on the Purchase Department and the market and also to coordinate matching procurements of Goods, Works and Services for a project.

7.0.0 PREPARATION OF TENDER ENQUIRY:

The tender enquiry should be prepared in clear terms indicating the requirements of the purchaser as to quality, specification, quantity, delivery required, payment terms etc. The tender enquiry usually comprises of:

- i) Description of the subject matter of procurement, its specifications including the nature, quantity, time and place or places of delivery.
- ii) Limitation or preference for participation by bidders in terms of the Government policies.
- iii) Mode of tendering (i.e. single bid type or two bid type) shall be decided during floating of tender as per approval of CA.
- iv) The criteria for eligibility and qualification to be met by the bidder (the eligibility criteria should take care of the supplier's eligibility to receive such a contract.
- v) They shall be clear and fair, having regard to the specific circumstances of the procurement. Appropriate parameters should be prescribed in the eligibility criteria for bidders, to enable selection of the right type of bidders in public interest, balancing considerations of quality, time and cost.

- vi) The qualification criteria should take care of the supplier's past performance, experience, technical competence and production capacity of the subject goods, financial strength to handle the contract successfully.
- vii) There are no such qualifications for the bidders that would be advantageous to the foreign manufactured goods at the cost of domestically manufactured goods.
- viii) The procedure as well as date, time and place for obtaining, submitting and opening of the bids.
- ix) Terms of delivery/completion.
- x) Suitable provisions for enabling a bidder to question the bidding conditions and bidding process (only in case of tenders permitting pre-bid meeting) and/or rejection of its bid. These provisions should include a time frame in which procuring entity will address the bidder's questions.
- xi) Criteria for determining the responsiveness of bids -Criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive, most advantageous (lowest/highest as the case may be) bidder should be clearly indicated in the bidding documents.
- xii) Bidding Documents should include a clause that "if a firm quotes NIL charges/consideration, the bid shall be treated as unresponsive and will not be considered".
- xiii) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- xiv) Essential terms of the procurement contract including a suitable clause mentioning that the resultant contract will be interpreted under Indian laws.
- xv) In the tender enquiry the firms should generally be asked to quote for door delivery and the place of delivery is to be clearly stated therein.
- xvi) Taxes shall be applicable as per Government regulations. Statutory variation will be allowed provided the contract is executed within the desired delivery period or within extended delivery period without imposition of LD.
- xvii) The Company shall reserve the option to split the tendered quantity among two or more bidders in case of critical items. Proper evaluation criteria to be specified for any splitting purpose.
- xviii) Wherever all or most of the approved firms have quoted equal rates, the Company reserves the right to place order on one or more firms with exclusion of the rest without assigning any reasons thereof.
- xix) Firms are expected to quote for a quantity not less than 50% of tendered quantity. Offers for quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected. The Company, however,

reserves the right to order on one or more firm any quantity following evaluation criteria specified in the tender documents.

- xx) Evaluation of lowest bid shall be on the basis of lowest net landed cost to BCL.

8.0.0 CONTENTS OF TENDER DOCUMENTS

The main sections are:

8.1.0 NOTICE INVITING TENDER (NIT)

The model NIT format should be used for publishing the tender notice.

8.2.0 INSTRUCTIONS TO BIDDERS (ITB) AND APPENDIX TO INSTRUCTIONS TO BIDDERS (AITB) (instead of modifying ITB, it is better to have information specific to a procurement as a separate section as AITB)

ITB contain all relevant information as well as guidance to the prospective tenderers regarding all aspects of obtaining tender documents, and preparing and submitting a responsive bid. Important clauses of ITB/ AITB which may require attention and action are:

8.2.1 Purchase Preference Policies: If the purchaser intends to give a purchase preference in line with current Government policies, this fact must be declared in the ITB/AITB and in NIT as well.

8.2.2 Clarification of Tender Documents: A prospective bidder requiring clarification on the tender documents may notify to Purchase Department in writing, well before the due date of submission of bids, and a response will be sent in writing to the clarifications sought prior to the date of opening of the tenders.

8.2.3 Bid Validity: A bid shall remain valid for the period mentioned in the ITB/ AITB [normally 90 (ninety) days]. In exceptional circumstances, the consent of the bidder may be requested in writing for an extension to the period of bid validity. Such requests should preferably be made much before the expiry of the bid validity. A bidder accepting the request and granting extension shall not be permitted to modify his bid. Reasons for seeking extension of bid validity should be recorded at the time of taking such decisions itself.

8.2.4 Sealing and Marking of Tenders (in case of tenders other than e-procurement): The tenderer is to seal the original and to be submitted in sealed envelope printing the address of the purchase office and the tender reference number on the envelope. Further, the sentence "NOT TO BE OPENED" before (due date and time of tender opening) is also to be printed on the envelope. In case of two bid system, the inner envelopes are then to be put inside a bigger outer envelope, which will also be duly sealed marked, and so on, as above. If the outer envelope is not sealed and marked properly as above, the purchaser will not assume any responsibility for its misplacement, premature opening, late opening, and so on. All the above instructions are to be suitably incorporated in the tender documents.

8.2.5 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 Bid Security/ EMD, provided these are received duly sealed and marked like the original tender, up to the date and time of receipt of the tender. Any such request received after the prescribed date and time of receipt 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 bid validity. Withdrawal of a bid during this period will result in forfeiture of the bidder's bid security (EMD) and other sanctions.

8.3.0 ELIGIBILITY AND QUALIFICATION CRITERIA

If it is intended to use eligibility/evaluation/qualification criteria to evaluate a tender and determine whether a tenderer has the required qualifications, this point may be clearly specified in NIT, ITB/AITB or as a separate section of the tender document. The bidder has to ensure that he provides convincing proof of having fulfilled these criteria. Any criteria not specified in the tender cannot be used for evaluation or qualification. The condition of prior turnover and prior experience may be relaxed for Startups (as per extant policy defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document. Startups may be MSMEs or otherwise. Prequalification (PQ) of the bidders shall be fixed based entirely upon the capability, experience and resources (personnel, equipment, manufacturing facilities and financial standing) to perform the particular contract satisfactorily. The quantity, delivery and value requirement shall be kept in

view, while fixing the PQ criteria. No bidder should be denied prequalification for reasons unrelated to its capability and resources to successfully perform the contract.

Note:

Startup as per DPIIT -The Startup should be incorporated as a private limited company or registered as a partnership firm or a limited liability partnership. Turnover should be less than Rs. 100 Crores in any of the previous financial years. An entity shall be considered as a startup up to 10 years from the date of its incorporation.

Additionally, Start-up certificate from appropriate Government Agency is to be furnished by the party.

8.4.0 SCHEDULE OF REQUIREMENTS, TECHNICAL SPECIFICATIONS (including Drawings) AND QUALITY ASSURANCE (Inspections and Tests)

This section comprises detailed list of goods along with technical specifications, delivery schedule, Quality assurance and inspections. If the tender contains a number of schedules of requirements, it must be clarified, whether evaluation of eligibility/qualifications/financial bids would be on a schedule-by-schedule basis or on the basis of a total of all schedules put together.

8.5.0 GENERAL CONDITIONS OF CONTRACT (GCC) & SPECIAL CONDITIONS OF CONTRACT (SCC)

GCC covers all information on aspects after the announcement of the tender award till the closure of the contract and dispute resolution. It should not cover any aspect up to announcement of award. Instead of modifying the GCC every time, any changes warranted by special circumstances may be indicated in a separate SCC with the prior approval of the CA and GCC may be included unchanged in every tender document. It is also to be indicated therein that the provisions in the SCC will supersede the corresponding provisions in the GCC.

8.6.0 PRE-BID MEETING

In case of high value contracts and complex consultancy assignments, a suitable provision is to be kept in the bidding documents for pre-bid conference(s) for clarifying issues/clearing doubts, if any, about the specifications and other allied technical/commercial details projected in the bidding document. The date, time and place of the pre-bid conference should be indicated in the tender enquiry document. 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.

8.7.0 STANDARD FORMATS, INCLUDING BID COVER LETTER, PRICE SCHEDULES, BANK GUARANTEES AND CONTRACT FORMAT.

A reading of the sections of the tender document will make the purpose and instructions clear.

9.0.0 OEM/AUTHORISED DEALER/AGENTS OF SUPPLIER:

When a firm sends quotation for an item manufactured by some different company, the firm is also required to attach, in its quotation, the manufacturer's authorization certificate and also manufacturer's confirmation of extending the required warranty for that product. This is necessary to ensure quotation from a responsible party offering genuine product, also backed by a warranty obligation from the concerned manufacturer. In the tender, either the manufacturer or its authorized dealer can be considered as valid bidders. In case of large contracts, especially capital equipment, the manufacturer's authorization must be insisted upon on a tender specific basis, not general authorization/dealership, by so declaring in the bid documents clearly. In cases where the manufacturer has submitted the bid, the bids of its authorized dealer will not be considered and EMD will be returned. And in case of violations, both infringing bids will be rejected and EMD will be forfeited.

10.0.0 CONFLICT OF INTEREST AMONG BIDDERS/ AGENTS:

A bidder shall not have conflict of interest with other bidders. The bidder found to have a conflict of interest shall be disqualified. A bidder may be

considered to have a conflict of interest with one or more parties in this bidding process, if:

- a) They have controlling partner (s) in common; or
- b) They receive or have received any direct or indirect subsidy/ financial stake from any of them; or
- c) They have the same legal representative/agent for purposes of this bid; or
- d) They have 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; or
- e) Participation by a Bidder in more than one Bid will result disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/ sub-assembly/ Assemblies from one bidding manufacturer in more than one bid.

11.0.0 AMENDMENT TO TENDER DOCUMENT AND EXTENSION OF DUE DATE OF TENDER:

Normally the due date of submission of tender and date of opening shall not be extended. However, if (a) more than one bidder request for due date extension and / or (b) only one offer has been received on the due date or (c) tender enquiries reached late for postal delays, it can be extended.

Sometimes, situations may arise that after receiving the documents, a tenderer may point out some genuine mistakes necessitating amendment in the tender documents. In such situations, it is necessary to amend/modify the tender documents suitably prior to the date of submission of bids. 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. Copies of such amendments are also to be uploaded on the 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.

The above extensions shall be done as per approval of CA considering the DAFF.

12.0.0 SUBMISSION, RECEIPT AND CUSTODY OF TENDERS

12.1.0 In e-procurement, all tenders uploaded by tenderers are received, safeguarded and opened online on the portal. In offline tenders, receipt and custody of bids shall be done in a transparent manner and shall maintain tender boxes for receiving the bids at suitable locations which would facilitate security and easy access to bidders. Tender boxes should be sealed by concerned Purchase Officer at the time of due date of submission as specified in the tender. Bids received by courier shall be deposited in the tender box till the date and time of bid opening.

12.2.0 For bulky/oversized bids which cannot be dropped into tender boxes, the officials authorized by HOD Purchase to receive such bids shall maintain proper records and provide a signed receipt with date and time to the bearer of the bid.

12.4.0 **Late tender:** Tender received after notified date & time should not be considered. However, in special circumstances the same may be considered with the acceptance from the Competent Authority.

13.0.0 OPENING OF TENDER

13.1.0 The authorised representatives of bidders, who intend to attend the tender opening in offline OT/ GT/ LT are to bring with them letters of authority from the corresponding bidder. The record should be maintained in concerned purchase file.

13.2.0 The tender box shall be opened by the TOC (Tender Opening Committee). TOC will be constituted with the Dealing Officer from Purchase Department and one Officer from Finance Department who will open the box on the specific time & date and the bids against the tender shall be taken out from the box.

- 13.3.0** The envelopes containing the Techno-commercial Bid (Part-I) and Price Bid (Part-II) will be numbered serially according to the number of quotations received e.g. 1/4, 2/4, 3/4, 4/4 in case of four quotations received. TOC members will sign the envelopes with their names / designation & date. One tender opening register shall be maintained by Purchase Department.
- 13.4.0** All the bidders or their representatives will put their signature in the Tender Opening Register against their names. At the end, the TOC members will sign the register.
- 13.5.0** The envelopes will then be opened by the TOC and read out in presence of the bidders or their authorized representatives, who may be present, and the envelopes containing the Part-I and Part-II bids will be again numbered by TOC members as indicated above. All the envelopes should be preserved for record.
- 13.6.0** The techno-commercial bid (Part-I) will then be opened by the TOC and each page of the quotation and salient points specifying delivery, payment terms, special conditions etc. should be circled in red ink and signed by TOC members.
- 13.7.0** The salient points of the quotation may be read out to the bidders. No clarifications by tenderers should be entertained or allowed to be recorded during the bid opening. It should be understood that TOC has no authority to reject any tender at the tender opening stage. Thereafter, the techno-commercial bids are sent for evaluation by the designated committee.
- 13.8.0** The unopened and numbered envelopes containing price bid (Part-II) shall also be signed by TOC members. Thereafter all the envelopes of price bid should be put in a bigger envelope and the same should be properly sealed by the TOC. The envelope containing the price bid then be kept in safe custody of the Purchase Department in charge.
- 13.9.0** Price bid (Part-II) shall be opened only for those bidders, whose techno-commercial bids become qualified / acceptable and shall be opened in presence of the qualified / accepted bidders at the specified time & date, after intimating them.

- 13.10.0** Erasure/cutting/overwriting/use of whitener/columns left unfilled in tenders, if any, shall be initialed along with date and time and numbered by the officials opening the tenders and total number of such noticed alterations (or the absence of any alteration) should be explicitly marked on the first page of the bid. All rebates/discounts should be similarly circled, numbered and signed.
- 13.11.0** Offers intended to be received through physical mode but if received through FAX /E-mail should normally be rejected. In case of extra ordinary circumstances, it is to be recorded in writing and approved by CMD / Competent Authority.
- 13.12.0** The Tender Evaluation Committee (TEC), shall endeavor to take a decision on the technical suitability of an offer based on technical scrutiny of the offers. For technical scrutiny of the offer, the techno-commercial part shall be sent to the indenter or technical expert of the subject job for its acceptance. Technical details, credential etc. is to be negotiated with the bidders wherever necessary. Only after evaluation of the Techno-commercial Bids, the price bid of qualified bidders will be opened. The offer rejected on techno-commercial basis shall not be considered further for the tender and price bids shall not be opened.
- 13.13.0** In case of single response in any tender / re-tender, the approving authority will have the authority to accept or to reject the same for the purpose of ordering with recorded reasons such as urgency of production for accepting the single offer taking into consideration all aspects of judicial purchasing. The bid shall be treated as single tender for the purpose of processing & DAFP and the same may be opened. However, while finalizing order in such case, reasonableness of the rate is to be justified.
- 13.14.0** While re-tendering, in case it is extremely necessary to procure certain quantity of the item in order to maintain the production target, the same may be done ensuring that the quantity is limited to overcome the crisis and the expenditure, prima facie, is not more than the occasion demands.
- 13.15.0** For opening a limited / open tender, normally, a minimum of two offers shall be required.
- 14.0.0** **REGISTRATION OF SUPPLIERS / CONTRACTORS:**

In order to have dependable sources of supply of raw materials, stores and spares parts including services and sub-contracting of right quality at the right time suppliers / manufacturers / contractors shall be registered after ascertaining their financial status, experience and capability. For this purpose, vendors may also be empanelled through EOI from time to time. The list of items and list of vendors and contractors should be maintained in ERP system for easy sorting & access.

Performance of such registered suppliers / contractors shall be reviewed from time to time and shall be kept up-to-date by deleting or including the names in the vendor list.

14.1.0 PROCEDURE FOR REGISTRATION:

Application for registration should be done on a prescribed registration form for enlistment as approved supplier / contractor to be issued by Purchase Department to the applicant vendors. On receipt of the registration Form duly filled in by the applicant vendor, the same should be scrutinized by the Vendor Registration Evaluation Committee in the following manner:

- a) In case the registration is sought for by trading vendors, the authenticity of the agency / dealership is to be ascertained.
- b) In case the registration is sought for by manufacturing vendors, the capacity and capability of the said vendor should be assessed by the concerned department after visiting their factory.
- c) All possible care should be taken to verify commercial documents in original wherever possible, if considered necessary, a confidential report from the vendor's banker may be obtained to ascertain the financial status of the party.
- d) A vendor is to be registered for a specific item or items only. Same vendor intending to register for other item(s) at a later date will have to apply separately for registration and to be assessed fresh as per norms and to be registered separately for such item(s).
- e) The registration will be cancelled if at any stage it is found that the declaration(s) given by the vendor is / are incorrect.

- f) For the registration of new vendors, the Application Form, list of items required, details of registration procedure will be published in BCL's website.
- g) An inspection report wherever required shall be called for from the inspector (representative of Quality Control Department) on the firm's factory / workshop / go-down etc. in order to ascertain capability and capacity as manufacturers / stockist.
- h) The firm is required to furnish along with the application for registration a copy of current Income Tax Return, PAN Number, GST Certificate and Professional Tax Certificate.

14.2.0 Eligible vendors through Open tender / GEM portal and empanelled vendors through EOI shall have to be registered with BCL so as to be eligible for participation in limited / spot tenders. RDSO vendors shall be treated as registered under the vendor list of BCL.

14.3.0 All vendors should be properly classified under sub-groups viz. works/goods/services in ERP system.

14.4.0 As soon as the firm is registered as 'Approved Supplier / contractor' intimation should be sent to them.

14.5.0 Registration of suppliers / contractors with the Company is valid for two years. Registered suppliers should apply for renewal of their registration well in advance of the expiry of 2 years. Firms which fail to do so in time may however be issued formal notice for submission of their application for renewal. The list of vendors shall normally be reviewed every 2 years of their registration. The following points shall be looked into specifically during the review apart from other points which may need attention.

- a) Number of cases where they participated in the tender for the items for which they are registered.
- b) Number of cases where they are successful.
- c) Delivery failure and reasons for such failure.

- d) Quality failure.
- e) Whether failure on the part of the supplier led to a financial loss to the Company.

14.6.0 Although registration of a firm is for 2 years but it may be cancelled without notice for any of the following reasons with the concurrence of Registration Committee.

- a) Failure to perform the contract satisfactory and in accordance with the contractual obligations both from delivery and quality point of view.
- b) Failure to improve their performance in spite of the formal warning for bad performance.
- c) Malpractices by the firm.
- d) For persistent failure to secure an order from the Company due to high price.
- e) Any other ground which in the opinion of the Management render the retention of the supplier's name on the list of the registered suppliers undesirable. The decision of the Management will be final regarding cancellation of registration.

15.0.0 EARNEST MONEY DEPOSIT:

The tenderer should deposit Earnest Money in the form of Demand Draft / Pay Order / RTGS or NEFT drawn in favour of Braithwaite & Co. Ltd, payable at Kolkata or Bank Guarantee as per format from Scheduled Bank, as per second schedule of RBI Act, 1934, provided by Braithwaite & Co. Ltd. with their offers. In case of Bank Guarantee the validity period initially be 120 days from the date of opening of tender.

15.0.1 The amount of EMD will be according to estimated value of the tender as under:

Estimated value of the tender	Amount of Earnest money
Up to Rs. 2,00,000	Exempted

From Rs. 2,00,001 to Rs. 1.00 Cr	2% of the estimated cost of the work
Above Rs. 1.00 Cr	Rs. 2.00 lakh plus ½% (half percent) of the excess of the estimated cost of work beyond Rs. 1 crore subject to a maximum of Rs. 1 crore

Note: The EMD shall be rounded off to the nearest Rs. 100.

- 15.0.2** In case of foreign bidders in Global tenders, EMD may be in the form of a Bank Guarantee (in equivalent Foreign Exchange amount considering the exchange rate of the published tender date) issued/confirmed from any of the scheduled bank in India in an acceptable form, and so on.
- 15.0.3** The units registered with DGS&D, SSI registered with NSIC, MSME, Startups as recognized by DPIIT, PSU Units and RDSO approved vendors may be exempted for the tendered items from submission of EMD.
- 15.0.4** The earnest money is liable to be forfeited, if the tenderer withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of this tender.
- 15.0.5** Earnest Money lodged by unsuccessful tenderer shall be refunded to them immediately after finalization of a tender. List of unsuccessful bidders shall be sent to Finance after the finalization of a tender.
- 15.0.6** In case of the successful tenderer, the same shall be retained by the Company, till submission of Security Deposit or if so decided by the tenderer adjusted against Security Deposit for the said or any other tender as the case may be.
- 15.0.7** The submission of Earnest Money and amount thereof shall also be subject to notifications / circulars issued by Govt. Of India as applicable from time to time. Such notifications / circulars prevailing during the period of tendering / contract shall prevail overriding the existing stipulations in BCL's Purchase Manual.

15.0.8 The EMD may be waived or amount reduced in following cases with the prior approval of Competent Authority as per DAFP:

- a) Spot purchases where quotations are collected by a committee on spot basis.
- b) Consultancy services; Banking, Insurance and other Professional services.
- c) OEM or their authorized dealers stipulated by customer in their order.

16.0.0 SECURITY DEPOSIT:

16.0.1 For due fulfilment of the contractual obligations, the successful bidder shall furnish security deposit within 15 days of receipt of Purchase Order in the form of Bank Guarantee (BG) [as per format provided by BCL], Demand Draft / Pay Order valid till completion of warranty / guarantee period. The amount of Security Deposit will be normally 5% of the order value. However, in case of contracts from Customers where there is a corresponding SD clause defining a higher rate, the same rate can be incorporated in that particular tender subject to approval of Competent Authority.

16.0.2 Since most of the components are procured from RDSO approved vendors, submission of security deposit may be waived for vendors approved by RDSO.

16.0.3 The proceeds of the security deposit or proceeds on invocation of BG shall be payable to the purchaser as compensation for any loss resulting from the supplier's / contractor's failure to complete its obligations under the contract.

16.0.4 Security deposit will be discharged and returned to the supplier / contractor on completion of supplier's / contractor's obligations under the contract including any warranty obligation as specified in the contract.

16.0.5 As and when an amendment is issued to the contract, the supplier / contractor shall within 15 days of the receipt of such an amendment furnish to the purchaser an amendment to the security deposit and / or Bank Guarantee rendering the same valid for the contract as amended.

- 16.0.6** Security deposit may also be built up by deducting the amount proportionately from each bill of the supplier / contractor on their request. However, 50% of the total amount of Security Deposit is to be deposited by the successful bidder on receipt of purchase order. Balance 50% may be recovered from running bill.
- 16.0.7** If 50% of the total amount of Security Deposit (to be deposited against DD / BG / Pay Order etc.), is not submitted, such amount of Security Deposit can be recovered from 1st running bill of the vendor / contractor, if necessary.
- 16.0.8** In case Security Deposit is not submitted in time, a penalty of 1.5% of value of SD per month or part thereof will be applicable for the delay period which will be deducted from supplier's / contractor's bills.
- 16.0.9** Security deposit may also be waived for SSI, NSIC, MSME Units, PSU and vendors registered / approved by DGS & D, RDSO. Security deposit may also be waived for Original Equipment Suppliers or their authorized dealers as stipulated by customer in their order on BCL. However, based on the nature of items, Security Deposit can be insisted even from the vendor registered with SSI / NSIC / DGS&D and RDSO.
- 16.0.10** In case any raw material is issued to contractor for fabrication outside BCL's premises or any equipment or machineries are allowed to be taken outside the premises of BCL, Security Deposit of adequate amount may be ensured before the said movement.
- 16.0.11** The SD may be waived or amount reduced in following cases with the prior approval of Competent Authority as per DAFP:
- a) Spot purchases where quotations are collected by a committee on spot basis.
 - b) Consultancy services; Banking, Insurance and other Professional services.
 - c) OEM or their authorized dealers stipulated by customer in their order.
- 16.0.12** The submission of Security Deposit and amount thereof shall also be subject to notifications /circulars issued by Govt. Of India as applicable from time to time. Such notifications / circulars prevailing during the period of tendering / contract shall prevail overriding the existing stipulations in BCL's Purchase Manual provided the details of such notifications / circulars are issued by Govt. of India.

- 16.0.13** SD should be refunded to the contractor without interest, after he duly performs and completes the contract in all respects.
- 17.0.0** **PERFORMANCE BANK GUARANTEE:**
Sometimes in purchasing, it may become necessary to have a Bank Guarantee (suitably modified) to back the warranty obligations of the firm in terms & conditions of the contract. In such cases, a suitable Bank Guarantee as per the specified format should be obtained from the supplier at the appropriate stage of making payment.
- 17.0.1** The Security Deposit may be converted to Performance Guarantee and it should be clearly mentioned in the Purchase Order.
- 17.0.2** The value of the Performance Guarantee shall be 5% of the contract value for capital items and for other supply items. For sub-contracting job, the value of performance guarantee shall also be 5% of the contract value.
- 17.0.3** The performance guarantee shall be released / returned to the supplier / contractor on completion of the guarantee / warranty period with full satisfaction of the purchaser as per the contract stipulation.
- 17.0.4** In case Performance Guarantee is not submitted in time, a penalty of 1.5% of value of PBG per month or part thereof will be applicable for the delay period which will be deducted from contractor's bills.
- 17.0.5** Submission of Performance Bank Guarantee by RDSO approved vendors is waived in respect of purchase of raw materials, components, consumables for Wagons, Bogies and Couplers. MSE vendors may opt for submission of S.D. or PBG as per their choice.
- 17.0.6** The PBG may be waived or amount reduced in following cases with the prior approval of Competent Authority as per DAFP:
- a) Spot purchases where quotations are collected by a committee on spot basis.
 - b) Consultancy services; Banking, Insurance and other Professional services.
 - c) OEM or their authorized dealers stipulated by customer in their order.

17.0.7 The submission of Performance Bank Guarantee and amount thereof shall also be subject to notifications / circulars issued by Govt. Of India as applicable from time to time. Such notifications / circulars prevailing during the period of tendering / contract shall prevail overriding the existing stipulations in BCL's Purchase Manual.

18.0.0 VERIFICATION OF BANK GUARANTEES:

Bank guarantees submitted by the tenderers/suppliers as EMD/SD/PBG need to be immediately verified from the issuing bank before acceptance. There may not be any need to get the Bank Guarantee vetted from legal/finance authority if it is in the specified format.

18.0.1 Guidelines for verification of BGs submitted by the bidders/ contractors against EMD/SD/PBG and for various other purposes are as follows:

- i) BG shall be as per the prescribed formats (Annexure 2, 3 & 4)
- ii) The BG contains the name, designation and code number of the Bank officer(s) signing the guarantee(s).
- iii) The all-inclusive order value should be considered while calculating the value of SD/PBG.
- iv) The address and other details (including telephone no.) of the controlling officer of the bank are obtained from the branch of the bank issuing the BG (this should be included in all BGs)
- v) The confirmation from the issuing branch of the bank is obtained in writing through registered post/speed post/courier etc. The bank should be advised to confirm the issuance of the BGs specifically quoting the letter of Procurement Entity on the printed official letterhead of the bank indicating address and other details (including telephone nos.) of the bank and the name, designation and code number of the officer(s) confirming the issuance of the BG.
- vi) Pending receipt of confirmation as above, confirmation can also be obtained with the help of responsible officer at the field office, which is close to the issuing branch of the bank, who should personally obtain the confirmation

from issuing branch of the bank and forward the confirmation report to the concerned procurement entity.

- vii) Bank guarantees, either received in physical form or electronic form, should be verified for its genuineness following prescribed method for the same and the Organizations should do due diligence on genuineness of the Bank Guarantees before acceptance of the same.

19.0.0 SAFE CUSTODY AND MONITORING OF EMDS, PERFORMANCE SECURITIES AND OTHER INSTRUMENTS:

A suitable mechanism for safe custody and monitoring of EMDs, SDs and PBGs and other instruments should be implemented in Finance Department. BCL shall take necessary actions on time for extension or encashment or refund of EMDs, SDs and PBGs, as the case may be. Monitoring should also include a monthly review of all bank guarantees and other instruments expiring in next three months, along with a review of the progress of the corresponding contracts. Extension of bank guarantees and other instruments, where warranted, should be sought immediately and implemented within their validity period. Bank Guarantee should never be handed over to the supplier for purpose of extension of validity. Such a system of monitoring of securities and other instruments may be computerised with automatic alerts about lapse of validity etc.

20.0.0 PAYMENT:

- 20.0.1** The elements of price included in the quotation of a tenderer depend on the nature of the goods to be supplied and the allied services to be performed, location of the supplier, location of the user, terms of delivery, extant rules and regulations about taxes, duties, and so on.

- 20.0.2** Elements of Price: Where the price has several components such as the price of the goods, cost of installation and commissioning and so on, bidders should be asked to furnish a cost break-up indicating the applicable prices and taxes for each of such components along with the overall price. The payment schedule and terms will be linked to this cost break-up.

- 20.0.3** The standard terms of payment are 100% after 30 days of Inspection, receipt and acceptance of material / services and submission of corresponding bills.

In case of certain components / consumables / etc, these terms may be relaxed subject to approval of Competent Authority.

- 20.0.4** In case vendor(s) / contractor(s) ask for payment against bill(s) before 30 days, the same may be considered subject to availability of fund with 2% additional discount on Gross bill amount with the financial concurrence of Director (Finance) and approval of CMD – BCL.
- 20.0.5** In case of Capital Purchase i.e. machinery, equipment etc. the terms of payment shall be 90% of the value of the machine / equipment along with total of taxes and duties against proof of inspection and despatch, and, the balance 10% of the value of the machine / equipment after receipt, erection and commissioning as well as successful trial run in the factory / office / site, subject to the supplier furnishing Bank Guarantee for the equivalent amount till completion of the warranty period.
- 20.0.6** Release of payment progressively against running bills on completion of work / Measurement Book in case of service contracts such as civil work / fabrication / erection may be considered by the Competent Authority sanctioning the proposal of project jobs.
- 20.0.7** Normally payment against document through Bank / Letter of Credit (L/C) should be avoided as far as practicable except for capital goods and imported items. However, in case of domestic items, payment through LC may be considered depending on merits of the case.
- 20.0.8** Price of any indigenous firm stipulating payment through Bank / L.C or payment against Proforma Invoices should be loaded with 2% above prevailing prime lending rate of State Bank of India for evaluation of offers and such payment term may be accepted in unavoidable circumstances subject to the supplier's meeting the cost incurred by the company towards L.C openings charges etc.
- 20.0.9** In case of global tendering, in order to have uniform payment clauses, if domestic suppliers, especially against high value contracts for sophisticated equipment/machinery, desire payment through LC, depending on the merits of the case, this may be agreed to.

- 20.0.10** In case of imported items, payment usually happens through the LC opened by scheduled/authorised bank as decided by BCL. However, evaluation should be based on CIF (cost insurance & freight) price.
- 20.0.11** For indigenous firms 100% payment through proforma invoice should be resorted to in unavoidable circumstances and that too for basic value excluding taxes and duties. Taxes & duties shall be paid on submission of final bill by the supplier.
- 20.0.12** As far as possible, the payment terms and time schedule should be given in the contract and must be adhered to. Any foreseeable payment delays should be communicated to the suppliers in advance.
- 20.0.13** Prompt and timely provision of statutory certificates to the seller for taxes deducted at source, are as much a part of payment as the amount actually released. A detailed payment advice showing the calculations and reasons for the amounts disallowed and taxes deducted must be issued to the supplier along with payment. As soon as possible, but not later than the date of submission of Tax returns, BCL must provide the statutory certificates for the taxes deducted to the Supplier, so that he is able to claim set-offs and refunds from the concerned authorities
- 20.0.14** No payments to contractors by way of compensation or otherwise outside the strict terms of the contract or in excess of the contract rates should be allowed.
- 20.0.15** Documents, needed from the supplier for release of payment, are to be clearly specified in the contract. The certifying / paying authority should also verify the documents received from the supplier with corresponding stipulations made in the contract before releasing the payment.
- 20.0.16** Before the payment is made, the invoice should be cross-checked with the actual receipt of material/assets/services to ensure that the payment matches the actual performance.
- 20.0.17** While claiming the payment, the contractor must certify on the bill that the payment being claimed is strictly within terms of the contract and all the obligations on his part for claiming this payment have been fulfilled as required under the contract. There should also be a suitable provision for

verification of the authenticity of the person signing the invoice, and so on, to claim the payment. The contractor shall submit a 'no claim certificate' along with final bill or else the payment of final bill cannot be done.

- 20.0.18** The Contractor shall submit necessary documents as required for availing necessary input tax credit by BCL acceptable to tax authorities. They shall have compliance regarding documentation / periodic returns to ensure availing Input Tax Credit (ITC) by BCL, failing which BCL will deduct the resultant amount. BCL reserves the right to keep the payment of GST Amount on hold till receipt of ITC by BCL.
- 20.0.19** Submission of Bills shall be done in BCL's portal (OBSIS) for which user manual available in BCL's website shall be followed.
- 20.0.20** Payments should normally be released through digital mode like RTGS / NEFT with information to Purchase Department. In exceptional circumstances, with due approval, may be released through crossed Cheques / Demand Drafts. Bank charges towards RTGS /NEFT will be borne by the bidders. MSME vendors may avail their payment through TReDs platform. All discounting charges, fees etc if necessary for payment through TReDs, the same shall be in bidder's account.
- 20.0.21** In the event of funds constraints, the payment must be made based on ageing of the creditors / overdue bills. Any deviation to this should be only on approval of the competent authority.

21.0.0 ADVANCE PAYMENT:

- 21.0.1** Advance payment should normally be avoided. However, it may become necessary to make advance payments in the following types of cases:
- i) Advance payment demanded by firms holding maintenance contracts for servicing of air-conditioners, computers, other costly equipment, etc.;
 - ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts; and so on. Such advance payments should not exceed the following limits:
 - a) Thirty per cent of the contract value to private firms
 - b) Forty per cent of the contract value to a state or central Government agency or PSU

- c) In case of the maintenance contract, the amount should not exceed the amount payable for six months under the contract.
- d) In exceptional cases, the Administrative Department may relax the ceilings mentioned above with prior concurrence of Finance.

21.0.2 The advance payment, if agreed, should be always against Bank Guarantee as per the format provided by the purchaser. While tabulating offers stipulating payment of advance, financing charges at the current Bank lending rate for the period of advance should be loaded in ranking the offers. Advance payment, if allowed, should preferably be interest bearing on 2% above prevailing prime lending rate of State Bank of India.

22.0.0 AD-HOC PAYMENT:

22.0.1 As a general rule, no advance shall be payable to the bidders except according to the terms of tender / contract.

22.0.2 Payment for the work done and services rendered by the contractors are to be made on the basis of the work bills submitted by them. At the time of payment, it should be ensured that the Contractor has fulfilled his statutory obligations with respect to the labour laws.

22.0.3 At times, some ad-hoc payments, apart from those payable according to the terms of the contract, become necessary to be paid to the contractors in the interest of work. Such payments to the contractors shall be made only on the written request of the Contractor for financial aid in the shape of part payment against running bills received from the Contractor for the work done by him. Such payments shall be made only on the certification of actual work been done and that the Contractor has not previously received any such payments against the same work done.

22.0.4 Such payments shall be made on exceptional basis when it becomes absolutely necessary to make statutory payments by the Contractor. This should not become as general or continuous process for making such payments during the course of execution of the contract. Such payments should be limited to 75% of the running bill (subject to maximum 10% of the contract value) duly approved by the CMD with financial concurrence. In case such ad-hoc payments, it should be adjusted in the next work bill.

22.0.5 In any case before the close of the financial year, all such ad-hoc payments should be reviewed for necessary adjustments.

23.0.0 FIRM / VARIABLE PRICE:

Generally all orders should be placed on firm price basis. In case of imported items variation on account of rate of exchange and Custom Duty may be allowed on contractual delivery period only. For indigenous items, variation on account of rates of statutory levies & taxes may be allowed up to the contractual delivery period only.

In case of frequent revision in price of basic inputs materials, suitable price variation clause may be incorporated in the tender document with the prior approval of the Competent Authority.

24.0.0 TAXES & DUTIES

24.0.1 The duties and taxes levied by the Government on goods/services may vary from time to time. Unless a different intention appears from the terms of the contract, statutory variation in duties or taxes are to be borne by the buyer. As a general policy, the statutory variations in such duties and taxes are to be allowed during the period from the date of the tender to the date of acceptance of the tender (that is, placement of the contract) and during the original/re-fixed delivery period of the contract so that both the supplier and purchaser are equally compensated for rise or fall in the price of the goods/services on account of such statutory variations.

(Note: Re-fixed delivery period means the fresh delivery period which is arrived at by recasting the original contractual delivery period after taking care of the lost period, for which the supplier was not responsible.)

24.0.2 If a tenderer is exempted from payment of taxes & duties upto a certain value of turnover, he should clearly state that no taxes & duties will be charged by him upto the limit of exemption enjoyed by him. In case of Composite Tax payer, the supplier should clearly declare the same. Separate declaration to be taken from supplier about Composite Tax payer or Eligible for Tax Refund.

24.0.3 Sometimes, the supplier, after claiming and receiving reimbursements for taxes & duties, from the purchaser, applies to the concerned authorities for refunds, on genuine grounds, of certain portions of such duties and taxes paid by it and receives the allowable refunds. Such refunds contain the purchaser's share also (out of the payments already made by the purchaser to that supplier). The tender enquiry document and the contract are to contain suitable provisions for obtaining such refunds from the supplier.

25.0.0 EVALUATION OF BIDS AND AWARD OF CONTRACT

All tenders are to be evaluated strictly on the basis of the terms and conditions incorporated in the tender document and those stipulated by the tenderers in their tenders. No criteria shall be used for evaluation of tenders that cannot be verified. Care should be taken that preferences provided to any category of bidders on certain specified grounds should not result in single vendor selection. Similarly, no tender enquiry condition (especially the significant/essential ones) should be overlooked/ relaxed while evaluating the tenders. The aim should be ensured that no tenderer gets undue advantage at the cost of other tenderers and/or at the cost of BCL. Information relating to evaluation of tenders and the Tender Committee's (TC's) deliberations should be confidential and not be shared with persons not officially connected with the process.

The Tender Evaluation Committee (TEC), shall endeavor to take a decision on the technical suitability of an offer based on technical scrutiny of the offers. For technical scrutiny of the offer, the techno-commercial part shall be sent to the indenter or technical expert of the subject job for its acceptance. Technical details, credential etc. is to be negotiated with the bidders wherever necessary. Only after evaluation of the Techno-commercial Bids, the price bid of qualified bidders will be opened. The offer rejected on techno-commercial basis shall not be considered further for the tender and price bids shall not be opened.

25.0.1 UNRESPONSIVE TENDERS:

Tenders that do not meet the basic requirements specified in the bid documents are to be treated as unresponsive and ignored. All tenders received will first be scrutinised by Purchase Department and subsequently by the TC to see whether the tenders meet the basic requirements as incorporated in the Bid document and to identify unresponsive tenders, if any. Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the initial scrutiny are:

- i) The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document;
- ii) The required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption;
- iii) The bidder is not eligible to participate in the bid as per laid down eligibility criteria
- iv) The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer;
- v) The bid departs from the essential requirements specified in the bidding document
- vi) Against a schedule in the list of requirements in the tender enquiry, the tenderer has not quoted for the entire requirement as specified in that schedule.

25.0.2 NON-CONFORMITIES BETWEEN FIGURES AND WORDS:

Sometimes, non-conformities/errors are also observed in responsive tenders between the quoted prices in figures and in words. This situation normally does not arise in case of e-Procurement. This should be taken care of in the manner indicated below:

- i) If, in the price structure quoted for the required goods, there is discrepancy between the unit price and total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly.
- ii) If there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected.
- iii) If there is a discrepancy between words and figures, the amount in words shall prevail.
- iv) Such a discrepancy in an offer should be conveyed to the tenderer asking him to respond by a target date and if the tenderer does not agree, the tender is liable to be rejected.

25.1.0 CLARIFICATION OF BIDS/SHORTFALL DOCUMENTS

- 1) During evaluation and comparison of bids, the purchaser may, at his discretion, ask the bidder for clarifications on the bid. The request for clarification shall be given in writing, asking the tenderer to respond by a specified date, and also mentioning therein that, if the tenderer does not comply or respond by the date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further.
- 2) No change in prices or substance of the bid shall be sought, offered or permitted.
- 3) No post-bid clarification at the initiative of the bidder shall be entertained.
- 4) The shortfall information/documents should be sought only in case of historical documents which pre-existed at the time of the tender opening and which have not undergone change since then. These should be called only on basis of the recommendations of the TEC. So far as the submission of documents is concerned with regard to qualification criteria, after submission of the tender, only related shortfall documents should be asked for and considered. For example, if the bidder has submitted a supply order without its completion/performance certificate, the certificate can be asked for and considered. However, no new supply order should be asked for so as to qualify the bidder.

Deviation: If any offer received with deviation(s) from the standard terms and conditions specified in the tender, negotiations can be made with the lowest bidder to improve upon or keep minimum of deviations(s), if agreed by both the parties. It should be specifically mentioned in the purchase order. The offer may be rejected in case the conditions given by the bidder cannot be accommodated at all. However, where a bidder quotes a more liberal payment terms and the offer is otherwise in the order and most favourable, standard terms may be relaxed on the merit of each case by the authority sanctioning the purchase proposal.

In case the bidders do not agree to abide by the tender terms and conditions and / or the terms offered by the bidders cannot be agreed to such offers may be rejected and price bids of such bidders should not be opened. In case of any additional financial implication arising out of deviation, the same may

be submitted in a separate sealed envelope which may be opened with original Price Bid.

25.2.0 EVALUATION OF TECHNO-COMMERCIAL BID

In evaluation of the techno-commercial bid, conformity of the eligibility/qualification, technical and commercial conditions of the offered goods to those in the bid document is ascertained.

1) Evaluation of eligibility/ qualification Criteria

These will be based upon scrutiny and examination of all relevant documents submitted by the tenderer as per criteria given in the tender, as well as such other allied information as deemed appropriate.

2) Evaluation of Technical Suitability

The description, specifications, drawings and other technical terms and conditions are examined by technical expert and finally approved by TEC. Nobody outside the TEC should be allowed to determine this evaluation. The tender document should clearly state whether alternative offers/makes/models would be considered or not and, in the absence of an express statement to the effect, these should not be allowed.

3) Evaluation of Commercial Conditions

The TEC will also evaluate the commercial conditions quoted by the tenderer to confirm that all terms and conditions specified in the GCC/SCC have been accepted without reservations by the tenderer.

4) Considering Minor Deviations

Only minor deviations may be accepted/ allowed, provided these do not constitute material deviations without financial impact and do not grant the tenderer any undue advantage.

5) Declaration of Successful Bidders

After the approval of CA, the Techno-commercial bid evaluations are to be announced (including informing the failed Bidders). Price bids are opened in the presence of technically suitable bidders, who are willing to attend the bid opening, at a pre-scheduled date, time and place or on the portal in case of e-procurement.

6) Right of bidder to question rejection at techno-commercial stage

A tenderer shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his Techno-commercial bid has been rejected wrongly. The tenderer is to be permitted to send his representation in writing before opening of price bid. On receipt of representation, it may be decided whether to withhold opening of the financial bids and bidder may be expeditiously replied.

25.2.0 EVALUATION OF FINANCIAL BIDS AND RANKING OF TENDERS

- 1) If the price bid is ambiguous or having confusing figures, then the bid should be treated as unresponsive.
- 2) Sometime certain bidders offer Suo motu discounts and rebates after opening of the tender (techno-commercial or financial). Such rebates/discounts should not be considered for the purpose of ranking the offer but if such a firm does become L1 at its original offer, such Suo motu rebates can be incorporated in the contracts.
- 3) Unless announced beforehand explicitly in the tender documents, the quoted price should not be loaded on the basis of deviations in the commercial conditions. If it is decided to incorporate such clauses, these should be unambiguous and clear and thereafter there should be no relaxation during evaluation.

Moreover, sometimes, while purchasing sophisticated and costly equipment, machinery, and so on, special importance is to be given to factors such as high quality performance, environmental-friendly features, low running cost, low maintenance cost, and so on.

- 4) Normally, the comparison of the responsive tenders shall be on total outgo for the procurement to be paid to the supplier or any third party, including all elements of costs as per the terms of the proposed contract, including any taxes, duties, levies etc, freight, insurance etc. Therefore, it should normally be on the basis of CIF/ FOR destination basis, duly delivered, commissioned, as the case may be.

- 5) In the case of goods manufactured in India or goods of foreign origin already located in India, taxes and duties, which will be contractually payable (to the tenderer) on the goods are to be added as per actual.
- 6) In the case of goods of foreign origin offered from abroad, customs duty and other similar import duties/taxes, which will be contractually payable (to the tenderer) on the goods, are to be added.
- 7) As per policies of the Government from time to time, the purchaser reserves his option to give price/ purchase preferences as indicated in the tender document.
- 8) If the tenders have been invited on a variable price basis, the tenders will be evaluated, compared and ranked on the basis of the position prevailing on the day of tender (Technical Bid) opening and not on the basis of any future date.

26.0.0 OPTION CLAUSE

26.1.0 QUANTITY VARIATION CLAUSE:

The purchaser reserves the right to increase or decrease the ordered quantity during the currency of the contract by not more than 30% of the ordered quantity on the same rate and terms & conditions by giving the notice in writing to that effect and according to the revised delivery schedule advised by the Company. HOD (Purchase) not below the rank of DGM can issue Amendments for 30% quantity increase irrespective of value limit provided DAFP limit of approving authority for original P.O. maintains out of such Amendment. In case the total order value considering 30% quantity increase exceeds the delegated limit of original order approving authority, the case shall be referred to higher approving authority as per DAFP for approval. For issue of Amendment towards such quantity increase, no separate financial concurrence is required provided this is indicated in the tender / purchase order / contract. However, in case the same is not indicated in the tender / purchase order / contract, the consent of the vendor(s) and financial concurrence shall be required for the same.

In case of long running, yearly procurements, to take care of any change in the requirement during the currency of the contract, a plus/minus option clause [normally 30 per cent] is incorporated in the tender document,

reserving purchaser's right to increase or decrease the quantity of the required goods up to that limit without any change in the terms and conditions and prices quoted by the tenderers.

26.2.0 REPEAT ORDER:

In certain cases, it may be convenient to place repeat order against a previous order. Such orders may be placed subject to the following conditions:

- a) 75% (max.) of the quantity originally ordered with the approval of the authority who had sanctioned the original purchase proposal. In case original authority is not there, the present TC & competent authority should sanction.
- b) There has been no downward trend of price for the same or similar items and where basic raw materials cost and other input cost is not showing a downward trend.
- c) The original order was placed as a result of regular tender enquiry and not to cover urgent or emergent demand.
- d) Proposal for such a repeat order is routed through the Tender Committee as in the case for other tenders.
- e) The repeat order must be identical in rate, terms and conditions to the original order.
- f) In any case repeat order should not be resorted to more than two years to be reckoned from the date of original order without getting the approval of Competent Authority.
- g) Repeat order may be considered only to those suppliers / contractors who have already completed the earlier order successfully.
- h) There can be more than one repeat orders if the value of such orders taken together are within 75% value of the original order.
- i) No repeat order can be placed for long term contracts.

- j) In exceptional cases, repeat order can be placed for max. 100% of the quantity / value originally ordered with the approval of Competent authority. In such cases, reasons for exception with proper justification and reasonability of price has to be recorded.
- k) The value of repeat order shall not exceed the value of the original order.

26.3.0 SPLITTING OF CONTRACTS/ PARALLEL CONTRACTS

26.3.1 As regards the splitting of quantities, some organizations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible as the capacity of the L-1 firm may not be known in advance. It may be stated that if after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, than the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable.

In cases, where splitting is pre-decided, the ratio of splitting should be pre-disclosed in the tender itself.

26.3.2 Instructions by Govt. w.r.t reservation of orders for NSIC / MSME / SSI / Start-up as per DPIIT registered units is to be followed through suitable provision in tender document.

26.3.3 Counter-offers to L-1 in order to arrive at an acceptable price, shall amount to negotiations. However, any counter-offer thereafter to L-2, L-3 etc. (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.

26.3.4 For RDSO items, splitting shall be done as per RDSO norms.

26.3.5 If in case L-1 backs-out, there should be a re-tender.

26.3.6 If splitting is required beyond tender conditions, extant Railway guidelines are to be followed which will be mentioned in the tender document.

27.0.0 REASONABILITY OF PRICE:

The tender committee should always be satisfied about the reasonable of the rate before recommending the Purchase Proposal for approval even if it is lowest. Such reasonability should be determined, among other things, in consideration of the last purchase rate (for guidance only) and the present market trend of the price structure of the same or similar items. When no comparable rates are available and other considerations for determining the reasonableness of the rates prove inadequate in such case the rates are to be verified from the Estimating Department / Indenter or any other department. Under no circumstances, however, quality norms should be sacrificed in preference to price consideration.

27.0.1 CONSIDERATION OF ABNORMALLY LOW BIDS

An Abnormally Low Bid is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the Bidder to perform the contract at the offered price. BCL may in such cases seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, BCL determines that the Bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, BCL may reject the Bid/Proposal. However, it would be advisable to fix a normative percentage i.e. not below 50% of the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.

27.0.2 CARTEL FORMATION/POOL RATES

It is possible that sometimes a group of bidders quote the same rate against a tender. In case of evidence of cartel formation, detailed cost analysis may be done by associating experts if necessary. Besides, suitable administrative actions can be resorted to such as rejecting the offers. BCL reserve the right to place order on one or more bidders with exclusion of the rest with suitable administrative actions and proper justifications.

New firms may also be encouraged to get themselves registered for the subject goods to break the monopolistic attitude of the firms forming a cartel. Changes in the mode of procurement and packaging/slicing of the tendered quantity and items may also be tried.

A warning clause may also be included in the bid documents to discourage the bidders from indulging in such practices.

28.0.0 NEGOTIATION:

- 1) As post tender negotiations could often be a source of corruption, there will be no post-tender negotiations with L-1 bidder.
- 2) The circumstances where negotiations may be considered could be:
 - a) Where the procurement is done on nomination basis
 - b) Procurement is from single or limited sources
 - c) Procurements where there is suspicion of cartel formation which should be recorded.
 - 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 jeopardize 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.
 - e) High value procurement / cost reduction required in the interest of the Company.
- 3) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent Authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should

be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalized within their validity period.

- 4) Normally all counter offers are considered negotiations by other means and the principles of negotiations should apply to such counter offers.
- 5) After the CA has decided to call a specific bidder for negotiation, the following procedure should be adopted:
 - a) It must be understood that, if the period of validity of the original offer expires before the close of negotiations, the original offer will not be available for acceptance. The period of validity of the original offer must, therefore, be extended, wherever necessary, before negotiations.
 - b) The tenderer to be called in for negotiations should be addressed through a letter so that the rates originally quoted by him shall remain open for acceptance in the event of failure of the contemplated negotiation.
 - c) A negotiation meeting should be started only after obtaining a signed declaration from the negotiating supplier.
 - d) Revised bids should be obtained in writing from the selected tenderers at the end of the negotiations. The revised bids so obtained should be read out to the tenderers or their representatives present, immediately after completing the negotiations. If necessary, the negotiating party may be given some time to submit its revised offer. In case, however, the selected bidder prefers to send a revised bid instead of being present at the negotiation, the offer should be taken into account. In case a bidder does not submit the revised bid, its original bid shall be considered.

29.0.0 PREPARATION OF PURCHASE ORDER:

The following salient points are to be considered while preparing the purchase order:

- a) The Vendor Details shall be checked in the ERP system on which the order is being placed.

- b) The delivery stipulated in the purchase order should be in accordance with the delivery terms offered by the tenderer-realistic and not vague and also to suit production schedule.
- c) The name of the consignee and the inspecting authority should be given correctly.
- d) The description should be in line with Purchaser's listed item. In case for similar item, if the supplier's description differs, the supplier's description is to be mentioned in special note.
- e) The unit Basic Rate, Packing & Forwarding charges, Taxes & Duties, Freight, Insurance etc. should be shown separately. The total value of the purchase order / contract should be written on the order.
- f) Billing and Shipping address Details with proper GST reference number is to be mentioned clearly.
- g) The amount of Security Deposit / Performance Guarantee should be written on the order clearly.
- h) Guarantee / Warranty clause.
- i) Scope of work with technical specifications, if any.
- j) Terms of payment.
- k) Inspection clause.
- l) Terms of Delivery.
- m) L.D clause.
- n) Risk Purchase clause.
- o) Arbitration clause.
- p) For any legal dispute, the jurisdiction shall be Court at Kolkata.
- q) Compliance of all statutory obligation for sub-contracting job.
- r) Reconciliation of free issue materials for sub-contracting jobs.
- s) In case of inter-state purchase, the provision of 'Way Bill' to be indicated.
- t) NDA Clause
- u) Force Majeure Clause
- v) Quantity Variation Clause
- w) Denial Clause

30.0.0 RAW MATERIALS ISSUE ON CONTRACT JOB:

- 30.1.0** When issuing raw material(s) to firms, a Bank Guarantee (suitably modified) should be taken for an amount representing the cost of such raw material(s). Here again exemption may be allowed for firms / vendors having high outstanding payment due to them on the date of issue of raw material(s) with the written approval of Unit Head not below the rank of DGM provided the vendor sends such request in writing to do so. In that cases, Finance Department shall be informed with clear instruction in writing to withhold amount representing the cost of such raw material(s). Before releasing of Bank Guarantee and / or final outstanding payment, proper account of the raw material(s) issued supported by reconciliation statement to be furnished by the party duly certified by the concerned department(s).
- 30.2.0** In case materials / components are given to contractor on “cost recovery” basis, the financing cost plus administrative overhead i.e. total @ 20% of the cost of material shall be loaded during recovery and such determined cost or cost of material indicated by vendor in their tender, whichever is higher shall be recovered.
- 30.3.0** In case materials / components are given to contractor on “loan” basis, 2% per month or part thereof on the cost of materials (as per BCL’s Stores Ledger) is be recovered from bill(s) of the contractor till such materials are refunded / replenished by the contractor.
- 31.0.0** **INDEMNITY BOND:**
- In case of PSU / Govt. Sector, an Indemnity Bond in lieu of Bank Guarantee can be accepted for advance payment, raw material issue or for repairing job outside factory premises subject to submission of Indemnity Bond.
- 32.0.0** **SHORT SUPPLY & EXCESS SUPPLY:**
- If the supply falls short of quantity by + or – 10%, the Purchase Department in consultation with Production and Planning Departments shall decide and seek approval of the Competent Authority that the balance quantity need not to be insisted upon. They may, waive the short supply and intimate the Accounts Department that the supply order may be treated as completed and authorized refund of security deposit, if any. In such case, the imposition of

any penalty clause of such short supply will not arise. Such waiver should be approved by the Competent Authority.

In case of supply of cables belting, steel section etc. if the supplier has made short / excess supply, it may be accepted up to a limit of + or – 10% of the total value of the contract. In cases of electrodes, excess quantity may be accepted to extent in consideration of minimum packaging capacity. By exercising the same, Company's requirement of the item should be maintained at the same time, no idle intake is allowed. Such excess supply should be regularized by proper document on approval from the Competent Authority.

33.0.0 AMENDMENTS TO ORDERS:

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. 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 approval of CMD/ Board as applicable along with Financial concurrence.

Requests for such changes and modifications mostly emanate from the supplier. Any amendment to the contract may have, inter alia, financial/technical/legal implications. The indenter may be consulted regarding the technical implications. Financial concurrence should be obtained before issuing any amendment that has financial implications/repercussions. Further, if considered necessary, legal opinion may also be sought. 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.

Post contract variation carried out in the form of an amendment shall be published by the purchaser on the same e-procurement portals/Websites that were used for publication of the original tender enquiry. No change in the price quoted shall be permitted after the purchase order has been issued, except on account of price variation, exchange rate variation and statutory variations.

34.0.0 FORCE MAJEURE CLAUSE:

A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity, pandemics, etc) or events such as a war, strike, riots, crimes (but not including negligence or wrongdoing, predictable/seasonal rain and any other events specifically excluded in the clause). It may also include an unforeseeable circumstance which cannot be mitigated and that prevent someone from fulfilling a contract.

An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organisation only. In such a situation, the purchase organisation is to communicate with the supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this 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. Notwithstanding the punitive provisions contained in the contract for delay or breach of contract, the supplier would not be liable for imposition of any such sanction so long as the delay and/or failure of the supplier in fulfilling its obligations under the contract is the result of an event covered in the FM clause.

35.0.0 DENIAL CLAUSE:

Since delay in delivery is a default by the seller, the buyer should protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the supplier of extension of the delivery period. In the denial clause, any increase

in statutory duties and/or upward rise in prices due to the PVC clause and/or any adverse fluctuation in foreign exchange are to be borne by the seller during the extended delivery period, while the purchaser reserves his right to get any benefit of a downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period.

36.0.0 DELIVERY PERIOD EXTENSION& IMPOSITION OF LIQUIDATED DAMAGES:

- a) Suppliers shall be required to adhere to the delivery schedule specified in the purchase order and, if there is delay in supplies, LD shall be levied wherever there is failure by the party. Each case should be decided on merits and the decision to waive the recovery of LDs or risk purchase expenditure should be taken on merit. The LD clause, if imposed, shall be @ 0.5% each week or part thereof subject to maximum of 10% of the order value or any percentage as given by BCL's customer on BCL for that specific contract.
- b) Extension of the delivery date amounts to amendment of the contract. Such an extension can be only done with the consent of both parties (that is, the purchaser and supplier).
- c) No extension of delivery date is to be granted unless the suppliers / contractors specifically asked 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 Purchaser. In such cases, it is legally necessary to obtain clear acceptance of the extension letter from the supplier.
- d) The user department for concerned job shall propose for necessary DP extension with or without LD which should be approved by Competent Authority as per DAFP provided that:
 - i) A higher rate in the original tender was not accepted against other lower quotations in consideration of the earlier delivery; and

- ii) There is no falling trend in prices for this item as evidenced from the fact that, in the intervening period, neither orders have been placed at rates lower than this contract nor any tender been opened where such rates have been received even though the tender is not yet decided.
- iii) In cases of certain raw material supplies, where prices are linked to the PVC, extension may be granted even in case of a falling trend in price indices, since the purchaser's interests are protected by the price variation mechanism. However, in such cases it should be ensured that extensions are done with the denial clause.
- e) No correspondence should be entered into with the supplier after expiry of the contract delivery period or towards the end of it, which has the legal effect of condoning the delay/breach of contract. When it is necessary to obtain certain information regarding past supplies, it should be made clear that calling for such information is not intended to keep the contract alive and that it does not waive the breach and that it is without prejudice to the rights and remedies available to the purchaser under the terms of the contract. The last line of such a communication should therefore be: "This letter is issued without any prejudice to BCL's rights and remedies under the terms and conditions of the subject contract and without any commitment or obligation. This clause shall be applied judiciously after considering all factors including requirements / urgency.
- f) When it is decided to extend the delivery period subject to recovery of LD for delay in supplies, contractors must be suitably informed and advised for avoidance of further delays.
- g) If at any time during the currency of the contract, the supplier encounters conditions hindering timely delivery (i.e. Force Majeure in nature), the same shall be informed to the concerned officer in writing. Mentioning the likely duration, request should be made by the supplier for DP extension. Subsequently, BCL shall examine such proposal and suitably extend the DP with the approval of CA, with proper justifications regarding supply with or without LD and with or without denial clause.
- h) System generated Delivery Period Report (as MIS) is to be reviewed monthly by the indenter for necessary action.

- i) In case of Back-to-back / similar contracts (Jobs under PMC, etc), the extension of delivery period without imposition of LD is to be done on acceptance of the same from BCL's customer subject to approval of HOD (Purchase) not below the rank of DGM. The same is to be done on merit basis.
- j) LD imposition shall be on the basis of Delay Analysis Report prepared by the vendor and certified by user department.
- k) For overlapping delays on part of BCL and vendors, partial LD will be imposed based on Delay Analysis Report from the indenter.
- l) As an exception of the provisions given above, delivery period extension for RDSO approved vendor-items and Steel suppliers having integrated Steel Plants, proprietary items, etc to be generally done without imposition of LD and the CA for the same will be HOD (Purchase) not below the rank of DGM.

37.0.0. INSPECTION:

The guiding specification and inspecting agency should be clearly specified in the Indent / Purchase Order.

37.1.0 Pre-Dispatch Inspection: A pre-dispatch inspection may be necessary as per technical requirements and conditions of the Purchase Order. It may be conducted either during various stages of the production process (which is known as stage inspection) or on production of the finished products, but before dispatch of the goods from the supplier's premises.

37.2.0 Stage inspection may be used for highly technical goods whose quality of the manufacturing process is likely to have considerable effect on the final quality and durability of the goods. Even after pre-dispatch inspections, these materials should be inspected again on receipt, as a matter of abundant precaution. Inspection of the materials before dispatch shall be carried out by the inspection agency nominated in the contract or by its representative at the premises of the supplier in accordance with the inspection procedure laid down and incorporated in the purchase order.

37.3.0 The testing charges for samples should be borne by the supplier and this should be made clear at the enquiry stage itself to avoid claims at a later date.

Any special testing involving financial implications shall be settled prior to placement of the order and such cost should form part of the evaluation.

However, in case of exigency, against approval of the unit head / corporate purchase head, the inspection may be done at Company's own works after receipt of the material.

37.4.0 Inspection of Goods on Receipt at Consignee/User's Site: Post-delivery inspection is carried out on receipt of goods before accepting them. All final goods that may be directly consumed or utilised on delivery (excluding machinery installations, and so on) and for which detailed inspection of the manufacturing process is not required and only a physical inspection regarding their physical characteristics is required, may be inspected using this method.

37.5.0 Inspection of O.E.M (Original Equipment Manufacturer): Items including paints, medicines and chemicals where due date of expiry is given, low value small items (up to value of ₹ 5,000/-), canteen groceries from reputed shops, standard catalogue items with guarantee certificate, etc, is not necessary.

38.5.0 Inspection of RDSO approved items shall be done as per prevailing RDSO norms.

37.0.1 TYPES OF INSPECTION AGENCIES:

- i) **Internal Inspection Authorities:** Wherever there is technical expertise available in-house, an internal officer of the Indenting Department is nominated for inspection. The consignee should be the final authority for acceptance of goods.
- ii) **External Inspecting Authorities:** In case BCL does not have technical expertise or for other relevant reasons, inspection may also be entrusted to a third-party inspection authority. BCL, however, retains the right to reject the consignment, even if it is cleared by third party inspection authorities.
- iii) **Joint Inspection on Complaint:** In case a written complaint is received from the supplier disputing the rejection of goods by BCL's inspecting officer, it should be jointly investigated by a team consisting of an authorised

representative of BCL, a senior representative of the inspecting agency who is conversant with the goods and an authorised representative of the supplier.

- iv) **RDSO Items:** Components / Consumables requiring pre-inspection by M/s RITES / RDSO for items of value Rs. 5.00 Lakhs and above (or as amended time to time) shall be complied by the supplier. RITES / RDSO's Inspection certificate, wherever applicable, are to be attached with the bill and all deliveries shall accompany with the consignee's copy of such certificate. In case of non-compliance of the same, all the suppliers shall be rejected and no payment shall be released for same.

37.0.2 ISSUE OF INSPECTION REPORT:

Inspection reports should be prepared detailing the inspection done, samples examined, requirements as per the relevant specification/contract and the observations jointly with the representative of the firm.

In the case of large consignments, the issue of the inspection report may not be held up until the inspection of the full consignment is completed.

In the case of contracts for imported materials that involve initial inspection in the country of origin and final inspection in India, the final inspection note should be issued giving reference of the certificate issued abroad.

In respect of materials which have been rejected by the inspecting officer, the rejection inspection report should be issued immediately following the completion of inspection.

38.0.0 WARRANTY:

38.1.0 For supply items, the period of warranty should generally be 12 months from the date of supply or as per OEM's warranty.

38.2.0 For general repair and maintenance jobs, warranty period of 12 months should be considered from date of job completion. However, for new civil construction jobs, warranty period should be considered on case to case basis.

- 38.3.0** For capital equipment, plant and machineries, the period of warranty should generally be 18 months from the date of supply or 12 months from the date of commissioning, whichever is earlier.
- 38.4.0** For customer contracts, the period of warranty should be considered as per customer's contract or conditions of Indian Railways, whichever is more.
- 38.5.0** The contractor shall, if required, replace or repair the goods or such portion thereof as is rejected by the purchaser free of cost at the ultimate destination or at the option of purchaser, the contractor shall pay to the purchaser the value thereof at the contract price or in the absence of such price as decided by the purchaser and such other expenditure and damages as may arise by reason of breach of the conditions herein specified.
- 38.6.0** The decision of the purchaser in regard to the contractor's liability and the amount, if any payment under this warranty shall be final and conclusive.
- 39.0.0** **RIGHT OF REJECTION & CANCELLATION OF SUPPLY ORDER:**
- 39.1.0** **RIGHT OF REJECTION:**
In case any supply is not in conformity with the terms and conditions of the contract, the same is liable to be rejected within a reasonable period. The rejection will be valid notwithstanding any approval by the Inspecting Officer or on account of any loss, deterioration or damage during transit or before despatch or delivery.
- If an excess supply is received, the purchaser can either reject the complete supply or can reject the quantity in excess of the contract. When a purchaser does not wish to accept wrongly delivered material, he is required only to notify the supplier accordingly. The purchaser is not legally bound to return the rejected material. Collection of rejected items is the responsibility of the supplier. The reason for rejection should be precise and explicitly recorded.
- 39.2.0** **REMOVAL OF REJECTED STORES:**
Any stores submitted for inspection at a place other than the premises of the contractor and rejected, shall be removed by the contractor within 10 days of date of issue of Rejection Memo. In case of dangerous, hazardous,

perishable stores, removal should be completed within 48 hours, otherwise suitable ground rent should be recovered.

Rejected stores will lie at the risk of the contractor.

Specified reasonable ground rent will be levied if rejected stores are not removed within the period. If not removed after a prolonged period and repeated reminders, these rejected supplied may be disposed off in the best manner possible giving clear notice to the supplier.

In case of rejection of suppliers from outstation suppliers, the same will be booked back “freight to pay” at owner’s risk, after recovering freight charges if any from firms’ outstanding bills.

39.3.0 TERMINATION / CANCELLATION OF ORDER:

Where for reasons of late delivery or otherwise it is intended to cancel a supply order it is necessary to issue a proper notice to the supplier before actual cancellation. A copy of such notice shall be invariably endorsed to all concerned. The Inspection Department shall be asked not to inspect any supplies after the stipulated target date. Cancellation letters to the suppliers shall also be sent. The fact of cancellation of order should be intimated to all concerned departments. The cancellation of supply order should be approved by Purchase Manager and Competent Authority. No supply order should be allowed to remain open without its revalidation / DP extensions, beyond the stipulated last date of supplies.

39.3.1 TERMINATION OF CONTRACT FOR INSOLVENCY:

If the supplier becomes bankrupt or becomes otherwise insolvent or undergoes liquidation or loses substantially the technical or financial capability (based on which he was selected for award of contract), at any time, the contract may be terminated, by giving a written notice to the supplier, without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to BCL.

39.3.2 TERMINATION OF CONTRACT FOR CONVENIENCE:

After placement of the contract, there may be an unforeseen situation compelling BCL to cancel the contract. In such a case, a suitable notice has to be sent to the supplier for cancellation of the contract, in whole or in part, for convenience, inter alia, indicating the date with effect from which the termination will become effective.

However, in exceptional circumstances / customer requirements, BCL's Competent Authority will have the discretion to engage additional agencies for expeditious completion of the job. However, in such conditions, all necessary rules and regulations applicable for Risk Purchase should be followed.

40.0.0 DEBARMENT OF SUPPLIERS

In case a contract has to be terminated / short closed with termination due to defaults on the part of supplier /contractor, any or all of following penal actions may be considered with the approval of competent authority as per DAFP depending upon the gravity of the omission or commission by the supplier / contractor:

- a) The supplier / contractor may be put on hold for future enquiries for 12 months not exceeding three years commencing from the date of debarment for the specific material category / item / job.
- b) The supplier / contractor may be delisted i.e. removed from the list of registered vendors of a unit for all categories.
- c) The supplier / contractor may be banned from doing business in all units of BCL for a period of 12 months not exceeding two years. This banning action shall also be applicable if the supplier / contractor is found to be responsible for submitting fake / false / forged documents, certificates etc. or resorted to unethical / illegal means in getting a contract. However, the bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment

The actions in this regard shall be taken as per recommendation of a committee to be formed with the approval of CMD routed through Functional Directors. The committee should study facts and all aspects in the matter and accordingly should submit recommendations for proposed actions, if any. The actions to be taken shall have approval of CMD & concurrence of Functional Directors. CMD shall have powers to withdraw / lift / shorten the penal actions if taken with recorded reasons. Before

cancelling the contract and taking further action, it may be desirable to obtain legal advice.

41.0.0. RISK PURCHASE:

- a) In case of failure by a supplier, Risk Purchase action, if undertaken, must have adequate reasons with documentation and is to be initiated within three months of the delivery period provided it is mentioned in Purchase Order.
- b) For risk purchase, tender notice should be suitably marked and a copy of the tender is also endorsed to the firm against whom risk purchase action is being initiated.
- c) Security Deposit of the defaulting firm shall be forfeited.
- d) It should also be ensured that “Risk Purchase” order is placed for identical material and no deviation is made.
- e) Risk purchase is not conducive to good buyer / suppliers relations and as such should be resorted to in unavoidable cases. Instead the suppliers should be suitably contacted earlier and urged to supply stores.
- f) While assessing differential amount payable to the company for Risk Purchase, all possible costs including tendering cost & administrative overhead are to be included.

42.0.0 PRE-BID TENDER FOR BACK-TO-BACK TIE-UP:

42.1.0 PURCHASE FORMALITIES IN RESPECT OF SPECIAL CIRCUMSTANCES OF EXECUTION OF ORDERS FOR PRODUCT AND SERVICES AGAINST PRE-TENDERING TIE-UP WITH A VENDOR OR THROUGH STRATEGIC ALLIANCE LIKE CONSORTIUM / JV WITH OTHER COMPETENT FIRMS:

42.1.1 PRE-BID TENDER FOR BACK-TO-BACK TIE-UP:

Pre-bid tender is for high-value products and services, not within the normal range of product and services of the Company. Such a procedure is desirable to firm up estimated costs of high-value packages, goods and services. These items normally form part of the bid to be submitted by the Company to comply with system integration requirements contained in tenders of prospective customers. The following guidelines may be followed in respect of the pre-bid tenders:

- i) A Committee consisting of indenting, engineering, purchase and finance may be constituted by the Competent Authority, for entering into MOU for long-terms tie-up.
- ii) Bids may be obtained from approved vendors / vendor recommended by customer and opened in the manner prescribed for open / limited tender.
- iii) Negotiations may be conducted by the Committee and an MOU entered into with the selected party, with due approvals.
- iv) MOUs shall contain all major terms & conditions to be included in Purchase Order, with ample scope for negotiations with customer without involving the vendor. MOUs shall be as comprehensive as possible requiring minimum alterations at the time of placing Purchase Orders, and shall specify “Customer–BCL–Vendor” back-to-back arrangements / commitments to the maximum extent possible.
- v) MOU should contain stipulation that in the event of price reduction during negotiation by the Company with the customer, corresponding reduction will be passed on to the supplier / vendor.
- vi) MOU should contain adequate safeguards regarding requisite technical parameters and the quality requirement, along with appropriate clauses for alteration in prices in case of deviation from the stipulated technical parameters.
- vii) MOU shall contain adequate provisions for variance in financial commitments quantified against Additions, Deletion and Changes in scope of supplies and works, preferably identifying them against bills of materials, rates per unit of suppliers or services.
- viii) Within 30 days of signing an MOU, 1% of the value of MOU shall be furnished by the vendor as bid bond in the form of Bank Guarantee or security deposit etc. in order to ensure the vendor’s continued association and linkage with the Company till the prospective customers finalize their tenders. However, the Competent Authority may relax this condition in respect of approved vendors / sub-contractors with whom the Company has regular business dealings.
- ix) MOUs may be converted into Purchase Orders on receiving the order from the customers, without going through the tender procedure.

42.2.0 EXECUTION OF ORDERS FOR PRODUCTS & SERVICES THROUGH STRATEGIC ALLIANCE LIKE CONSORTIUM / JV WITH OTHER COMPETENT FIRMS:

42.2.1 Such cases shall be dealt right from Company's tender participation to its customer stage to ordering stage if secured by the Company.

It is suitable for cases of Company for entering into business through joint participation in tenders for large volume of job / new area of business where the Company does not have any experience in the relevant field. For effective participation and securing of orders, empanelment of suitable firms having experience as far as possible shall be required. The procedure for empanelment of such firms for joint participation in tenders of customers through Consortium / Joint Venture shall be as under;

42.2.2 PROCEDURE:

a) PROCEDURE FOR EMPANELMENT OF FIRMS:

- a.1) Invitation of Expression of Interests (EOI) with qualification criteria in the relevant field as per extant Government guidelines and general terms & conditions with special conditions, if any. Scope and technical requirements including special conditions of the tender as well as estimated cost of the job shall be furnished by indenter to Purchase department without any ambiguity. Technical qualification criteria based on estimated value / quantity shall also be framed by indenter and forward the same along with the indent. For experience against technical qualification criteria, the same shall be based on similar works falling under the nature and category of work for which EOI would be floated. In case of EOI for turnkey / composite jobs, technical qualification criteria in PQ should cover turnkey / composite work experience with main experience for the majority of work involved in the EOI.
- a.2) EOI invitation shall be in Open Tender mode with adequate publicity which are generally followed for open tenders. In respect of EOIs for empanelment, there shall be no cost of EOI (tender) document and no EMD. However, while inviting price bids later on from the empanelled vendors for specific

jobs after receipt of order(s) from customers, on case to case basis, EMD shall be stipulated as applicable as per Purchase Manual for each case.

The DAFP for invitation of EOI and selection of empanelled firms shall be as follows;

- Proposal for EOI invitation along with EOI document – Proposal to be raised by Purchase Department only and shall be approved by CMD-BCL routed through Functional Directors [eg. Director (Production) and Director (Finance)].
 - Proposal for Evaluation and Selection of firms for empanelment based on EOI Criteria – Purchase proposals routed through Open Tender Committee & Functional Directors [eg. Director (Production) and Director (Finance)] and to be approved by CMD.
- a.3) Validity of empanelment shall be initially for 2 (two) years from the date of empanelment with the condition for extension of further 1 (one) year subject to satisfactory performance / strategic necessity.
- a.4) The empanelment EOI may be only techno-commercial consideration without price bid at EOI stage and / or with price bid at EOI stage for protecting minimum value addition by BCL. The EOI document should also clearly stipulate the following (apart from general / special terms as deemed fit);
- i) Intention of Empanelment
 - ii) Qualifying Criteria
 - iii) Basis of Evaluation
 - iv) Mode of Ordering
- a.5) In all cases of empanelment, the selected firms should be informed in writing about their empanelment with effective date & validity period.

b) PROCEDURE FOR AWARD OF CONTRACTS:

The procedure for award of contracts on the empanelled vendors selected through above EOI process shall follow the stipulations specified in the EOI documents in general. However, there may be two cases in this regard – **ONE** as sub-contractor of the Company where the Company received order from its customers on participation in customer's tenders on its individual

capacity and the **OTHER** as a member of Consortium / JV as per joint participation submitted in customer's tenders.

- b.1.0) In the event of awarding work on sub-contractor basis amongst one or more of the empanelled firms, only price bids along with requisite EMD as per Purchase Manual are to be invited from all the empanelled vendors on case-to-case basis and selection of firms for awarding shall be made as per pre-disclosed basis of evaluation at the time of inviting price bids if not specified in the EOI documents earlier. However, extra care should be taken for any deviation given by the participants of the EOI. Negotiations, if necessary, shall be done as per the extant rules specified in Purchase Manual.
- b.1.1) The placement of order on the selected firm (s) to work as sub-contractor shall be done as per DAFP specified in the Purchase Manual as amended from time to time. The terms & conditions of the order will cover general and special terms as specified in EOI and customer's relevant order conditions as applicable. Scope of work and job description shall be as fixed for each case commensurate with price bid invitation.
- b.2.0) In respect of joint participation in tenders of customers through Consortium / JV and executions thereof shall also follow the relevant stipulations specified in the EOI document for award. For enabling effective participation, the partner from the empanelled firms may be selected either at BCL's exclusive discretion basis or through inviting price bids from the empanelled firms and going ahead with the lowest bidder. The basis of selecting Consortium / JV partner while submitting tender to customer should have approval of CMD-BCL with the concurrence of other Functional Directors.
- b.2.1) In the event of order received from customers on the Consortium / JV, the execution shall cover following formalities:
 - i) **For consortium case:** Such order received from customer specifies the name of Consortium along with the names of Business Partners. Thus the empanelled vendors with whom the Company made joint participation in the form of Consortium will become Business partner for the relevant order having contractual responsibilities & obligations jointly and severally with the Company in the terms of Consortium Agreements submitted while

submission of tender to customer of the Company and formed part of contract documents.

A Final Execution Agreement needs to be drawn immediately by the concerned order securing department after securing the order from customer specifying detailed scope, value and other terms as may be required for the execution by all the members of the consortium. For effective internal control and monitoring of contractual receivables & outflow and internal system generated purchase order shall be issued by Purchase Department obtaining necessary information from execution agreement through In-charge of the Project. The copy of such order shall not be issued to the customer / concerned consortium partner but order shall be given to all concerned including Vigilance Department of the Company.

- ii) **For JV case:** Such order received from customer specifies the name of JV along with the names of Business Partners. Thus the empanelled vendors with whom the Company made joint participation in the form of JV will become Business partner having contractual responsibilities & obligations jointly and severally for the relevant order with the Company in the terms of JV Agreement submitted while submission of tender to customer of the Company and formed part of contract documents.

A Final Joint Venture Agreement needs to be drawn immediately by the concerned order securing department after securing the order from customer specifying detailed scope, value and other terms as may be required for the execution by all the members of the JV. For effective internal control and monitoring of contractual receivables & outflow and internal system generated purchase order shall be issued by Purchase Department obtaining necessary information from execution agreement through In-charge of the Project. The copy of such order shall not be issued to the customer / concerned JV partner but order shall be given to all concerned including Vigilance Department of the Company.

It is sometimes necessary to consider large value contracts on EPC mode (either on own strength of Company or through JV) or through forming a SPV. In consideration of customer's tender / order conditions, such mode of execution shall be selected. In all cases BCL's execution departments shall issue necessary instructions / indents to Purchase Department with the approval of CMD-BCL routed through Functional Directors. Further

clearances / approval wherever required in case of execution of order through SPV shall be obtained by project execution department based on which Purchase formalities / procurement actions shall be planned by SPV commensurate with JV terms and approval thereof.

42.2.3.0 Keeping in view the Delegation of Power granted to CMD-BCL by Board and extant guidelines with reference to Consortium / JV / SPV execution cases, the following DAFP shall be applicable:

42.2.3.1 PARTICIPATION IN CUSTOMER'S TENDER AND SUBMISSION OF OFFER AGAINST SUCH TENDERS:

The activities falling under Business Promotion Matters, CMD-BCL will be the Approving Authority for such cases against domestic tenders routed through Functional Directors with respect to tender purpose JV Agreements or Consortium Agreements with any or more of the empanelled vendors. Such approval shall be approved by concerned Project Marketing Department of the Company.

42.2.3.2 FINAL EXECUTION AGREEMENT FOR ORDERS RECEIVED AS A CONSORTIUM:

Approving Authority shall be CMD-BCL for value upto Rs. 500 Cr. Routed through Functional Directors. An intimation is to be made to BCL's Board within one month from date of signing of Execution Agreement. Beyond Rs. 500 Cr, approving authority shall be Board.

42.2.3.3 FORMATION OF JV COMPANY / SPV

JV Execution details shall be presented and approved by the Board. Formation of JV Company / SPV shall be with prior consent and compliance of DPE / any other Government guidelines issued in this regard. Such approvals are to be taken before hand.

42.2.3.4 The above procedure shall apply for joint participation in Domestic Tenders only and executions thereof. For International cases, participation as Consortium / JV and subsequent ordering shall be dealt with the approval of Board as per Delegation of Power granted to CMD-BCL by the Board, as amended from time to time.

42.3.0 CONSORTIUM / JOINT VENTURE BID

42.3.1 In case of Consortium / Joint Venture Offer, the Lead Member must meet Technical Eligibility condition along with its partners. Financial eligibility condition may be met by any of the other members of J.V.

In case JVs are permitted to bid, it should be clarified what qualifications are to be collectively (clubbed together) met by the JV partners (say experience of particular consultancy, Financial Turnover etc) and what each partner has to individually and separately meet (financial soundness). In this case it should also be specified that each partner should meet at least 25% (and the lead partner at least 50%) out of the qualifying limit in case of experience of particular consultancy and financial turnover, if any.

The other conditions of JV offer will be as follows:

42.3.2 Conditions for Joint Venture Bid submission:

42.3.2.1 This Clause shall be applicable for tenders wherein tender documents provide for the same.

42.3.2.2 Separate identity / name shall be given to the Joint Venture.

42.3.2.3 **Number of members in a JV shall not be more than three.** One of the JV shall be its Lead Member who shall have a majority (at least 51%) share of interest in the JV. The other members shall have a share of not less than 20% each in case of JV with up to three members. The Lead Member has to be an Indian firm / company with a minimum share of 51%.

42.3.2.4 A member of JV shall not be permitted to participate either in individual capacity or as a member of another JV in the same tender.

42.3.2.5 The tender form shall be purchased and submitted only in the name of the JV and not in the name of any constituent member. The tender form can however be submitted by JV or any of its constituent member or any person authorized by JV through Power of Attorney to submit tender.

42.3.2.6 Earnest Money Deposit (EMD) shall be submitted by JV or authorized person of JV as mentioned in tender document.

42.3.2.7 A copy of Memorandum of Understanding (MoU) duly executed by the JV members on a stamp paper, shall be submitted by the JV along with the

tender. The complete details of the members of the JV, their share and responsibility in the JV etc. particularly with reference to financial, technical and other obligations shall be furnished in the MoU.

- 42.3.2.8** Once the tender is submitted, the MoU shall not be modified / altered / terminated during the validity of the tender. In case the tenderer fails to observe/comply with this stipulation, the full Earnest Money Deposit (EMD) shall be liable to be forfeited.
- 42.3.2.9** Approval for change of constitution of JV shall be at the sole discretion of BCL. The constitution of the JV shall not be allowed to be modified after submission of the tender bid by the JV, except when modification becomes inevitable due to succession laws etc., provided further that there is no change in qualification of minimum eligibility criteria by JV after change of composition. However, the Lead Member shall continue to be the Lead Member of the JV. Failure to observe this requirement would render the offer invalid.
- 42.3.2.10** Similarly, after the contract is awarded, the constitution of JV shall not be allowed to be altered during the currency of contract except when modification become inevitable due to succession laws etc and minimum eligibility criteria should not get vitiated. Failure to observe this stipulation shall be deemed to be breach of contract with all consequential penal action as per contract conditions.
- 42.3.2.11** On award of contract to a JV, a single Performance Guarantee / Security Deposit shall be submitted by the JV as per tender conditions. No splitting of guarantees amongst the members of the JV shall be permitted.
- 42.3.2.12** On issue of LOI (Letter of Intent), the JV entity to whom the work has been awarded, with the same shareholding pattern as was declared in the MOU/JV Agreement submitted along with the tender, shall be got registered before the Registrar of the Companies under 'The Companies Act -2013' (in case of company) or before the Registrar / Sub-Registrar under the 'The Indian Partnership Act, 1932' (in case of Partnership Firm) or under the LLP Act 2008' (in case of LLP) or as will be applicable for relevant cases. A separate PAN shall be obtained for this entity. The documents pertaining to this entity including its PAN shall be furnished to the Railways before signing the contract agreement for the work. In case the tenderer fails to observe/comply

with this stipulation within 60 days of issue of LOI, contract may be terminated with penal actions as deemed fit by BCL.

- 42.3.2.13 Joint and Several Liability** - Members of the entity to which the contract is awarded, shall be jointly and severally liable to BCL for execution of the work in accordance with Conditions of Contract. The members of the entity shall also be liable jointly and severally for the loss, damages caused to BCL during the course of execution of the contract or due to non-execution of the contract or part thereof.
- 42.3.2.14 Duration of the Registered Entity** - It shall be valid during the entire currency of the contract including the period of extension, if any and the maintenance period after the work is completed.
- 42.3.2.15 Governing Laws** - The Registered Entity shall in all respect be governed by and interpreted in accordance with Indian Laws.
- 42.3.2.16 Authorized Member** - Joint Venture members in the JV MoU shall authorize one of the members on behalf of the Joint Venture to deal with the tender, sign the agreement or enter into contract in respect of the said tender, to receive payment, to witness joint measurement of work done, to sign measurement books and similar such action in respect of the said tender/contract. All notices/correspondences with respect to the contract would be sent only to this authorized member of the JV.
- 42.3.2.17** No member of the Joint Venture shall have the right to assign or assign or transfer the interest right or liability in the contract without the written consent of the other members and that of BCL in respect of the said tender/contract.
- 42.3.2.18 Document to be enclosed by the JV along with the tender.**
- In case one or more of the members of the JV is/are partnership firm(s),** following documents shall be submitted:
- (I) A notarized copy of the Partnership Deed.
 - (II) A copy of consent of all the partners or individual authorized by partnership firm, to enter into the Joint Venture Agreement on a stamp paper.
 - (III) A Notarized or registered copy of Power of Attorney in favour of the individual to sign the MOU/JV Agreement on behalf of the partnership firm and create liability against the firm.

In case one or more members is/are HUF/ Proprietary firms, the following documents shall be enclosed:

A copy of notarized affidavit on Stamp Paper declaring that his/her concern is a HUF / Proprietary Concern and he/she is the sole proprietor (in case of proprietary concern) or he/she is in the position of 'Karta' of Hindu Undivided Family (HUF) and he/she has the authority, power and consent given by other members to act on behalf of Proprietary Firm/ HUF.

In case one or more members of the JV is/are companies, the following documents shall be submitted:

- (i) A copy of resolutions of the Directors of the Company, permitting the company to enter into a JV agreement.
- (ii) The copies of MOA (Memorandum of Association)/AOA (Articles of Association) of the company.
- (iii) A copy of Certificate of Incorporation.
- (iv) A copy of Authorization /copy of Power of Attorney issued by the company (backed by the resolution of Board of Directors) in favour of the individual to sign the tender, sign MOU/JV Agreement on behalf of the company and create liability against the company.

42.3.2.19 All the Members of JV shall certify that they are not blacklisted or debarred by BCL or any other Ministry / Department of the Govt of India from participation in tenders /contract on the date of opening of bids either in their individual capacity or as a member of the JV in which they were/are members.

42.3.2.20 Traditional Wagon builders or bidders who shall have a conflict of interest in the opinion of BCL are not eligible to participate in this tender. All bidders found to have a conflict of interest shall be disqualified. 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".

43.0.0 LEGAL ASPECTS:

- a) In case of dispute with the supplier it is always advisable to “negotiate” with the supplier and settle the issue. It is less expensive and less time consuming than litigation.
- b) At the same time it should be ensured that when mutual settlement cannot be achieved despite best efforts, the case should be referred to legal secretarial department sufficiently in advance and with all relevant correspondence before the case becomes time-barred.
- c) It is also expedient to ascertain the firm’s capacity and capabilities as also the financial background before taking up any business deal with them. Purchase Officer may visit the firms’ premises and works for this purpose.
- d) To the extent possible placement of supply orders on partnership, sole proprietorship or private limited company should be avoided (unless they are renowned and established firms) without Performance Guarantee or Bank Guarantee.

43.1.0 ARBITRATION:

43.1.1 FOR PSU / GOVT. DEPTT. ETC.:

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India, In-charge of the Department of Public enterprise.

The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary / Additional Secretary, when so authorized by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

43.1.2 FOR PRIVATE PARTIES / OTHERS:

All questions, disputes or difference whatsoever shall arise between the purchaser and the supplier upon or in relation to or in connection with the contract, either party may forthwith give to the other, notice in writing of the existence of such question, dispute or difference and the same shall be referred to the adjudicator of sole arbitrator. CMD shall have the right and authority to appoint an arbitrator who is not connected with either party in any way. The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

“In case the same is not agreeable to the other party, any one of the parties may approach the honorable Court for appointment of Arbitrator to adjudicate the dispute.”

Such a reference submitted to the Arbitrator shall be deemed to be the submission to the Arbitrator within the meaning of the Arbitration and Conciliation Act, 1996 statutory modification thereof. The proceedings of the Arbitration shall be held in Kolkata.

43.1.3 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 arbitration clause with foreign firms should be in the form of self-contained agreements. This is true especially for large value contracts or those for costly plant and machinery. 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.

43.1.4 ARBITRATION AWARDS: CMD will be the approving authority for acceptance of the arbitration award / for challenging the award at higher forum.

- i) In cases where BCL has challenged an arbitral award and, as a result, the amount of the arbitral award has not been paid, 75% of the arbitral award (which may include interest up to date of the award) shall be paid by BCL to the contractor/ concessionaire against a Bank Guarantee (BG). The BG shall only be for the said 75% of the arbitral award as above and not for the interest which may become payable to BCL should the subsequent court order require refund of the said amount.
- ii) The payment may be made into a designated Escrow Account with the stipulation that the proceeds will be used first, for payment of lenders' dues, second, for completion of the project and then for completion of other projects of BCL as mutually agreed/ decided. Any balance remaining in the escrow account subsequent to settlement of lenders' dues and completion of projects of BCL may be allowed to be used by the contractor/ concessionaire with the prior approval of the lead banker and BCL. If otherwise eligible and subject to contractual provisions, retention money and other amounts withheld may also be released against BG.

44.0.0 CLOSURE OF CONTRACT

While making the final payment to the contractor and before releasing the PBG, it should be ensured that there is nothing outstanding from the contractor, because it would be difficult to retrieve such amounts after releasing the bank guarantee/final payment. Before the bank guarantee is released a “no claim certificate” may be taken from the contractor.

44.1.0 MATERIALS RECONCILIATION

The stores and/or the indenter should confirm that all materials ordered in the contract and paid for have been received in good condition and there is no shortfall. Full reconciliation of all raw material, part, assembly provided to the contractor should be done including wastages and return of scrap/off-cuts. Besides material reconciliation, the user Department should certify in writing that the following activities (wherever applicable) have been completed by the contractor, to BCL’s satisfaction, as per the contract:

- i) Achievement of performance standards of material/equipment supplied

- ii) Installation and commissioning
- iii) Support service during the warranty period which has ended on _____
- iv) Training of operators/maintenance staff
- v) Return of all ID cards, gate passes, documents, drawings, protective gear, material, equipment, facilities and assets loaned to contractor
- vi) Support during annual maintenance contract (if it was part of the contract) which has ended on _____.

44.2.0 PAYMENT RECONCILIATION

The indenting/materials management Departments may reconcile payments made to the contractor to ensure that there is no liability outstanding against the contractor on account of:

- i) LD
- ii) Price reduction enforced on account of shortfall in performance of material/equipment
- iii) Variations/deviations from the scope of the contract
- iv) Overpayments/duplicate payments, if any
- v) Services availed from Procuring Entity and vacation thereof such as accommodation, electricity, water, security, transport, cranes and other machinery, and so on,
- vi) Demurrage, insurance premiums or claims, customs duties, and so on;
- viii) Material reconciliation;
- ix) Price and exchange rate variations;
- x) Statutory duties paid on behalf of the contractor by Procuring Entity; and
- xi) Inspection charges or loss of material in testing.

On satisfactory reconciliation final payment shall be made and against a “no claim certificate” from the contractor, the bank guarantee may be released and its acknowledgement taken from the contractor.

On completion of all activities against a contract, the purchase file should be preserved for a period of **eight years** in the record room and then destroyed after expiry of the applicable mandatory retention period with the approval of the CA. However, BCL, at its discretion, may retain important records for future reference.

45.0.0 SCRAP TREATMENT & DISPOSAL THEREOF:

45.1.0 There accumulates a large quantity of material, inside the Organization, which is neither usable for the purpose for which it was originally procured nor of any other operational value. Such material is generally called "Scrap" and is distinguished from other stores and component parts.

45.2.0 Scrap disposal in the Company shall follow the following procedure –
A Scrap Survey Committee constituted by the Competent Authority, will declare the materials to be considered as ‘scrap’ based on its assessment of the materials and its tentative value considering the actual quantity to be disposed of, and accordingly recommend for disposal through laid down procedures detailed as under;

- (i) In case of disposal of plant & machineries as well as any other fixed assets of the Company:
 - SSC will recommend the asset or part of asset as Scrap. An approved valuer may be engaged for valuation of such assets which will be finally placed to the Board, irrespective of the value of assets, for kind approval for disposal of Scrap.
 - For assets, sale through the e-auction portal or traditional public auction may be resorted. E-Auction shall be the preferred mode for such disposals through Auction platforms of NIC, MSTC, Indian Railways or any other appropriate portal in vogue in BCL.
 - Limited tender may be resorted to with proper justification with the prior approval of Board / concerned member.
- (ii) In case of Scrap generated through a process of manufacturing or any materials other than (i)
 - a. Small value scrap such as waste paper or industrial sweepings, and so on, up to a value of Rs. 10,000 (Rupees Ten thousand) in each case may be sold

- directly to the local scrap dealers on a spot quotation basis by the concerned department with the approval of the Competent Authority;
- b. Beyond Rs. 10,000/- and upto Rs. 5 Lacs, Scrap may be sold through Limited Tendering to locally known Scrap Dealers of relevant category, depending on the nature of scrap or excessive dumping of scrap owing to exigencies.
 - c. Sale through the e-auction portal or traditional public auction may be resorted to for scrap value above Rupees Five Lakh. E-Auction shall be the preferred mode for such disposals through Auction platforms of NIC, MSTC, Indian Railways or any other appropriate portal in vogue in BCL;
 - d. Scrap which has a security or safety risk, as decided by the respective departments, may be destroyed suitably in an eco-friendly manner in accordance with guidelines of Central Pollution Control Board (CPCB) or State Pollution Control Board (SPCB) in the presence of a committee after obtaining CA's approval. The committee should issue a certificate of having destroyed these. Video recording may also be done of such disposal.
 - e. Sale of hazardous waste items would be governed by the following procedures in addition to guidelines/notifications issued by the Central Pollution Control Board (CPCB)/Ministry of Environment and Forests (MoEF) from time to time, or any suitable mode as decided by CA.
 - f. Scrap recommended for disposal should be segregated from other materials into an identifiable lot. It should be marked as such with a board, indicating the lot number and brief description.
 - g. Scrap to be sold in lot:
Whenever Scrap disposal is done in lot basis, a Joint Inspection Report is to be signed by SSC and the intended buyer along with photograph of the Scrap to be disposed of.
 - h. A Reserve Price Committee may be appointed to recommend the reserve price for the Scrap for disposal as intimated by the user department/s. The use of external costing experts, price databases, price indices and data sharing may be done by the said Committee. The reserve price thus recommended shall be approved by the Competent Authority with financial concurrence. The said price shall be suitably recorded and made available in advance of the date of disposal.

45.3.0 Some methods for determining reserve prices are:

- i. In case of disposal of plant & machineries as well as any other fixed assets of the Company, approved valuer may be engaged for valuation of such assets and the Reserve Price Committee will take into account the valuation given by the valuer while recommending the reserve price.

- ii. In case of Scrap generated through a process of manufacturing or any materials other than (i) above,
- Last sale price moderated by quantity, quality, location, market condition, price trend of various metals, and so on
 - Prevailing market price ascertained through a market survey;
 - Costing analysis based on costs of various elements of the item (discounted for melting losses) labour charges and transportation cost, etc.; and
 - In cases where the reserve price cannot be assessed by the nominated Reserve Price Committee, approved valuer may be engaged for valuation of such material and the Reserve Price Committee will take into account the valuation given by the valuer while recommending the reserve price.

45.4.0 The salient features of the **scrap disposal** are –

45.4.1 **On ‘As-Is-Where-Is’ basis:** Notwithstanding anything contained in the e-auction or advertisement issued on the description and particulars of material for sale, the sale is on ‘as-is-where-is’ basis only and the principle of caveat emptor (let the buyer be aware) will apply.

45.4.2 **Inspection by Bidders:** Bidders shall be advised to quote rates only after inspection of items at the site. The bidder or his authorized representative may inspect the materials as per the inspection schedule mentioned in the auction details.

45.4.3 **Right to Reject all Bids:** BCL reserves the right to accept/reject and cancel any bid, amend the quantity under any lot or withdraw any lot at any stage before or after acceptance of bid/issue of acceptance letter/sale order/delivery order/deposit of the full sale value by the bidder, without assigning any reason thereof and the value of such material, if paid for, shall be refundable. It will not be responsible for damage/loss to bidders on account of such withdrawal at any stage from the sale.

46.0.0 **“MAKE IN INDIA” INITIATIVE:**

46.1.0 PURCHASE PREFERENCE: Purchase preference shall be given to ‘Class-I local supplier’ in all procurements undertaken by BCL in the manner specified hereunder:

- a. In procurement of all goods, services or works in respect of which the Company has communicated that there is sufficient local capacity and local competition, only ‘Class I local supplier’, as defined under the Order, shall be eligible to bid irrespective of purchase value.
- b. In the procurements of goods or works, which are not covered in (a) 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.

Therefore, the lowest bidder among the ‘Class-I local supplier’ will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier’s quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such ‘Class-I local supplier’ subject to matching the L1 price. In case such lowest eligible ‘Class-I local supplier’ fails to match the L1 price or accepts less than the offered quantity, the next higher ‘Class-I local supplier’ within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on ‘Class-I local supplier’, then such balance quantity may also be ordered on the L1 bidder.

- c. In the procurements of goods or works, which are not covered in a) 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 will be awarded to L1.
 - ii) If L1 is not '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-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local 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 BCL.

46.2.0 VERIFICATION:

- a. The 'Class-I local supplier'/'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
- b. In case of procurement for a value in excess of Rs.10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- c. False declarations will be in breach of the Code of Integrity under Rule 175(1) (i) (h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

- d. A supplier who has been debarred by BCL 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.

46.3.0 DEBARMENT OF BIDDERS: In respect of BCL, the debarment takes effect prospectively from the date of uploading in website in such a manner so that ongoing procurements are not disrupted.

The above clause is to be amended time to time to keep in line with the change in Govt. regulations. The Format to be enclosed with tender document is enclosed in Annexure 5.

47.0.0 INTEGRITY PACT (IP)

The Pre-bid Integrity Pact is a tool to help Governments, businesses and civil society to fight corruption in public contracting. It binds both buyers and sellers to ethical conduct and transparency in all activities from pre-selection of bidders, bidding and contracting, implementation, completion and operation related to the contract. The pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract.

The Format to be enclosed with tender document is enclosed in Annexure 6.

48.0.0 LAND BORDER

The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

The above clause is to be amended time to time to keep in line with the change in Govt. regulations. The Format to be enclosed with tender document is enclosed in Annexure 7.

Annexure1: PROPRIETARY ARTICLE CERTIFICATE**Valid for the Current Financial Year**

File Number and Date Reference		
1	Description of article	
2	Forecast of quantity requirement	
3	Approximate estimated value for above quantity	
4	Maker's name and address	
5	Name(s) of authorized dealers/stockists	
6	I approve the above purchase on PAC basis and certify that:-- <i>Note-Tick to retain only one out of (b),(c-1)or(c-2) whichever is applicable and cross out others. Please do confirm (a)by ticking it-without which PAC certificate will be invalid.</i>	
6(a)	This is the only firm who is manufacturing /stocking this item. AND	<input type="checkbox"/>
6(b)	A similar article is not manufactured/sold by any other firm, which could be used in lieu OR	<input type="checkbox"/>
6(c-1)	No other make/brand will be suitable for following tangible reasons (like OEM/warranty spares): OR	<input type="checkbox"/>
6(c)	No other make/brand will be suitable for following in tangible reasons (if PAC was also given in the last procurement cycle, please also bring out efforts made since then to locate more sources): OR	<input type="checkbox"/>
7	Reference of concurrence of finance wing to the proposal:	<input type="checkbox"/>

History of PAC purchases of this item for past three years may be given below			
Name of the Supplier	Quantity Ordered	Basic Rate on Order (Rs.)	Adverse Performance Reported if Any

Signature of Approving Authority-----

Date-----Designation of Officer-----

Annexure2: BANK GUARANTEE FOR SECURITY DEPOSIT

To,
M/s.

“Please find the following format for Security Deposit in the form of Bank Guarantee”

From Braithwaite & Co. Ltd.
P R O F O R M A
BANK GUARANTEE FOR SECURITY DEPOSIT

No.....

Date.....

M/s. Braithwaite & Co. Limited,
(A Govt. of India Undertaking)
5, Hide Road,
Kolkata-700 043.

Dear Sirs,

1. In consideration of your agreeing to accept Bank Guarantee towards Security Deposit of ` _____ (Rupees _____) furnishable to you by M/s. _____ (hereinafter called the “ Contractor “) having its registered Office _____ in terms of contract No. _____ dated _____ (hereinafter called the “ said Contract “) with M/s. Braithwaite & Co. Ltd., A Govt. of India undertaking having its registered office at 5, Hide Road, Kolkata-700 043 (hereinafter called the “Purchaser”), the Contractor requested us to provide the Guarantee to fulfill contractual obligation. We _____ (Bank name) at the request of the contractor, are holding in trust in favour of you the amount of ` _____ and agreed to pay to you on demand immediately without protest or demur or reference to the Contractor if the Contractor failed to perform all or any of the obligation under the said contract. The decision of the Purchaser duly communicated in writing to the Bank that the Contractor have failed to perform all and/or any of the obligation under the said contract shall not be questioned and shall be final and conclusive (irrespective of stand that can be taken by and/or on behalf of Contractor). The above said amount of ` _____ shall be paid to you, forth with on demand.
2. It is fully understood that this guarantee is effective for a period of _____ days from the date of issue of this Bank guarantee and shall continue to be enforceable till six months thereafter and/or till the time of extension period, if so extended by you and the contractor and we _____ (Bank) undertake not to revoke this guarantee during its currency without the consent in writing of the Purchaser.
3. The Bank guarantee shall continue and hold good until and unless it is released by you on the application by the Contractor after expiry of the relative guarantee period of the said contract and after the Contractor had discharged all his obligations under the said contract and produce a certificate of due completion of the work under the said contract provide always that this guarantee shall in no event remain in force after the day of _____ without prejudice to your claim or claims arisen and demanded from or otherwise notified to us in writing before the expiry of six months from the said date which will be enforceable against us notwithstanding that the same is or are enforceable after the said date.
4. We _____ (Bank) further undertake to extend the validity of this guarantee beyond the period prescribed in Clause (3) and/or as extended from time to time as stated above, for such further

period as may be required in writing before the expiry of this guarantee and upon such extension(s), all terms and conditions of this guarantee shall remain in full force till the expiry of this extended period. Subject to the maximum limit of our liability as aforesaid this guarantee will cover all your claim or claims against the contractor from time to time arising out of and/or in relation to the said contract and in respect of which your claims in writing is lodged on us before expiry of 6 months from the date of expiry of this guarantee and/or before the time of extended period, if so extended by you and the contractor.

Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to ` _____ and this guarantee shall remain in force until _____ unless a written claim is lodged on us for payment under this guarantee within six month or the guarantee i.e. on or before _____ and/or before the time of extended period, if so extended by you and the contractor. All your rights under this guarantee shall be forfeited and we shall be deemed to have been released and discharged from all liability, thereunder, irrespective of whether or not the original guarantee is returned to us after such period.

5. We, _____ (bank) further agree that the purchaser shall have the fullest liberty without effecting in any manner our obligation hereunder to vary any of the terms and conditions of the said contract from time to time or to postpone for any time or from time to time any of your rights or powers exercisable by the Purchaser against the said contractor and/or forbear to enforce any of the terms and conditions relating to the said contract and we shall not be released from our liabilities under this guarantee by reason of any such variation or extension being granted to said contractor or for any forbearance and/or commission on the part of the Purchaser or any indulgence by the Purchaser to the said Contractor or by any other matter whatsoever which under the law relating to the sureties would, but for this provision have the effect of so releasing us from our liability under this guarantee.
6. We, _____ (Bank) further agree that the guarantee herein contained shall not be affected by the liquidation or winding up, dissolution or change in constitution of the said Contractor.
7. Your right to recover the said sum of ` _____ from us in any manner will not be affected or suspended by reason of the fact that any dispute or disputes have been raised by the Contractor and/or that any dispute or disputes are pending before any, Office, Tribunal or Court.
8. I, have power to issue this guarantee in your favour and the undersigned has full power to execute this guarantee under the Power of Attorney granted to him by the Bank.

For & on behalf of
(Banker's Name)

Branch Manager
(Banker's Name)

Address:.....
.....

Bank Guarantee No:

Date:

Annexure3: BANK GUARANTEE FOR EMD

TO
M/s. Braithwaite & Co. Limited,
(A Govt. of India Undertaking)
5, Hide Road,
Kolkata-700 043.

In consideration of the Braithwaite & Co. Limited (hereinafter referred to as BCL' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Indian laws and having its registered office at having agreed to exempt (Name of the Bidder(s)) having its registered office at _____ (hereinafter called the Bidder(s)), from demand under the terms and conditions of the Tender Document reference No. _____ dated _____ (herein after called the Tender Document) towards EMD for the due fulfilment by the Bidder(s) of the terms and conditions contained in the said Tender Document, on production of a Bank Guarantee for Rs. _____ (Rupees _____ only), we (indicate the name and address of the Bank) having its Head Office at _____ (address of the head Office) (hereinafter referred to as the Bank) at the request of _____ [the Bidder] do hereby undertake to pay to the BCL an amount not exceeding Rs. _____ in the event of any breach by the Bidder(s) of any of the terms and conditions contained in the said Tender Document.

We, _____ (indicate the name of the Bank), do hereby irrevocable and unconditionally undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from BCL. Any such demand made on the bank, shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to BCL any money so demanded notwithstanding any dispute or disputes raised by the Bidder(s) in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this guarantee shall be a valid discharge of our liability for payment hereunder and the Bidder(s) shall have no claim against us for making such payment.

We, further agree that the guarantee herein contained shall remain in full force and effect from [insert date] till ___[insert date]_. Unless a demand or claim under this guarantee is made on us in writing on or before the _____ [insert date- six months after end of validity period] we shall be discharged from all the liability under this guarantee thereafter.

We, (indicate the name of the Bank) further agree with BCL that BCL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Tender Document or to extend time of performance by the Bidder(s) from time to time or to postpone for any time or from time to time any of the powers

exercisable by the BCL against the Bidder(s) and to forbear or enforce any of the terms and conditions relating to the said Tender Document and we shall not be relieved from our liability by any reason of any such variation or extension being granted to the Bidder(s) or for any forbearance, act or omission on the part of the BCL or any indulgence by the BCL to the Bidder(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

It shall not be necessary for BCL to proceed against the Bidder(s) before proceeding against the BANK and the Guarantee/Undertaking herein contained shall be enforceable against the BANK as principal debtor notwithstanding the existence of any other undertaking or security for any indebtedness of the Bidder(s) to BCL and notwithstanding that any such security shall at the time when claim is made against the BANK or proceedings taken against the BANK hereunder, be outstanding or unrealized.

This Guarantee/Undertaking shall not be discharged, determined or affected by the liquidation or winding up or dissolution or change of constitution or insolvency of the Bidder(s) or any change in the legal constitution of the BANK.

Without prejudice to any other mode of service, a demand or claim or other communication may be transmitted by BCL to the Bank either by courier, email, post or by fax.

We, BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the BCL in writing.

Notwithstanding anything to the contrary contained here in above:

- a) The liability of the Bank under this Guarantee shall not exceed.....
- b) This Guarantee shall be valid upto[insert the validity period]
- c) Unless the Bank is served a written claim or demand on or before _____ [insert t-six months after the validity period] all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, (indicate the name of the Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the BCL in writing.

Date _____ Day of _____
for (indicate the name of the Bank)

(Signature of Authorised signatory)

Annexure4: BANK GUARANTEE FOR ADVANCE**Bank Guarantee No:****Date:**

TO
 M/s. Braithwaite & Co. Limited,
 (A Govt. of India Undertaking)
 5, Hide Road,
 Kolkata-700 043.

Dear Sirs,

In consideration of the Braithwaite & Co. Limited¹ (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 2013 and having its registered office at _____ Having awarded to (Name of the Vendor/Contractor/Supplier). Having its registered office at _____² (hereinafter called "the Contractor" which expression shall include its successors and permitted assigns) a contract Ref No.....dated.....³valued at Rs.....(Rupees-----)/FC.....(in words.....)for ⁴(hereinafter called the 'Contract')

AND WHEREAS the Employer has agreed to advance to the Contractor, a sum of Rs..... (Rupees.....only),equivalent to %of the said value of the Contract (hereinafter called "the said Advance"), upon the condition, that the said Advance shall be secured by undertaking guarantee for Rs -----(Rupees -----)⁵ from a Bank as hereinafter appearing.

We,.....,(herein after referred to as the Bank),having registered/Head office at and a branch at being the Guarantor under this Guarantee, hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer without any demur, merely on your first demand any sum or sums upto a maximum amount but not exceeding Rs -----(Rupees -----).

Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Contractor/ Supplier in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment hereunder and the Contractors/Supplier shall have no claim against us for making such payment.

We theBank further agree that the guarantee here in contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract

and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged.

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

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall remain in force upto and includingand shall be extended from time to time on the request of the Employer for such period as may be desired by the Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor/Supplier but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms hereof. However, unless a demand or claim under this Guarantee is made on us in writing on or before the we shall be discharged from all liabilities under this Guarantee.

We, BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed.....
- b) This Guarantee shall be valid upto
- c) Unless the Bank is served a written claim or demand on or before _____ all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank

We, _____Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

For and on behalf of (Name of the Bank)

Date.....

Place of Issue.....

¹NAME AND ADDRESS OF THE EMPLOYER *i.e. Braithwaite & Co. Limited*

²NAME OF VENDOR/ CONTRACTOR/ SUPPLIER

³DETAILS ABOUT THE NOTICE OF AWARD/ CONTRACT REFERENCE

⁴PROJECT/SUPPLY DETAILS

⁵BG AMOUNT IN FIGURES AND WORDS

⁶VALIDITY DATE

⁷DATE OF EXPIRY OF CLAIM PERIOD

⁸BG AMOUNT IN FIGURES AND WORDS

⁹VALIDITY DATE

¹⁰DATE OF EXPIRY OF CLAIM PERIOD

Note:

1. It is advised that expiry of claim period may be kept 2/3months after validity date.
2. In Case of Bank Guarantees submitted by Foreign Vendors-
 - a. From Nationalized/Public Sector / Private Sector/ Foreign Banks(BG issued by Branches in India) can be accepted subject to the condition that the Bank Guarantee should be enforceable in Kolkata.
 - b. From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)
 - b.1 In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BCL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter-Guarantee by Foreign Bank in favour of the Indian Bank (BCL's Consortium Bank). It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
 - b.2 In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank the same is acceptable. However, the procedure at **sl.no. b.1** will required to be followed.
 - b.3 The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). In case, of Foreign Vendors, the BG Format provided to them should clearly specify the same.
 - b.4 The BG should clearly specify that the demand or other document can be presented in electronic form.

**Annexure5: MAKE IN INDIA
FORM-F**

UNDERTAKING FOR APPLICABILITY OF PP-LC POLICY

To, M/s BRAITHWAITE & CO. LTD

SUB:

TENDER NO:

Dear Sir

We, M/s. hereby confirm that following purchase preference to be considered:-

Description	Preference
Purchase Preference (linked with local content) or	<input type="checkbox"/>
Purchase Preference under Public Procurement Policy for MSE	<input type="checkbox"/>

Note:

- (i) Please indicate your preference against only one policy.
- (ii) The above preference shall be extended only after submission of requisite documents (as mentioned in the tender documents).
- (iii) In case a bidder is eligible to seek benefit under PP-LC policy as well as under MSE-2012, then the bidder should categorically seek benefits against only one of the two policies. i.e. either PP-LC or MSE policy.
- (iv) In case a MSEs bidder opts for purchase preference based on PP-LC, he shall not be entitled to claim purchase preference benefit available to MSE Bidders under PPP for MSE 2012. However, the exemptions from furnishing Bidding Document fee and Bid security/EMD shall continue to be available to such MSE Bidders.
- (v) The option once exercised cannot be modified subsequently.

[Signature of Authorized Signatory of Bidder having power of Attorney]

Place:

Date:

Name:

Designation:

Seal:

FORM F(1)

**UNDERTAKING BY BIDDER TOWARDS MANDATORY MINIMUM
LC(IN CASE SEEKING BENEFIT OF PP-LC)**
(Self-Declaration)

To,

M/s BRAITHWAITE & CO. LTD

SUB:

TENDER NO:

Dear Sir

We, M/s_____ (*Name of Bidder*) have submitted bid no.....
against a foresaid tender.

We hereby confirm that we are eligible for benefit under Purchase Preference (linked with local content) and undertake that we meet the mandatory minimum Local content requirement of..... % specified in tender document.

We further confirm that in case we fail to meet the minimum local content, you will take action as per provisions of tender document/PP LC Policy.

[Signature of Authorized Signatory of Bidder having power of Attorney]

Place:

Date:

Name:

Designation:

Seal:

FORM F(2)**Certificate from Bidder for compliance (to be uploaded/attached along with their Bid/Offer)**

I have read the clause/Para regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries.

(a) I, certify that M/s _____ (name of Bidder) is not from such a country and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I also certify that M/s _____ will not offer any products/services of entity from such countries unless such entity is registered with the Competent Authority.

or

(b) I certify that M/s _____ (name of Bidder) is from such a country and has been registered with the Competent Authority. I also certify that M/s _____ has products/services of entity from such countries and these entity/entities are also registered with the Competent Authority. I also certify that M/s _____ has sub-contracted some work to a contractor from such countries and that such contractor is registered with the Competent Authority.

I hereby certify that M/s _____ (name of Bidder) fulfills all requirements in this regard and is eligible to be considered.

I hereby acknowledge that in the event of acceptance of my bid on above certificate and if the certificate is found to be false at any stage, the false certificate would be aground for immediate termination of contract and further legal action in accordance with the Law.

**(Signature & Name of Authorized person of the Bidder)
Name & address of the Bidder with stamp**

- Note:
1. Give certificate for either (a) or (b)
 2. Where applicable, evidence of valid registration by the Competent Authority shall be attached/uploaded along with the bid/offer
 3. Bidders are advised to attach/upload the certificate duly signed by authorized person of the Bidder and duly stamped along with their Bid/Offer

Annexure6: INTEGRITY PACT DOCUMENT**INTEGRITY PACT DOCUMENT**
(TO BE EXECUTED IN PLAIN PAPER)**INTEGRITY PACT**

Between

The Braithwaite & Co. Ltd. (BCL) hereinafter referred to as "The BUYER",

and

_____ hereinafter referred to as "The Bidder/Contractor".

Preamble

The BUYER invites the bids from all eligible bidders and intends to enter into an agreement for _____

with the successful bidder (s), as per organizational systems & procedures. The BUYER values full compliance with all relevant laws and regulations, and the principle of economical use of resources and of fairness and transparency in this relation with the BIDDER and/or CONTRACTOR.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:
 In order to achieve these goals, the Principal cooperates with renowned international Non-Governmental Organization "Transparency International" (TI). Following TI's national and international experience, the Principal will appoint an External Independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 - Commitments of the Principal

(A) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:

1. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.
2. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tended process or the contract execution.
3. The Principal will exclude from the process all known prejudiced persons.

(B) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder/Contractor

(A)The Bidder / Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

1. The Bidder / Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage during the tender process or during the execution of the contract.

2. The Bidder / Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

3. The Bidder / Contractor will not commit any offence under the relevant Anti-corruption Laws of India; further the Bidder / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

4.The Bidder / Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

(B)The Bidder / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts

If the Bidder, before contract award has committed a serious transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.

(1) If the Bidder / Contractor has committed a transgression through a violation of Section-2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder / Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgression, the position of the transgressors within the company hierarchy of the Bidder and the amount of damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.

(2) The Bidder accepts and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent mega advice.

(3) If the Bidder / Contractor can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.

(4) A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 – Compensation for Damages

(1) If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder the damages equivalent to the amount equivalent to Earnest Money Deposit or Bid Security, whichever is higher.

(2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit / Performance Bank Guarantee, whichever is higher.

(3) The Bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder / Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of liquidated damages, the Bidder Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 – Previous Transgression

(1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

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

Section 6 –Equal treatment of all Bidders / Contractors

(1) The Bidder/ Contractor undertakes to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.

(2) The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.

(3) The Principal will disqualify from the tender process all Bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidders / Contractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or of an employee or a representative or an associate of a Bidder, Contractor which constitutes corruption, or

if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section 8 – External Independent Monitor/ Monitors
(three in number depending on the size of the contract)
(to be decided by the Chairman of the Principal)

(1) The Principal appoints competent and credible External Independent Monitor for this Pact. The task of the Monitor is to review independently and objectively whether and to what extent the parties comply with the obligations under this agreement.

(2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman of the Board of the Principal.

(3) The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder / Contractor with confidentiality.

(4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

(5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that the pact in a specific manner, refrain from action or tolerate action.

(6) The Monitor will submit a written report to the Chairman of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the "Principal" and, should the occasion arise, submit proposals for correcting problematic situations.

(7) Monitor shall be entitled to compensation on the same terms as being extended to / provided to Outside Expert Committee members / Chairman as prevailing with Principal.

(8) If the Monitor has reported to the Chairman of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairman has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this infatuation directly to the Central Vigilance Commissioner, Government of India.

(9) The word "Monitor" would include both singular and plural.

Section 9 – Pact Duration

This pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective 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 Chairman of the Principal.

Section 10 – Other provisions

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered office of the Principal, i.e. **Kolkata**.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

 For the Principal
 (Official Seal)

 For the Bidder / Contractor
 (Official Seal)

Place: _____
 Date: _____

Witness: 1. _____
 2. _____

Annexure7: LAND BORDER**FORMAT for Undertaking with respect to Compliance of Restrictions for Countries which share land border with India — as stipulated by Govt. of India.**

(On Company Letter Head, to be signed by the duly authorized person)

Date: _____

TENDER NO.....

TITLE OF TENDER :

To,
M/s. Braithwaite & Co. Limited
5, Hide Road, Kolkata - 700043

Dear Sir/Madam,

In line with the guidelines issued for compliance of Restrictions for Countries which share land border with India — as issued by Govt. of India in July'2020,

I/We have read the clause regarding restrictions on procurements from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I/We certify that I/We am/are not from such a country or, if from such a country, have been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority.

I/We hereby certify that I/We fulfill all requirements in this regard and am/are eligible to be considered.

[Where applicable, evidence of a valid registration by the Competent Authority shall be attached]

(Signature and Stamp of the Bidder)

Bidder Name:

Address:

ABBREVIATIONS AND ACRONYMS

AITB - Appendix to Instruction to Bidders

AMC - Annual Maintenance Contract

AOA - Articles of Association

BG - Bank Guarantee

BOC - Bid Opening Committee

BOM - Bill of Material

BOQ - Bill of Quantity

BQ - Budgetary Quotation

C&AG - Comptroller & Auditor General of India

CA - Competent Authority

CAPEX - Capital Expenditure

CIF- Cost, Insurance & Freight

CMD- Chairman-cum- managing Director

CPCB - Central Pollution Control Board

CPWO - Central Public Works Department

CVC - Central Vigilance Commission

CVO - Chief Vigilance Officer

DAFP - Delegation of Administrative and Financial Powers

DD - Demand Draft

DGM - Deputy General Manager

DGS&D - Director General of Supplies and Disposals

DIPP - Department of Industrial Policy and Promotion

DPIIT - Department of Promotion of Industry & International trade

DSC - Digital Signature Certificate

EMD - Earnest Money Deposit

EOI - Expression of Interest

EPC - Engineering Procurement and Construction Contract

ERP - Enterprise Resource Planning

FM - Force Majeure

FOR - Freight on Road

FTP - First Time Procurement

GCC - General Condition of Contract

GEM - Government Electronic Market

GEMAR&PTS - Gem Availability Report and Past Transaction Summary

GFR - General and Financial Rules

GOI - Government of India

GRIR - Goods Receipt and Inspection Report

GST - Goods and Services Tax

GTC - General Terms and Conditions

GT - Global Tender

HOD - Head of the Department

HUF - Hindu Undivided Family

INCOTERMS - International Commercial Terms

IP - Integrity Pact

IRR - Internal Rate of Return

ISO - International Organisation for Standardization

ITB - Instruction to Bidders

ITC- Input Tax Credit

JV - Joint Venture

L1 - Lowest Bidder

LC - Letter of Credit

LD - Liquidated Damages

LOA - Letter of Award also called acceptance of Tender(A/T)

LOI - Letter of Intent

LPP - Last Purchase Price

LT - Limited Tender

M&P - Machinery and Plant

MOA - Memorandum of Association

MOEF - Ministry of Environment & Forests

MOU - Memorandum of Understanding

MRP - Maximum Retail Price

MSE - Micro and Small Enterprise

MSME(D) - Micro Small and Medium Enterprises (Development Act, 2006)

MSTC - Metal Scrap Trading Corporation

NEFT - National Electronic Funds Transfer

NIC - National Informatics Centre

NIT - Notice Inviting Tender

NSIC - National Small Industries Corporation

OEM - Original Equipment Manufacturer

OES - Original Equipment Supplier

OPEX - Operating Expenses

OT - Open Tender

PAC - Proprietary Article Certificate

PAN - Permanent Account Number

PBG - Performance Bank Guarantee

PMC - Project Management Consultancy Contract

PPP-MII - Public Procurement (Preference to Make in India)

PQ - Pre- Qualification

PQB - Pre-qualification Bidding

PQC - Pre-Qualification Criterion

PR - Purchase Requisition

PSU - Public Sector Undertaking

PVC - Price Variation Clause

QA - Quality Assurance

RBI - Reserve Bank of India

RDSO - Research, Design & Standard Organisation

RC - Rate Contract

RFP - Request for Proposal

RTGS - Real Time Gross Settlement

RTI - Right to Information

SBD - Standard Bidding Document

SBI - State Bank of India

SC- Schedule Caste

SCC - Special Conditions of Contract

SD - Security Deposit

SEC - Standing Estimation Cell/ Committee

SLA - Service Level Agreement

SLTE - Special Limited Tender (Enquiry)

SoPP - Schedule of Procurement Powers

SPCB - State Pollution Control Board

SPV - Special Purpose Vehicle

ST - Single Tender

ST - Schedule Tribe

TC - Tender Committee

TEC - Tender Evaluation Committee

TOC - Tender Opening Committee

TREeDS - Trade Receivable Electronic Discounting System

TS - Tender Specification

UAM - Udyam Aadhaar Memorandum

UNCITRAL - United Nations Commission on International Trade Law

URDS - Uniform Rules for Demand Guarantees

WPI - Wholesale Price Index

**DELEGATION
OF
ADMINISTRATIVE
AND FINANCIAL POWERS
(DAFP)**

APPROVED DELEGATION OF ADMINISTRATIVE & FINANCIAL POWERS RELATING TO PURCHASE MANUAL OF BCL

Values in Lakh

Sl. No.	Nature of power	ED	GM	DGM	Sr. Manager	Manager	Dy. Manager	Asst. Manager	Engineer / Officer
1	Authority for sanction of value to be indented	FULL	FULL	FULL	FULL	25	15	10	5
	The delegation & authority in this regard is only for procurement of materials / sub-contracting against sale of products against BCL's customer's Firm orders or against approved budget or otherwise if approved by CMD – BCL.								
2	Authority for inviting tenders, amendment of tender document & extension of due dates of tenders (each tender)								
2.1	Open (Above Rs. 25 Lakh)	FULL	FULL	150	100	50	---	---	---
2.2	Global	FULL	FULL	---	---	---	---	---	---
2.3	Limited:								
2.3.1	RDSO Approved (FULL value)	FULL	FULL	150	100	50	---	---	---
2.3.2	Others (upto Rs. 25 Lakh)	FULL	FULL	15	10	5	---	---	---
2.4	Single:								
2.4.1	With PAC	FULL	FULL	15	10	5	---	---	---
2.4.2	Without PAC (upto Rs. 25 Lakh)	FULL	FULL	---	---	---	---	---	---
2.5	Without Calling Tender:								
2.5.1	Petty Purchase (upto Rs. 1 Lakh)	Unit Head / Departmental Head							
2.5.2	Spot Purchase (upto Rs. 50 Lakh)	CMD							
2.5.3	Small value works at project sites (upto Rs. 20 Lakh)	Site In charge not below the rank of DGM							
2.6	Special Procurement: Rate Contract, MOU, EPC, PMC, etc	FULL	FULL	150	100	50	---	---	---
2.7	EOI	Approval of CMD routed through Functional Directors.							

Values in Lakh

Sl. No.	Nature of power	CMD	Functional Director	ED	GM	DGM	Sr. Manager	Manager	Dy. Manager	Asst. Manager	Engineer / Officer
3	Approving authority of order placement & repeat order (for each tender)										
3.1	Open (Above Rs. 25 Lakh)	For materials – upto 7500 For services labour, works contract, sub-contracting etc– upto 10000.	500	200	100	50	25	---	---	---	---
3.2	Global tender	For materials – upto 7500 For services labour, works contract, sub-contracting etc– upto 10000.	500	---	---	---	---	---	---	---	---
3.3	Limited tender:										
3.3.1	RDSO Approved (FULL value)	For materials – upto 7500 For services labour, works contract, sub-contracting etc– upto 10000.	500	200	150	100	25	---	---	---	---
3.3.2	Others (upto Rs. 25 Lakh)	---	---	25	20	10	5	---	---	---	---

Values in Lakh

Sl. No.	Nature of power	CMD	Functional Director	ED	GM	DGM	Sr. Manager	Manager	Dy. Manager	Asst. Manager	Engineer / Officer
3.4	Single tender:										
3.4.1	With PAC	7500	50	20	15	10	5	---	---	---	---
3.4.2	Without PAC (upto Rs. 25 Lakh)	25	20	15	10	5	2	---	---	---	---
3.5	Without Calling Tender:										
3.5.1	Petty Purchase	Unit Head / Departmental Head									
3.5.2	Spot Purchase (upto Rs. 50 Lakh)	---	---	50	25	10	5	---	---	---	---
3.5.3	Small value works at project sites (upto Rs. 20 Lakh)	Site In charge not below the rank of DGM									
3.6	Special Procurement: Rate Contract, MOU, EPC, PMC, etc	For materials – upto 7500 For services labour, works contract, sub-contracting etc– upto 10000.	500	200	100	50	25	---	---	---	---
3.7	Consortium	50000 (subject to Board Approval)	---	---	---	---	---	---	---	---	---
3.8	Joint Venture	As per DPE/ Govt. Guidelines									

Values in Lakh

Sl. No.	Nature of power	CMD	Functional Director	ED	GM	DGM	Sr. Manager	Manager	Dy. Manager	Asst. Manager	Engineer / Officer
4	Approving authority for amendments to purchase order										
4.1	For quantity variation	HOD (Purchase) not below the rank of DGM can issue Amendments for 30% quantity increase irrespective of value limit provided DAFP limit of approving authority for original P.O maintains out of such Amendment. In case the total order value considering 30% quantity increase exceeds the delegated limit of original order approving authority, the case shall be referred to higher approving authority as per DAFP for approval. For issue of Amendment towards such quantity increase, no separate financial concurrence is required provided this is indicated in the purchase order / contract. However, in case the same is not indicated in the purchase order / contract, the consent of the vendor(s) and financial concurrence shall be required for the same.									
4.2	Delivery Period Extension without L.D	FULL	200	10	---	---	---	---	---	---	---
4.3	Delivery Period Extension with L.D	HOD (Purchase) not below the rank of DGM.									
4.4	Amendment to orders (not involving financial implications)	H.O.D (Purchase)not below the rank of DGM.									
4.5	Amendment to orders (involving financial implications)	CMD / Board as applicable along with Financial concurrence.									

Values in Lakh

Sl. No.	Nature of power	CMD	Functional Director	ED	GM	DGM	Sr. Manager	Manager	Dy. Manager	Asst. Manager	Engineer / Officer
5	Approving authority for waiver of Security Deposit	FULL	---	---	---	---	---	---	---	---	---
6	Debarment of Suppliers	Approval of CMD routed through Functional Directors.									

Notes:

- I) For placement of orders above Rs. 75 Crore for materials and above Rs. 100 Crore for services, labour, works contract, sub-contracting etc., approval from Board shall be taken.
- II) In case of non-availability of designated / delegated officers, approval of next higher authority is to be taken.
- III) CMD may also sub delegate the powers to any other sub-ordinate officers as appropriate for smooth operations.
- IV) For Capital Purchase of materials, plants & equipment, civil work etc., CMD shall have power to award order up to Rs. 3 Crore. Beyond Rs. 3 Crore, approval from Board shall be taken.
- V) For issuance of Execution Agreement for a contract awarded to a Consortium party of value beyond Rs. 550 Cr, approval of Board shall be taken.
- VI) Only permanent employees will be empowered to exercise powers as per DAFP.

SUGGESTED MODEL FOR FORMATION OF TENDER / NEGOTIATION COMMITTEE

Sl. No.	Particulars	Convener Purchase Executive (not below the rank of)	Member (not below the rank of)		
			Finance	Indenter	Special invitee / Technical Expert
1	Limited Tender up to Rs. 5.0 Lakh / Single Tender up to Rs. 2.0 Lakh.	Asst. Manager	Asst. Manager	Asst. Manager	Executive (E-0)
	Open Tender up to Rs.10.0 Lakh.				
2	Limited Tender above Rs. 5.0 Lakh but up to Rs. 20.0 Lakh / Single Tender above Rs. 2.0 Lakh but up to Rs. 5.0 Lakh.	Dy. Manager / Manager	Dy. Manager / Manager	Dy. Manager / Manager	Executive (E-0)
	Open Tender above Rs. 10.0 Lakh but up to Rs. 20.0 Lakh.				
3	Limited Tender exceeding Rs. 20.0 Lakh / Single Tender exceeding Rs. 5.0 Lakh.	Sr. Manager / DGM	Sr. Manager / DGM	Sr. Manager / DGM	Executive (E-0)
	Open Tender exceeding Rs. 20.0 Lakh.				

Note:

- A. In case, Executives of the level shown above is not available for any reason, CMD may also sub delegate the powers to any other sub-ordinate officers as appropriate for smooth operations.
- B. Representative should not in any case be below the rank E0 grade.

- C. Normally, a standing Committee will be formed with the recommendation of functional Directors and approval of CMD. Nomination of technical expert shall be based on requirement on a case-to-case basis.
- D. There shall be no tender / negotiation committee below Rs. 1 Lakh.
- E. Only permanent employees will be empowered to exercise powers as per DAFP.

**“Online Bill
Submission &
Information System”**

(OBSIS)

By ERP Department, Braithwaite & Co. Ltd.

SYNOPSIS

Abstract

Online Bill Submission & Information System (OBSIS) is targeted to create the bridge between vendors of Braithwaite & Co. Ltd. and all the departments of Braithwaite in a digitalised way in this digital era. This is very much useful for vendors to submit bills online and keep a track of their bill status. This system can be used by any vendors once they have their login credentials.

Name of the project:- "Online Bill Submission & Information System"

Objective:-

- Online submission of bills
- Approval of the bills by respective departments
- Mapping bills with the MRR/SRR
- Making the entire process from bill submission to generate BR faster & efficient
- Remote access only internet is required

User Views:-

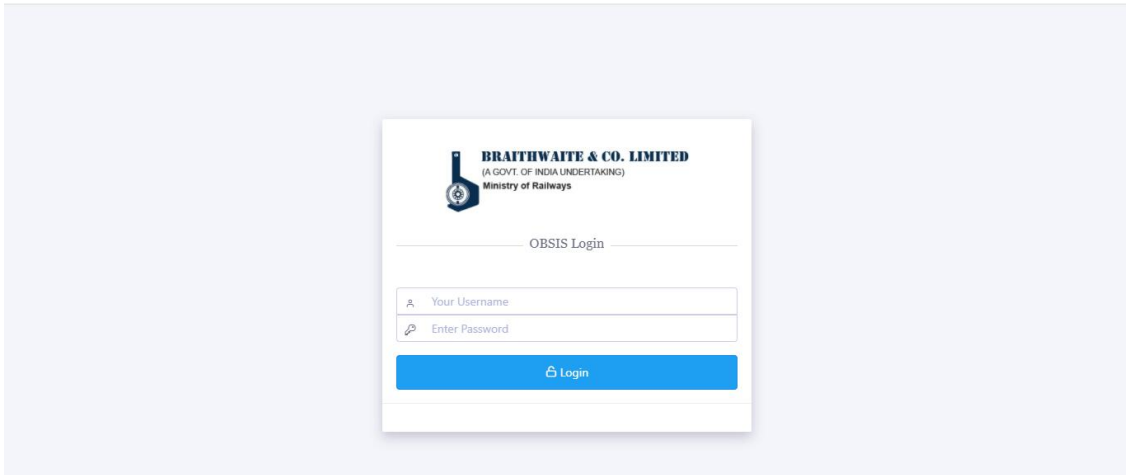
- Vendor

Platform:-

- **Operating system:** Microsoft Windows
- **Hardware Requirement:**
 1. Intel Pentium IV processor or higher
 2. 2 GB RAM or higher
 3. 20GB HDD or higher
 4. Network Connectivity

Vendor

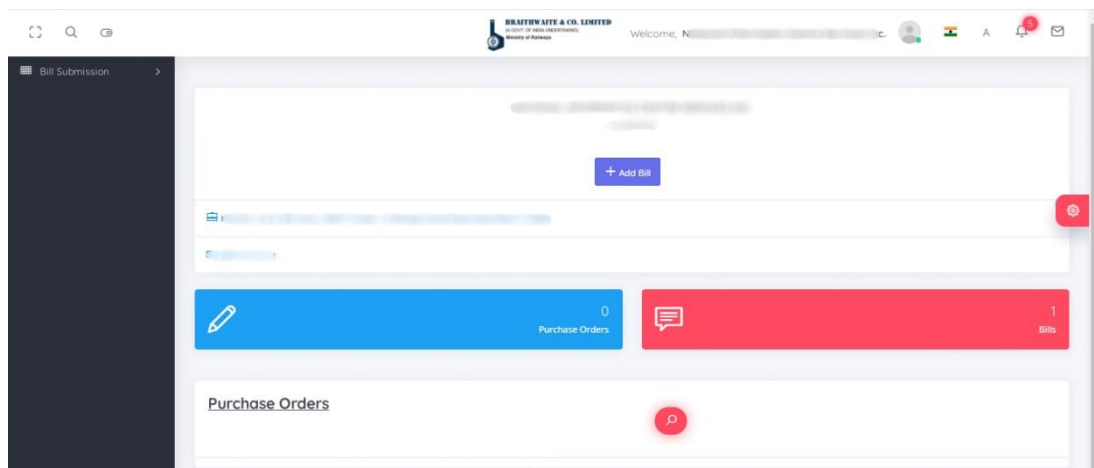
Login Page URL:- https://braithwaiteindia.in/obsis/sec_users/login



This is the OBSIS login page for Vendors.

Vendors can login here using their user id & password.

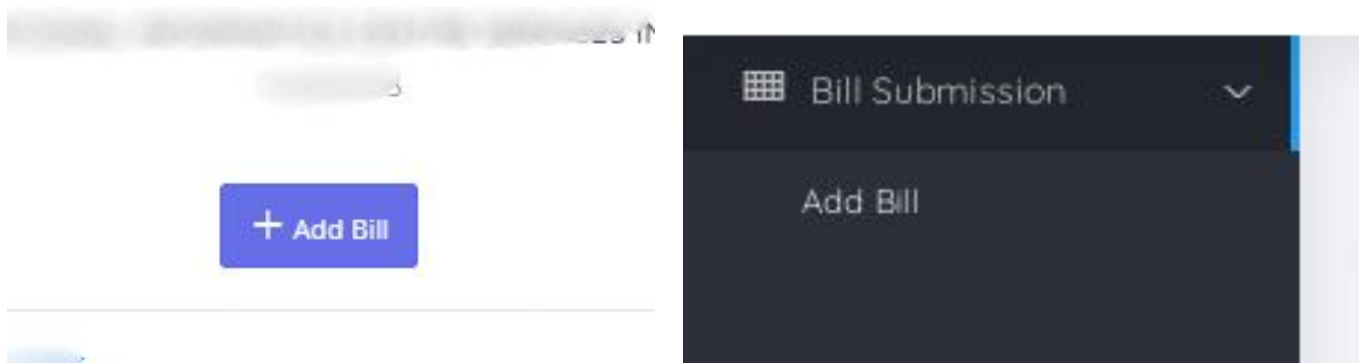
Once logged in successfully they will be redirected to their dashboard as shown below.



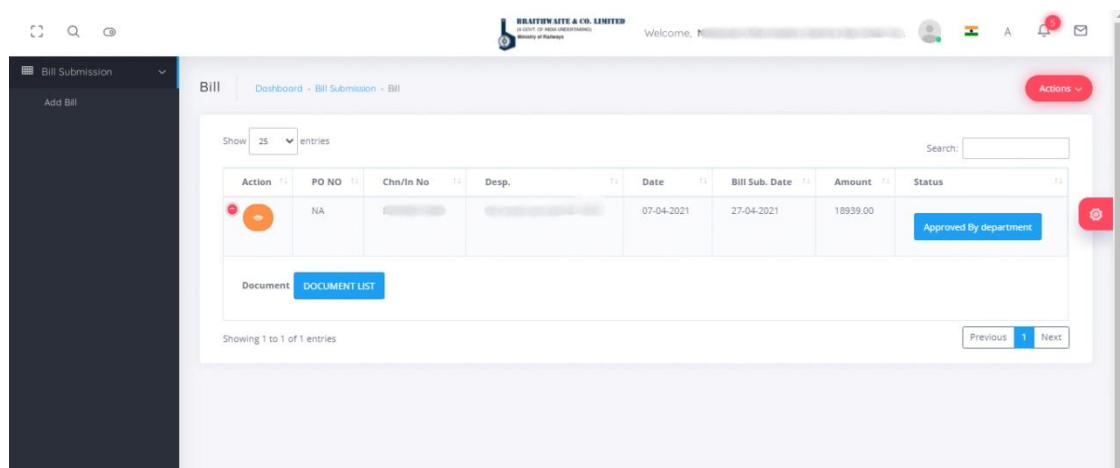
Vendors can see the list of Purchase orders,if any, in the dashboard page itself.

To add a new bill they can either click on the **Add Bill** button at the top or they can click on bill submission on the left vertical navbar where they will find an **Add Bill** option.

Note: For bill submission **Document Type** should be mapped with PO by purchase officer and **Security Deposit Status** should be updated by accounts officer.



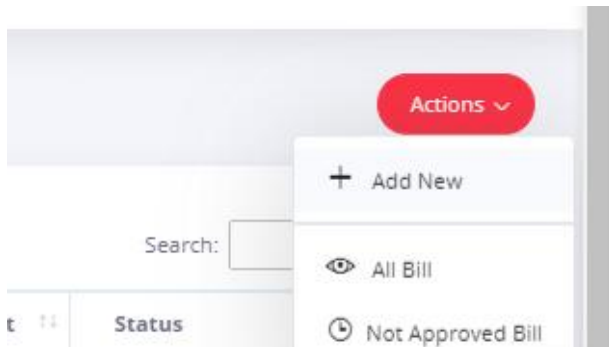
This will redirect them to a new module where they can see the list of all the bills added by them . They can also be able to see those bills added for them by the Obsis Helpdesk.



The current status of the bill and all other details including **Bill Receipt** and **Document List** can be seen in the datatable itself.

Adding New Bill

To add a new bill one have to click on **Actions** button on the top right and then **Add New**.



This will redirect them to a page having the main form as shown below.

A screenshot of a web application interface for adding a new bill. The page title is 'Bill' and the breadcrumb is 'Dashboard - Bill Submission - Add New Bill'. The form includes fields for 'PO NO' (with a dropdown menu showing 'NA'), 'Department' (with a dropdown menu showing 'Select'), 'Invoice No', and 'Remark'. There are also fields for 'Bill Date' and 'Bill Amount'. Below the form is a section titled 'UPLOAD INVOICE & RELEVANT DOCUMENTS :'. At the bottom right, there is a red button labeled 'INVOICE & MISCELLANEOUS' and a blue 'Save' button. The top right corner shows a user profile, a welcome message, and notification icons.

Note: If the bill is not linked with any Purchase Order ,one has to select **NA** in the PO NO: dropdown.

In the upload document section the vendor has to click on the document names and upload related documents.A successful documents upload will turn the document name button/buttons into green colour.

After everything has been entered one has to click save button and they will be redirected to the datatable where they will be able to see their recently submitted bills details and can thereby perform required actions if needed.

Actions

The buttons under the action column in the datable will change according to the bill status.

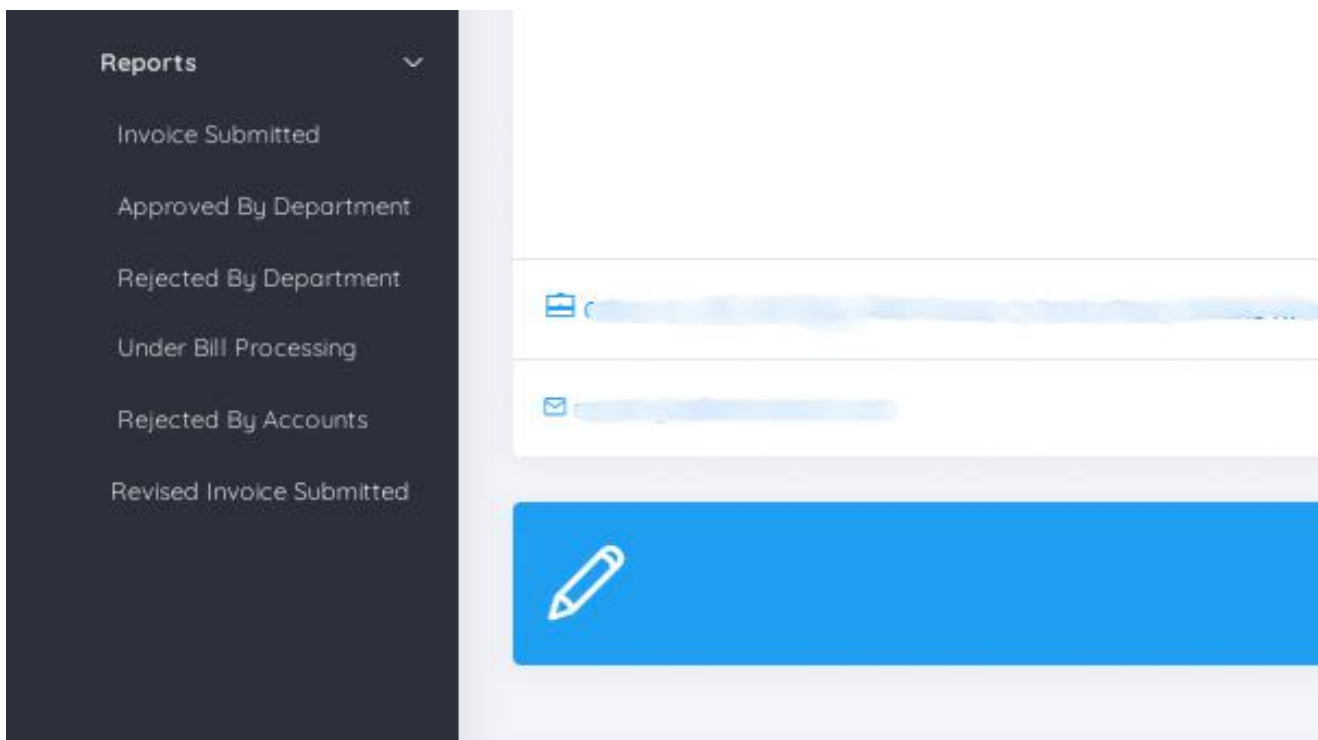
Vendors can see the edit button for a bill if that bill is rejected by the Indentor or Main Authority. Only then they will be able to edit that bill and re-submit it.

Vendors can also delete the bill and add afresh if they think some mistake has been made initially.

Once the bill is approved the status will change into **Bill Processed**.

Reports

In the reports section vendors have access to six reports where they can see the list of their bills and details. They can select the report on basis of bill status.



CONCLUSION

The execution plan, monitoring, managing changes, communication and documentation were vital for the successful execution stage of this Online Bill Submission And Information System (OBSIS).